B S R & Co. LLP

Chartered Accountants

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Independent Auditor's Report

To the Members of GE Power Boilers Services Limited (formerly known as Alstom Power Boilers Services Limited)

1. Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of GE Power Boilers Services Limited (formerly known as "Alstom Power Boilers Services Limited") ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31 March 2017, its loss (financial performance), its cash flows and the changes in equity for the year ended on that date.

5. Emphasis of Matter

We draw attention to note 1 of the Ind AS financial statements wherein it is explained that the Company has accumulated losses and its net worth has been fully eroded. The Company has incurred a net loss during the current and previous years and, the Company's current liabilities exceeded its current assets as at the balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis based on a letter of continued financial support provided by the parent company.

Our opinion is not modified in respect of this matter.

6. Other Matters

The comparative financial information of the Company for the year ended 31 March 2016 and the transition date opening balance sheet as at 1 April 2015 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31 March 2016 and 31 March 2015 dated 8 May 2016 and 29 April 2015 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

7. **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure I" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account

   d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

   e. The going concern matter described under 'Emphasis of Matter' paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

   f. On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

   g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure II".

   h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – refer note 20 to the Ind AS financial statements;

      ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

iv) The Company did not have any holdings or dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

Pravin Tulsyan
Partner
Membership No.: 108044

Place: Gurugram
Date: 20 May 2017

Annexure I referred to in paragraph 7 (1) of the Independent Auditor's Report to the Members of GE Power Boilers Services Limited (formerly known as "Alstom Power Boilers Services Limited") on the Ind AS financial statements for the year ended 31 March 2017

We report that:

(i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) According to the information and explanations given to us, the fixed assets are physically verified by the management every year, which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. In accordance with this programme, all fixed assets have been physically verified by the management during the year. As informed to us, no material discrepancies were observed on such verification.

(c) According the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable properties are held in the name of the Company.

(ii) The Company does not hold any inventory. Accordingly, para 3 (ii) of the Order is not applicable.

(iii) According to the information and explanations given to us, the Company, has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, para 3 (iii) of the Order is not applicable.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to loans and investments made.

(v) According to the information and explanations given to us, the Company has not accepted any deposits covered under section 73 to 76 of the Act.

(vi) The Central Government has not prescribed maintenance of cost records under sub section (1) of Section 148 of Act for the services rendered by the Company. Accordingly, para 3 (vi) of the Order is not applicable.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Income tax and other statutory dues, to the extent applicable, have been regularly deposited with the appropriate authorities during the year. As explained to us, the Company did not have any dues on account of Provident Fund, Employees State Insurance, Sales Tax, Service Tax, Duty of Excise, Duty of Customs, Cess and Value Added Tax.

According to the information and explanation given to us, there are no undisputed amounts payable in respect of Income-tax and other statutory dues that were in arrear as at 31 March 2017 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues in respect of Income-tax which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, the Company does not have any loans or borrowings from any financial institutions, banks, government or debenture holders during the year. Accordingly, paragraph 3 (viii) of the order is not applicable.

(ix) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instrument) and any term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/ provided for any managerial remuneration during the year. Accordingly, paragraph 3 (xi) of the Order is not applicable.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to information and explanations given to us and on the basis of our examination of the records of the Company, all transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the Ind AS financial statements, as required by the applicable accounting standards.

(xiv) According to information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

(xv) According to information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) According to information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

Pravin Tulsyan
Partner
Membership No.: 108044

Place: Gurugram
Date: 20 May 2017

Annexure II referred to in paragraph 7 (2) (g) of the Independent Auditor's Report to the Members of GE Power Boilers Services Limited (formerly known as "Alstom Power Boilers Services Limited") on the Ind AS financial statements for the year ended 31 March 2017

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

We have audited the internal financial controls over financial reporting of GE Power Boilers Services Limited (formerly known as "Alstom Power Boilers Services Limited") ("the Company") as of 31 March 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

Pravin Tulsyan
Partner
Membership No.: 108044

Place: Gurugram
Date: 20 May 2017

GE Power Boilers Services Limited (formerly known as Alstom Power Boilers Services Limited)
CIN : U31200WB1947PLC015280
Balance Sheet as at 31 March 2017

(Rupees in thousands)

	Notes	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	3	**24**	25	26
(b) Other non-current tax assets	4	**6,048**	5,927	5,920
		6,072	5,952	5,946
(2) Current assets				
(a) Financial assets				
(i) Trade receivables	5	**-**	-	1,203
(ii) Cash and cash equivalents	6	**21,730**	14,405	17,360
(iii) Other current financial assets	7	**41**	101	156
		21,771	14,506	18,719
Total assets		**27,843**	20,458	24,665
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	8	**3,400**	3,400	3,400
(b) Other equity	9	**(33,998)**	(6,546)	(3,948)
		(30,598)	(3,146)	(548)
Liabilities				
(1) Non-current liabilities				
(a) Deferred tax liabilities (net)	10	**-**	-	7
		-	-	7
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	11	**35,000**	-	-
(ii) Trade payables	12			
- Micro, small and medium enterprises		**-**	-	-
- Others		**2,662**	4,176	6,290
(b) Other current liabilities	13	**5,967**	5,616	5,618
(c) Short term provisions	14	**14,812**	13,812	13,298
		58,441	23,604	25,206
Total equity and liabilities		**27,843**	20,458	24,665

Significant accounting policies 2

The notes referred to are form an integral part of these financial statements.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration Number:
101248W/W-100022

Pravin Tulsyan
Partner
Membership No: 108044
Place : Gurugram
Date: 20 May 2017

For and on behalf of the Board of Directors of GE Power Boilers Services Limited

Rajeev Sharma
Director
(DIN : 06421419)

Meenal Chaukarkishor
Director
(DIN : 07562285)

GE Power Boilers Services Limited (formerly known as Alstom Power Boilers Services Limited)
CIN : U31200WB1947PLC015280
Statement of Profit and Loss for the year ended 31 March 2017

(Rupees in thousands)

	Notes	For the year ended 31 March 2017	For the year ended 31 March 2016
Income			
Other income	15	**1,729**	1,051
Total income		**1,729**	1,051
Expenses			
Finance costs	16	**400**	-
Depreciation expense	3	**1**	1
Other expenses	17	**28,780**	3,329
Total expenses		**29,181**	3,330
Loss before tax		**(27,452)**	(2,279)
Tax Expense:			
(1) Current tax		-	326
(2) Deferred tax (credit)		-	(7)
Loss for the year		**(27,452)**	(2,598)
Basic and diluted earnings per equity share [Nominal value per share Rs. 100 (previous year Rs. 100)]	22	**(807)**	(76)
Significant accounting policies	2		

The notes referred to are form an integral part of these financial statements.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration Number:
101248W/W-100022

Pravin Tulsyan
Partner
Membership No: 108044
Place : Gurugram
Date: 20 May 2017

For and on behalf of the Board of Directors of GE Power Boilers Services Limited

Rajeev Sharma
Director
(DIN : 06421419)

Meenal Chaukarkishor
Director
(DIN : 07562285)

GE Power Boilers Services Limited (formerly known as Alstom Power Boilers Services Limited)
CIN : U31200WB1947PLC015280
Statement of changes in equity for the year ended 31 March 2017

(Rupees in thousands)

	Notes	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
A. Equity share capital	8			
Balance at the beginning and end of the year		**3,400**	3,400	3,400
B. Other equity	9			
Deficit in Statement of Profit and Loss				
Balance at the beginning of the year		**(6,546)**	(3,948)	(2,221)
Loss for the year		**(27,452)**	(2,598)	(1,727)
Total		**(33,998)**	(6,546)	(3,948)
Significant accounting policies	2			

The notes referred to are form an integral part of these financial statements.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration Number:
101248W/W-100022

Pravin Tulsyan
Partner
Membership No: 108044
Place: Gurugram
Date: 20 May 2017

For and on behalf of the Board of Directors of GE Power Boilers Services Limited

Rajeev Sharma
Director
(DIN : 06421419)

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Director
(DIN : 07562285)

GE Power Boilers Services Limited (formerly known as Alstom Power Boilers Services Limited)
CIN : U31200WB1947PLC015280
Cash Flow Statement for the year ended 31 March 2017

(Rupees in thousands)

	For the year ended 31 March 2017	For the year ended 31 March 2016
A. Cash flow from operating activities		
Loss before tax	(27,452)	(2,279)
Adjustments for:		
Depreciation expense	1	1
Liabilities/ provision no longer required written back	(984)	-
Interest income from deposit with banks	(745)	(1,051)
Finance costs	400	-
Operating loss before working capital changes	(28,780)	(3,329)
Adjustments for changes in working capital		
Decrease in trade receivables	-	1,203
(Decrease) in trade payables	(530)	(2,114)
Increase / (decrease) in other current liabilities	(49)	(2)
Increase in short term provisions	1,000	514
Cash (used in) operating activities	(28,359)	(3,728)
Income tax (payments)	(121)	(333)
Net Cash (used in) operating activities	(28,480)	(4,061)
B. Cash flow from investing activities		
Interest received	805	1,106
Net cash generated from investing activities	805	1,106
C. Cash flow from financing activities		
Proceeds from borrowings	35,000	-
Net cash generated from financing activities	35,000	-
Net cash flows during the year (A+B+C)	7,325	(2,955)
Cash and cash equivalents, beginning of the year	14,405	17,360
Cash and cash equivalents, end of the year	21,730	14,405
Components of cash and cash equivalents as at end of the year		
Bank balances		
- In current account	730	1,405
- In deposit account (less than 3 months maturity)	21,000	13,000
	21,730	14,405

1. The Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard - 7 on Statement of Cash Flows as notified under Section 133 of the Companies Act, 2013.
2. Figures in brackets indicate cash outflow.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration Number:
101248W/W-100022

Pravin Tulsyan
Partner
Membership No: 108044
Place : Gurugram
Date: 20 May 2017

For and on behalf of the Board of Directors of
GE Power Boilers Services Limited

Rajeev Sharma
Director
(DIN : 06421419)

Meenal Chaukarkishor
Director
(DIN : 07562285)

1. General information

GE Power Boilers Services Limited (formerly known as Alstom Power Boilers Services Limited) ('GEPBSL' or 'the Company') is a wholly owned subsidiary of GE Power India Limited ('GEPIL') (formerly known as ALSTOM India Limited) and is primarily engaged in the business of erection and commissioning, overhauling, repair, renovation and retrofitting of various types of boilers, catering to the needs of independent power producers, public utility companies and other industrial users. From 01 January 2005, the Company has started providing marketing and sales support services to General Electric (Switzerland) GmbH (formerly known as Alstom (Switzerland) Limited) for which it is entitled to commission income.

Operational outlook

During the financial year ended 31 March 2017, the Company had a total income of Rs 1,729 thousands (31 March 2016: Rs 1,051 thousands) along with loss after Tax of Rs. 27,452 thousands (31 March 2016: Rs 2,598 thousands). As at 31 March 2017, the Company's accumulated losses of Rs. 33,998 thousands have eroded it's paid up equity capital of Rs. 3,400 thousand. GEPIL, the immediate holding company, has committed to provide continued operational and financial support to the Company. Accordingly, the accompanying financial statements have been prepared on a going concern basis.

2. Significant accounting policies

2.1 Basis of preparation of financial statements

2.1.1 Statement of compliance

The 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 2016 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (previous GAAP), notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first financial statements prepared in accordance with Ind AS. Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in note 26.

Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification in accordance with Schedule III, Division II of Companies Act, 2013 notified by the Ministry of Corporate Affairs.

An asset is classified as current when it is: a) Expected to be realised or intended to be sold or consumed in normal operating cycle, b) Held primarily for the purpose of trading, c) Expected to be realised within twelve months after the reporting period, or d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: a) It is expected to be settled in normal operating cycle, b) It is held primarily for the purpose of trading, c) It is due to be settled within twelve months after the reporting period, or d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non- current classification of assets and liabilities, except for projects business. The projects business comprises long-term contracts which have an operating cycle exceeding one year. For classification of current assets and liabilities related to projects business, the Company uses the duration of the contract as its operating cycle.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Companies (Accounts) Rules 2014.

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

2.1.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except certain financial assets and liabilities that are measured at fair value or amortised value.

2.1.3 Functional currency

The financial statements are presented in Indian Rupees (Rupees or INR), which is the Company's functional and presentation currency and all amounts are rounded to the nearest thousands, except as stated otherwise.

B S R & Co. LLP * Chartered Accountants *

2.1.4 Use of estimates and judgements

In preparing these 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

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment recognised in the financial statements are as under :

- measurement of useful life, residual values and impairment of property, plant and equipment,
- recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used,
- recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources,
- impairment of financial assets and non financial assets,

2.1.5 Measurement of fair values

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

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).

The Company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the finance 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.

Significant valuation issues are reported to the Company's Board of Directors.

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 recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the respective notes.

2.2 Property, plant and equipment and depreciation

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price including import duties and non refundable purchase taxes after deducting trade discounts and rebates, if any, directly attributable cost of bringing the item to its location and condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Special tools are capitalised as plant and machinery.

Gains or losses arising from derecognition of property, plant and equipment are measured as the differences between the net disposal proceeds and the carrying amount of the property, plant and equipment and are recognized in the statement of profit and loss when the property, plant and equipment is derecognized.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

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The cost of fixed assets not ready for their intended use is recorded as capital work-in-progress before such date. Cost of construction that relate directly to specific fixed assets and that are attributable to construction activity in general and can be allocated to specific fixed assets are included in capital work-in-progress.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the B.1.1 and use that carrying value as the deemed cost of the property, plant and equipment. Refer note 26.

Depreciation methods, estimated useful lives and residual value:

Property, plant and equipment, other than land, are depreciated on a pro-rata basis on Straight Line Method (SLM) using the rates arrived based on the useful lives of assets specified in Part C of Schedule II thereto of the Companies Act, 2013 as follows :

Asset category	Useful life in years
Other buildings	60

Based on technical evaluation , the management believes that the residual value is Nil.

Asset's residual values and useful lives are reviewed at each financial year end, considering the physical condition of the assets and benchmarking analysis or whenever there are indicators for review and adjusted prospectively.

2.3 Impairment of non financial assets

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's (CGU) fair value less cost of disposal and its value in use. Value in use is the present value of estimated future cash flows using a pre-tax discount rate that reflects current market assessment of the time value of money and risk specific to the CGU (or the asset) expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. Such a reversal is made 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 amortisation, if no impairment loss had been recognised.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

2.4 Cash and cash equivalents

In the cash flow statement, cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.5 Leases

i. Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

ii. Assets held under leases

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

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 leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

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2.6 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of 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 statement of profit and loss.

(ii) Financial instruments

a. Recognition and initial measurement

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

b. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI (fair value though other comprehensive income);
- FVTPL (fair value through statement of profit and loss)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

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In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in statement of profit and loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit and loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

c. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement of profit and loss.

d. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.7 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for applicable jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

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Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current period tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current period tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current period tax and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

2.8 Other income

Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

2.9 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

2.10 Provisions and contingent liabilities/ assets

A provision is recognised 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. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Contingencies

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

2.11 Recent accounting pronouncements

Applicable standards issued but not yet effective

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

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3. Property, plant and equipment

(Rupees in thousands)

Particulars	Gross block				Depreciation				Net block
	As at 01 April 2016	Additions	Disposal	As at 31 March 2017	As at 01 April 2016	Charge for the year	Disposal	As at 31 March 2017	As at 31 March 2017
Other buildings	26	-	-	26	1	1	-	2	24
Total	**26**	**-**	**-**	**26**	**1**	**1**	**-**	**2**	**24**

Particulars	Gross block				Depreciation				Net block
	Deemed cost as at 01 April 2015 #	Additions	Disposal	As at 31 March 2016	As at 01 April 2015	Charge for the year	Disposal	As at 31 March 2016	As at 31 March 2016
Other buildings	26	-	-	26	-	1	-	1	25
Total	**26**	**-**	**-**	**26**	**-**	**1**	**-**	**1**	**25**

Ref note 2.2

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GE Power Boilers Services Limited (formerly known as Alstom Power Boilers Services Limited)
CIN : U31200WB1947PLC015280
Notes to the financial statements for the year ended 31 March 2017

(Rupees in thousands)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
4. Other non-current tax assets			
(Unsecured, considered good)			
Advance tax and tax deducted at source (net of provision for income tax)	**6,048**	5,927	5,920
Total	**6,048**	5,927	5,920
Provision for income tax	**2,653**	2,653	2,327
5. Trade receivables			
Unsecured, considered good	-	-	1,203
Total	-	-	1,203

For trade receivables from related parties refer note 20.

The Company's exposure to credit risks, and loss allowances related to financial assets carried at amortised cost are disclosed in note 24.

6. Cash and cash equivalents*			
Bank balances			
- In current account	**730**	1,405	360
- In deposit account (less than 3 months maturity)	**21,000**	13,000	17,000
Total	**21,730**	**14,405**	**17,360**

* The Company did not have any holdings or dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016.

7. Other current financial assets			
Interest accrued on deposit with banks	**41**	101	156
Total	**41**	**101**	**156**

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	As at 31 March 2017		As at 31 March 2016		As at 01 April 2015	
	Number	(Rupees in thousands)	Number	(Rupees in thousands)	Number	(Rupees in thousands)
8. Equity share capital						
Authorised						
Equity shares of Rs. 100 each	**250,000**	**25,000**	250,000	25,000	250,000	25,000
Issued, subscribed and fully paid up						
Equity shares of Rs. 100 each	**34,000**	**3,400**	34,000	3,400	34,000	3,400

a. Movement of the shares outstanding at the beginning and at the end of the reporting year

	As at 31 March 2017		As at 31 March 2016		As at 01 April 2015	
Equity shares	Numbers	(Rupees in thousands)	Numbers	(Rupees in thousands)	Numbers	(Rupees in thousands)
At the beginning of the year	**34,000**	**3,400**	34,000	3,400	34,000	3,400
At the end of the year	**34,000**	**3,400**	34,000	3,400	34,000	3,400

b. Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 100 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares of the company held by holding/ultimate holding company
(refer note 20)

	As at 31 March 2017		As at 31 March 2016		As at 01 April 2015	
	Numbers	(Rupees in thousands)	Numbers	(Rupees in thousands)	Numbers	(Rupees in thousands)
Equity share by GE Power India Limited (formerly known as ALSTOM India Limited) , the immediate holding company	**34,000**	**3,400**	34,000	3,400	34,000	3,400

General Electric Company, United States is the ultimate holding company with effect from 02 November 2015. ALSTOM France was ultimate holding company and ALSTOM Holdings France was intermediate holding company till 01 November 2015.

d. Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2017		As at 31 March 2016		As at 01 April 2015	
	Numbers	% holding in the class	Numbers	% holding in the class	Numbers	% holding in the class
GE Power India Limited (formerly known as ALSTOM India Limited) , the immediate holding company	**34,000**	**100%**	34,000	100%	34,000	100%

(Rupees in thousands)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
9. Other equity			
Deficit in the Statement of Profit and Loss			
Balance at the beginning of the year	**(6,546)**	(3,948)	(2,221)
(Loss) for the year	**(27,452)**	(2,598)	(1,727)
Balance at the end of the year	**(33,998)**	(6,546)	(3,948)

(Rupees in thousands)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
10. Deferred tax liabilities (net)			
Deferred tax liabilities on account of			
Difference between WDV of fixed assets as per books and under the Income - tax Act,1961	-	-	7
Deferred tax liabilities (net)	-	-	7

	For the year ended 31 March 2017	For the year ended 31 March 2016
Amounts recognised in statement of profit and loss		
Attributable to-		
Difference between WDV of fixed assets as per books and under Income - tax Act, 1961	-	(7)
	-	(7)

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summaried below :

	As at 31 March 2017	As at 31 March 2016
Loss before tax	(27,452)	(2,598)
Enacted tax rates in India	30.90%	30.90%
Computed expected tax expenses/ (income)	(8,483)	(803)
Tax effect of expenses that are not deductible for tax purposes	8,483	1,122
Income tax expense	-	319

(Rupees in thousands)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
11. Borrowings			
From related party - GE Power India Limited, the immediate holding Company	35,000	-	-
	35,000	-	-

The Company has obtained borrowing from its holding company of Rs. 35,000 thousands at an interest rate of 8.185%, repayable on 04 February 2018.

12. Trade Payables			
Trade payables			
- Micro, small and medium enterprises *	-	-	-
- Others	2,662	4,176	6,290
	2,662	4,176	6,290

* 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 payable to Micro and Small Enterprises. Further, the Company has not received any claim for interest from any supplier under the said Act.

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(Rupees in thousands)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
13. Other current liabilities			
Payable to GE Power India Limited (formerly ALSTOM India Limited), the immediate holding Company	**5,228**	5,228	5,210
Other payables	**319**	373	388
Statutory dues	**60**	15	20
Interest accrued on borrowings	**360**	-	-
	5,967	5,616	5,618
14. Short term provisions			
Provision for contingencies/ others	**14,812**	13,812	13,298
	14,812	13,812	13,298
Movement of provision for contingencies/ others:			
As at beginning of the year	**13,812**	13,298	-
Add: Addition during the year	**1,000**	514	13,298
As at end of the year	**14,812**	13,812	13,298

Information about other provisions:

Contingencies/ others - Provision for contingencies represents estimates made mainly for probable claims arising out of litigations / disputes pending with various authorities.

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(Rupees in thousands)

	For the year ended 31 March 2017	For the year ended 31 March 2016
15. Other Income		
Interest income from deposit with banks	745	1,051
Liabilities/ provision no longer required written back	984	-
	1,729	1,051
16. Finance costs		
Interest on borrowings	400	-
	400	-
17. Other expenses		
Rent	-	1
Payment to auditors (excluding service tax):		
Audit fee	144	143
Legal and professional charges	28,530	3,150
Miscellaneous expenses	106	35
	28,780	3,329

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18. Lease commitments

With respect to all operating leases, lease payments of Rs. Nil (previous year – Rs. 1 thousands) have been recognised as an expense in the statement of profit and loss.

19. Segment information

During the current year and previous year, the Company has not engaged in any business activity to earn revenues, hence no operating segment has been identified. Therefore, disclosures as required under Indian Accounting Standard - 108 on Operating Segments have not been made.

20. Related Party

List of related parties

Parties with whom control exists:

General Electric Company, United States (since 2 November 2015)*	(Ultimate holding company)
Alstom India Tracking BV (Formerly known as ALSTOM FINANCE BV)	(Intermediate holding company)
GE Power India Limited, India (formerly known as ALSTOM India Limited)	(Immediate holding company)

** ALSTOM France was ultimate holding company and ALSTOM Holdings France was intermediate holding company till 1 November 2015*

(Rupees in thousands)

Transactions with related parties during the year:	**For the year ended 31 March 2017**	For the year ended 31 March 2016
Interest expense on borrowings		
GE Power India Limited	**400**	-
Borrowings		
GE Power India Limited	**35,000**	-

(Rupees in thousands)

Oustanding balances:	**As at 31 March 2017**	As at 31 March 2016	As at 01 April 2015
Payables			
GE Power India Limited	**5,228**	5,228	5,210
Trade receivables			
GE Power India Limited	-	-	1,203
Borrowings			
GE Power India Limited	**35,000**	-	-

21. Contingent liabilities

Claims against the Company not acknowledged as debts Rs. 3,265 thousands (31 March 2016: Rs. 3,265 thousands, 01 April 2015: Rs. 3,265 thousands).

22. Earning per share

		For the year ended 31 March 2017	For the year ended 31 March 2016
a)	Weighted average number of equity shares outstanding during the year	**34,000**	34,000
b)	(Loss) after tax available for equity shareholders (rupees in thousands)	**(27,452)**	(2,598)
c)	Face value per share (in rupees)	**100**	100
d)	Basic and diluted earnings (in rupees) per share	**(807)**	(76)

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23. Financial instruments and fair value measurements - accounting classification

A. Accounting classifications and fair values

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value :

1 Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

2 Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

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

For fair value hierarchy refer to note 2.1.5.

(Rupees in thousands)

	Notes	Carrying Amount	Fair Value		
		As at 1 April 2015	Level 1	Level 2	Level 3
Financial assets at fair value at amortised cost					
Current assets					
Trade receivables	5	1,203	-	-	-
Cash and cash equivalents	6	17,360	-	-	-
Other current financial assets					
Interest accrued on deposit with banks	7	156	-	-	-
Total		**18,719**	-	-	-
Financial liabilities at fair value at amortised cost					
Current liabilities					
Trade payables	12	6,290	-	-	-
Total		**6,290**	-	-	-

(Rupees in thousands)

	Notes	Carrying Amount	Fair Value		
		As at 31 March 2016	Level 1	Level 2	Level 3
Financial assets at fair value at amortised cost					
Current assets					
Cash and cash equivalents	6	14,405	-	-	-
Other current financial assets					
Interest accrued on deposit with banks	7	101	-	-	-
Total		**14,506**	-	-	-
Financial liabilities at fair value at amortised cost					
Current liabilities					
Trade payables	12	4,176	-	-	-
Total		**4,176**	-	-	-

(Rupees in thousands)

	Notes	Carrying Amount	Fair Value		
		As at 31 March 2017	Level 1	Level 2	Level 3
Financial assets at fair value at amortised cost					
Current assets					
Cash and cash equivalents	6	21,730	-	-	-
Other current financial assets					
Interest accrued on deposit with banks	7	41	-	-	-
Total		**21,771**	-	-	-
Financial liabilities at fair value at amortised cost					
Current liabilities					
Borrowings	11	35,000	-	-	-
Trade payables	12	2,662	-	-	-
Total		**37,662**	-	-	-

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

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24. Financial risk management

Financial risk relates to Company's ability to meet financial obligations and mitigate exposure to broad market risks, including volatility in foreign currency exchange rates and interest rates and commodity prices; credit risk; and liquidity risk, including risk related to our credit ratings and our availability and cost of funding. Credit risk is the risk of financial loss arising from a customer or counterparty failure to meet its contractual obligations. The Company face credit risk in our industrial businesses, as well as in derivative financial instruments activities. Liquidity risk refers to the potential inability to meet contractual or contingent financial obligations (whether on- or off-balance sheet) as they arise, and could potentially impact Company financial condition or overall safety and soundness.

(A) 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, and arises principally from the receivables from customers; loans and deposits.

The carrying amounts of financial assets represent the maximum credit risk exposure.

The allowance for lifetime expected credit loss on customer balances for the year ended 31 March 2017 and 31 March 2016 is insignificant and hence the same has not been recognised.

(B) 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 following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

Contractual maturities of financial liabilities:

31 March 2017	Less than 1 year	More than 1 year	Total
Non-derivatives			
Borrowings	35,000.0	-	35,000
Trade payables	2,662.0	-	2,662
Total non-derivative liabilities	**37,662.0**	**-**	**37,662**

31 March 2016	Less than 1 year	More than 1 year	Total
Non-derivatives			
Trade payables	4,176.0	-	4,176
Total non-derivative liabilities	**4,176.0**	**-**	**4,176**

01 April 2015	Less than 1 year	More than 1 year	Total
Non-derivatives			
Trade payables	6,290.0	-	6,290
Total non-derivative liabilities	**6,290.0**	**-**	**6,290**

GEPIL, the holding company, has committed to provide continued operational and financial support to the Company.

(C) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

There are no significant market risks perceived by the Company as on 31 March 2017 and 31 March 2016.

25. Capital management

The Company is having Rs. 35,000 thousands borrowings as on 31 March 2017 (31 March 2016 : Rs. Nil ; 1 April 2015 : Rs. Nil). The gearing ratio is as follows:

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Net debt	**13,270**	-	-
Total equity	**(30,598)**	(3,146)	(548)
Net debt to equity ratio	**(0.43)**	-	-

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26. Explanation of Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP and an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Reconciliation between previous GAAP and Ind AS

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

	** Previous GAAP	Ind AS adjustments	Ind AS
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	26	-	26
(b) Other non-current tax assets	5,920	-	5,920
	5,946	-	5,946
(2) Current assets			
(a) Financial assets			-
(i) Trade receivables	1,203	-	1,203
(ii) Cash and cash equivalents	17,360	-	17,360
(iii) Other current financial assets	156	-	156
	18,719	-	18,719
Total assets	24,665	-	24,665
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	3,400	-	3,400
(b) Other equity	(3,948)	-	(3,948)
	(548)	-	(548)
Liabilities			
(1) Non-current liabilities			
(a) Deferred tax liabilities (net)	7	-	7
	7	-	7
(2) Current liabilities			
(a) Financial liabilities			
(i) Trade payables	6,290	-	6,290
(b) Other current liabilities	5,618	-	5,618
(c) Short term provisions	13,298	-	13,298
	25,206	-	25,206
Total equity and liabilities	24,665	-	24,665

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

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b) Reconciliation of equity as at 31 March 2016

	** Previous GAAP	Ind AS adjustments	Ind AS
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	25	-	25
(b) Other non-current tax assets	5,927	-	5,927
	5,952	-	5,952
(2) Current assets			
(a) Financial assets			-
(i) Trade receivables	-	-	-
(ii) Cash and cash equivalents	14,405	-	14,405
(iii) Other current financial assets	101	-	101
	14,506	-	14,506
Total assets	20,458	-	20,458
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	3,400	-	3,400
(b) Other equity	(6,546)	-	(6,546)
	(3,146)	-	(3,146)
Liabilities			
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	4,176	-	4,176
(b) Other current liabilities	5,616	-	5,616
(c) Short term provisions	13,812	-	13,812
	23,604	-	23,604
Total equity and liabilities	20,458	-	20,458

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

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

	Previous GAAP	Ind AS Adjustments	Ind AS
Income			
Other income	1,051	-	1,051
Total income	1,051	-	1,051
Expenses			
Depreciation expense	1	-	1
Other expenses	3,329	-	3,329
Total expenses	3,330	-	3,330
Loss before tax	(2,279)	-	(2,279)
Tax expense:			
(1) Current tax	326	-	326
(2) Deferred tax (credit)	(7)		(7)
Loss for the year	(2,598)	-	(2,598)

d) Impact of Ind AS adoption on the statement of cash flows for the year ended 31 March 2016

	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	(4,061)	-	(4,061)
Net cash flow from investing activities	1,106	-	1,106
Net increase / (decrease) in cash and cash equivalents	(2,955)	-	(2,955)
Cash and cash equivalents as at 1 April 2015	17,360	-	17,360
Cash and cash equivalents, end of year	14,405	-	14,405
Cash and cash equivalents as at 31 March 2016	14,405	-	14,405

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B. Exemptions and exceptions availed

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

B.1 Ind AS Optional Exemptions

B.1.1 Property, plant and equipment

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment 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 equipments at their previous GAAP carrying value. Hence, the carrying value of all property plant and equipments, as on 1 April 2015, has been taken as deemed cost under Ind AS.

B.2 Ind AS mandatory exceptions

B.2.1 Classification and measurement of financial assets/ liabilities

Ind AS 101 requires an entity to assess classification and measurement of financial assets/ liabilities on the basis of facts and circumstances that existed at the date of transition to Ind AS.

Consequently, the Company has applied the above requirement prospectively.

27. Previous year figures

Previous year figures have been reclassified to conform to this year's classification.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration Number:
101248W/W-100022

Pravin Tulsyan
Partner
Membership No: 108044
Place : Gurugram
Date: 20 May 2017

For and on behalf of the Board of Directors of GE Power Boilers Services Limited

Rajeev Sharma
Director
(DIN : 06421419)

Meenal Chaukarkishor
Director
(DIN : 07562285)