BEFORE THE HON'BLE CENTRAL ELECTRICITY REGULATORY COMMISSION, NEW DELHI

Petition No. _________/2019
Diary No. ___________

In the matter of:
Jsw Hydro Energy Limited
(Formerly Himachal Baspa Power Company Limited)
Sholtu Colony, P.O. Tapri, District Kinnaur 172104
Himachal Pradesh **...Petitioner**

Versus

PTC India Limited
NBCC Tower, 15 Bhikaji Cama Place,
New Delhi -66 **...Respondent & Others**

VOLUME 3

Application for true up of capital cost & generation tariff for 2014-19 tariff period under Regulation 8 of the CERC (Terms and Conditions of Tariff) Regulations, 2014 AND determination of generation tariff for 2019-24 tariff period under Regulation 9(2) of the CERC (Terms and Conditions of Tariff) Regulations, 2019, in respect of 1000MW Karcham Wangtoo Hydro Electric Project (KW HEP)

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Annexure - 'T20'

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JAIPRAKASH
POWER VENTURES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2015

(₹ in Lacs)

Particulars	Note No.	Figures as at the end of current reporting period, March 31, 2015		Figures as at the end of previous reporting period, March 31, 2014	
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	3		293,800		293,800
(b) Reserves and Surplus	4		344,143		339,171
(c) Money received against share warrants			-		-
(2) Share application money pending allotment			-		-
(3) Deferred Revenue	5		63,320		56,266
(4) Non Current Liabilities					
(a) Long-term borrowings	6		1,802,395		1,737,028
(b) Deferred tax liabilities (net)	7		12,987		13,704
(c) Other Long-term liabilities	8		5,310		2,798
(d) Long-term provisions	9		7,849		25,310
(5) Current Liabilities					
(a) Short-term borrowings	10		58,928		19,031
(b) Trade payables	11		135,207		101,280
(c) Other current liabilities	12		467,411		317,571
(d) Short-term provisions	13		20,656		27,410
TOTAL			3,212,006		2,933,369
II. ASSETS					
(1) Non-current assets					
(a) Fixed assets	14				
(i) Tangible assets	14A	2,310,444		1,244,873	
(ii) Intangible assets	14B	-		-	
(iii) Capital work-in-progress	14C	35,777		991,310	
(iv) Intangible assets under development		-	2,346,221	-	2,236,183
(b) Non-current investments	15		577,998		500,499
(c) Deferred tax assets (net)			-		-
(d) Long-term loans and advances	16		95,884		70,838
(e) Other non-current assets	17		16,965		13,341
(2) Current assets					
(a) Current investments	18	5		-	
(b) Inventories	19	30,895		15,834	
(c) Trade receivables	20	71,016		25,287	
(d) Cash and bank balances	21	49,653		55,700	
(e) Short-term loans and advances	22	16,091		11,567	
(f) Other current assets	23	7,278	174,938	4,120	112,508
TOTAL			3,212,006		2,933,369

Summary of significant accounting policies 2
The note nos. 1 to 56 are integral part of the financial statements
As per our report of even date attached to the financial statements

For and on behalf of the Board

FOR R. NAGPAL ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 002626N

Manoj Gaur
Chairman
DIN 00008480

R. NAGPAL
Partner
M.No. 081594

Suren Jain
Managing Director & CFO
DIN 00011026

Sunil Kumar Sharma
Vice Chairman & CEO
DIN 00008125

Place: Noida
Dated: 30th May, 2015

R.K. Porwal
Sr. General Manager (F & A)

Y. K. Sharma
Vice President (F & A)

M.M. Sibbal
Sr. General Manager & Company Secretary

JSW Hydro Energy Limited

JAIPRAKASH
POWER VENTURES LIMITED

STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31ST MARCH, 2015

(₹ in Lacs)

	Particulars	Note No.	Figures for the current reporting period, March 31, 2015		Figures for the previous reporting period, March 31, 2014	
I.	Revenue from operations	24		394,413		269,323
II.	Other Income	25		11,779		4,727
III.	**Total Revenue (I+II)**			406,192		274,050
IV.	Expenses :					
	Cost of operation and maintenance	26		120,394		69,981
	Purchase of Stock-in-trade			-		-
	Changes in inventories of finished goods, work-in-progress and stock-in-trade			-		-
	Employee benefits expense	27		8,524		7,422
	Finance costs	28		211,755		144,768
	Depreciation and amortization expense	29		46,528		44,659
	Other expenses	30		6,432		5,868
	Total expenses			393,633		272,698
V.	Profit before exceptional and extraordinary items and tax (III-IV)			12,559		1,352
VI.	Exceptional items					
	Prior Period Adjustments			(446)		8
VII.	Profit before extraordinary items and tax (V-VI)			13,005		1,344
VIII.	Extraordinary items			-		-
IX.	**Profit before tax (VII-VIII)**			13,005		1,344
X.	Tax Expense :					
	(i) Current tax (MAT)		2,725		282	
	Less : MAT credit entitlement		2,725		282	
	Net Current Tax		-		-	
	(ii) Deferred tax charge/(reversal)		(716)	(716)	(629)	(629)
XI.	Profit/(loss) from operations (IX-X)			13,721		1,973
XII.	Profit/(loss) from continuing operations		(36,706)		(21,044)	
XIII.	Tax expense of continuing operations		(6,865)		(2,192)	
XIV.	Profit/(loss) from continuing operations (after tax) (XII-XIII)			(29,841)		(18,852)
XV.	Profit/(loss) from discontinuing operations		49,711		22,388	
XVI.	Tax expense of discontinuing operations		6,149		1,563	
XVII.	Profit/(loss) from discontinuing operations (after tax) (XV-XVI)			43,562		20,825
XVIII.	**Profit/(loss) for the period (XIV+XVII)**			13,721		1,973
XIX.	Earnings per equity share :					
	Before Extraordinary items					
	(i) Basic			0.47		0.07
	(ii) Diluted			0.45		0.06
	After Extraordinary items					
	(i) Basic			0.47		0.07
	(ii) Diluted			0.45		0.06

Summary of significant accounting policies 2

The note nos. 1 to 56 are integral part of the financial statements

As per our report of even date attached to the financial statements

For and on behalf of the Board

FOR R. NAGPAL ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 002626N

Manoj Gaur
Chairman
DIN 00008480

R. NAGPAL
Partner
M.No. 081594

Suren Jain
Managing Director & CFO
DIN 00011026

Sunil Kumar Sharma
Vice Chairman & CEO
DIN 00008125

Place: Noida
Dated: 30th May, 2015

R.K. Porwal
Sr. General Manager (F & A)

Y. K. Sharma
Vice President (F & A)

M.M. Sibbal
Sr. General Manager & Company Secretary

Notes to the financial statements for the period ended 31st March, 2015

Note 1 Basis of Preparation of Financial Statements

The financial statements are prepared under historical cost convention, on accrual basis, on the principles of going concern, in accordance with the generally accepted accounting principles, the relevant accounting standards and the relevant guidance notes issued by the Institute of Chartered Accountants of India (ICAI) and the applicable provisions of the Companies Act, 2013.

Note 2 Summary of significant accounting policies

(a) Revenue Recognition

(i) (a) **300 MW Jaypee Baspa HEP :** Revenue from sale of electrical energy is accounted for on the basis of billing to Himachal Pradesh State Electricity Board (HPSEB) as per Tariff approved by Himachal Pradesh Electricity Regulatory Commission (HPERC) in accordance with the provisions of Power Purchase Agreement dated 4th June, 1997, Amendment No.1 dated 07.01.1998, executed between the Company and HPSEB.

(b) **400 MW Jaypee Vishnuprayag HEP :** Revenue from sale of electrical energy is accounted for on the basis of billing to Uttar Pradesh Power Corporation Limited (UPPCL) as per Tariff approved by Uttar Pradesh Electricity Regulatory Commission (UPERC) in accordance with the provisions of Power Purchase Agreement dated 16.01.2007, executed between the Company and UPPCL.

(c) **1091 MW Jaypee Karcham Wangtoo HEP :** Revenue from sale of electrical energy is accounted for on the basis of billing to various buyers as per long term/ medium term/short term Power Purchase Agreements executed with them and through Power Exchange.

(d) **500 MW Jaypee Bina Thermal Power Plant :** Revenue from sale of electrical energy is accounted for on the basis of sale to Madhya Pradesh Power Management Company Limited (MPPMCL) as per Tariff approved by Madhya Pradesh Electricity Regulatory Commission in accordance with the provisions of Power Purchase Agreement dated 05.01.2011, executed between the Company and MPPMCL to the extent of 65% of installed capacity on regulated tariff basis for 25 years and 5% of net power generation on variable charge basis for life of Project and balance on merchant basis.

(e) **1320 MW Jaypee Nigrie Super Thermal Power Plant:** Revenue from sale of electrical energy is accounted for on the basis of sale to Madhya Pradesh Power Management Company Limited (MPPMCL) as per Tariff approved by Madhya Pradesh Electricity Regulatory Commission in accordance with the provisions of Power Purchase Agreement dated 05.01.2011 executed between the Company and MPPMCL to the extent of 30% of installed capacity on regulated tariff basis for 20 years, 7.50% of the total net power generation on variable charge basis for the life of Project and balance on merchant basis.

(ii) Revenue from sale of Verified Emission Reductions (VERs) is accounted for on receipt basis.

(iii) Insurance claims are accounted for on receipt basis or as acknowledged by the insurance company.

(iv) Other income and cost/expenditure are accounted for on accrual basis as they are earned or incurred.

(v) Sales of Fly Ash is net of Value Added Tax and exclusive of self consumption.

(vi) Dividend Income is recognized when right to receive payment is established.

(vii) Advance against depreciation claimed/ to be claimed as part of tariff in terms of PPA (in respect of Baspa II HEP and Vishnuprayag HEP) during the currency of loans to facilitate repayment installments is treated as `Deferred Revenue'. Such Deferred Revenue shall be included in Sales in subsequent years.

(viii) Interest is recognized on a time proportion basis taking into account outstanding and the rate applicable.

(b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

(c) Fixed Assets

Fixed Assets are stated at Cost of acquisition or construction inclusive of freight, erection & commissioning charges, duties and taxes, expenditure during construction period, Interest on borrowings, financing cost and foreign exchange loss/ gain, up to the date of commissioning. Foreign Exchange Rate Difference on long term monetary items arising on settlement or at reporting dates attributable to Fixed Assets is capitalised/adjusted in the carrying value of the Fixed Assets.

(d) Depreciation

(i) Premium on Leasehold Land is amortised over the period of lease.

(ii) Depreciation on Fixed assets has been charged as per provisions of Schedule II of the Companies Act, 2013.

(e) Expenditure during Construction Period

Expenditure incurred on projects/assets during construction/ implementation is capitalized and apportioned to projects/ assets on commissioning.

(f) Foreign Currency Transactions

(i) Transactions denominated in Foreign Currency are recorded in the Books of Account in Indian Rupees at the rate of exchange prevailing on the date of transaction.

(ii) Monetary Assets and Liabilities related to Foreign Currency transactions and outstanding, except assets and liabilities hedged by a hedge contract, at the close of the year, are expressed in Indian Rupees at the rate of exchange prevailing on the date of Balance Sheet. The exchange difference arising either on settlement or at reporting date is recognised in the Statement of Profit & Loss except in cases where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

(iii) Monetary Assets and Liabilities hedged by a hedge contract are expressed in Indian Rupees at the rate of exchange prevailing on the date of Balance Sheet adjusted to the rates in the hedge contracts. The exchange difference arising either on settlement or at reporting date is recognised in the Statement of Profit & Loss except in cases where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets. Premium paid in respect of Hedge Contracts are recognised in the Statement of Profit & Loss, except in case where they relate to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of such assets.

(iv) The Company uses foreign currency contracts to hedge its risks associated with foreign currency fluctuations. The Company does not use derivative financial instrument for speculative purposes.

(v) Non Monetary foreign currency items are carried at cost.

(g) Investments

Investments are stated at Cost and where there is permanent diminution in the value of investments, a provision is made wherever applicable. Current Investments are carried at lower of cost or quoted/fair value.

(h) Inventories

(a) (i) Inventories are valued at Cost or Net Realisable Value whichever is lower. Cost of Inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of Raw Materials, Construction Materials, Stores & Spares, Packing Materials, Operating Stores and supplies is determined on Weighted Average basis.

(ii) Work-in-Progress/Stock-in-Process are valued at cost. In case of Item Rate Contract, work in progress is measured on the basis of physical measurement of work actually completed as at the balance sheet date. In case of cost plus contracts work in progress is taken as cost not billed on the contractee.

(iii) Stock of Finished Goods lying in the factory premises includes excise duty, pursuant to accounting standard [AS-2] [Revised].

(b) Material-in-transit is valued at cost.

(i) Retirement and other Employees Benefits

(a) Provident Fund and Pension contribution as a percentage of salary/wages as per provisions of Employees Provident Funds and Miscellaneous Provisions Act, 1952.

(b) Gratuity and Leave Encashment is defined benefit obligation. The liability is provided for on the basis on Projected Unit Credit Method adopted in the actuarial valuation made at the end of each financial year.

(j) Borrowing Costs

Borrowing costs attributable to the procurement/construction of fixed assets are capitalised as part of the cost of the respective assets upto the date of commissioning. Other borrowing costs are recognized as expense during the year in which they are incurred.

(k) Taxes on Income

Provision for current tax is being made after taking into consideration benefits admissible to the Company under the provisions of the Income Tax Act, 1961.

Deferred Tax Liability, if any is computed as per in accordance with Accounting Standard [AS-22]. Deferred Tax Asset and Deferred Tax Liability are computed by applying rates and tax laws that have been enacted up to the Balance Sheet date.

(l) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degrees of estimation in measurement are recognized when there is a present obligation as a result of past events and if are probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes unless the possibility of an outflow of resources embodying economic benefit is remote. Contingent Assets are neither recognized nor disclosed in the financial statements. The Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

(m) Earnings Per Share

Basic earnings per equity share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

(n) Impairment of Assets

At each balance sheet date, the management reviews the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognised immediately as income in the profit and loss account.

(o) Intangible Assets

Intangible assets are stated at cost of acquisition less accumulated amortisation on straight line basis from the date the assets are put for commercial use.

JSW Hydro Energy Limited

(p) Lease Rentals :

(a) **Operating Leases :** Rentals are expensed with reference to lease terms.

(b) **Finance Leases :** The lower of the fair value of the assets and present value of the minimum lease rentals is capitalized as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to statement of Profit & Loss.

(q) Premium on Redemption of Debentures

Premium paid/payable on Redemption of Debentures are adjusted against Securities premium reserve/Surplus.

(r) Segment Reporting

Revenue, operating results, assets and liabilities have been identified to represent separate segments on the basis of their relationship to the operating activities of the segment. Assets, liabilities, revenue and expenses which are not allocable to separate segment on a reasonable basis, are included under "Unallocated".

Note 3 - Share Capital (₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2015		Figures as at the end of previous reporting period, March 31, 2014	
	Number	₹	Number	₹
Authorised				
Equity shares of ₹ 10/- each	8,300,000,000	830,000	8,300,000,000	830,000
Preference shares of ₹ 100/- each	300,000,000	300,000	300,000,000	300,000
Total		1,130,000		1,130,000
Issued, Subscribed & Paid up				
Equity shares of ₹ 10/- each	2,938,003,084	293,800	2,938,003,084	293,800
Total	2,938,003,084	293,800	2,938,003,084	293,800

Note 3.1 - Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

(₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2015		Figures as at the end of previous reporting period, March 31, 2014	
	Equity Shares		Equity Shares	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	2,938,003,084	293,800	2,938,003,084	293,800
Shares issued during the year	–	–	–	–
Shares brought back during the year	–	–	–	–
Shares outstanding at the end of the year	2,938,003,084	293,800	2,938,003,084	293,800

Note 3.2 - The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital

The Company has issued only one class of equity shares having a par value of ₹ 10/- per share which rank pari-passu in all respects including voting rights and entitlement to dividend.

In the event of liquidation, each share carry equal rights and will be entitled to receive equal amount per share out of the remaining amount available with the Company after making preferential payments.

The Authorised Share Capital provides for Preference Share at a par value of ₹ 100/- each. The Company has so far not issued any Preference Share.

Note 3.3 - Equity Shares in respect of each class in the Company held by its holding company or its ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate

1,78,30,00,600 Equity shares are held by Jaiprakash Associates Limited, the holding company.

85,647,637 Equity shares are held by Jaypee Infra Ventures (A Private Company with unlimited liability), associate company of Jaiprakash Associates Limited.

Note 3.4 - Equity Shares in the Company held by each shareholder holding more than 5 percent shares specifying the number of shares held

Name of Shareholder	Figures as at the end of current reporting period, March 31, 2015		Figures as at the end of previous reporting period, March 31, 2014	
	No. of equity shares held	% of holding	No. of equity shares held	% of holding
Jaiprakash Associates Limited	1,783,000,600	60.687	1,783,000,600	60.687
JPVL Trust	344,076,923	11.711	344,076,923	11.711

Note 3.5 - Equity shares reserved for issue under options and contracts/commitments for the sale of shares/ disinvestments, including terms and amounts

The Company had issued 2,000 Nos. 5% Foreign Currency Convertible Bonds (FCCBs) of US$ 1 Lac each aggregating to US$ 2,000 Lacs at par on 12.02.2010. These Bonds were convertible at the option of the bond-holders into equity shares of Rs. 10/- each fully paid up at the conversion price of Rs. 85.8139 per share, subject to the terms of issue with a fixed exchange rate of Rs. 46.14 equal to US$ 1 at any time on or after 25.03.2010 and prior to the close of business on 06.02.2015.

The bonds were redeemable at maturity on 13.02.2015 at a YTM of 7% p.a inclusive of coupon rate of 5% p.a. No conversion has taken place up to 31.03.2015. The FCCBs have been rescheduled, refer note 6.12(ii).

No shares have been reserved for issue under options and contracts/commitments for the sale of shares/ disinvestments other than above.

Note 3.6 - Aggregate number and class of equity shares allotted as fully paid up pursuant to contract without payment being received in cash, allotment by way of bonus shares or shares bought back

Particulars	Year (Aggregate No. of shares)		
Equity Shares	**Upto 2014-15**	**Upto 2013-14**	**Upto 2012-13**
Fully paid up equity shares allotted for consideration other than cash in terms of Scheme of Amalgamation of erstwhile Jaiprakash Power Ventures Limited with Jaiprakash Hydro-Power Limited (renamed as Jaiprakash Power Ventures Limited) w.e.f 01.04.2009 (the appointed date), as sanctioned by Hon'ble High Court of Himachal Pradesh at Shimla vide Order dated 14.12.2009, effective from 14.12.2009.	**1,604,679,600**	1,604,679,600	1,604,679,600
Fully paid up equity shares allotted for consideration other than cash in terms of Scheme of Amalgamation of erstwhile Jaypee Karcham Hydro Corporation Limited and Bina Power Supply Company Limited with Jaiprakash Power Ventures Limited w.e.f 01.04.2010 (the appointed date), as sanctioned by Hon'ble High Court of Himachal Pradesh at Shimla vide Order dated 25.07.2011, effective from 26.07.2011. (In financial year 2010-11, these shares were in Share Suspense Account).	**529,076,923**	529,076,923	529,076,923
Fully paid up by way of bonus shares	-	-	-
Shares bought back	-	-	-

Note 3.7 - Terms of any securities convertible into equity/ preference shares issued along with the earliest date of conversion in descending order starting from the farthest such date

(₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2015		Figures as at the end of previous reporting period, March 31, 2014	
	Number-Equity Shares	**Amount**	Number-Equity Shares	Amount
5% Foreign Currency Convertible Bonds (FCCB):	**94,270,720**	**9,427**	107,535,026	10,754
(Number of Equity shares and Share Capital amount, which could be allotted to Foreign Currency Bond Holders asssuming Bond holders exercise the conversion option of Bonds into Equity Shares.)				

The Company had issued 2,000 Nos. 5% Foreign Currency Convertible Bonds (FCCBs) of US$ 1 Lac each aggregating to US$ 2,000 Lacs at par on 12.02.2010. These Bonds were convertible at the option of the bond-holders into equity shares of Rs. 10/- each fully paid up at the conversion price of Rs. 85.8139 per share, subject to the terms of issue with a fixed exchange rate of Rs. 46.14 equal to US$ 1 at any time on or after 25.03.2010 and prior to the close of business on 06.02.2015.

The bonds were redeemable at maturity on 13.02.2015 at a YTM of 7% p.a inclusive of coupon rate of 5% p.a. No conversion has taken place up to 31.03.2015. The FCCBs have been rescheduled, refer note 6.12(ii).

The above is based on Standstill and Voting Agreement entered into with Bondholders for reschedulement of FCCBs as approved by Reserve Bank of India and Supplemental Trust Deed executed on 31st March, 2015.

Note 3.8 - Calls unpaid (showing aggregate value of calls unpaid by directors and officers)

There are no calls unpaid including by directors and officers of the Company.

Note 3.9 - Forfeited shares (amount originally paid up)

The Company has not forfeited shares.

Note 4 - Reserves and Surplus

(₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2015		Figures as at the end of previous reporting period, March 31, 2014	
1. Securities Premium Reserve				
Opening Balance	**20,259**		33,697	
Add : Addition during the year	-		-	
Add : Provision for expenses reversed during the year	-		52	
Less : Transfer to provision for Premium on Redemption of Debentures	**7,356**	**12,903**	13,490	20,259
2. Debenture Redemption Reserve				
Opening Balance	**28,564**		30,573	
Add : Provisions for the year	**2,160**		7,141	
Less : Transfer to 'Surplus'	**19,925**	**10,799**	9,150	28,564
3. General Reserve				
Opening Balance	**4,785**		4,785	
Add : Addition during the year	-		-	
Less : Depreciation on assets completed useful life	**1,393**	**3,392**	-	4,785
4. Capital Reserve on Amalgamation				
Opening Balance	**134,411**		134,411	
Add : Addition during the year	-	**134,411**	-	134,411
5. Reserve for Premium on Foreign Currency Convertible Bonds				
Opening Balance	**9,997**		6,875	
Add : Provisions for the year	-		3,122	
Less : Transfer to Surplus	**9,997**	-	-	9,997
6. Surplus				
Opening Balance	**141,155**		140,295	
Add : Profit After Tax during the year	**13,721**		1,973	
Add : Debenture Redemption Reserve Written Back	**19,925**		9,150	
Add : Reserve for Premium on Foreign Currency Convertible Bonds	**9,997**		-	
Less : Debenture Redemption Reserve for the year	**2,160**		7,141	
Less : Reserve for Premium on Foreign Currency Convertible Bonds	-	**182,638**	3,122	141,155
Total		**344,143**		339,171

JSW Hydro Energy Limited

Note 5 - Deferred Revenue

(₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2015	Figures as at the end of previous reporting period, March 31, 2014
Advance against depreciation		
Opening Balance	**56,266**	48,716
Addition during the year	**7,054**	7,550
Total	**63,320**	56,266

As per accounting policy, the advance against depreciation amounting to Rs. 7,054 Lacs (Previous Year Rs. 7,550 Lacs) has been treated as Deferred Revenue.

Non Current Liabilities

Note 6 - Long-term borrowings

(₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2015		Figures as at the end of previous reporting period, March 31, 2014	
"A" Secured Loans				
Bonds/Debentures				
Redeemable Non-Convertible Debentures		-		24,513
Term Loans				
Rupee Loan				
– from Financial Institutions	**457,894**		493,761	
– from Banks	**1,273,127**		1,133,712	
Foreign Currency Loan				
– from Banks	**68,445**		79,897	
– from Financial Institutions	**2,429**	**1,801,895**	4,195	1,711,565
From other parties				
Foreign Currency - Buyer's Credit		-		450
Total "A"		**1,801,895**		1,736,528
"B" Unsecured Loans				
Others				
Govt. of Uttrakhand		**500**		500
Total "B"		**500**		500
Total "A + B"		**1,802,395**		1,737,028

Security for Term Loans, Working Capital limits and Non-Convertible Debentures

6.1 300 MW Jaypee Baspa II HEP:

6.1(a) Rupee Term Loans, Foreign Currency Loans and Working Capital Facilities aggregating to Rs.52,143.96 Lacs (Previous Year- Rs.64,506.74 Lacs) and Deferred Payment Guarantee(s) from Financial Institutions and Banks, together with all interest, guarantee commission, cost, expenses and other charges are secured ranking pari passu among all the participating Institutions and Banks viz. State Bank of India, Andhra Bank, Punjab National Bank, UCO Bank, Oriental Bank of Commerce, Allahabad Bank, United Bank of India, IDBI Bank Ltd., IFCI Ltd.and Power Finance Corporation Ltd, by way of :

(i) First Charge on book debts, operating cash flows, receivables, commissions, revenue of whatsoever nature, present & future of the Baspa II HEP ; and

(ii) First charge on all the Accounts of the Baspa II HEP including but not limited to the Trust & Retention Account, Escrow Account of HPSEB and Debt Service Reserve Account and other accounts required to be created under any Project Document or contract.

The loans are inter-alia also secured by way of :

(i) First charge on Baspa II HEP's all intangible assets, hypothecation of all the movable assets, assignment of Project Agreements and Escrow Agreement, all present and future rights, titles, interests, benefits, claims and demands whatsoever with respect to the Insurance Policies, claims and benefits to all monies receivable there under and all other claims there under in respect of all the insured assets of the Plant ;

(ii) First ranking equitable mortgage on all rights, titles, interests and benefits in respect of immovable properties, and assets of the Baspa II HEP ;

(iii) Pledge of 6,291 Lacs equity shares of the Company held by Jaiprakash Associates Limited, (JAL) on pari-passu basis with lenders of Jaypee Vishnuprayag HEP and Jaypee Nigrie Super Thermal Power Project ; and

(iv) Corporate Guarantee furnished by Jaiprakash Associates Limited (JAL), the Holding Company, for the Deferred Payment Guarantee issued by Power Finance Corporation Ltd.for the Foreign Currency Loans under Buyers' Credit, as on 31.03.2015 amounting to ₹ 469.00 Lacs (Previous Year ₹ 2,506.66 Lacs).

6.1(b) The aforesaid security rank pari-passu for working capital limit (Fund based and non fund based) of ₹ 6,900 Lacs sanctioned by Punjab National Bank - Shimla with personal guarantees of Shri Jaiprakash Gaur - Founder Chairman, Shri Manoj Gaur - Chairman, Shri Sunil Kumar Sharma - Vice Chairman & CEO and Shri S. K. Jain - former Director of the Company. [Outstanding cash credit limit ₹ 2,025.20 Lacs (Previous Year ₹ 2,690.06 Lacs) and Bank Guarantees/LCs ₹ 1625.50 Lacs (Previous Year ₹ 1,600 Lacs)]

6.1(c) The Foreign Currency Loans under Buyers' Credit are guaranteed by Deferred Payment Guarantee issued by Power Finance Corporation Limited.

6.2 400 MW Jaypee Vishnuprayag HEP :

Rupee Term Loans and Foreign Currency Loans aggregating to ₹ 78,272.95 Lacs (Previous Year-₹ 95,633.98 Lacs) from Financial Institutions and Banks, together with all interest, guarantee commission, cost, expenses and other charges are secured ranking pari passu among all the participating Institutions and Banks viz. State Bank of India, Andhra Bank, State Bank of Bikaner & Jaipur, State Bank of Patiala, State Bank of Travancore, Bank of India, Oriental Bank of Commerce, Allahabad Bank, Dena Bank, IDBI Bank Ltd. and Power Finance Corporation Ltd., by way of :

(i) First charge on 400 MW Vishnuprayag HEP's present and future book debts, operating cash flows, receivables, commissions, revenue of whatsoever nature ; and

(ii) First charge on 400 MW Vishnuprayag HEP's all the accounts including the Trust & Retention Account, Escrow Account of Uttar Pradesh Power Corporation Limited and Debt Service Reserve Account and each of the other accounts required to be created by the Company under any 400 MW Vishnuprayag HEP document.

The loans are inter-alia also secured by way of:

(i) First charge on 400 MW Vishnuprayag HEP's all intangible assets, hypothecation of all the movable assets, assignment of Project Agreements and Escrow Agreement, all present and future rights, titles, interests, benefits, claims and demands whatsoever with respect to the Insurance Policies, claims and benefits to all monies receivable there under and all other claims there under in respect of all the insured assets of the Plant ;

(ii) First ranking equitable mortgage on all rights, titles, interests and benefits in respect of immovable properties and assets of the 400 MW Vishnuprayag HEP ;

(iii) Pledge of 6,291 Lacs equity shares of the Company held by JAL on pari-passu basis with lenders of Baspa – II HEP and Nigrie Super Thermal Power Project (except for short term loan of ₹ 9300 Lacs disbursed by State Bank of India); and

(iv) Corporate Guarantee furnished by JAL, the Holding Company, for outstanding financial assistance of Power Finance Corporation Ltd., as on 31.03.2015 amounting to US$ 69.35 Lacs (Previous Year US$ 100.17 Lacs).

6.3 1091 MW Jaypee Karcham Wangtoo HEP:

6.3(a) The Rupee Term Loan and Working Capital assistance of ₹ 5,51,476.86 Lacs (Previous Year ₹ 5,53,117.69 Lacs) by financial institutions and banks viz. Allahabad Bank, Union Bank of India, Infrastructure Development Finance Company Ltd (IDFC Ltd), ICICI Bank Ltd.,IFCI Ltd., IREDA Ltd., LIC of India, L&T Infrastructure Finance Company Ltd, Power Finance Corporation Ltd. and PTC India Financial Services Ltd., together with all interest, cost and other charges/dues are secured by way of :

(i) First ranking pari-passu mortgage and hypothecation of all the immovable and movables assets both present and future, all intangible assets, uncalled capital and all revenues and receivables pertaining to Jaypee Karcham Wangtoo HEP ;

(ii) Pledge of 3,000 Lacs (Previous Year 3,000 Lacs) equity shares of the Company held by JAL on pari passu basis with the lenders of Rupee Term Loan and Working Capital facilities. Out of shares pledged, shares of ₹ 800 Lacs will be released on perfection of securities in terms of loan agreement and further shares of ₹ 200 Lacs will be released on creation of DSRA as per terms of agreement ;

(iii) Letter of Comfort from Jaiprakash Associates Limited, the holding company until the creation and perfection of the Security in terms of loan agreement and

(iv) Unconditional and irrevocable personal guarantee of Shri Manoj Gaur, Chairman until the creation and perfection of the Security in terms of loan agreement.

The outstanding Rupee Term Loans availed earlier from Allahabad Bank, Bank of India, Central Bank of India, Indian Bank, IDBI Bank Ltd., IDFC Ltd., ICICI Bank Ltd., L&T Infrastructure Finance Company Ltd., Punjab National Bank, PTC India Financial Services Ltd.,SIDBI,The Jammu & Kashmir Bank Ltd. and Union Bank of India has been repaid before 31.03.2014 and securities provided to lenders by way of pledge of 1,206 Lacs equity shares of the Company held by JAL on pari-passu basis and is yet to be released by them.

6.3(b) The aforesaid Security ranks pari-passu with working capital lender (i.e. IDBI Bank Limited) for Working Capital limit of ₹ 30,500 Lacs [Outstanding Cash credit limit ₹ 15,074.39 Lacs (Previous Year ₹ 122.37 Lacs) and Bank Guarantees/LCs of ₹ 3,286.18 Lacs (Previous Year ₹ 3,007.30 Lacs)].

6.4 500 MW Jaypee Bina Thermal Power Plant:

6.4(a) Rupee Term Loans outstanding of ₹ 1,92,861.80 Lacs (Previous Year ₹ 2,10,927 Lacs) availed out of sanctioned amount of ₹ 2,25,800 Lacs (original ₹ 1,92,800 Lacs and additional Rs.33,000 Lacs) from consortium of and Banks, together with all interest, guarantee commission, cost, expenses and other charges are secured ranking pari-passu among all the participating Institutions and Banks viz. Punjab National Bank, Union Bank of India, Allahabad Bank, Canara Bank, Central Bank of India, State Bank of Patiala, State Bank of Hyderabad, IDBI Bank Ltd., ICICI Bank Ltd. and The Jammu and Kashmir Bank Ltd., are secured by:

(i) First ranking pari-passu mortgage and hypothecation of all immovable and movables assets both present and future, all intangible assets, and all revenues and receivables pertaining to Jaypee Bina Thermal Power Plant and

(ii) Pledge of 648.09 Lacs equity shares (Previous Year 648.09 Lacs equity shares) of the Company held by JAL, on pari passu basis among the lenders.

6.4(b) The aforesaid security ranks pari-passu with working capital lenders (i.e. IDBI Bank Limited, State Bank of Patiala and Jammu & Kashmir Bank Ltd.) for working capital limit of ₹ 39,100 Lacs (Previous Year ₹ 39,100 Lacs). Fund based limit outstanding ₹ 16,650.84 Lacs (Previous Year ₹ 16,218.23 Lacs) and Bank Guarantees/LCs outstanding of ₹ 5457.67 Lacs (Previous Year ₹ 2048.01Lacs).

6.5 1320 MW Jaypee Nigrie Super Thermal Power Plant:

6.5(a) Financial assistance outstanding of ₹ 7,19,074.71 Lacs (Previous Year ₹ 6,48,066.61Lacs) availed out of sanctioned amount of ₹ 7,31,500 Lacs (Original INR 4,82,110 Lacs, External Commercial Borrowing (ECB) amounting to Jap. Yen 15.30 Billion equivalent to ₹ 84,890 Lacs (at drawl exchange rate) and additional INR ₹ 1,64,500 Lacs) from consortium of Financial Institutions and Banks, together with all interest, guarantee commission, cost, expenses and other charges are secured ranking pari-passu among all the participating Institutions and Banks viz. Punjab National Bank, Canara Bank, Central Bank of India, Oriental Bank of Commerce, Bank of Baroda, Bank of Maharashtra, Indian Overseas Bank, Syndicate Bank, UCO Bank, United Bank of India, State Bank of Bikanar & Jaipur, State Bank of Patiala, State Bank of Hyderabad, Corporation Bank, IDBI Bank Ltd., ICICI Bank Ltd., IDFC Ltd. and LIC of India, are secured by way of:

(i) First ranking pari-passu mortgage and hypothecation of all immovable and movables assets both present and future, all intangible assets, and all revenues and receivables pertaining to the Jaypee Nigrie Super Thermal Power Project ;

(ii) Pledge of 6,291 Lacs equity shares (Previous Year - 6,291 Lacs equity shares) of the Company held by JAL on pari-passu basis with lenders of Jaypee Baspa – II HEP and Jaypee Vishnuprayag HEP and

(iii) Letter of Comfort from Jaiprakash Associates Limited, the holding company for the additional loan of ₹ 1,64,500 Lacs in addition to above securities.

6.5(b) The working Capital facilities of ₹ 60,000 Lacs sanctioned by ICICI Bank Ltd, Punjab National bank Ltd and IDBI Bank Ltd. (Previous Year ₹ 10,000 Lacs by IDBI Bank Ltd.) are secured by pari-passu charge on the assets of the Plant as per (i) above. Fund based limit outstanding of ₹25,177.95 Lacs (Previous Year-Nil) and Bank Guarantees outstanding of ₹14,055.87 Lacs (Previous Year ₹10,000 Lacs).

6.6 Jaypee Nigrie Cement Grinding Unit:

Rupee Term Loan of ₹5,000.00 Lacs (Previous Year-₹ Nil) availed out of sanctioned amount of ₹10,000 Lacs by Canara Bank are secured by way of ; first ranking pari-passu mortgage and hypothecation of all immovable and movables assets both present and future, all intangible assets, and all revenues and receivables pertaining to the Jaypee Nigrie Cement Grinding Unit.

6.7 Amelia (North) coal mine:

Financial assistance of ₹9,000 Lacs (Previous Year - ₹Nil) availed from ICICI Bank Ltd. out of proposed debt amount of ₹55,600 Lacs and the Bank Guarantee facilities of ₹14,295.23 Lacs by ICICI Bank (Previous Year Nil). Bank Guarantees outstanding of ₹23,295.23 Lacs given by ICICI bank on fronting basis (which is inclusive of ₹14,295.23 lacs of ICICI Bank plus Counter Bank Guarantee of ₹9,000 Lacs given by Punjab National Bank out of working capital facilities of JNSTPP). (Previous Year - ₹ Nil) for Amelia (North) Coal Mine are secured by way of :

First charge on the assets of respective coal mines ranking pari-passu with the term and working capital Lenders of JNSTPP on reciprocal basis.

6.8 Rupee Term Loan/Corporate Loan:

(i) Rupee Term Loan of ₹1,00,000 Lacs sanctioned by State Bank of India, is secured by way of residual charge on all movable and immovable fixed assets of the Company on pari-passu basis with Non-Convertible Debentures (₹98,259 Lacs) subscribed by ICICI Bank, Corporate Loan of ₹1,20,000 Lacs by ICICI bank, Corporate Loan of ₹15,000 Lacs by IDBI Bank, Corporate Loan of ₹50,000 Lacs by ICICI Bank, Corporate Loan of ₹40,000 Lacs by ICICI Bank and pledge of 1,500 Lacs equity shares of the Company held by JPVL Trust (Previous Year-1,500 Lacs equity shares). As on 31.03.2015 outstanding amount of Rupee Term Loan was ₹75,000 Lacs (Previous Year- ₹1,00,000 Lacs).

(ii) Rupee Term Loan of ₹1,20,000 Lacs sanctioned by ICICI Bank, is secured by way of residual charge on all movable and immovable assets of the Company on pari-passu basis with Non-Convertible Debentures (₹98,259 Lacs) subscribed by ICICI Bank, Corporate Loan of ₹ 1,00,000 Lacs by State Bank of india, Corporate Loan of ₹15,000 Lacs by IDBI Bank, Corporate Loan of ₹50,000 Lacs by ICICI Bank, Corporate Loan of ₹40,000 Lacs by ICICI Bank and pledge of 3,860 Lacs equity shares of the Company held by JAL (Previous Year 1,451.12 Lacs), pledge of 192.10 Lacs equity shares of the Company held by JPVL Trust (Previous Year-1,610 Lacs) and Non Disposal Undertaking for 1021.89 Lacs equity shares of the Company held by JAL (Previous Year-1179.20 Lacs). As on 31.03.2015 outstanding amount of Rupee Term Loan was ₹1,20,000 Lacs (Previous Year- ₹1,20,000 Lacs).

(iii) Rupee Term Loan of ₹50,000 Lacs sanctioned by ICICI Bank, is secured by residual charge on all movable and immovable assets of the Company on pari-passu basis with Non-Convertible Debentures (₹98,259 Lacs) subscribed by ICICI Bank, Corporate Loan of ₹1,00,000 Lacs by State Bank of india, Corporate Loan of ₹1,20,000 Lacs by ICICI bank, Corporate Loan of ₹15,000 Lacs by IDBI Bank, Corporate Loan of ₹40,000 Lacs by ICICI Bank and pledge of 1100 Lacs equity shares of the Company held by JPVL Trust (Previous Year NIL) (Total 4287.68 Lacs Shares of the Company to be pledged). As on 31.03.2015 outstanding amount of Rupee Term Loan was ₹44,000 Lacs (Previous Year- ₹NIL).

(iv) Rupee Term Loan of ₹40,000 Lacs sanctioned by ICICI Bank, is secured by residual charge on all movable and immovable assets of the Company on pari-passu basis with Non-Convertible Debentures (₹98,259 Lacs) subscribed by ICICI Bank, Corporate Loan of ₹1,00,000 Lacs by State Bank of india, Corporate Loan of ₹1,20,000 Lacs by ICICI bank, Corporate Loan of ₹15,000 Lacs by IDBI Bank, Corporate Loan of ₹50,000 Lacs by ICICI Bank and pledge of 1754.79 Lacs equity shares of the Company held by JAL (Previous year NIL) and pledge of 332.89 equity Shares of the Company held by JPVL Trust (Previous Year NIL). As on 31.03.2015 outstanding amount of Rupee Term Loan was ₹40,000 Lacs (Previous Year- ₹ NIL).

(v) Rupee Term Loan of ₹15,000 Lacs sanctioned by IDBI Bank, is secured by residual charge on all movable and immovable assets of the Company on pari-passu basis with Non-Convertible Debentures (₹98,259 Lacs) subscribed by ICICI Bank, Corporate Loan of ₹1,00,000 Lacs by State Bank of india, Corporate Loan of ₹1,20,000 Lacs by ICICI bank, Corporate Loan of ₹50,000 Lacs by ICICI Bank, Corporate Loan of ₹40,000 Lacs by ICICI Bank and pledge of 315 Lacs equity shares (Previous Year 315 Lacs) of the Company held by JPVL Trust and personal guarantee of Shri Manoj Gaur, Chairman of the Company. As on 31.03.2015 outstanding amount of Rupee Term Loan was ₹15,000 Lacs (Previous Year- ₹15,000 Lacs).

(vi) Rupee Term Loan of ₹1,10,000 Lacs sanctioned by Yes Bank, is secured by subservient charge over movable fixed assets and current assets of the Company, pledge over 30% of paid-up capital of Prayagraj Power Generation Company Limited and personal guarantee of Shri Manoj Gaur, Chairman of the Company and Shri Suren Jain, Managing Director & CFO of the Company. As on 31.03.2015 outstanding amount of Rupee Term Loan was ₹1,06,605 Lacs (Previous Year- ₹NIL).

(vii) Rupee Term Loan of ₹1,00,000 Lacs sanctioned by Axis Bank is secured by Corporate Guarantee from JSW Energy Limited. As on 31.03.2015 outstanding amount of Rupee Term Loan was ₹94,500 Lacs (Previous Year- ₹NIL).

6.9 The Non-Convertible Debentures (series II) of ₹98,259 Lacs, subscribed by ICICI Bank Limited are secured by :

(i) Residual charge on the entire fixed assets of the Company on pari-passu basis with Corporate Loan of ₹1,00,000 Lacs by State Bank of india, Corporate Loan of ₹1,20,000 Lacs by ICICI bank, Corporate Loan of ₹15,000 Lacs by IDBI Bank, Corporate Loan of ₹50,000 Lacs by ICICI Bank, Corporate loan of ₹40,000 Lacs by ICICI Bank;

(ii) Unconditional and irrevocable personal guarantee of Shri Manoj Gaur, Chairman towards repayment of principal and premium on redemption of Debentures ; and

(iii) Letter of Comfort from Jaipraakash Associates Limited, the holding company. Principal amount outstanding as on 31.03.2015 ₹24,513 Lacs.

6.10 Repayment of Term Loans and Non-Convertible Debentures

6.10(a) 300 MW Jaypee BASPA-II HEP :

Rupee Term Loans (₹84,500 Lacs) are repayable in 56 installments payable in July, August, September and October every year, which commenced from July, 2010 except for the following variation:

Institution/Bank	Repayment Schedule
IFCI Ltd	Repayment in 54 equal installments in July, August, September and October each year w.e.f. September, 2010

6.10(b) 400 MW Jaypee Vishnuprayag HEP :

i) Rupee Term Loans (₹1,65,000 Lacs) are repayable in 54 equal quarterly installments payable in May, August, November and February every year, which commenced from November, 2009.

ii) Foreign currency loan (USD 308.20 Lacs) is repayable in 40 equal quarterly instalments payable in April, July, October and January every year.

iii) Short Term Loan (₹9,300 Lacs) from State Bank of India is now due for repayment on demand.

6.10(c) 1091 MW Jaypee Karcham Wangtoo HEP :

(i) Rupee Term Loans (Loan-A) (₹4,15,295.32 lacs) are repayable in 80 structured installments payable in June, July, August, September & October every year, which will commence from 15th June, 2017.

(ii) Rupee Term Loans (Loan-B) (₹1,37,700 lacs) are repayable in 32 structured installments payable in June, July, August, September & October every year, which commenced from 15th June, 2014.

6.10(d) 500 MW Jaypee Bina Thermal Power Plant :

Rupee term loan (₹1,92,800 Lacs) are repayable in 37 equal quarterly instalments commencing from 1st January, 2014 for 74% of loan and balance 26% in 38th Instalment payable on 1st March , 2023.

Rupee Term Loan (₹ 33,000 Lacs) are repayable in 36 equal quarterly instalments commencing from 1st January, 2014 for 72% of loan and balance 28% in 37th Instalment payable on 1st January, 2023.

6.10(e) 1320 MW Jaypee Nigrie Super Thermal Power Project :

Original Rupee Term Loans availed (₹4,82,110 Lacs) are repayable in 40 equal quarterly installments commencing from 15th September, 2015

Additional Rupee Term Loans availed (₹1,40,467 Lacs) are repayable in 38 structured quarterly instalments commencing from 15th March, 2016.

External Commercial Borrowings availed (Japanese Yen 1,53,000 Lacs) are repayable in 20 equal half yearly installments commenced from 7th Nov, 2014.

6.10(f) Jaypee Nigrie Cement Grinding Unit:

Rupee term loan (₹5,000 Lacs) are repayable in 29 structured quarterly instalments commencing from June, 2016.

6.10(g) Amelia (North) coal mine:

50% of the Rupee term loan (₹9,000 Lacs availed out of ₹55,600 lacs sanctioned by ICICI Bank Ltd.) are repayable in 37 structured quarterly instalments commencing from 12 months from the mining commencement date/plan. Balance 50% of the loan shall be a bullet repayment along with the 37th instalment.

6.10(h) Other Financial Assistance :

(i) Rupee Term Loan of ₹1,00,000 Lacs of State Bank of India is repayable in 4 equal installments payable on 30th September, 2014, 30th September, 2015, 30th September, 2016, 30th September, 2017.

(ii) Rupee Term Loan of ₹1,20,000 Lacs of ICICI Bank Limited is repayable in 28 structured quarterly installments commencing from September, 2015.

(iii) Rupee Term Loan of ₹50,000 Lacs of ICICI Bank Limited is repayable in 4 equal monthly installments payable on 30th April 2016, 31st May 2016, 30th June 2016 and 31st July 2016 or on receipt of proceeds of sale and/ or divestment of any assets of the Company or Bara Thermal Power Project, whichever is earlier.

(iv) Rupee Term Loan of ₹40,000 Lacs of ICICI Bank Limited is repayable in 4 equal monthly installments payable on 31st July 2015, 31st August 2015, 30th September 2015 and 31st October 2015 or on receipt of proceeds of sale /divestment of Company's assets, whichever is earlier.

(v) Rupee Term Loan of ₹15,000 Lacs of IDBI Bank Limited is repayable in 14 quarterly equal installments commencing from July, 2015.

(vi) Rupee Term Loan of ₹1,10,000 Lacs of Yes Bank Limited is repayable in 15 equal quarterly installments commencing from 31st August 2015 or on receipt of proceeds of sale and/or divestment of any assets of the Company, whichever is earlier.

(vii) Rupee Term Loan of ₹1,00,000 Lacs of Axis Bank Limited is repayable on 15th March 2016.

(viii) **Secured Redeemable Non Convertible Debentures (NCDs):-**

Institution	Amount			Redemption	
ICICI Bank Limited	₹ 98,259 Lacs (Series - II)				
	Tranche	No of Deb.	Issue price (Amount ₹)	Redemption Date	Redemption Value ₹ in Lacs
	A	36,600	67,140	31.12.2013	36,600
	B	38,700	63,552	30.06.2014	38,700
	C	41,000	59,946	31.12.2014	41,000
	D	43,200	56,743	30.06.2015	43,200
	Total	**159,500**			159,500
	Redemption Price ₹1.00 lac each				

Tranche A, B & C of Secured Redeemable Non Convertible Debentures of ₹36,600 Lacs, ₹38,700 Lacs and 41,000 Lacs have since been redeemed.

6.11 Overdue instalments and interest to Banks and Financial Institutions :

Outstanding amount of loans from banks and financial institutions as mentioned in Current Liabilities (current maturities of long term debts) as at 31.03.2015 includes repayment of principal amount of loans overdue of ₹9,300 Lacs which was due for payment on 31.03.2015. Further the interest amount of ₹13,463 Lacs on various loans for the period February and March, 2015 was overdue for payment as on 31.03.2015. this was on account of general economic conditions which lead to inordinate delay in realisation of payments against sale of power from power procurers. On the date of adoption of accounts by the Board of Directors, principal amount of loans over due as above were brought down to ₹5,000 Lacs, while interest overdue as above for February and March, 2015 had been fully cleared.

6.12 Unsecured Loans

(i) Unsecured loan of ₹1,000 Lacs is repayable to Government of Uttarakhand/Uttar Pradesh, which

JSW Hydro Energy Limited

would be paid after having decision arrived between Government of Uttar Pradesh and Government of Uttarakhand for receipt of said payment.

(ii) The Company had issued 2,000 Nos. 5% Foreign Currency Convertible Bonds (FCCB) of US$ 1.00 Lac each aggregating to US$ 2,000 Lac at par on 12.02.2010. These Bonds were convertible at the option of the bond-holders into equity shares of ₹10/- each fully paid up at the conversion price of ₹85.8139 per share, subject to the terms of issue with a fixed exchange rate of ₹46.14 equal to US$ 1 at any time on or after 25.03.2010 and prior to the close of business on 06.02.2015.

The bonds were redeemable at maturity on 13.02.2015 at a YTM of 7% p.a.(inclusive of coupon rate of 5% p.a) No conversion has taken place up to 31.03.2015.

Out of the total redemption amount of US$ 2,234.78 Lacs (including the yield) as on 13th February, 2015, the Company remitted an amount of US$ 250 Lacs to the Bondholders as part payment towards redemption of FCCBs in accordance with the first Standstill Agreement dated 12th February, 2015. The total outstanding amount in relation to FCCBs after the said remittance was US$1,984.78 Lacs

The Company entered into a Standstill and Voting Agreement on 3rd March, 2015 with the Bondholders for reschedulement of FCCBs. The terms and conditions, in brief, in respect of the reschedulement are given in the following table:-

Particulars	Existing terms	Amended terms
Outstanding amount	US$ 2,234.78 Lacs (including yield on maturity)	US$ 1,984.78 Lacs (Post payment of US$ 250 Lacs on 13th February, 2015)
Maturity date	13/02/2015	13/02/2016
Redemption premium	At 111.739% of outstanding principal amount	At 100% of outstanding principal amount (i.e. there is no redemption premium)
Coupon	5% per annum payable semi-annually	7% per annum payable on August 12, 2015, November 12, 2015 and February 13, 2016 and on dates as per repayment schedule
Yield to Maturity	7% per annum	7% per annum
Average all-in- cost	7.00%	7.62%
Security	Unsecured	Personal guarantee by Shri Jaiprakash Gaur (Founder Chairman of the Jaypee Group of Companies).

All the existing terms and conditions of the said FCCBs remaining un-changed.

RBI approved the aforesaid re-schedulement on 26th March, 2015 and subsequently the Bondholders holding 93.48% of the outstanding principal amount of the Bonds also approved the terms of the rescheduling.

Further to the approval of the Bondholders, a Supplemental Trust Deed was executed on 31st March, 2015 to give effect to the rescheduling including the maturity date of the Bonds to 13th February, 2016 and putting in place an instalment based redemption during the extended tenor.

In terms of the said re-scheduling, the Company paid US$ 250 Lacs (US$ 231.48 Lacs towards repayment of Principal amount and US$ 18.52 Lacs towards interest for the period from 13.02.2015 to 31.03.2015) on 31st March, 2015 and will pay a further US$ 750 Lacs upon receipts of proceeds of the sale of its Baspa-II and Karcham Wangtoo hydro power projects. Balance amount is payable on or before 13th February, 2016 linked to certain liquidity events in relation to Company requiring mandatory pre-payment.

The Company has also paid interest @ 5% per annum upto 13th February, 2015 and interest @ 7% per annum up to 31st March, 2015. Maturity Premium @ 11.739% aggregating US$ 234.78 Lacs has also been paid. Principal amount of US$ 246.70 Lacs has been paid leaving an outstanding principal amount of US$ 1,753.30 Lacs as on 31.03.2015.

Note 7 -Deferred tax liabilities (Net)

(₹ in Lacs)

Particulars	**Figures as at the end of current reporting period, March 31, 2015**	Figures as at the end of previous reporting period, March 31, 2014
Deferred tax liability		
On account of depreciation	**47,049**	31,291
Total 'A'	**47,049**	31,291
Deferred tax assets		
On account of unabsorbed loss	**33,805**	17,375
On account of employee benefits	**257**	212
Total 'B'	**34,062**	17,587
Total 'A - B'	**12,987**	13,704

Note 8 - Other Long Term Liabilities

Trade Payables				
Capital Suppliers	**5,310**		2,798	
Others (see note no. 34)	**-**	**5,310**	-	2,798
Total		**5,310**		2,798

Note 9 - Long Term Provisions

a) Provision for employee benefits				
Gratuity	**327**		235	
Leave Encashment	**252**	**579**	250	485
b) Others				
Wealth Tax	**3**		3	
Income Tax	**7,267**		10,807	
Premium on redemption of debentures	**-**	**7,270**	14,015	24,825
Total		**7,849**		25,310

Current Liabilities

Note 10 - Short-term borrowings

Secured Loans		
Rupee Loan		
Working Capital - From Banks	**58,928**	19,031
Total	**58,928**	19,031

Note 11 - Trade Payables

Trade Payables				
Related Parties	**10,750**		7,283	
Capital Suppliers	**78,619**		77,121	
Others (see note no. 34)	**45,780**	**135,149**	16,810	101,214
Others (PF Payable)		**58**		66
Total		**135,207**		101,280

Note 12 - Other Current Liabilities

(₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2015		Figures as at the end of previous reporting period, March 31, 2014	
1) Current maturities of long-term debt				
"A" Secured Loans				
Bonds/Debentures				
Redeemable Non-Convertible Debentures		24,513		49,172
Term Loans				
– from Financial Institutions	22,482		3,941	
– from Banks	260,293		115,005	
Foreign Currency Loan				
– from Banks	8,052		4,558	
– from Financial Institutions	1,944	292,771	1,864	125,368
From other parties				
Foreign Currency - Buyers' Credit		469		2,057
"B" Unsecured Loans				
a) Govt. of Uttrakhand		500		500
b) Foreign Currency Convertible Bonds		110,563		120,980
2) Interest accured and due on borrowings		13,463		–
3) Interest accured but not due on borrowings		3,782		2,057
4) Investors' Education & Protection Fund :				
(Appropriate amount shall be transferred to Investors' Education & Protection Fund, if and when due)				
– Unclaimed Dividend		160		178

Note 12 Continue...

(₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2015		Figures as at the end of previous reporting period, March 31, 2014	
5) Other Payables				
– TDS Payable	2,273		242	
– Excise, Sales Tax, etc., Payable	207		93	
– Energy Development Cess & Duty Payable	3,713		812	
– Due to Staff	374		111	
– Other Expenses Payable	14,623	21,190	16,001	17,259
Total		467,411		317,571

(i) Short Term Loan of ₹11,000 Lacs sanctioned by State Bank of India is secured by way of first Pari-passu charge on receivables of the Jaypee Vishnuprayag HEP under Power Purchase Agreement and first Pari-passu charge on movable and immovable assets of Jaypee Vishnuprayag HEP, assignment of project documents and insurance benefits etc. Outstanding amount of Loan as on 31.03.2015 was ₹9,300 Lacs (Previous Year- ₹5,000 Lacs). Disbursed amount of Loan of ₹9,300 is now due for re-payment on demand.

(ii) For other security and repayments, refer note no. 6.1 to 6.12.

Note 13 - Short Term Provisions

a) Provision for employee benefits				
Gratuity	–		3	
Leave Encashment	11		6	
Bonus & Incentive	167	178	209	218
b) Others				
Income Tax	2,725		282	
Wealth Tax	–		1	
Premium on redemption of debentures	17,753	20,478	26,909	27,192
Total		20,656		27,410

Note 14 - Fixed Assets

Note 14A - Tangible Assets

(₹ in Lacs)

S. No.	Particulars	GROSS BLOCK					DEPRECIATION/AMORTIZATION						NET BLOCK	
		As on 1.04.2014	Additions during the year	Sales/ deducation during the Year	Other Adjustment	As on 31.03.2015	Upto 31.03.2014	For the year	Sales/ deducation during the year	Depreciation Charged to General Reserve	Other Adjust-ments	Upto 31.03.2015	As on 31.03.2015	As on 31.03.2014
1	Land													
	– Lease Hold	3,814	–	701	–	3,113	1,132	131	–	–	–	1,263	1,850	2,682
	– Free Hold	5,579	–	(701)	–	6,280	–	–	–	–	–	–	6,280	5,579
2	Buildings	56,105	110,290	–	–	166,395	3,704	4,819	–	1,205	–	9,728	156,667	52,401
3	Plant & Machinery	1,336,221	1,004,414	725	(706)	2,339,204	153,901	41,097	57	101	–	195,042	2,144,162	1,182,320
4	Furniture & Fixture	651	41	–	–	692	284	60	–	12	–	356	336	367
5	Vehicles	1,039	14	–	–	1,053	438	148	–	5	–	591	462	601
6	Office Equipments	1,256	95	(338)	–	1,689	333	544	(55)	70	–	1,002	687	923
	Total	1,404,665	1,114,854	387	(706)	2,518,426	159,792	46,799	2	1,393	–	207,982	2,310,444	1,244,873
	Previous Year	1,236,553	167,000	7	1,119	1,404,665	114,873	44,923	4	–	–	159,792	1,244,873	–

Note : 1 Depreciation on Assets of Projects under implementation amounting to Rs. 271 Lacs (Previous Year 264 Lacs) has been charged to Pre-operative Expenses of New Projects pending Capitalisation.
2 Other adjustment is on account of exchange fluctuation (profit)/loss on the valuation of Foreign Currency Loans for the purchase of Plant & Machinery at the exchange rate prevailing on the date of Balance Sheet.
3. Sales/deductions include re-grouping of Lease Hold/Free Hold Land and Plant & Machinery/Office Equipements.

Note 14 B - Intangible Assets

(₹ in Lacs)

S. No.	Particulars	GROSS BLOCK					DEPRECIATION/AMORTIZATION						NET BLOCK	
		As on 1.04.2014	Additions during the year	Sales/ deducation during the Year	Other Adjustment	As on 31.03.2015	Upto 31.03.2014	For the year	Sales/ deducation during the year	Depreciation Charged to General Reserve	Other Adjust-ments	Upto 31.03.2015	As on 31.03.2015	As on 31.03.2014
1	Intangible Assets- Computer Software	3	–	–	–	3	3	–	–	–	–	3	–	–
	Total	3	–	–	–	3	3	–	–	–	–	3	–	–
	Previous Year	3	–	–	–	3	3	–	–	–	–	3	–	–

JAIPRAKASH
POWER VENTURES LIMITED

Note 14 C : Capital work in progress and Incidental expenditure during construction pending allocation

(₹ in Lacs)

Sl. No.	Particulars	Figures as at the end of current reporting period, March 31, 2015		Figures as at the end of previous reporting period, March 31, 2014	
A.	**Direct cost of project under construction**				
	Opening Balance		755,411		750,662
	Add : Addition during the year		60,318		128,416
	Less : Capitalisation during the year		781,378		123,667
	Balance Capital Work in Progress (A)		34,351		755,411
B.	**Incidental Expenditure During Construction pending allocation**				
	Opening Balance		235,899		161,332
	Add : Addition during the year				
	Employee Benefit Expense				
	Salary, Wages, Bonus and other benefit	853		1,238	
	Contribution to Provident and Other Funds	28		41	
	Gratuity	–		1	
	Staff Welfare Expenses	112	993	163	1,443
	Finance Costs				
	Interest on Loans	72,324		78,302	
	Front end fee and other charges	497	72,821	6,409	84,711
	Depreciation and amortization expenses		271		264
	Other Expenses				
	Advertisement Expenses	9		9	
	Bank Charges & Guarantee Commission	2,149		168	
	Bidding Expenses	6		-	
	Compensation for Land, Trees and Buildings	–		9	
	Hire Charges	36		–	
	Freight & Octroi Charges	111		274	
	Insurance	282		602	
	Lease Rent	4		–	
	Legal & Professional & Consultancy Charges	310		721	
	Licence and application fees	4		–	
	Local Area Development	1,618		529	
	Miscellaneous Expenses	121		104	
	Postage & Courier Expense	2		2	
	Power, Water & Electricity Charges	783		870	
	Printing & Stationery Expenses	3		11	
	Rates & Taxes	7		24	
	Rehabilitation and resettlement expenses	18		20	
	Rent	24		48	
	Telephone Expenses	13		18	
	Travelling Expenses	118		194	
	Vehicle Running & Maintenance Expenses	75		158	
	Expenses on Trial Run (net of infirm energy & sale of cement)	15,621		7,097	

(₹ in Lacs)

Sl. No.	Particulars	Figures as at the end of current reporting period, March 31, 2015		Figures as at the end of previous reporting period, March 31, 2014	
	Foreign exchange variation (net)	(3,526)	17,788	12,850	23,708
	Less : Other income				
	Interest Earned on Deposits		317		800
	Other Income		66		–
	Less : Capitalisation during the year		325,963		34,759
	Balance Incidental expenditure during construction pending allocation (B)		1,426		235,899
	Total A +B		35,777		991,310

Note 15 - Non-current investments **(₹ in Lacs)**

Sl. No.	Particulars	Figures as at the end of current reporting period, March 31, 2015	Figures as at the end of previous reporting period, March 31, 2014
	Investments in Equity Instruments		
	INVESTMENTS (AT COST)		
(A)	**Investment in Subsidiary Companies**		
	Unquoted		
i)	22,20,00,000 equity shares of Rs.10/- each fully paid up of Jaypee Powergrid Limited (Previous year 22,20,00,000 Equity Shares)	22,200	22,200
ii)	20,00,00,000 equity shares of Rs.10/- each fully paid up of Jaypee Arunachal Power Limited (Previous year 20,00,00,000 Equity Shares)	20,000	20,000
iii)	216,31,89,800 equity shares of Rs.10/- each fully paid up of Prayagraj Power Generation Company Limited (Previous year 153,81,89,800 Shares)	216,329	153,829
iv)	55,19,77,200 equity shares of Rs.10/- each fully paid up of Sangam Power Generation Company Limited (Previous year 55,19,77,200 Shares)	55,207	55,207
v)	83,60,000 equity shares of Rs.10/- each fully paid up of Jaypee Meghalaya Power Limited (Previous year 83,60,000 Shares)	836	836
vi)	Nil (Previous year 50,000 equity shares of Rs.10/- each fully paid up of Himachal Baspa Power Company Limited	–	5
vii)	50,000 equity shares of Rs.10/- each fully paid up of Himachal Karcham Power Company Limited (Previous year 50,000 Shares)	5	5
(B)	**Investment in Beneficiary Trust (Unquoted)**		
	JPVL Trust	198,594	198,594

(₹ in Lacs)

Sl. No.	Particulars	Figures as at the end of current reporting period, March 31, 2015	Figures as at the end of previous reporting period, March 31, 2014
	Investments in Preference Shares		
	INVESTMENTS (AT COST)		
(A)	**Investment in Subsidiary Companies**		
	Unquoted		
i)	2,82,70,000 11% non cummulative optionally convertiable redeemable Preference shares of Rs.10/- each fully paid up of Jaypee Arunachal Power Limited (Previous year 2,82,30,000 shares)	**2,827**	2,823
ii)	27,00,00,000 11% non cummulative optionally convertiable redeemable Preference shares of Rs.10/- each fully paid up of Prayagraj Power Generation Company Limited (previous year 27,00,00,000 shares)	**27,000**	27,000
iii)	35,00,00,000 11% non cummulative, non- convertiable redeemable Preference shares of Rs.10/- each fully paid up of Prayagraj Power Generation Company Limited (previous year Nil)	**35,000**	–
(C)	Share Application Money (Subsidiary Companies)		
	Prayagraj Power Generation Company Limited	–	20,000
	TOTAL	**577,998**	500,499

Note :

1 Aggregate cost of :

Quoted Investments (Market Value Rs. Nil) (Previous Year Rs. Nil) –

Unquoted (Previous Year Rs. 4,80,499 Lacs) (See Note No. 2 below) **577,998**

2. Pursuant to Scheme of Amalgamation of erstwhile Jaypee Karcham Hydro Corporation Limited (JKHCL) and erstwhile Bina Power Supply Company Limited (BPSCL) with the Company, sanctioned by the Hon'ble High Court of Himachal Pradesh at Shimla, JPVL Trust was created on 3rd June, 2011 to hold Equity Shares allotted upon amalgamation in accordance with the share exchange ratio in terms of the said Scheme. Upon sanction of the said Scheme, the cross holdings were not cancelled and were transferred to JPVL Trust in which the Company is the sole beneficiary. Accordingly, 21,70,00,000 Equity Shares in respect of erstwhile JKHCL and 12,70,76,923 Equity Shares in respect of erstwhile BPSCL held by the Company, were transferred to JPVL Trust, as per the approved Share Exchange Ratio.

3 All Investments are Non-trade, Long Term Investments

Note 16 : Long-term loans and advances

(₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2015		Figures as at the end of previous reporting period, March 31, 2014	
Secured Considered Good		–		–
Unsecured considered good				
Capital Advance		**32,151**		7,585
Security Deposits				
a) With Govt. Deptt.	**354**		452	
b) With Others	**40**	**394**	80	532

(₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2015	Figures as at the end of previous reporting period, March 31, 2014
Loans and advances to related parties	**7,210**	7,030
Advances to suppliers, contractors, etc.	–	1,868
MAT credit entitlement	**42,459**	39,734
Advance Income Tax and TDS	**13,670**	14,089
Total	**95,884**	70,838

Note 17 : Other non-current assets

Unsecured, considered good		
Long term trade receivables	**887**	1,772
Others		
Prepaid expenses	**15,133**	11,516
Other bank balances (refer note no. 21)	**945**	53
Total	**16,965**	13,341

Current Assets

Note 18 : Current Investments

Investments in Equity Instruments		
INVESTMENTS (AT COST)		
Investment in Subsidiary Companies		
Unquoted		
49,500 equity shares of Rs.10/- each fully paid up of		
Himachal Baspa Power Company Limited (Previous year Nil) (See note no. 47)	**5**	–
Total	**5**	–

Note 19 - Inventories

Raw Material - at weighted average cost	**18,654**	7,457
Stores and Spares - at weighted average cost	**12,241**	8,377
Total	**30,895**	15,834

Note 20 - Trade receivables

Secured, considered good	–	–
Unsecured, considered good		
Due for a period exceeding six months	**5,483**	1,970
Due for a period less than six months	**65,533**	23,317
Total	**71,016**	25,287

Note 21 - Cash and bank balances

A. Cash and cash equivalents :				
1. Balances with Scheduled Banks :				
(i) In Current Account				
(a) In Indian Currency	**4,802**		21,125	
(b) In Foreign Currency	**212**	**5,014**	666	21,791
(ii) Trust & Retention account :				
In Current Account		**16,239**		26,577
(iii) In Fixed Deposits with maturity up to three months		**2,000**		200
2. Cheques, draft on hand		**4**		–
3. Cash in hand		**59**		73
Total "A"		**23,316**		48,641

JSW Hydro Energy Limited

(₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2015		Figures as at the end of previous reporting period, March 31, 2014	
B. Other bank balances :				
(i) In fixed deposits having a maturity of more than three months but less than twelve months	21,949		4,229	
(ii) In fixed deposits having a maturity of more than twelve months	–	21,949	–	4,229
(iii) In Fixed Deposits pledged with Govt. Deptt./Banks :				
(a) having a maturity of less than twelve months	2,117		2,014	
(b) having a maturity of more than twelve months	945	3,062	53	2,067
(iv) Trust & Retention account :				
(a) In fixed deposits having a maturity of less than twelve months	2,111		638	
(b) In fixed deposits having a maturity of more than twelve months	–	2,111	–	638
(v) Unclaimed dividend account		160		178
Total "B"		**27,282**		7,112
Total "A + B"		**50,598**		55,753
C. Amount disclosed under non current assets (refer note no. 17) :				
Pledged with Govt. Deptt./Banks		945		53
Total "C"		**945**		53
Total "A + B - C"		**49,653**		55,700

Unit wise Trust and Retention Accounts are maintained pursuant to the stipulations of the 'Financing Agreements' executed with the respective Lenders.

Note 22 - Short-term loans and advances

Others				
Unsecured, considered Good				
Advances recoverable in cash or in kind or for value to be received				
Others	10,355		6,135	
Related parties	1,360	11,715	1,137	7,272
Staff Imprest & Advance		387		509
Advance Tax & Tax Deducted at Source		3,989		3,786
Total		**16,091**		11,567

Note 23 - Other current assets

Unsecured considered good		
Interest accrued on fixed deposits with Banks	1,320	580
Prepaid Expenses	5,958	3,540
Total	**7,278**	4,120

Note 24 - Revenue From Operations

Sale of Products				
Sale of Electrical Energy	393,549		269,928	
(Net of advance against depreciation)				
Net Adjustment : Less/(Add) Rebate/ (Interest) for prompt/(late) payments	(4)	393,553	950	268,978

(₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2015		Figures as at the end of previous reporting period, March 31, 2014	
Other Operating Revenues				
Sale of Verified Emission Reduction (VERs)	–		106	
Service charges	31		72	
Sale of Fly Ash	829	860	167	345
Total		**394,413**		269,323

Note 25 - Other Income

Interest on deposits with banks		2,085		1,863
Dividend received		3,663		2,664
Other non-operating income				
Insurance Claim Receipt	–		105	
Excess Provision Written Back	59		–	
Profit on sale of Fixed Assets	–		1	
Break Amount	5,722		–	
Misc. Receipts	250	6,031	94	200
Total		**11,779**		4,727

Note 26 - Cost of Operation and Maintenance

Cost of fuel	92,446	40,092
Stores and Spares Consumed	2,775	2,362
Repair & Maintenance - Plant & Machinery	2,378	3,094
Repair & Maintenance - Others	455	25
Renovation & Restoration Expenses (Net of insurance claim)	810	–
Operation and Maintenance Expenses	1,308	452
Transmission charges	17,555	21,754
Insurance - Plant & Machinery	2,667	2,202
Total	**120,394**	69,981

Note 27 - Employee Benefit Expense

Salary, Wages & Bonus	7,131	6,133
Contribution to Provident and Other Funds	334	288
Gratuity	89	108
Leave Encashment	65	66
Workmen and Staff Welfare	447	314
Directors' Remuneration	458	513
Total	**8,524**	7,422

Note 28 - Finance Costs

Interest				
Debenture/FCCB	4,728		–	
Foreign Currency Loan	1,422		261	
Term Loans	193,038		137,426	
Working Capital	5,051	204,239	3,096	140,783
Financial charges				
DPG Commission	38		77	
Front end fee and other charges	7,478	7,516	3,908	3,985
Total		**211,755**		144,768

JSW Hydro Energy Limited

Note 29 - Depreciation and amortization expenses (₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2015	Figures as at the end of previous reporting period, March 31, 2014
Depreciation	46,397	44,452
Amortization of Lease Hold Land	131	207
Total	**46,528**	44,659

Note 30 - Other Expenses

Particulars		2015		2014
Advertisement		88		262
Consultancy, Legal & Professional Fee		1,317		959
Cost Audit Fees		1		2
Courier & Postage		66		17
Director's Sitting Fee		29		19
Freight and Octroi		101		156
Power, Water and Electricity charges		1,166		1,814
Internal Auditor Fee		22		22
Lease Rent of land		72		57
Listing & Custodial Fee		82		79
Miscellaneous Expenses		725		671
Printing & Stationery		101		72
Rent		9		10
Security Expenses		846		767
Secreterial Audit Fee		1		–
Taxes & Fees		322		289
Telephone and Telex		53		56
Travelling & Conveyance		430		313
Vehicle Running & Maintenance		349		255
Corporate Social Responsibility (CSR) (refer note 50)		604		–
Auditor's Remuneration				
For Audit	40		40	
For Tax Audit	4		4	
For Certification	3		3	
Re-imbursement of Expenses	1	48	1	48
TOTAL		**6,432**		5,868

Note 31

In the opinion of the Board of Directors, the "Non Current Assets and Long Term Loans and Advances", have a value on realisation, in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet.

Note 32

Generation details & parameters :

Particulars	Baspa-II HEP	Vishnu-prayag HEP	Karcham Wangtoo HEP	Bina TPP	Nigrie STPP	Total
	Figures as at the end of current reporting period, March 31, 2015					
Net Saleable Energy (MU)	1,100.47	1,573.96	3,708.41	2,236.95	1,800.27	10,420.06
Plant Availability %	99.84	99.13	99.65	92.47	58.33	
	Figures as at the end of previous reporting period, March 31, 2014					
Net Saleable Energy (MU)	1,178.41	379.85	4,056.26	1,416.47	–	7,030.99
Plant Availability %	99.98	92.11*	99.76	94.86	–	–

*Deemed Plant availability

Note 33 (a) Value of Imports on C.I.F. Basis : (₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2015		Figures as at the end of previous reporting period, March 31, 2014	
Payment to Suppliers of Capital Equipment	8,482		18,421	
Payment for suppliers of spares	140		245	
(b) Expenditure in Foreign Currency :				
Travelling (Directors')	14		6	
Interest & Bank Charges to Banks & others	8,782		8,768	
Consultancy Fee	2,167		69	
(c) Earnings in Foreign Exchange:				
Sale of Verified Emission Reductions (VERs)	–		106	
Bank Interest on Fixed Deposits	–		207	
(d) Details of Stores & Spares Consumed (Including for Machinery and O&M):				
	Rs.	%	Rs.	%
(i) Indigenous	2,707	97	2,259	96
(ii) Imported	70	3	98	4

Note 34

Disclosure as required under Notification No. G.S.R. 719 (E) dated 16th November, 2007 issued by the Ministry of Corporate Affairs (As certified by the Management):

(₹ in Lacs)

Sl. No.	Particulars	Figures as at the end of current reporting period, March 31, 2015	Figures as at the end of previous reporting period, March 31, 2014
a)	The principal amount and interest due thereon remaining unpaid to any supplier		
	– Principal Amount	Nil	Nil
	– Interest Amount	Nil	Nil
b)	The amount of interest paid by the buyer in terms of Section16 of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of payment made to the suppliers beyond the appointed day.	Nil	Nil
c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during period) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
d)	The amount of interest accrued and remaining unpaid	Nil	Nil
e)	The amount of further interest remaining due and payable even in the succeeding period, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil

Note 35 Contingent Liabilities not provided for: (₹ in Lacs)

Sl. No.	Particulars	Figures as at the end of current reporting period, March 31, 2015	Figures as at the end of previous reporting period, March 31, 2014
(a)	Outstanding amount of Bank Guarantee	42,429	14,937
	Margin Money against above	1,147	244
(b)	Claims against the Company not acknowledged as debts.	53,364	28,980
(c)	Income tax matters under appeal	3,163	2,697
(d)	The Government of Himachal Pradesh has imposed entry tax on goods entering the state of Himachal Pradesh. This was challenged by the company before the Hon'ble High Court of Himachal Pradesh at Shimla. The Hon'ble High Court on 22.09.2010 in an interim order has held that tax paid by the petitioner would be treated as deposit and not as tax.The final decision of Hon'ble High Court is awaited. The total liability as at 31st march, 2015 (Baspa & Karcham Wangtoo HEPs) is ₹ 3,894.06 Lacs (Previous Year ₹ 3,738.33 Lacs), against which Company has deposited ₹ 1,948.33Lacs (Previous Year ₹ 1,901.97 Lacs) and pledged banks FDRs of ₹ 1,915.24Lacs (Previous Year ₹ 1,822.53 Lacs).		

Note 36 Commitments;

(a)	Outstanding amount of Letter of Credit		8,723	8,757
	Margin Money against above		–	–
(b)	Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	INR USD Euro JPY	52,861 1 – 389	92,362 121 31 30,580

Note 37

Corporate Guarantee

(a) The Company has given Corporate Guarantee of USD 1,500 Lacs in favour of State Bank of india, Hong Kong branch for the credit facilities granted by lenders to Jaiprakash Associates Limited.

(b) The Company has given Corporate Gurantee of Rs. 50,000 lacs in favour of State Bank of India, for the Short Term Loan granted by them to Prayagraj Power Generation Company Limited (a subsidiary of the Company).

Note 38

Related Party Disclosures, as required in terms of 'Accounting Standard [AS] 18' are given below:

(1) Relationships (Related party relationships are as identified by the Company and relied upon by the Auditors)

(a) Holding Company

Jaiprakash Associates Limited

(b) Subsidiary Companies:

(1) Jaypee Powergrid Limited
(2) Sangam Power Generation Company Limited
(3) Prayagraj Power Generation Company Limited
(4) Jaypee Arunachal Power Limited
(5) Jaypee Meghalaya Power Limited
(6) Himachal Baspa Power Company Limited
(7) Himachal Karcham Power Company Limited

(c) Fellow Subsidiary Companies:

(1) Jaypee Ganga Infrastructure Corporation Limited
(2) Himalyan Expressway Limited
(3) Jaypee Infratech Limited
(4) Jaypee Sports International Limited (JPSI)
(5) Jaypee Cement Corporation Limited (JCCL)
(6) Bhilai Jaypee Cement Limited
(7) Bokaro Jaypee Cement Limited (Up to 28.11.2014)
(8) Gujarat Jaypee Cement & Infrastructure Limited
(9) Jaypee Agra Vikas Limited
(10) Jaypee Fertilizers & Industries Limited
(11) Jaypee Assam Cement limited
(12) Himalayaputra Aviation Limited
(13) Jaypee Healthcare Limited (subsidiary of Jaypee Infratech Limited)
(14) Jaypee Cement Cricket (India) Limited (subsidiary of JPSI)
(15) Jaypee Cement Hockey (India) Limited (subsidiary of JPSI)
(16) Jaiprakash Agri Initiatives Company Limited (subsidiary of JCCL)

(d) Associate Companies/Concerns :

(1) Jaypee Infra Ventures (A Private Company with unlimited liability)
(2) Jaypee Development Corporation Limited [(subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability)]
(3) JIL Information Technology Limited [(subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability)]
(4) Gaur & Nagi Limited (subsidiary of JIL Information Technology Limited)
(5) Indesign Enterprises Pvt. Limited [(subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability)]
(6) Jaypee Uttar Bharat Vikas Private Limited
(7) Kanpur Fertilisers and Cement limited (subsidiary of Jaypee Uttar Bharat Vikas Pvt. Limited)
(8) Jaypee International Logistics Company Private Limited [(subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability)]
(9) Tiger Hills Holiday Resort Private Limited (subsidiary of Jaypee Development Corporation Limited)
(10) Anvi Hotels Private Limited [(subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability)]
(11) RPJ Minerals Private Limited
(12) Sarveshwari Stone Products Pvt. Ltd. (subsidiary of RPJ Minerals Private Limited)
(13) Rock Solid Cement Limited (subsidiary of RPJ Minerals Private Limited)
(14) Sonebhadra Minerals Private Limited
(15) MP Jaypee Coal Limited
(16) Madhya Pradesh Jaypee Minerals Limited
(17) MP Jaypee Coal Fields Limited
(18) Jaiprakash Kashmir Energy Limited
(19) Jaypee Hotels Limited
(20) Jaypee Mining Venture Private Limited
(21) Ceekay Estate Private Limited.
(22) Pac Pharma Drugs and Chemicals Private Limited
(23) Akasva Associates Private Limited
(24) Jaiprakash Exports Private Limited
(25) Bhumi Estate Developers Private Limited
(26) Jaypee Technical Consultants Private Limited
(27) Andhra Cements Limited (subsidiary of Jaypee Development Corporation Limited)
(28) Jaypee Jan Sewa Sansthan ('Not for profit' Private limited Company)
(29) Think Different Enterprises Private Limited (w.e.f 03.03.2015)
(30) Dixit Holdings Private Limited
(31) iValue Advisors Private Limited
(32) J C world Hospitality Private Limited

(e) Key Management Personnel:

Jaiprakash Power Ventures Limited

(1) Shri Manoj Gaur, Chairman
(2) Shri Sunil Kumar Sharma, Vice Chairman and CEO
(3) Shri Suren Jain, Managing Director and CFO
(4) Shri Parveen Kumar Singh, Whole-time Director
(5) Shri R.K.Narang, Whole-time Director (up to 27.06.2014)
(6) Shri Suresh Chandra,Whole-time Director (up to 30.06.2014)

(2) **Transactions carried out with related parties referred to above for the Current reporting period, March 31, 2015**

(₹ in Lacs)

	Referred in 1(a) above	Referred in 1(b) above	Referred in 1(c) above	Referred in 1(d) above	Referred in 1(e) above
Expenses					
Hiring Charges	997	–	231	–	–
(Previous Year)	(770)	(–)	(183)	(–)	(–)
Purchase of Cement and Cement Products	1,255	–	–	–	–
(Previous Year)	(3,761)	(–)	(–)	(–)	(–)
Purchase of Clinker & Gypsum	2,604	–	–	–	–
(Previous Year)	(–)	(–)	(–)	(–)	(–)
Purchase of Steel	–	–	–	–	–
(Previous Year)	(389)	(–)	(–)	(–)	(–)
Repair of Runners & Others	1,196				
(Previous Year)	(993)	(–)	(–)	(–)	(–)
Transmission Charges	1,828	–	–	–	–
(Previous Year)	(1,573)	(–)	(–)	(–)	(–)
Energy sale Charges	68	–	–	–	–
(Previous Year)	(90)	(–)	(–)	(–)	(–)
Other Expenses	25	–	–	6	–
(Previous Year)	(275)	(–)	(–)	(21)	(–)
Services Availed	398	–	–	509	–
(Previous Year)	(3)	(–)	(–)	(584)	(–)
Salary & Perquisites	–	–	–	–	539
(Previous Year)	(–)	(–)	(–)	(–)	(568)
Income					
Sale of Cement (during trial run)	3,859	–	–	–	–
(Previous Year)	(–)	(–)	(–)	(–)	(–)
Sale of Fly ash	438	–	–	–	–
(Previous Year)	(–)	(–)	(–)	(–)	(–)
Sale of Steel	–	–	–	–	–
(Previous Year)	(425)	(265)	(20)	(12)	(–)
Sale of Material & Others	–	–	–	–	–
(Previous Year)	(132)	(–)	(–)	(–)	(–)
Other Income	–	35	–		
(Previous Year)	(–)	(60)	(–)	(–)	(–)
Capital Goods	2,076	–	–	–	–
(Previous Year)	(671)	(–)	(–)	(–)	(–)
Execution of Work	5,933	–	–	–	–
(Previous Year)	(29,697)	(–)	(–)	(–)	(–)
Outstandings - Payables					
Amount payable	10,423	–	244	500	25
(Previous Year)	(19,808)	(–)	(7)	(434)	(20)
Outstandings - Receivables					
Amount receivable	195	1,268	20	7,222	–
(Previous Year)	(70)	(1,098)	(20)	(7,042)	(–)
Investment in Subsidiaries					
Share Capital/Share Application Money	–	77,504	–	–	–
(Previous Year)	(–)	(57,082)	(–)	(–)	(–)

Guarantees given by the holding company on behalf of the Company and guarantee given by the Company on behalf of the holding company have been mentioned elsewhere in the Notes to Financial Statements.

Note 39

Earnings Per Share is computed in accordance with Accounting Standard-20 issued by the Institute of Chartered Accountants of India.

(₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2015	Figures as at the end of previous reporting period, March 31, 2014
[a] Net Profit for Basic Earnings Per Share as per Profit & Loss Account	**13,721**	1,973
Adjustment for the purpose of Diluted Earnings Per Share	–	–
Net Profit for Diluted Earnings Per Share	**13,721**	1,973
[b] Weighted average number of equity shares for Earnings Per Share computation:		
[i] Number of Equity Shares at the beginning of the period/year	**2,938,003,084**	2,938,003,084
[ii] Number of Equity Shares issued during the period/year	–	–
[iii] Number of Shares allotted on amalgamation	–	–
[iv] Number of potential Equity Shares	**94,270,720**	107,535,026
[v] Weighted average No. of Shares for calculating:	–	–
[a] Basic Earnings Per Share	**2,938,003,084**	2,938,003,084
[b] Diluted Earnings Per Share	**3,032,273,804**	3,045,538,110
[c] Earnings Per Share		
[i] Basic (Rs.)	**0.47**	0.07
[ii] Diluted (Rs.)	**0.45**	0.06
[d] Face Value Per Share (Rs.)	**10.00**	10.00

Note 40

Pursuant to the Companies Act, 2013 becoming effective from 1st April, 2014, the Company has computed the depreciation based on the useful life of the assets as prescribed in Schedule II of the Act. This has resulted in reduction of depreciation of Rs. 9,113 Lacs for the year ended 31st March, 2015. The carrying amount of assets which have completed its depreciated period as on 1st April, 2014 amounting to Rs.1,393 Lacs have been adjusted against 'General Reserve'.

Note 41

(a) Provident Fund - Defined Contribution Plan

Employees are entitled to Provident Fund benefits. Amount debited to Profit and Loss account including Administrative and Employees Deposit Linked Insurance charges Rs.334 Lacs during the period (Previous Year - Rs.288Lacs) and Rs.28 Lacs (Previous Year - Rs.41Lacs) booked in Incidental Expenses during construction pending capitalisation.

(b) Gratuity - The liability for Gratuity is provided on the basis of Actuarial Valuation made at the end of each financial year. The Actuarial Valuation is made on Projected Unit Credit method as per AS 15(revised). Jaiprakash Associates Limited {JAL} (the Company's holding company) has constituted a Gratuity Fund Trust under the name Jaiprakash Associates Employees Gratuity Fund Trust vide Trust Deed dated 30th March, 2009 for

JAL and its subsidiaries and appointed SBI Life Insurance Co. Ltd. for the management of the Trust Funds for the benefits of employees. As a subsidiary of JAL, the Company is participating in the Trust Fund by contributing its liability accrued up to the close of each financial year to the Trust Fund.

(c) Leave Encashment - Defined Benefit Plans - Provision has been made as per Actuarial Valuation.

Details of Gratuity and Leave encashment as per Accounting Standard-AS-15(Revised):

(₹ in Lacs)

Sl. No	Particulars	Gratuity (Funded)		Leave Encashment (Non Funded)	
		FY 2014-15	FY 2013-14	**FY 2014-15**	FY 2013-14
I	**Expenses recognized in the statement of Profit & Loss and in the Statement of Incidental Expenditure during Project Implementation, Pending Allocation for the Year**				
	1. Current Service Cost.	**75.95**	77.58	**68.34**	66.52
	2. Interest Cost	**32.00**	25.28	**21.72**	18.87
	3. Employee Contribution	–	–	–	–
	4. Acturial (Gains)/Losses	**(6.87)**	21.11	**(16.72)**	(10.31)
	5. Past Service Cost	–	–	–	–
	6. Settlement Cost	–	–	–	–
	7. Expected Return on Plan Assets	**12.41**	15.14	–	–
	8. Total Expenses	**88.68**	108.83	**73.34**	75.08
II	**Net Asset/(Liability) recognized in the Balance Sheet**				
	1. Present Value of Defined Benefit Obligation.	**388.42**	376.48	**262.27**	255.52
	2. Fair Value of Plan Assets	**61.23**	137.95	–	–
	3. Funded Status -Surplus/ (Deficit)	**(327.19)**	(238.53)	**(262.27)**	(255.52)
	4. Excess of actual over estimated return on Plan Assets	**(3.74)**	(1.92)	–	–
	5. Net Asset/(Liability)	**(327.19)**	(238.53)	**(262.27)**	(255.52)
III	**Change in Obligation during the Year**				
	1. Present value of Defined Benefit obligation at the beginning of the year.	**376.48**	297.46	**255.52**	222.02
	2. Current Service Cost.	**75.95**	77.58	**68.34**	66.52
	3. Interest Cost	**32.00**	25.28	**21.72**	18.87
	4. Settlement Cost	–	–	–	–
	5. Past Service Cost.	–	–	–	–
	6. Employee Contributions	–	–	–	–
	7. Actuarial (Gains)/Losses	**(10.61)**	19.19	**(16.72)**	(10.31)
	8. Benefit Payments	**85.40**	43.03	**66.59**	41.58
	9. Present Value of Defined Benefit Obligation at the end of the year	**388.42**	376.48	**262.27**	255.52
IV	**Change in Assets during the Year**				
	1. Plan Assets at the beginning of the year.	**137.95**	162.76	–	–
	2. Assets acquired on amalgamation in previous year	–	–	–	–
	3. Settlements	–	–	–	–
	4. Expected return on Plan Assets	**12.42**	15.14	–	–
	5. Contribution by Employer	–	5.00	–	–
	6. Actual Benefit Paid	**85.40**	43.03	–	–
	7. Actuarial Gains/(Losses)	**(3.74)**	(1.92)	–	–
	8. Plan Assets at the end of the year.	**61.23**	137.95	–	–
	9. Actual Return on Plan Assets	**8.68**	13.22	–	–
V	**Estimated amount of contribution in the immediate next year**	**92.05**	11.11	**49.09**	63.55
VI	**Major categories of plan assets (as percentage of total plan assets)**				
	1. Funds Managed by Insurer	**100%**	100%	–	–
VII	**Actuarial Assumptions:**				
	1. Discount Rate	**8.00%**	8.50%	**8.00%**	8.50%
	2. Mortality Table (of IALM)	**2006-08**	2006-08	**2006-08**	2006-08
	3. Turnover Rate:				
	Up to 30 Years	**2.00%**	2.00%	**2.00%**	2.00%
	From 31 to 44 years	**5.00%**	5.00%	**5.00%**	5.00%
	Above 44 years	**3.00%**	3.00%	**3.00%**	3.00%
	4. Future Salary Increase	**5.50%**	6.00%	**5.50%**	6.00%

Particulars	**31.03.2015**	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Gratuity- Funded					
a) Present Value of Defined benefit obligation	**388.42**	376.48	297.46	267.90	205.55
b) Fair value of Plan Assets	**61.23**	137.95	162.76	206.62	204.32
c) Surplus/(Deficit) in the plan	**(327.19)**	(238.53)	(134.70)	(61.28)	(1.26)
d) Experience gain/(loss) adjustments:			–	–	–
On Plan PBO	**(17.27)**	(19.29)	(3.07)	(5.34)	(42.35)
On Plan Assets	**(4.15)**	(1.92)	0.95	18.42	6.77
Leave Encashment - Non Funded			–	–	–
a) Present Value of Defined benefit obligation	**262.27**	255.52	222.02	179.64	155.25
b) Fair value of Plan Assets	–	–	–	–	–
c) Surplus/(Deficit) in the plan	**(262.27)**	(255.52)	(222.02)	(179.64)	(155.25)
d) Experience gain/(loss) adjustments:					
On Plan PBO	**(20.99)**	(40.00)	(12.33)	35.38	32.20
On Plan Assets	–	–	–	–	–

JSW Hydro Energy Limited

Note 42

(a) Pursuant to Revised Schedule-VI of the Companies Act and Guidance Note issued by the Institute of Chartered Accountants of India requiring recognition of MAT credit in the Books of Accounts, the MAT credit entitlement has been recognised in the Books of Accounts.

(b) As there is no taxable profit for the period up to 31st March, 2015 no income tax amount has been provided for the period up to 31st March, 2015. The MAT chargeable on book profit amounting to Rs. 2,725 Lacs (Previous year Rs. 282 Lacs) up to 31st March, 2015 has been treated as MAT credit entitlement.

(c) The Company has provided deferred tax assets (net) of Rs.716 Lacs (Previous year Rs. 629 Lacs) for the year ended 31st March, 2015.

Note 43 Statutory Auditors' Remuneration:

Details of remuneration (including Service Tax) paid to Statutory Auditors' :

(Rupees in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2015	Figures for the previous reporting period, March 31, 2014
i For Audit Fee	**40.00**	40.00
ii For Tax Audit	**4.00**	4.00
iii For Other Services	**3.00**	3.00
iv For Reimbursement of Expenses	**1.00**	1.00
Total	**48.00**	48.00

Note 44 Prior period adjustments (income/expenses) :

(Rs. In Lacs)

Particulars	2014-15	2013-14
Prior period income -		
i Sales of energy earlier considered as 'Advance against depreciation'	**500.00**	-
ii Interest received on FDR pertaining to previous year	**0.02**	-
Total	**500.02**	-
Prior period expenses -		
i Insurance Premium	**50.67**	-
ii Service tax	**0.88**	-
iii Energy duty & Cess	**2.08**	-
iv Repair & Maintenance	**0.27**	5.79
v TDS and Interest thereon	**0.48**	-
vi Interest on FDR	**-**	0.72
vii Business Promotion Expenses	**-**	0.07
viii Employees Benefit Expenses	**-**	0.92
Total	**54.38**	7.50
Net amount-Prior period income/(expenses)	**445.64**	(7.50)

Note 45

Jaypee Nigrie Super Thermal Power Project (JNSTPP) (1320 MW) was to get coal from two dedicated coal mines namely Amelia (North) and Dongri-Tal II. Both these mines were allocated to MP State Mining Corporation Ltd (MPSMCL), which in turn have formed two JV companies with Jaiprakash Associates Ltd(JAL)for supplying the Coal to JNSTPP.

However, the Hon'ble Supreme Court of India vide its judgement dated August 25, 2014 read with its order dt. September 24, 2014 had cancelled allotment of 204 coal blocks which included both, Amelia (North) & Dongri Tal II coal mine(s) allotted to MPSMCL. At the time of cancellation, Amelia (North) mine was operating mine and was supplying coal to JNSTPP. Upon de-allocation Amelia (North) was permitted to continue mining and to supply Coal to JNSTPP upto 31.03.2015 only. After the cancellation of coal blocks Govt of India promulgated the coal mines (Special provisions) ordinance, 2014 on October 21, 2014. Accordingly Govt of India put up certain coal blocks under the aforesaid act for auctions which included Amelia (North) block as well.

With a view to secure coal availability for JNSTPP our company participated in coal mine auctions and was declared successful bidder for Amelia (North) (mineable reserves of 703 Lacs tonnes) and signed 'Coal Mine Development and Production Agreement' (CMPDA) on March 02, 2015

In compliance of the vesting conditions as per CMPDA, the Company has paid upfront payment and furnished Performance bank guarantee to 'Nominated Authority', Ministry of Coal. The 'Nominated Authority', has issued vesting order to the Company on March 23, 2015 covering immovable assets of the Amelia (North). Company is in the process of acquiring rest of the movable assets/other assets from erstwhile Mining JV of Amelia (North) and JAL as 'Mine Development Operator'.

In view of the above, the expenditure incurred is being treated as "Expenditure Pending Allocation" and will be capitalised once the Mine becomes operational.

Note 46

In respect of hiving off of 300 MW Jaypee Baspa HEP and 1091 MW Karcham Wangtoo HEP into subsidiaries through a Scheme of Arrangement with ultimate transfer of ownership of the said subsidiaries to TAQA India Power Ventures Private Limited led consortium. TAQA India Power Ventures Private Limited had withdrawn the acquisition arrangement of the said Power Plants mainly as a result of change in the business strategy and priorities of their group. TAQA has paid an amount of Rs.5,722.20 Lacs as break amount during financial year 2014-15 for the same.

Note 47

The Board of Directors of the Company in their meeting held on15th November, 2014 considered and approved the Scheme of Arrangement for transfer of businesses in relation to two of the Company's operating Hydro-electric Power plants namely, 300 MW Jaypee Baspa-II Hydro electric plant and 1091 MW Jaypee Karcham Wangtoo Hydro-electric plant, to Himachal Baspa Power Company Limited (HBPCL), a subsidiary of the Company, as a going concern on, slump exchange basis, subject to sanction of the said Scheme by the Hon'ble High Court of Himachal Pradesh at Shimla and such other approvals, as may be required. Further, pursuant to the approval accorded by the Board of Directors in its meeting held on 16th November, 2014, the Company entered into a Securities Purchase Agreement with JSW Energy Limited (JSW) regarding sale of securities of HBPCL to JSW, subject to satisfaction of conditions precedent including approval of the said Scheme of Arrangement, as approved by the Board on 15th November, 2014. The proposed divestment will help the Company in deleveraging its Balance Sheet including reduction of debt and interest outgo.

The carrying amount of the assets of Baspa HEP and Karcham HEP were Rs.1,48,384 Lacs (Previous year-Rs.1,65,342 Lacs) and Rs.6,79,520 Lacs (Previous year-Rs.6,64,353 Lacs) respectively and its liabilities were Rs. 1,09,464 Lacs (Previous year-Rs.90,132 Lacs) and Rs. 5,70,970 Lacs (Previous year-Rs.5,80,879 Lacs) respectively. The following statement shows the revenue and expense of continuing and discontinuing operations.

Rs. in Lacs

	Particulars	Continuing Operations		Discontinuing Operations				Total	
		(JPVL)		Baspa HEP		Karcham HEP			
		31.03.2015	31.03.2014	**31.03.2015**	31.03.2014	**31.03.2015**	31.03.2014	**31.03.2015**	31.03.2014
i	Turnover	**230,352**	117,899	**28,285**	31,997	**147,555**	124,153	**406,192**	274,049
ii	Operating Expenses	**138,199**	71,680	**7,153**	8,298	**36,080**	47,959	**181,432**	127,937
iii	Impairment Loss	–	–	–	–	–	–	–	–
iv	Pretax profit from operating activities	**92,153**	46,219	**21,132**	23,699	**111,475**	76,194	**224,760**	146,112
v	Financing Expenses	**128,859**	67,263	**7,151**	8,093	**75,745**	69,412	**211,755**	144,768
vi	Profit (Loss) before tax	**(36,706)**	(21,044)	**13,981**	15,606	**35,730**	6,782	**13,005**	1,344
vii	Income tax expense	**(6,865)**	(2,192)	**3,302**	495	**2,847**	1,068	**(716)**	(629)
viii	Profit (Loss) from operating activities after tax	**(29,841)**	(18,852)	**10,679**	15,111	**32,883**	5,714	**13,721**	1,973

As the Scheme of Arrangement for disinvestment is yet to be approved by Hon,ble High Court at Shimla, the Liabilities and Assets for Units to be disinvested have been shown in the way, as they would have appeared in normal course of Business i.e Non-Current and Current.

Note 48

A Power Purchase Agreement (PPA) for sale of long term power from the Karcham Wangtoo HEP to Power Trading Corporation of India Limited (PTC) was executed on 21st March 2006 by erstwhile Jaypee Karcham Hydro Corporation Limited (since merged with the Company) for a term of 35 years. Contracted power under the PPA is 704 MW. The Company is supplying contracted power to PTC under the PPA w.e.f. 1st May, 2014 (200 MW), w.e.f. 1st June 2014 (additional 200 MW) and w.e.f. 1st October 2014 (additional 104 MW). The present day quantum of contracted power supplying to PTC is 504 MW. It is expected that Company will commence supply of balance contracted power of 200 MW to PTC shortly. The Company has filed a petition on 27th October, 2014 before Central Electricity Regulatory Commission (CERC) for determination of tariff for block year 2014-2019. The said petition is under consideration of CERC.

Note 49

MPERC has approved the final tariff of Jaypee Bina Thermal Power Plant on 26th November, 2014. Accordingly, the Company had raised bill on the procurers in respect of arrears of Rs.11,423.80 lacs and interest on arrears amounting to Rs.1,214.56 Lacs, which has been recognised as income. It also includes arrears on tariff amounting to Rs.7,096.26 Lacs and interest on arrears of Rs.1,032.85 Lacs for the period ended 31.03.2014.

Note 50

Expenditure incurred on Corporate Social Activities (CSR)

Gross amount of Rs. 592.88 Lacs was required to be spent by the Company on the activities of CSR, as per schedule VII and as per provisions of Companies Act, 2013, whereas the Company has spent Rs.603.65 Lacs.

Amount spent during the year:

(₹ in Lacs)

Particulars	Amount Spent	Amount yet to be spent	Total
(i) Construction/acquisition of any asset	–	–	–
(ii) On purpose other than (i) above	603.65	–	603.65

Note 51

(i) The External Commercial Borrowings (ECBs) outstanding JPY 1,45,350 Lacs as on 31.03.2015 are fully hedged (JPY to USD) in respect of coupon as well as repayment. USD to INR portion has been hedged for 50% of outstanding i.e. JPY 72,675 Lacs (equivalent to USD 663.70 Lacs) and balance 50% portion is unhedged.

(ii) The Company has outstanding exposure of USD 1,753.30 Lacs (unhedged) as on 31.03.2015 against Foreign Currency Convertible Bonds (FCCBs).

Note 52

(i) 900 Lacs Equity Shares of Rs. 10/- each fully paid (Previous Year 900 Lacs) held by the Company of Jaypee Powergrid Ltd. (Subsidiary Company) are pledged with Security Trustees, IDBI Trusteeship Services Ltd., as collateral security for the financial assistance granted by lenders to Jaypee Powergrid Ltd.

(ii) 14,398.27Lacs Equity Shares of Rs. 10/- each fully paid (Previous Year 10,904.77) held by the Company of Prayagraj Power Generation Co. Ltd. (Subsidiary Company) are pledged with Security Trustees, SBI Cap Trusteeship Services Ltd., as collateral security for the financial assistance granted by lenders to Prayagraj Power Generation Co. Ltd.

Note 53

(a) The Company has presently one operative segment i.e. Generation of Power. The Company has set up Cement Grinding Unit at Jaypee Nigrie Super Thermal Power Plant, for gainful utilisation of dry fly ash and as mandated by Ministry of Environment and Forests. Accordingly, now the Company has two segments, Power Generation and Cement. As total assetst employed in Cement Grinding Unit are less than 10% of the total assets of the Company, therefore, separate segment reporting is not applicable.

(b) The operations of the Company are carried with similar economic and political conditions having similar kind of risks, therefore geographical segments are not applicable.

Note 54

In terms of 'Accounting Standard (AS) 28', the assets are not impaired because the recoverable amount of fixed assets collectively determined by the present value of estimated future cash flows is higher than its carrying value.

Note 55

All the figures have been rounded off to the nearest rupees in lacs.

Note 56

Previous Year's figures have been regrouped/re-arranged, wherever consicered necessary to make them conform to the figures for the current year.

For and on behalf of the Board

For R. NAGPAL ASSOCIATES
Chartered Accountants
Firm Registration No. 002626N

Manoj Gaur
Chairman
DIN 00008480

R. Nagpal
Partner
M.No. 081594

Suren Jain
Managing Director & CFO
DIN 00011026

Sunil Kumar Sharma
Vice Chairman & CEO
DIN 00008125

Place: Noida
Date: 30th May, 2015

R.K. Porwal
Sr. General Manager (F&A)

Y.K.Sharma
Vice President (F&A)

M.M. Sibbal
Sr. General Manager &
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2015		Figures as at the end of previous reporting period, March 31, 2014	
A. Cash flow from operating activities				
Profit before taxation		**13,005**		1,343
Add Back				
Depreciation and Amotization expenses	**25,419**		21,593	
Deferred Revenue on account of advance against depreciation	**4,553**		5,052	
Add:Finance costs	**135,832**	**165,804**	67,268	93,913
Deduct:				
Interest Income (Interest on bank deposits)	**(272)**		(499)	
(Gain)/Loss on sale of Assets	-		-	
Other Income (Including Interest on Arrear)	**(5,935)**		(184)	
Dividend Income	**(3,663)**	**(9,870)**	(2,664)	(3,347)
Changes in working Capital				
(Increase)/Decrease in Trade Receivables	**(19,220)**		5,469	
(Increase)/Decrease in Inventories	**(14,927)**		(1,839)	
(Increase)/Decrease in Long Term/Short Term Loans and Advances and others Current Assets excluding Capital advances	**(10,412)**		(5,420)	
Increase (Decrease) in Current Liabilities & Other Long Term Liabilities excluding Current Maturities of Long Term Debts and Capital Liabilities of Ongoing Projects	**43,048**		117,960	
Increase (Decrease) in Short Term and Long Term Provisions	**84**	**(1,427)**	(126)	116,044
Cash generated from Operations		**167,512**		207,953
Adjustments for:				
Income tax paid (net of refund)		**(3,607)**		(708)
Operating Cash Flows-Continuing Operations		**163,905**		207,245
Operating Cash Flows-Dis-Continuing Operations- Operation 1		**14,980**		(19,949)
Operating Cash Flows-Dis-Continuing Operations- Operation 2		**68,103**		34,474
Net cash inflow from operating activities----'A'		**246,988**		221,770
B. Cash flow from Investing activities				
Outflow				
Investment in Fixed Assets/Capital Work in Progress	**(156,344)**		(244,154)	
Changes on Account of Capital Liabilities/Advances on Ongoing Projects	**(23,070)**	**(179,414)**	(22,835)	(266,989)
Investment in Subsidiary		**(77,504)**		(57,082)
Inflow				
Sale of Assets	-		3	
Interest and Dividend Income	**3,935**		3,194	
Other Income	**5,935**		152	
Investment in bank deposits having original maturity of more than three months	**(5,561)**	**4,309**	24,854	28,203
Cash Flows from Investing activities-Continuing Operations		**(252,609)**		(295,868)
Cash Flows from Investing activities-Dis-Continuing Operations-Unit 1		**(1,347)**		837
Cash Flows from Investing activities-Dis-Continuing Operations-Unit 2		**(12,079)**		(1,006)
Net cash used in investing activities-----`B'		**(266,035)**		(296,037)

JSW Hydro Energy Limited

INDEPENDENT AUDITOR'S REPORT

To the Members of

JAIPRAKASH POWER VENTURES LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying Standalone financial statements of JAIPRAKASH POWER VENTURES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, as applicable

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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone 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 and the Order under section 143 (11) of the Act.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its Loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.

   e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 37 to the financial statements.

      ii. The Company does not have any material foreseeable losses in respect of any long-term contracts including derivative contracts;

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

2. 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 B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For R. NAGPAL ASSOCIATES
Chartered Accountants
Firm Registration Number 002626N

(CA R. NAGPAL)
Partner
M No.081594

Place: Noida
Dated: 27th May 2016

JSW Hydro Energy Limited

Annexure 'A' to the independent auditor's report of even date on the financial statements of JAIPRAKASH POWER VENTURES LIMITED

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 **JAIPRAKASH POWER VENTURES LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the 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 maintain 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act. to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 details, 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 overrise of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changed 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 March 31, 2016, 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 Accountant of India.

For R. NAGPAL ASSOCIATES
Chartered Accountants
Firm Registration Number 002626N

(CA R. NAGPAL)
Partner
M No.081594

Place: Noida
Dated: 27th May 2016

ANNEXURE 'B' referred to in paragraph 2 of our report of even date to the members of

JAIPRAKASH POWER VENTURES LIMITED on the accounts of the Company for the year ended 31st March 2016.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

(i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) A substantial portion of the Fixed Assets have been physically verified by the management during the year and to the best of our knowledge and information given to us, no material discrepancies were identified on such verification.

c) The title deeds of immovable properties are held in the name of the company, except in the following cases

i) Land amounting to Rs. 6,86,35,161 at Bina power plant where the immovable properties are in the name of the erstwhile company which has since merged in the company as per the Hon'ble High Court Order dated 25th July 2011.

ii) Land amounting to Rs. 1,11,00,674 at Amelia Coal Mine which the company has acquired as per the vesting order of the nominated authority of The Government of India, Ministry of Coal and is yet to be transferred in the name of the Company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year. No material discrepancies were noticed on physical verification carried out at the end of the year.

(iii) As informed, 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.

(iv) In our opinion and according to the information and explanations given to us, in respect of loans, investments, guarantees, and security , the provisions of Section 185 and 186 of the Act have been complied with.

(v) The Company has not accepted any deposits from the public. Accordingly, the provisions of clause 3(v) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

(vi) According to the information and explanations given to us, cost records as prescribed by the Central Government under section 148(1) of the Act are being made and maintained.

(vii) *(a) As per records produced before us and according to the information and explanations given to us the Company is generally regular in depositing undisputed statutory dues applicable to it like, Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Sales Tax/ Value Added Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities, except the following dues which are outstanding for a period exceeding six months as on the Balance Sheet date*

Name of Statute (Nature of dues)	*Department*	*Amount in Rs. Lacs (Including Interest)*
VAT	*MPVAT*	*319.11*
Development Cess/ Electricty Duty	*Chief Electrical Inspector, Govt of MP.*	*3,321.61*

(b) As per records produced before us and according to the information and explanations given to us there are no dues of Income-tax, Sales-tax, Wealth tax, Service Tax, Customs duty, Excise Duty, Value Added Tax or Cess which have not been deposited on account of any dispute, except for the following:

Name of Statute (Nature of dues)	Period to which amount relates	Dispute is pending	Amount in Rs Lacs
Income Tax	FY 2011-12	CIT(A), Shimla	2,990.79
Income Tax	FY 2012-13	CIT(A), Shimla	2,234.00
Income Tax	FY 2013-14	CIT(A), Shimla	1,747.00
Income Tax	FY 2004-05	With Commissioner (Appeals), Mumbai	172.09
Income Tax (TDS)	FY 2012-13	CIT (A) Shimla	1,448.29
Diversion Tax and Land Cess	Since FY 1998-99	Commissioner, Sagar	189.84
Diversion Tax and Land Cess	Since FY 1998-99	Board of Revenue, Gwalior	26.57
Entry Tax	For FY 2012-13	Additional Commissioner of Commercial Tax, Bhopal	400.83
Building and Other Construction Workers Welfare Cess	Upto FY 14-15	High Court, Jabalpur, Madhya Pradesh	7,637.26

(viii) *During the year the company has defaulted in repayment of Principal and interest to Banks and Financial institution/ debenture holders, wherein the period of delay ranges from 1 day to 89 Days, which have, however been subsequently made good during the year.*

As per Information and records produced before us details of Overdue Interest on borrowings amounting to Rs.15,218.32 Lacs reflected in Note No.12 to the financial statements "Other Current Liabilities' which was outstanding as at 31st March 2016 is given below

Name of Banks/Financial Institution	Range Period	Amount in Rs. Lacs
BANKS		
Bank of Maharashtra	31 Days	111.62
Canara Bank	16 Days	248.07
Central Bank of India	30-60 Days	1,418.47
Corporation Bank	30-60 Days	557.59
ICICI Bank Ltd.	30-60 Days	2,913.06
IDBI Bank Ltd.	30-60 Days	1,656.00
Indian Overseas Bank	30-60 Days	403.32
Infrastructure Development Finance Company Limited	30-60 Days	653.66
LIC of India	30-91 Days	1,026.74
Oriental Bank of Commerce	30-60 Days	619.80
Punjab National Bank	30-60 Days	1,827.64
State Bank of Bikaner & Jaipur	30-60 Days	405.17
State Bank of Hydrabad	30-60 Days	586.78
State Bank of Patiala	30-60 Days	472.09
Syndicate Bank	30-60 Days	577.44
UCO Bank	30-60 Days	768.92
United Bank of India	31 Days	288.31
NON BANKING FINANCE COMPANY		
SREI Equipment Finance Limited	31 Days	51.58
OTHERS		
Foreign Currency Convertible Bonds	1 Day	632.04
TOTAL INTEREST DUE		**15,218.32**

JSW Hydro Energy Limited

As per Information and records produced before us details of Overdue Principal Repayment of borrowings amounting to Rs.68,848.30 Lacs reflected in Note No.6.11.: which was outstanding as at 31st March 2016 is given below

Name of Banks/Financial Institution	Range Period	Amount in Rs. Lacs
SREI Euiptment Finance Limited	9 Days	57.94
IDBI Bank Ltd.	30-60 Days	1,071.43
FCCB'S	1 Day	67,718.94
TOTAL PRINCIPAL DUE		**68,848.30**

(ix) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained. The company has not raised any money by way of initial public offer or further public offer (including debt instruments).

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) The Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a nidhi Company. Accordingly, the provisions of clause 3(xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

(xiii) Based on information and explanations given to us by the management, 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 financial Statements as required by the applicable accounting standards.

(xiv) Based on information and explanations given to us by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review. Accordingly, the provisions of clause 3(xi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transaction with directors or person connected with him which is covered by Section 192 of the Act. Accordingly, the provisions of clause 3(xv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

(xvi) In our opinion and according to the 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 Accordingly, the provisions of clause 3(xvi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

For R. NAGPAL ASSOCIATES
Chartered Accountants
Firm Registration Number 002626N

(CA R. NAGPAL)
Partner
M No.081594

Place: Noida
Dated: 27th May 2016

JAIPRAKASH
POWER VENTURES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2016

(₹ in Lacs)

Particulars	Note No.	Figures as at the end of current reporting period, March 31, 2016		Figures as at the end of previous reporting period, March 31, 2015	
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	3		**2,93,800**		2,93,800
(b) Reserves and Surplus	4		**4,63,098**		3,44,143
(c) Money received against share warrants			-		-
(2) Share application money pending allotment			-		-
(3) Deferred Revenue	5		**44,972**		63,320
(4) Non Current Liabilities					
(a) Long-term borrowings	6		**11,38,106**		18,02,395
(b) Deferred tax liabilities (net)	7		-		12,987
(c) Other Long-term liabilities	8		**1,701**		5,310
(d) Long-term provisions	9		**477**		582
(5) Current Liabilities					
(a) Short-term borrowings	10		**54,697**		58,928
(b) Trade payables	11		**87,860**		1,35,207
(c) Other current liabilities	12		**3,16,507**		4,67,411
(d) Short-term provisions	13		**135**		17,931
TOTAL			**24,01,353**		32,02,014
II. ASSETS					
(1) Non-current assets					
(a) Fixed assets	14				
(i) Tangible assets	14A	**15,91,728**		23,10,444	
(ii) Intangible assets	14B	**20,697**		-	
(iii) Capital work-in-progress	14C	**14,634**		35,777	
(iv) Intangible assets under development		-	**16,27,059**	-	23,46,221
(b) Non-current investments	15		**5,85,002**		5,77,998
(c) Deferred tax assets (net)	16		**14,501**		-
(d) Long-term loans and advances	17		**57,726**		88,617
(e) Other non-current assets	18		**5,781**		16,965
(2) Current assets					
(a) Current investments	19	-		5	
(b) Inventories	20	**33,858**		30,895	
(c) Trade receivables	21	**39,922**		71,016	
(d) Cash and bank balances	22	**10,245**		49,653	
(e) Short-term loans and advances	23	**23,084**		13,366	
(f) Other current assets	24	**4,175**	**1,11,284**	7,278	1,72,213
TOTAL			**24,01,353**		32,02,014

Summary of significant accounting policies 2

The note nos. 1 to 55 are integral part of the financial statements

For and on behalf of the Board

As per our report of even date attached to the financial statements

FOR R. NAGPAL ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 002626N

Manoj Gaur
Chairman
DIN 00008480

R. NAGPAL
Partner
M.No. 081594

Suren Jain
Managing Director & CFO
DIN 00011026

Sunil Kumar Sharma
Vice Chairman & CEO
DIN 00008125

Place: Noida
Dated: 27th May, 2016

R.K. Porwal
Vice President (F & A)

Y. K. Sharma
Sr. Vice President (F & A)

M.M. Sibbal
Vice President & Company Secretary

JSW Hydro Energy Limited

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JAIPRAKASH
POWER VENTURES LIMITED

STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31ST MARCH, 2016

(₹ in Lacs)

	Particulars	Note No.		Figures for the current reporting period, March 31, 2016		Figures for the previous reporting period,March 31, 2015
I.	Revenue from operations	25		4,13,204		3,94,413
	Less : Captive transfer of coal/energy to thermal plant			20,338		-
	Less : Excise duty			4,498		-
II.	Other Income	26		8,699		11,779
III.	Total Revenue (I+II)			3,97,067		4,06,192
IV.	Expenses :					
	Cost of operation and maintenance	27		1,55,784		1,20,394
	Purchase of Stock-in-trade			-		-
	Changes in inventories of finished goods & work in progress	28		(101)		-
	Employee benefits expense	29		8,639		8,524
	Finance costs	30		2,39,818		2,11,755
	Depreciation and amortization expense	31		56,405		46,528
	Other expenses	32		8,639		6,432
	Less : Captive transfer of coal to thermal plant			19,897		-
	Total expenses			4,49,287		3,93,633
V.	Profit/(loss) before exceptional and extraordinary items and tax (III-IV)			(52,220)		12,559
VI.	Exceptional items					
	Income on sale of securities			(10,260)		-
	Prior Period Adjustments			(21)		(446)
VII.	Profit/(loss) before extraordinary items and tax (V-VI)			(41,939)		13,005
VIII.	Extraordinary items			15,000		-
IX.	Profit/(loss) before tax (VII-VIII)			(56,939)		13,005
X.	Tax Expense :					
	(i) Current tax (MAT)		-		2,725	
	Less : MAT credit entitlement		-		2,725	
	Net Current Tax		-		-	
	(ii) Deferred tax charge / (reversal)		(27,489)	(27,489)	(716)	(716)
XI.	Profit/(loss) from operations (IX-X)			(29,450)		13,721
XII.	Profit/(loss) from continuing operations		(98,673)		(36,706)	
XIII.	Tax expense of continuing operations		(49,756)		(6,865)	
XIV.	Profit/(loss) from continuing operations (after tax) (XII-XIII)			(48,917)		(29,841)
XV.	Profit/(loss) from discontinuing operations		41,734		49,711	
XVI.	Tax expense of discontinuing operations		22,267		6,149	
XVII.	Profit/(loss) from discontinuing operations (after tax) (XV-XVI)			19,467		43,562
XVIII.	Profit/(loss) for the period (XIV + XVII)			(29,450)		13,721
XIX.	Earnings per equity share :					
	Before Extraordinary items					
	(i) Basic			(0.49)		0.47
	(ii) Diluted			(0.48)		0.45
	After Extraordinary items					
	(i) Basic			(1.00)		0.47
	(ii) Diluted			(0.98)		0.45

Summary of significant accounting policies 2

The note nos. 1 to 55 are integral part of the financial statements

For and on behalf of the Board

As per our report of even date attached to the financial statements

FOR R. NAGPAL ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 002626N

Manoj Gaur
Chairman
DIN 00008480

R. NAGPAL
Partner
M.No. 081594

Suren Jain
Managing Director & CFO
DIN 00011026

Sunil Kumar Sharma
Vice Chairman & CEO
DIN 00008125

Place: Noida
Dated: 27th May, 2016

R.K. Porwal
Vice President (F & A)

Y. K. Sharma
Sr. Vice President (F & A)

M.M. Sibbal
Vice President & Company Secretary

JSW Hydro Energy Limited

Notes to the financial statements for the period ended 31st March, 2016

Note 1 Corporate Information

Jaiprakash Power Ventures Limited, a part of Jaypee Group was incorporated in the year 1994. The Company is engaged in the business of generation of Power, cement grinding and Captive Coal Mining. At the year end the Company owns and operates 400 MW Jaypee Vishnuprayag Hydro Electric Plant at District Chamoli, Uttarakhand, 1320 MW Jaypee Nigrie Super Thermal Power Plant at Nigrie, Distt. Singrauli, M.P., 500 MW Jaypee Bina Thermal Power Plant at Vill. Sirchopt, Distt. Sagar, M.P. The Company is operating Cement Grinding Unit (2 MTPA) at Nigrie, Distt. Singrauli (M.P.) and is also engaged in Captive coal mining operations at Amelia Coal Block allotted by Government of India for supply of Coal to Jaypee Nigrie Super Thermal Power Plant.

The Company is operating 660 MW Thermal Power Plant through Prayagraj Power Generation Company Limited (A Subsidiary of the Company) at Bara, District Allahabad, out of 1980 MW in Phase I and balance 1320 MW is under implementation.

The Company through its subsidiary Jaypee Powergrid Limited has set up 217 Km long power transmission line to evacuate power from 1091 MW Karcham Wangtoo Hydro electric Plant up to Abdullapur, Haryana.

The Company is setting up/ planning following Power Plants through its subsidiaries :

(a) 2700 MW Lower Siang and 500 MW Hirong Hydro Electric Plants through Jaypee Arunachal Power Limited in Arunachal Pradesh.

(b) 450 MW Kynshi and 270 MW Umangot Hydro Electric Plants through Jaypee Meghalaya Power Limited in Meghalaya.

Note 2 Summary of significant accounting policies

(i) Basis of Preparation of Financial Statements

(a) The financial statements are prepared under historical cost convention, on accrual basis, on the principles of going concern, in accordance with the generally accepted accounting principles, to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

(b) The Accounts are prepared on the historical cost basis except for certain assets which are revalued.

(c) The Accounts are prepared on the principles of a going concern.

(d) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

(ii) Revenue Recognition

(a) **300 MW Jaypee Baspa HEP :** Revenue from sale of electrical energy is accounted for on the basis of sale to Himachal Pradesh State Electricity Board (HPSEB) as per Tariff approved by Himachal Pradesh Electricity Regulatory Commission (HPERC) in accordance with the provisions of Power Purchase Agreement dated 4th June, 1997, Amendment No.1 dated 07.01.1998, executed between the Company and HPSEB.

(b) **400 MW Jaypee Vishnuprayag HEP :** Revenue from sale of electrical energy is accounted for on the basis of sale to Uttar Pradesh Power Corporation Limited (UPPCL) as per Tariff approved by Uttar Pradesh Electricity Regulatory Commission (UPERC) in accordance with the provisions of Power Purchase Agreement dated 16.01.2007, executed between the Company and UPPCL.

(c) **1091 MW Jaypee Karcham Wangtoo HEP :** Revenue from sale of electrical energy is accounted for on the basis of sale to various buyers as per long term/ medium term/ short term Power Purchase Agreements executed with them and through Power Exchange.

(d) **500 MW Jaypee Bina Thermal Power Plant:** Revenue from sale of electrical energy is accounted for on the basis of sale to Madhya Pradesh Power Management Company Limited (MPPMCL) as per Tariff approved by Madhya Pradesh Electricity Regulatory Commission in accordance with the provisions of Power Purchase Agreement dated 05.01.2011, executed between the Company and MPPMCL to the extent of 65% of installed capacity on regulated tariff basis for 25 years and 5% of net power generation on variable charge basis for life of Project and balance on merchant basis.

(e) **1320 MW Jaypee Nigrie Super Thermal Power Plant:** Revenue from sale of electrical energy is accounted for on the basis of sale to Madhya Pradesh Power Management Company Limited (MPPMCL) as per Tariff approved by Madhya Pradesh Electricity Regulatory Commission in accordance with the provisions of Power Purchase Agreement dated 05.01.2011 executed between the Company and MPPMCL to the extent of 30% of installed capacity on regulated tariff basis for 20 years, 7.50% of the total net power generation on variable charge basis for the life of Project and balance on merchant basis.

(f) Gross Revenue from operations comprises of sale of power and cement and other operating income. Sale of cement and transfer of coal is net of excise duty and VAT.

(g) Revenue from sale of Verified Emission Reductions (VERs) is accounted for on receipt basis.

(h) Sales of Fly Ash is net of Value Added Tax and exclusive of self consumption.

(i) Insurance claims are accounted for on receipt basis or as acknowledged by the insurance company.

(j) Other income and cost/ expenditure are accounted for on accrual basis as they are earned or incurred.

(k) Dividend income is recognised when the Company has established right to receive the same on or before the Balance Sheet date.

(l) Advance against depreciation claimed/ to be claimed as part of tariff in terms of PPA (in respect of Baspa II HEP and Vishnuprayag HEP) during the currency of loans to facilitate repayment installments is treated as `Deferred Revenue'. Such Deferred Revenue shall be included in Sales in subsequent years.

(m) Interest is recognized on a time proportion basis taking into account outstanding and the rate applicable.

(n) Inter Divisional Transfer/ Captive sales:

Captive sales in regard to Coal produced from Captive Mine to be utilized for generation of power are transferred at cost as per Cost Accounting Standard-4.

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The value of inter-divisional transfer and captive sales is netted off from sales and corresponding cost under cost of materials consumed and total expenses respectively. The same is shown as a contra item in the statement of profit and loss.

(iii) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known/ materialised.

(iv) Fixed Assets

a) Fixed Assets both tangible and intangible are stated at cost of acquisition or construction inclusive of freight, erection & commissioning charges, duties and taxes, expenditure during construction period, Interest on borrowings, financing cost and foreign exchange loss/ gain, up to the date of commissioning. Foreign Exchange Rate Difference on long term monetary items arising on settlement or at reporting dates attributable to Fixed Assets is capitalised/ adjusted in the carrying value of the Fixed Assets.

b) Mining Rights and related development expenditure are treated as Intangible Assets from the date the mine is put for commercial use.

(v) Depreciation

a) Depreciation on tangible assets is provided to the extent of depreciable amount on Straight Line Method (SLM) based on useful life of the assets as prescribed in Part C of Schedule II to the Companies Act, 2013.

b) Premium on Leasehold Land is amortised over the period of lease.

c) Cost of acquisition of Coal Mine & other Mine related Expenditure are amortised on the basis of the balance life of the Project. Fixed assets of Mine having depreciable life as per Schedule II of The Companies Act, 2013, more than the mining period are being depreciated over the lease period of Mine.

(vi) Expenditure during Construction Period

Expenditure incurred on projects/assets during construction/ implementation is apportioned and capitalized to projects/ assets on commissioning.

(vii) Overburden Removal (OBR) Expenses

In coal mining, cost of OBR is charged on technically evaluated average ratio (COAL: OB) with due adjustment for advance stripping and ratio-variance account after the mine become operational. Net of balances of advance stripping and ratio variance at the Balance Sheet date is shown as cost of removal of OB under the head for Work in Progress in inventories.

(viii) Provision for Mine Closure expenses

Provision for Mine closure expenses is made as per guidelines from Ministry of Coal, Government of India.

(ix) Foreign Currency Transactions

a) Transactions denominated in Foreign Currency are recorded in the Books of Account in Indian Rupees at the rate of exchange prevailing on the date of transaction.

b) Monetary Assets and Liabilities related to Foreign Currency transactions and outstanding, except assets and liabilities hedged by a hedge contract, at the close of the year, are expressed in Indian Rupees at the rate of exchange prevailing on the date of Balance Sheet. The exchange difference arising either on settlement or at reporting date is recognised in the Statement of Profit & Loss except in cases where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

c) Monetary Assets and Liabilities hedged by a hedge contract are expressed in Indian Rupees at the rate of exchange prevailing on the date of Balance Sheet adjusted to the rates in the hedge contracts. The exchange difference arising either on settlement or at reporting date is recognised in the Statement of Profit & Loss except in cases where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets. Premium paid in respect of Hedge Contracts are recognised in the Statement of Profit & Loss, except in case where they relate to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of such assets.

d) The Company uses foreign currency contracts to hedge its risks associated with foreign currency fluctuations. The Company does not use derivative financial instrument for speculative purposes.

e) Non Monetary foreign currency items are carried at weighted average cost.

(x) Investments

Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined of value of long-term investments and made for each investment individually. Current investments are valued at lower of cost and fair value.

(xi) Inventories

a) Inventories are valued at Cost or Net Realisable Value whichever is lower. Cost of Inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

b) Cost of Raw Materials, Construction Materials, Stores & Spares, Packing Materials, Operating Stores and supplies is determined on Weighted Average basis.

c) Stock of Finished Goods (Coal at Mine and Cement at factory) includes excise duty, pursuant to Accounting Standard [AS-2] [Revised].

d) Work in Progress of overburden is valued at Weighted Average Cost.

e) Material-in-transit is valued at cost.

(xii) Retirement and other Employees Benefits

a) Provident Fund and Pension contribution as a percentage of salary/wages as per provisions of Employees Provident Funds and Miscellaneous Provisions Act, 1952.

b) Gratuity and Leave Encashment is defined benefit obligation. The liability is provided for on the basis on

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Projected Unit Credit Method adopted in the actuarial valuation made at the end of each financial year.

(xiii) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

(xiv) Premium on Redemption of Debentures

Premium paid/payable on Redemption of Debentures are adjusted against Securities premium reserve/ Surplus.

(xv) Taxes on Income

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflects the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/ period. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same. Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

(xvi) Provisions, Contingent Liabilities and Contingent Assets

Provisions: Provisions are recognised when there is present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation in respect of which reliable estimate can be made of the amount of the obligation.

Contingent Liabilities: 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 reliable estimate of the amount cannot be made, is termed as contingent liability.

Where there is a possible obligation or a present obligation but the likelihood of outflow of resources is remote, no provision or disclosure is made as specified in Accounting Standard 29 – "Provisions, Contingent Liabilities and Contingent Assets".

Contingent assets: A contingent asset is neither recognised nor disclosed in the Financial Statements.

(xvii) Earnings Per Share

Basic earnings per equity share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

(xviii) Impairment of Assets

At each balance sheet date, the management reviews the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognised immediately as income in the statement of profit and loss only when the situation becomes favorable.

(xix) Lease Rentals :

(a) Operating Leases : Rentals are expensed with reference to lease terms.

(b) Finance Leases : The lower of the fair value of the assets and present value of the minimum lease rentals is capitalized as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to statement of Profit & Loss.

(xx) Segment Reporting

Revenue, operating results, assets and liabilities have been identified to represent separate segments on the basis of their relationship to the operating activities of the segment. Assets, liabilities, revenue and expenses which are not allocable to separate segment on a reasonable basis, are included under "Unallocated".

(xxi) Cash & Bank Balance

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(xxii) Cash Flow Statements

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

Note 3 - Share Capital

(₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2016		Figures as at the end of previous reporting period, March 31, 2015	
	Number	₹	Number	₹
Authorised				
Equity shares of ₹ 10/- each	7,05,00,00,000	7,05,000	8,30,00,00,000	8,30,000
Preference shares of ₹ 100/- each	30,00,00,000	3,00,000	30,00,00,000	3,00,000
Total		10,05,000		11,30,000
Issued, Subscribed & Paid up				
Equity shares of ₹ 10/- each	2,93,80,03,084	2,93,800	2,93,80,03,084	2,93,800
Total	2,93,80,03,084	2,93,800	2,93,80,03,084	2,93,800

In terms of Scheme of Arrangement between Jaiprakash Power Ventures Limited (Transferor Company) and Himachal Baspa Power Company Limited (Transferee Company) and their shareholders & creditors, as sanctioned by Hon'ble High Court of Himachal Pradesh vide Order dated 25th June, 2015, an amount of Rs. 1,250 crores was transferred from the authorised capital of Transferor Company was reduced by the aforesaid amount and Clause V of the Memorandum of Association of the Company was amended with the above said bifurcation of Equity & Preference Shares.

Note 3.1 - Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

(₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2016		Figures as at the end of previous reporting period, March 31, 2015	
	Equity Shares		Equity Shares	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	2,93,80,03,084	2,93,800	2,93,80,03,084	2,93,800
Shares issued during the year	-	-	-	-
Shares brought back during the year	-	-	-	-
Shares outstanding at the end of the year	2,93,80,03,084	2,93,800	2,93,80,03,084	2,93,800

Note 3.2 - The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital

The Company has issued only one class of equity shares having a par value of Rs. 10/- per share which rank pari-passu in all respects including voting rights and entitlement to dividend.

In the event of liquidation, each share carry equal rights and will be entitled to receive equal amount per share out of the remaining amount available with the Company after making preferential payments.

The Authorised Share Capital provides for Preference Share at a par value of Rs. 100/- each. The Company has so far not issued any Preference Share.

Note 3.3 - Equity Shares in respect of each class in the Company held by its holding company or its ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate

1,78,30,00,600 Equity shares are held by Jaiprakash Associates Limited, the holding company.

8,56,47,637 Equity shares are held by Jaypee Infra Ventures (A Private Company with unlimited liability), associate company of Jaiprakash Associates Limited.

Note 3.4 - Equity Shares in the Company held by each shareholder holding more than 5 percent shares specifying the number of shares held

Name of Shareholder	Figures as at the end of current reporting period, March 31, 2016		Figures as at the end of previous reporting period, March 31, 2015	
	No. of equity shares held	% of holding	No. of equity shares held	% of holding
Jaiprakash Associates Limited	1,78,30,00,600	60.687	1,78,30,00,600	60.687
JPVL Trust	34,40,76,923	11.711	34,40,76,923	11.711

Note 3.5 - Equity shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestments, including terms and amounts

The Company had issued 2,000 Nos. 5% Foreign Currency Convertible Bonds (FCCBs) of US$ 1 Lac each aggregating to US$ 2,000 Lacs at par on 12.02.2010. These Bonds were convertible at the option of the bond-holders into equity shares of Rs. 10/- each fully paid up at the conversion price of Rs. 85.8139 per share, subject to the terms of issue with a fixed exchange rate of Rs. 46.14 equal to US$ 1 at any time on or after 25.03.2010 and prior to the close of business on 06.02.2015.

The bonds were redeemable at maturity on 13.02.2015 at a YTM of 7% p.a inclusive of coupon rate of 5% p.a. No conversion has taken place up to 31.03.2016. The status of FCCBs has been mentioned at note 6.12.

No shares have been reserved for issue under options and contracts / commitments for the sale of shares / disinvestments other than above.

Note 3.6 - Aggregate number and class of equity shares allotted as fully paid up pursuant to contract without payment being received in cash, allotment by way of bonus shares or shares bought back

Particulars	Financial Year				
Equity Shares	During 2015-16	During 2014-15	During 2013-14	During 2012-13	During 2011-12
Fully paid up equity shares allotted for consideration other than cash in terms of Scheme of Amalgamation of erstwhile Jaiprakash Power Ventures Limited with Jaiprakash Hydro-Power Limited (renamed as Jaiprakash Power Ventures Limited)w.e.f 01.04.2009 (the appointed date), as sanctioned by Hon'ble High Court of Himachal Pradesh at Shimla vide Order dated 14.12.2009, effective from 14.12.2009.	-	-	-	-	1,60,46,79,600
Fully paid up equity shares allotted for consideration other than cash in terms of Scheme of Amalgamation of erstwhile Jaypee Karcham Hydro Corporation Limited and Bina Power Supply Company Limited with Jaiprakash Power Ventures Limited w.e.f 01.04.2010 (the appointed date), as sanctioned by Hon'ble High Court of Himachal Pradesh at Shimla vide Order dated 25.07.2011, effective from 26.07.2011. (In financial year 2010-11, these shares were in Share Suspense Account).	-	-	-	-	52,90,76,923
Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back	-	-	-	-	-

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Note 3.7 - Terms of any securities convertible into equity/ preference shares issued along with the earliest date of conversion in descending order starting from the farthest such date

(₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2016		Figures as at the end of previous reporting period, March 31, 2015	
	Number-Equity Shares	**Amount**	Number-Equity Shares	Amount
5% Foreign Currency Convertible Bonds (FCCB):	**5,45,31,659**	**5,453**	9,42,70,720	9,427
(Number of Equity shares and Share Capital amount, which could be allotted to Foreign Currency Bond Holders asssuming Bond holders exercise the conversion option of Bonds into Equity Shares.)				

The Company had issued 2,000 Nos. 5% Foreign Currency Convertible Bonds (FCCBs) of US$ 1 Lac each aggregating to US$ 2,000 Lacs at par on 12.02.2010. These Bonds were convertible at the option of the bond-holders into equity shares of Rs. 10/- each fully paid up at the conversion price of Rs. 85.8139 per share, subject to the terms of issue with a fixed exchange rate of Rs. 46.14 equal to US$ 1 at any time on or after 25.03.2010 and prior to the close of business on 06.02.2015.

The bonds were redeemable at maturity on 13.02.2015 at a YTM of 7% p.a inclusive of coupon rate of 5% p.a. No conversion has taken place up to 31.03.2016. The status of FCCBs has been mentioned at note 6.12.

Note 3.8 - Calls unpaid (showing aggregate value of calls unpaid by directors and officers)

There are no calls unpaid including by directors and officers of the Company.

Note 3.9 - Forfeited shares (amount originally paid up)

The Company has not forfeited shares.

Note 4 - Reserves and Surplus

(₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2016		Figures as at the end of previous reporting period, March 31, 2015	
1. Securities Premium Reserve				
Opening Balance	**12,903**		20,259	
Add : Addition during the year	-		-	
Less : Transfer to provision for Premium on Redemption of Debentures	**934**	**11,969**	7,356	12,903
2. Debenture Redemption Reserve				
Opening Balance	**10,799**		28,564	
Add : Provisions for the year	-		2,160	
Less : Transfer to 'Surplus'	**10,799**	-	19,925	10,799
3. General Reserve				
Opening Balance	**3,392**		4,785	
Add : Addition during the year	-		-	
Less: Depreciation on assets completed useful life	**12**	**3,380**	1,393	3,392
4. Capital Reserve on Amalgamation				
Opening Balance	**1,34,411**		1,34,411	
Add : During the year	-	**1,34,411**	-	1,34,411
5. Capital Reserve on Demerger				
Opening Balance	-		-	
Add : On Demerger of Baspa & Karcham units	**1,50,899**	**1,50,899**	-	-
6. Reserve for Premium on Foreign Currency Convertible Bonds				
Opening Balance	-		9,997	
Add : Provisions for the year	-		-	
Less : Transfer to Surplus	-	-	9,997	-
7. Surplus				
Opening Balance	**1,82,638**		1,41,155	
Add : Profit After Tax during the year	**(29,450)**		13,721	
Add : Debenture Redemption Reserve Written Back	**10,799**		19,925	
Add : Reserve for Premium on Foreign Currency Convertible Bonds	-		9,997	
Less : Debenture Redemption Reserve for the year	-		2,160	
Less : MAT credit entitlemen reversed	**1,548**	**1,62,439**	-	1,82,638
Total		**4,63,098**		3,44,143

Note 5 - Deferred Revenue

(₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2016	Figures as at the end of previous reporting period, March 31, 2015
Advance against depreciation		
Opening Balance	**63,320**	56,266
Add : Addition during the year	**5,273**	7,054
Less : Transfer to HBPCL	**23,621**	-
Total	**44,972**	63,320

As per accounting policy, the advance against depreciation amounting to ₹ 5,273 Lacs (Previous Year Rs. 7,054 Lacs) has been treated as Deferred Revenue.

Non Current Liabilities

Note 6 - Long-term borrowings

(₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2016		Figures as at the end of previous reporting period, March 31, 2015	
"A" Secured Loans				
Term Loans				
Rupee Loan				
- from Financial Institutions	**31,290**		4,57,894	
- from Banks	**10,37,365**		12,73,127	
Foreign Currency Loan				
- from Banks	**68,437**		68,445	
- from Financial Institutions	**514**	**11,37,606**	2,429	18,01,895
Total "A"		**11,37,606**		**18,01,895**
"B" Unsecured Loans				
Others				
Govt. of Uttrakhand		**500**		500
Total "B"		**500**		**500**
Total "A + B"		**11,38,106**		**18,02,395**

Security for Term Loans and Working Capital limits

6.1 400 MW Jaypee Vishnuprayag HEP :

Rupee Term Loans and Foreign Currency Loans aggregating to Rs.84,708.53 Lacs (Previous Year-Rs.78,272.95 Lacs) from Financial Institutions and Banks, together with all interest, guarantee commission, cost, expenses and other charges are secured ranking pari passu among all the participating Institutions and Banks viz. State Bank of India, Andhra Bank, State Bank of Bikaner & Jaipur, State Bank of Patiala, State Bank of Travancore, Bank of India, Oriental Bank of Commerce, Allahabad Bank, Dena Bank, IDBI Bank Ltd., and Power Finance Corporation Ltd., by way of :

(i) First charge on 400 MW Vishnuprayag HEP's present and future book debts, operating cash flows, receivables, commissions, revenue of whatsoever nature ; and

(ii) First charge on 400 MW Vishnuprayag HEP's all the accounts including the Trust & Retention Account, Escrow Account of Uttar Pradesh Power Corporation Limited and Debt Service Reserve Account and each of the other accounts required to be created by the Company under any 400 MW Vishnuprayag HEP document.

The loans are inter-alia also secured by way of:

(i) First charge on 400 MW Vishnuprayag HEP's all intangible assets, hypothecation of all the movable assets, assignment of Project Agreements and Escrow Agreement, all present and future rights, titles, interests, benefits, claims and demands whatsoever with respect to the Insurance Policies, claims and benefits to all monies receivable there under and all other claims there under in respect of all the insured assets of the Plant ;

(ii) First ranking equitable mortgage on all rights, titles, interests and benefits in respect of immovable properties and assets of the 400 MW Vishnuprayag HEP ;

(iii) Pledge of 6,291 Lacs equity shares of the Company held by JAL on pari-passu basis with lenders of Nigrie Super Thermal Power Plant (except for term loan of Rs.25,000 Lacs disbursed by State Bank of India); and

(iv) Corporate Guarantee furnished by JAL, the Holding Company, for outstanding financial assistance of Power Finance Corporation Ltd., as on 31.03.2016 amounting to US$ 38.53 Lacs (Previous Year US$ 69.35 Lacs).

6.2 500 MW Jaypee Bina Thermal Power Plant:

6.2(a) Rupee Term Loans outstanding of Rs.1,79,115 Lacs (Previous Year Rs.1,92,861.80 Lacs) availed out of sanctioned amount of Rs. 2,25,800 Lacs (original Rs.1,92,800 Lacs and additional Rs.33,000 Lacs) from consortium of Banks, together with all interest, guarantee commission, cost, expenses and other charges are secured ranking pari-passu among all the participating Institutions and Banks viz. Punjab National Bank, Union Bank of India, Allahabad Bank, Canara Bank, Central Bank of India, State Bank of Patiala, State Bank of Hyderabad, IDBI Bank Ltd., ICICI Bank Ltd. and The Jammu and Kashmir Bank Ltd., are secured by:

(i) First ranking pari-passu mortgage and hypothecation of all immovable and movables assets both present and future, all intangible assets, and all revenues and receivables pertaining to Jaypee Bina Thermal Power Plant and

(ii) Pledge of 648.09 Lacs equity shares (Previous Year 648.09 Lacs equity shares) of the Company held by JAL , on pari passu basis among the lenders.

6.2(b) The aforesaid security ranks pari-passu with working capital lenders (i.e. IDBI Bank Limited, State Bank of Patiala and Jammu & Kashmir Bank Ltd.) for working capital limits of Rs. 39,100 Lacs (Previous Year Rs.39,100 Lacs). Fund based limit outstanding Rs.17,636.32 Lacs (Previous Year Rs.16,650.84 Lacs) and Bank Guarantees/ LCs outstanding of Rs.2,167.11 Lacs (Previous Year Rs.5,457.67 Lacs).

6.3 1320 MW Jaypee Nigrie Super Thermal Power Plant:

6.3(a) Financial assistance outstanding of Rs.7,24,168.82 Lacs (Previous Year Rs.7,19,074.71 Lacs) availed out of sanctioned amount of Rs.7,31,500 Lacs (Original Rs. 4,82,110 Lacs, External Commercial Borrowing (ECB) amounting to Jap. Yen 15.30 Billion equivalent to Rs. 84,890 Lacs (exchange rate of agreement date) & additional Rs.1,64,500 Lacs) and short term financial assistance of Rs.15,640 Lacs (Previous Year Rs. Nil) out of sanctioned amount of Rs. 16,500 Lacs from consortium of Financial Institutions and Banks, together with all interest, guarantee commission, cost, expenses and other charges are secured ranking pari-passu among all the participating Institutions and Banks viz. Punjab National Bank, Canara Bank, Central Bank of India, Oriental Bank of Commerce, Bank of Baroda, Bank of Maharashtra, Indian Overseas Bank, Syndicate Bank, UCO Bank, United Bank of India, State Bank of Bikanar & Jaipur, State Bank of Patiala, State Bank of Hyderabad, Corporation Bank, IDBI Bank Ltd., ICICI Bank Ltd., IDFC Bank Ltd. and LIC of India, are secured by way of :

(i) First ranking pari-passu mortgage and hypothecation of all immovable and movables assets both present and future, all intangible assets, and all revenues and receivables pertaining to the Jaypee Nigrie Super Thermal Power Plant ;

(ii) Pledge of 6,291 Lacs equity shares (Previous Year - 6,291 Lacs equity shares) of the Company held by JAL on pari-passu basis with lenders of Jaypee Vishnuprayag HEP and

(iii) Letter of Comfort from Jaiprakash Associates Limited, the holding company for the additional loan of Rs.1,64,500 Lacs in addition to above securities.

6.3(b) The working Capital facilities of Rs.60,000 Lacs sanctioned by ICICI Bank Ltd, Punjab National bank Ltd and IDBI Bank Ltd.(Previous Year Rs.60,000 Lacs) are secured by pari-passu charge on the assets as per note 6.3 (a) (i) & 6.5. Fund based limit outstanding of Rs.37,060.46 Lacs (Previous Year-Rs. 25,177.95 Lacs) and Bank Guarantees outstanding of Rs.9,423.30 Lacs (Previous Year Rs.14,055.87 Lacs).

6.4 Jaypee Nigrie Cement Grinding Unit:

Rupee Term Loan of Rs. 5,000 Lacs (Previous Year-Rs.5,000 Lacs) availed out of sanctioned amount of Rs.5,000 Lacs by Canara Bank are secured by way of;

first ranking pari-passu mortgage and hypothecation of all immovable and movables assets both present and future, all intangible assets, and all revenues and receivables pertaining to the Jaypee Nigrie Cement Grinding Unit.

6.5 Amelia (North) Coal Mine:

Financial assistance of Rs. 34,885 Lacs (Previous Year - Rs.9,000 Lacs) availed from consortium of Banks viz ICICI Bank Ltd.,IDBI Bank Ltd.,United Bank of India,Central Bank of India,State Bank of Patiala,Syndicate Bank,Indian Overseas Bank,Oriental Bank of Commerce,State Bank of Hyderabad, State Bank of Bikaner & Jaipur , Canara Bank, Bank of Baroda out of proposed debt amount of Rs.55,600 Lacs and the Bank Guarantee facilities of Rs.14,295.23 Lacs by ICICI Bank. Bank Guarantees outstanding of Rs.23,295.23 Lacs (Previous Year - Rs.23,295.23)given by ICICI Bank on fronting basis (which is inclusive of Rs. 14,295.23 lacs of ICICI Bank plus Counter Bank Guarantee of Rs. 9,000 Lacs given by Punjab National Bank out of working capital facilities of Jaypee Nigrie Super Thermal Power Plant), for Amelia (North) Coal Mine are secured by way of :

First charge on the assets of Amelia (North) Coal Mine ranking pari passu with the term and working capital Lenders of Jaypee Nigrie Super Thermal Power Plant(except assets which are specifically financed under equipment finance facility which shall be excluded from secuity package) on reciprocal basis.

6.6 Rupee Term Loan/Corporate Loan:

(i) Rupee Term Loan of Rs.1,00,000 Lacs sanctioned by State Bank of India, is secured by way of residual charge on all movable and immovable fixed assets of the Company on pari-passu basis with, Corporate Loan of Rs.1,20,000 Lacs by ICICI bank, Corporate Loan of Rs.15,000 Lacs by IDBI Bank, Corporate Loan of Rs 50,000 Lacs by ICICI Bank, pledge of 1,500 Lacs equity shares of the Company held by JPVL Trust (Previous Year-1,500 Lacs equity shares) and residual charge on the assets of Prayagraj Power Generation Company Ltd (a subsidiary company). As on 31.03.2016 outstanding amount of Rupee Term Loan was Rs. 50,000 Lacs (Previous Year- Rs. 75,000 Lacs).

(ii) Rupee Term Loan of Rs.1,20,000 Lacs sanctioned by ICICI Bank, is secured by way of residual charge on all movable and immovable assets of the Company on pari-passu basis with Corporate Loan of Rs.1,00,000 Lacs by State Bank of india, Corporate Loan of Rs15,000 Lacs by IDBI Bank Corporate Loan of Rs 50,000 Lacs by ICICI Bank, and pledge of 3,860 Lacs equity shares of the Company held by JAL (Previous Year- 3,860 Lacs equity shares), pledge of 192.11 Lacs equity shares of the Company held by JPVL Trust (Previous Year- 192.11 Lacs) and Non Disposal Undertaking for 1,021.89 Lacs equity shares of the Company held by JAL (Previous Year-1021.89 Lacs). As on 31.03.2016 outstanding amount of Rupee Term Loan was Rs. 1,14,000 Lacs (Previous Year- Rs. 1,20,000 Lacs).

(iii) Rupee Term Loan of Rs.50,000 Lacs sanctioned by ICICI Bank , is secured by residual charge on all movable and immovable assets of the Company on pari-passu basis with Corporate Loan of Rs.1,00,000 Lacs by State Bank of india, Corporate Loan of Rs.1,20,000 Lacs by ICICI bank Corporate Loan of Rs 15,000 Lacs by IDBI Bank, pledge of 1,100 Lacs equity shares of the Company held by JPVL Trust (Previous Year- 1,100 Lacs) and residual charge on the assets of Prayagraj Power Generation Company Ltd (a Subsidiary company). As on 31.03.2016 outstanding amount of Rupee Term Loan was Rs. 13,500 Lacs (Previous Year- Rs. 44,000 Lacs).

(iv) Rupee Term Loan of Rs.15,000 Lacs sanctioned by IDBI Bank , is secured by residual charge on all movable and immovable assets of the Company on pari-passu basis with Corporate Loan of Rs.1,00,000 Lacs by State Bank of india, Corporate Loan of Rs.1,20,000 Lacs by ICICI bank, Corporate Loan of Rs 50,000 Lacs by ICICI Bank, and pledge of 315 Lacs equity shares (Previous Year 315 Lacs) of the Company held by JPVL Trust and personal guarantee of Shri Manoj Gaur, Chairman of the Company. As on 31.03.2016 outstanding amount of Rupee Term Loan was Rs.12,865 Lacs (Previous Year- Rs. 15,000 Lacs).

(v) Rupee Term Loan of Rs.1,00,000 Lacs sanctioned by Axis Bank is secured by Corporate Guarantee from JSW Energy Limited. As on 31.03.2016 outstanding amount of Rupee Term Loan was Rs. 1,00,000 Lacs (Previous Year- Rs.94,500 Lacs).

(vi) Corporate loan of Rs.40,000 Lacs availed from ICICI Bank Limited has been repaid in full. However, pledge of 1,754.79 Lacs equity shares (Previous year - Nil) of the Company held by JAL, 332.89 Lacs equity shares (Previous year - Nil) of the Company held by JPVL Trust and residual charge ranking pari-passu with other lenders viz State Bank of India and IDBI Bank Ltd on assets of the Company are yet to be released by ICICI Bank Limited.

6.7 Consequent upon sanction of Scheme of Arrangement by Hon'ble High Court of Himachal Pradesh vide Order dated 25th June, 2015, all loans / liabilities of Baspa HEP & Karcham Wangtoo HEP, transferred / vested to Himachal Baspa Power Company Limited. 1,206 Lacs equity shares of the Company held by JAL pledged in favour of lenders of erstwhile Karcham Wangtoo H.E.P are pending for release by ICICI Bank Ltd.

6.8 Baspa HEP:

Rupee Term Loan, Foreign Currency Loans and Working Capital facilities outstanding as on 31.03.2016 is Nil (Previous year-Rs.52,143.96 Lacs). The Plant including all loans, liabilities and assets has been transferred to Himachal Baspa Power Company Ltd.(HBPCL) w.e.f. 01.09.2015, as per Scheme of Arrangement sanctioned by Honb'le High Court of Himachal Pradesh at Shimla vide order dated 25.06.2015. JSW Energy Ltd. has w.e.f 01.09.2015, acquired entire shareholding of HBPCL from the Company.

6.9 Karcham Wangtoo HEP:

Rupee Term Loan and Working Capital facilities outstanding as on 31.03.2016 is Nil (Previous year-Rs.5,51,476.86 Lacs). The Plant including all loans, liabilities and assets has been transferred to Himachal Baspa Power Company Ltd. (HBPCL) w.e.f. 01.09.2015, as per Scheme of Arrangement sanctioned by Honb'le High Court of Himachal Pradesh at Shimla vide order dated 25.06.2015. JSW Energy Ltd. has w.e.f 01.09.2015, acquired entire shareholding of HBPCL from the Company.

JSW Hydro Energy Limited

6.10 Repayment of Term Loans

6.10(a) 400 MW Jaypee Vishnuprayag HEP :

i) Rupee term loans (Rs. 1,65,000 Lacs) are repayable in 54 equal quarterly installments payable in May, August, November and February every year, which commenced from November, 2009.

ii) Foreign currency loan (USD 308.20 Lacs) is repayable in 40 equal quarterly instalments payable in April, July, October and January, which commenced from July, 2007.

iii) Rupee term loan of Rs. 50,000 Lacs sanctioned by State Bank of India against securitisation of future receivables of Vishnuprayag HEP is repayable in 17 structured quarterly installments payable in June, September, December and March every year, which will commence from 17th June, 2017.

6.10(b) 500 MW Jaypee Bina Thermal Power Plant :

Rupee term loan (Rs. 1,92,800 Lacs) are repayable in 37 equal quarterly instalments commenced from 1st January, 2014 for 74% of loan and balance 26% in 38th Instalment payable on 1st March , 2023.

Rupee term loan (Rs. 33,000 Lacs) are repayable in 36 equal quarterly instalments commenced from 1st January, 2014 for 72% of loan and balance 28% in 37th Instalment payable on 1st January, 2023.

6.10(c) 1320 MW Jaypee Nigrie Super Thermal Power Project :

32.05% of Original Rupee Term Loans availed (Rs.4,82,110 Lacs) are repayable in 28 structured quarterly installments commencing from 15th September, 2018 and balance 67.95 % of the loan shall be a bullet repayment alongwith 28th instalment falling due on 15th June 2025 with a option to refinance of the same.

32.05% of Additional Rupee Term Loans availed (Rs.1,64,497 Lacs) are repayable in 28 structured quarterly installments commencing from 15th September, 2018 and balance 67.95 % of the loan shall be a bullet repayment alongwith 28th instalment falling due on 15th June 2025 with a option to refinance of the same.

Short term rupee loans availed (Rs. 15,640 Lacs) are repayable in six equal quarterly installments commenced from 1st April, 2017.

External Commercial Borrowings availed (Japanese Yen 1,53,000 Lacs) are repayable in 20 equal half yearly installments commenced from 7th Nov, 2014.

6.10(d) Jaypee Nigrie Cement Grinding Unit:

Rupee term loan (Rs. 5,000 Lacs) are repayable in 29 structured quarterly instalments commenced from June, 2016.

6.10(e) Amelia (North) coal mine:

i) 50% of the Rupee term loan (Rs.34,885 Lacs availed out of Rs. 55,600 lacs sanctioned by Consortium of Banks) are repayable in 37 structured quarterly instalments commencing from 12 months from the mining commencement date/plan. Balance 50% of the loan shall be a bullet repayment along with the 37th instalment.

ii) Equipment finance facility (Rs. 6,297.55 Lacs) sanctioned by SREI Equipment Finance Ltd. are repayable in 47 structured monthly instalments commenced from 22 October, 2015.

6.10(f) Other Financial Assistance :

i) Rupee Term Loan of Rs.1,00,000 Lacs of State Bank of India is repayable in 4 equal annual installments payable on 30th September every year from the year 2014 to 2017.

ii) Rupee Term Loan of Rs.1,20,000 Lacs of ICICI Bank Limited is repayable in 28 structured quarterly installments commenced from September, 2015.

iii) Rupee Term Loan of Rs.50,000 Lacs of ICICI Bank Limited is repayable in 4 equal monthly installments payable on 30th April 2016, 31st May 2016, 30th June 2016 and 31st July 2016. The Company shall mandatorily prepay in part or in full from the proceeds of sale/ divestment of the Company's Project assets and/or Bara Thermal Power Project. However, the Company has since repaid Rs. 36,500 Lacs out of divestment of Baspa & Karcham Wangtoo Plants.

iv) Rupee Term Loan of Rs.15,000 Lacs of IDBI Bank Limited is repayable in 14 quarterly equal installments commencing from July, 2015.

v) Rupee Term Loan of Rs.1,00,000 Lacs of Axis Bank Limited is now repayable by 31st May, 2016.

6.11 Overdue instalments and interest to Banks and Financial Institutions :

Outstanding amount of loans from banks and financial institutions as mentioned in Current Liabilities (current maturities of long term debts) as at 31.03.2016, includes repayment of principal amount of loans overdue of Rs.68,848.30 Lacs, which was due for payment up to 31.03.2016. It includes redemption of FCCBs of Rs.67,718.94 Lacs (US$ 101.421 Million) which was due for payment on 31.03.2016. Further the interest amount of Rs.15,218.32 Lacs on various loans was overdue for payment as on 31.03.2016. This was on account of following reasons:-

(i) Current Revenue of 1320 MW Jaypee Nigrie Super Thermal Power Plant is based on provisional tariff (pending final tariff determination), restricted operation as long term PPA is yet to be tied up and non-availability of coal in March, 2016, as the entire capacity i.e. 2.80 MTPA coal from Amelia Coal Mine for the year 2015-16 was already utilized upto February, 2016.

(ii) Generation of 500 MW Jaypee Bina Thermal Power Plant was adversely affected due to backdown instructions received from SLDC from time to time because of lower demand of power.

(iii) The general depressed economic conditions affecting the power plants in the country.

On the date of adoption of accounts by the Board of Directors, principal amount of loans over due have been paid except for FCCBs of Rs.67,718.94 Lacs for which the Company is in discussions with the Bondholders for redemption of outstanding FCCBs either from fresh FCCBs/ extending redemption period on mutually agreed terms and conditions or from financial assistance from Indian banks. The amount of interest overdue as above has been brought down to Rs.1,532.17 Lacs.

6.12 Unsecured Loans

i) Unsecured loan of Rs.1,000 Lacs is repayable to Government of Uttarakhand/ Uttar Pradesh, which would be paid after having decision arrived between Government of Uttar Pradesh and Government of Uttarakhand for receipt of said payment.

ii) The Company had issued 2,000 Nos. 5% Foreign Currency Convertible Bonds (FCCBs) of US$ 1.00 Lac each aggregating to US$ 2,000 Lac at par on 12.02.2010. These Bonds were convertible at the option of the bond-holders into equity shares of Rs. 10/- each fully paid up at the conversion price of Rs. 85.8139 per share, subject to the terms of issue with a fixed exchange rate of Rs. 46.14 equal to US$ 1 at any time on or after 25.03.2010 and prior to the close of business on 06.02.2015.

The bonds were redeemable at maturity on 13.02.2015 at a YTM of 7% p.a.(inclusive of coupon rate of 5% p.a). The Company entered into a Standstill and Voting Agreement on 3rd March, 2015 with majority of bond-holders for re-schedulement of bonds on certain terms and conditions. Reserve Bank of India had on 26th March, 2015 approved the aforesaid re-schedulement, the details whereof were incorporated in the Notes to the Financial Statements for the Financial Year 2014-15. Other existing terms & conditions of the said FCCBs remaining unchanged.

Out of the total redemption amount of US$ 2,234.78 Lacs (including the yield) as on 13th February, 2015, the Company remitted an amount of US$ 1,220.57 Lacs to the bond-holders till 31.03.2016 (as detailed below), as part payment towards redemption of FCCBs in accordance with the first Standstill Agreement dated 12th February, 2015, standstill and Voting Agreement dated 3rd March, 2015 and Supplemental Trust Deed dated 31st March, 2015, executed with the said bond-holders for reschedulement of FCCBs.

The total outstanding amount in relation to FCCBs as on 31.03.2016 was US$1,014.21 Lacs, as per details given below:-

US$ in Lacs

Particulars	Date of payment	Redemption amount
Maturity value (including the yield) due as on 13.02.2015		2,234.78
Less: Amount remitted	13.02.2015	250.00
Less: Amount remitted	31.03.2015	231.48
Balance due as on 31.03.2015		1,753.30
Less: Amount remitted	14.09.2015	739.09
Balance due as on 31.03.2016		1,014.21

The Company paid interest @ 5% per annum upto 13th February, 2015 and interest @ 7% per annum from 14th February, 2015 to 13th February, 2016 as per terms of agreement. For the balance amount payable on or before 13th February, 2016, the Company entered into a Standstill Agreement on 11th February, 2016 valid upto 31st March, 2016 and the Company is under discussions with the bond-holders for redemption of balance amount and/ or restructuring proposal by way of elongation of maturity and/or redemption from the proceeds of fresh issuance of FCCBs.

No conversion of the FCCBs has taken place up to 31.03.2016.

Note 7 - Deferred tax liabilities (Net)

(₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2016	Figures as at the end of previous reporting period, March 31, 2015
Deferred tax liability		
On account of depreciation	-	47,049
Total 'A'	-	47,049
Deferred tax assets		
On account of unabsorbed loss	-	33,805
On account of employee benefits	-	257
Total 'B'	-	34,062
Total 'A - B'	-	**12,987**

Note 8 - Other Long Term Liabilities

(₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2016		Figures as at the end of previous reporting period, March 31, 2015	
Trade Payables				
Capital Suppliers	373		5,310	
Others (see note no. 36)	1,328	1,701	-	5,310
Total		1,701		5,310

Note 9 - Long Term Provisions

(₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2016		Figures as at the end of previous reporting period, March 31, 2015	
a) Provision for employee benefits				
Gratuity	209		327	
Leave Encashment	214	423	252	579
b) Others				
Wealth Tax		-		3
Mine closure expenses		54		-
Total		477		582

Current Liabilities

Note 10 - Short-term borrowings

(₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2016	Figures as at the end of previous reporting period, March 31, 2015
Secured Loans		
Rupee Loan		
Working Capital - From Banks	54,697	58,928
Total	54,697	58,928

Note 11 - Trade Payables

(₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2016		Figures as at the end of previous reporting period, March 31, 2015	
Trade Payables				
Related Parties	941		10,750	
Capital Suppliers	68,532		78,619	
Others (see note no. 36)	18,337	87,810	45,780	1,35,149
Others (PF Payable)		50		58
Total		87,860		1,35,207

Note 12 - Other Current Liabilities

(₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2016		Figures as at the end of previous reporting period, March 31, 2015	
1) Current maturities of long-term debt				
"A" Secured Loans				
Bonds/Debentures				
Redeemable Non-Convertible Debentures		-		24,513
Term Loans				
- from Financial Institutions	-		22,482	
- from Banks	**1,90,905**		2,60,293	
Foreign Currency Loan				
- from Banks	**9,125**		8,052	
- from Financial Institutions	**2,058**	**2,02,088**	1,944	2,92,771
From other parties				
Foreign Currency - Buyers' Credit		-		469
"B" Unsecured Loans				
a) Govt. of Uttrakhand		**500**		500
b) Foreign Currency Convertible Bonds		**67,719**		1,10,563
2) Interest accured and due on borrowings		**15,218**		13,463
3) Interest accured but not due on borrowings		**13,265**		3,782
4) Investors' Education & Protection Fund : (Appropriate amount shall be transferred to Investors' Education & Protection Fund, if and when due)				
- Unclaimed Dividend		**56**		160
5) Other Payables				
- TDS Payable	**267**		2,273	
- Excise, Sales Tax, etc., Payable	**2,527**		207	
- Energy Development Cess & Duty Payable	**8,063**		3,713	
- Due to Staff	**394**		374	
- Other Expenses Payable	**6,410**	**17,661**	14,623	21,190
Total		**3,16,507**		**4,67,411**

For other security and repayments, refer note no. 6.1 to 6.12.

Note 13 - Short Term Provisions

(₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2016		Figures as at the end of previous reporting period, March 31, 2015	
a) Provision for employee benefits				
Gratuity	**23**		-	
Leave Encashment	**13**		11	
Bonus & Incentive	**99**	**135**	167	178
b) Others				
Premium on redemption of debentures		-		17,753
Total		**135**		**17,931**

Note 14 - Fixed Assets

Note 14 A - Tangible Assets

(₹ in Lacs)

S. No.	PARTICULARS	GROSSBLOCK						DEPRECIATION/AMORTISATION							NET BLOCK	
		As on 01.04.2015	Additions during the Period	Transfer on demerger	Sales/ Deductions during the Period	Other Adjustments	**As on 31.03.2016**	Upto 31.03.2015	For the Period	Transfer on demerger	Sales/ Deductions during the Period	Depreciation charged to General Reserve	Other Adjustments	**Upto 31.03.2016**	**As on 31.03.2016**	As on 31.03.2015
1	Land															
	- Lease Hold	3,113	1,163	1,936	-	-	**2,340**	1,263	77	956	-	-	-	**384**	**1,956**	1,850
	- Free Hold	6,280	111	3,269	-	-	**3,122**	-	-	-	-	-	-	-	**3,122**	6,280
2	Buildings	1,66,395	8,055	10,766	-	-	**1,63,684**	9,728	6,761	2,999	-	7	-	**13,497**	**1,50,187**	1,56,667
3	Plant & Machinery	23,39,204	60,619	8,54,742	1,302	8,257	**15,52,036**	1,95,042	48,659	1,26,973	6	4	-	**1,16,726**	**14,35,310**	21,44,162
4	Furniture & Fixture	692	40	102	-	-	**630**	356	53	85	-	-	-	**324**	**306**	336
5	Vehicles	1,053	291	274	-	-	**1,070**	591	144	175	-	1	-	**561**	**509**	462
6	Office Equipments	1,689	147	700	-	-	**1,136**	1,002	231	435	-	-	-	**798**	**338**	687
	Total	25,18 426	70,426	8,71,789	1,302	8,257	**17,24,018**	2,07,982	55,925	1,31,623	6	12	-	**1,32,290**	**15,91,728**	23,10,444
	Previous Year	14,04 665	11,14,854	-	387	(706)	**25,18,426**	1,59,792	46,799	-	2	1,393	-	**2,07,982**	**23,10,444**	

Note :

1 Depreciation on Assets of Projects under implementation amounting to Rs. 568 Lacs (Previous Year 271 Lacs) has been charged to Pre-operative Expenses of New Projects pending Capitalisation.

2 Other adjustment is on account of exchange fluctuation (profit) / loss on the valuation of Foreign Currency Loans for the purchase of Plant & Machinery at the exchange rate prevailing on the date of Balance Sheet.

3 Amount charged to General Reserves Rs. 12 Lacs (on a/c of mine acquired during the year) (Previous Year Rs. 1,393 Lacs) (on account of assets whose life has expired).

Note 14 B - Intangible Assets

(₹ in Lacs)

S. No.	PARTICULARS	GROSSBLOCK						DEPRECIATION/AMORTISATION							NET BLOCK	
		As on 01.04.2015	Additions during the Period	Transfer on demerger	Sales/ Deductions during the Period	Other Adjustments	**As on 31.03.2016**	Upto 31.03.2015	For the Period	Transfer on demerger	Sales/ Deductions during the Period	Depreciation charged to General Reserve	Other Adjustments	**Upto 31.03.2016**	**As on 31.03.2016**	As on 31.03.2015
1	Computer Software	3	13	-	-	-	**16**	3	-	-	-	-	-	**3**	**13**	-
2	Mining Lease	-	11,883	-	-	-	**11,883**	-	572	-	-	-	-	**572**	**11,311**	-
3	Mining Development	-	9,833	-	-	-	**9,833**	-	473	-	-	-	-	**473**	**9,360**	-
4	Goodwill on acquisition of mine assets	-	16	-	-	-	**16**	-	3	-	-	-	-	**3**	**13**	-
	Total	3	21,745	-	-	-	**21,748**	3	1,048	-	-	-	-	**1,051**	**20,697**	-
	Previous Year	3	-	-	-	-	**3**	3	-	-	-	-	-	**3**	-	

JSW Hydro Energy Limited

JAIPRAKASH
POWER VENTURES LIMITED

Note 14 C: Capital work in progress and Incidental expenditure during construction pending allocation

(₹ in Lacs)

Sl. No.	Particulars	Figures as at the end of current reporting period, March 31, 2016		Figures as at the end of previous reporting period, March 31, 2015	
A.	**Direct cost of project under construction**				
	Opening Balance		34,351		7,55,411
	Add : Addition during the year		15,623		60,318
	Less : Capitalisation during the year (both tangible and non-tangible)		36,382		7,81,378
	Balance Capital Work in Progress(A)		13,592		34,351
B.	**Incidental Expenditure During Construction pending allocation**				
	Opening Balance		1,426		2,35,899
	Add : Addition during the year				
	Employee Benefit Expense				
	Salary, Wages, Bonus and other benefit	91		853	
	Contribution to Provident and Other Funds	-		28	
	Staff Welfare Expenses	11	102	112	993
	Finance Costs				
	Interest on Loans	335		72,324	
	Front end fee and other charges	18	353	497	72,821
	Depreciation and amortization expenses		568		271
	Other Expenses				
	Advertisement Expenses	1		9	
	Bank Charges & Guarantee Commission	-		2,149	
	Bidding Expenses	-		6	
	Hire Charges	-		36	
	Freight & Octroi Charges	-		111	
	Insurance	3		282	
	Lease Rent	-		4	
	Legal & Professional & Consultancy Charges	4		310	
	Licence and application fees	-		4	
	Local Area Development	20		1,618	
	Miscellaneous Expenses	18		121	
	Postage & Courier Expense	-		2	
	Power, Water & Electricity Charges	12		783	
	Printing & Stationery Expenses	-		3	
	Rates & Taxes	746		7	
	Rehabilitation and resettlement expenses	-		18	
	Rent	17		24	
	Railway operation & Maintenance	37		-	
	Repair & Maintenance - others	9		-	
	Telephone Expenses	-		13	
	Travelling Expenses	2		118	
	Vehicle Running & Maintenance Expenses	2		75	
	Corporate Social Responsibility	1		-	
	Expenses on Trial Run (net of infirm energy & sale of cement)	-		15,621	
	Foreign exchange variation (net)	-	872	(3,526)	17,788
	Less : Other income				
	Interest Earned on Deposits		-		317
	Other Income		24		66
	Less : Capitalisation during the year		2,255		3,25,963
	Balance Incidental expenditure during construction pending allocation(B)		1,042		1,426
	Total A + B		14,634		35,777

Note 15 - Non-current investments

(₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2016	Figures as at the end of previous reporting period, March 31, 2015
Investments in Equity Instruments		
INVESTMENTS (AT COST)		
(A) Investment in Subsidiary Companies		
Unquoted		
i) 22,20,00,000 equity shares of Rs.10/- each fully paid up of Jaypee Powergrid Limited (Previous year22,20,00,000 Equity Shares)	22,200	22,200
ii) 20,00,00,000 equity shares of Rs.10/- each fully paid up of Jaypee Arunachal Power Limited (Previousyear 20,00,00,000 Equity Shares)	20,000	20,000
iii) 223,31,89,800 equity shares of Rs.10/- each fully paid up of Prayagraj Power Generation Company Limited (Previous year216,31,89,800 Shares)	2,23,329	2,16,329
iv) 55,19,77,200 equity shares of Rs.10/- each fully paid up of Sangam Power Generation Company Limited (Previousyear 55,19,77,200 Shares)	55,207	55,207
v) 83,80,000 equity shares of Rs.10/- each fully paid up of Jaypee Meghalaya Power Limited (Previousyear 83,60,000 Shares)	838	836
vi) 50,000 equity shares of Rs.10/- each fully paid up of Bina Power Supply Limited (Previousyear 50,000 Shares)	5	5
(B) Investment in Beneficiary Trust (Unquoted)		
JPVL Trust	1,98,594	1,98,594
in Preference Shares		
INVESTMENTS (AT COST)		
(A) Investment in Subsidiary Companies		
Unquoted		
i) 2,82,90,000 11% non cummulative optionally convertiable redeemable Preference shares of Rs.10/- each fully paid up of Jaypee Arunachal Power Limited(Previousyear 2,82,70,000 shares)	2,829	2,827
ii) 27,00,00,000 11% non cummulative optionally convertiable redeemable Preference shares of Rs.10/- each fully paid up of Prayagraj Power Generation Company Limited (previous year 27,00,00,000 shares)	27,000	27,000
iii) 35,00,00,000 11% non cummulative, non-convertiable redeemable Preference shares of Rs.10/- each fully paid up of Prayagraj Power Generation Company Limited (previous year 35,00,00,000 shares)	35,000	35,000
TOTAL	5,85,002	5,77,998

Note :

1. Aggregate cost of :

Quoted Investments (Market ValueRs. Nil) (Previous Year Rs. Nil)	-	
Unquoted(Previous Year Rs. 5,77,998 Lacs) (See Note No. 2 below)	5,85,002	

2. Pursuant to Scheme of Amalgamation of erstwhile Jaypee Karcham Hydro Corporation Limited (JKHCL) and erstwhile Bina Power Supply Company Limited (BPSCL) with the Company, sanctioned by the Hon'ble High Court of Himachal Pradesh at Shimla, JPVL Trust was created on 3rd June, 2011 to hold Equity Shares allotted upon amalgamation in accordance with the share exchange ratio in terms of the said Scheme.Upon sanction of the said Scheme, the crossholdings were not cancelled and were transferred to JPVL Trust in which the Company is the sole beneficiary.Accordingly, 21,70,00,000 Equity Shares in respect of erstwhile JKHCL and 12,70,76,923 Equity Shares in respect of erstwhile BPSCL held by the Company, were transferred to JPVL Trust, as per the approved Share Exchange Ratio.
3. All Investments are trade, Long Term Investments

JSW Hydro Energy Limited

Note 16 - Deferred tax assets (Net)

(Amount in ₹)

Particulars	Figures as at the end of current reporting period, March 31, 2016	Figures as at the end of previous reporting period, March 31, 2015
Deferred tax assets		
On account of loss carried forward	88,185	-
On account of employee benefits	189	-
Total'A'	88,374	-
Deferred tax liability		
On account of unabsorbed loss	73,873	-
Total'B'	73,873	-
Total'A - B'	14,501	-

Note17: Long-term loans and advances

(₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2016		Figures as at the end of previous reporting period, March 31, 2015	
Secured Considered Good		-		-
Unsecured considered good				
Capital Advance		1,241		32,151
Security Deposits				
a) With Govt. Deptt.	316		354	
b) With Others	40	356	40	394
Loans and advances to related parties		7,100		7,210
MAT credit entitlement		40,153		42,459
Advance Income Tax and TDS		8,876		6,403
Total		57,726		88,617

Note18: Other non-current assets

(₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2016	Figures as at the end of previous reporting period, March 31, 2015
Unsecured, considered good		
Long term trade receivables	-	887
Others		
Prepaid expenses	5,737	15 133
Other bank balances (refer note no. 22)	44	945
Total	5,781	16,965

Current Assets

Note 19: Current Investments

(₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2016	Figures as at the end of previous reporting period, March 31, 2015
Investments in Equity Instruments		
INVESTMENTS (AT COST)		
Investment in Subsidiary Companies		
Unquoted		
i) Nil equity shares of Rs.10/- each fully paid up of		
Himachal Baspa Power Company Limited (Previous year 49,500 equity shares)	-	5
Total	-	5

Note 20 - Inventories

(₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2016	Figures as at the end of previous reporting period, March 31, 2015
Raw Material - at weighted average cost	17,087	18,654
Stores and Spares - at weighted average cost	12,176	12,241
Coal stock at mine including WIP	4,506	-
Cement stock	87	-
Material in transit	2	-
Total	33,858	30,895

Note 21 - Trade receivables

(₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2016	Figures as at the end of previous reporting period, March 31, 2015
Secured, considered good	-	-
Unsecured, considered good		
Due for a period exceeding six months	8,974	5,483
Due for a period less than six months	30,948	65,533
Total	39,922	71,016

Note 22 - Cash and bank balances

(₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2016		Figures as at the end of previous reporting period, March 31, 2015	
A. Cash and cash equivalents :				
1. Balances with Scheduled Banks :				
(i) In Current Account				
(a) In Indian Currency	3,250		4,802	
(b) In Foreign Currency	212	3,462	212	5,014
(ii) Trust & Retention account :				
In Current Account		3,558		16,239
(iii)In Fixed Deposits with maturity up to three months		1,068		2,000
2. Cheques, draft on hand		2		4
3. Cash in hand		77		59
Total "A"		8,167		23,316
B. Other bank balances :				
(i) In fixed deposits having a maturity of more than three months but less than twelve months	962		21,949	
(ii) In fixed deposits having a maturity of more than twelve months	-	962	-	21,949
(iii) In Fixed Deposits pledged with Govt. Deptt./Banks :				
(a) having a maturity of less than twelve months	10		2,117	
(b) having a maturity of more than twelve months	44	54	945	3,062
(iv) Trust & Retention account :				
(a) In fixed deposits having a maturity of less than twelve months	1,050		2,111	
(b) In fixed deposits having a maturity of more than twelve months	-	1,050	-	2,111
(v) Unclaimed dividend account		56		160
Total " B "		2,122		27,282
Total " A + B "		10,289		50,598
C. Amount disclosed under non current assets (refer note no. 18) :				
Pledged with Govt. Deptt./Banks		44		945
Total "C"		44		945
Total " A + B - C "		10,245		49,653

Unit wise Trust and Retention Accounts are maintained pursuant to the stipulations of the 'Financing Agreements' executed with the respective Lenders.

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Note 23 - Short-term loans and advances

(₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2016		Figures as at the end of previous reporting period, March 31, 2015	
Others				
Unsecured, considered Good				
Advances recoverable in cash or in kind or for value to be received				
Others	11,113		9,758	
Related parties	8,522	19,635	1,360	11,118
Loan to related parties		1,547		-
Claim & refund receivables		723		597
Staff Imprest & Advance		416		387
Advance Tax & Tax Deducted at Source		763		1,264
Total		23,084		13,366

Note 24 - Other current assets

(₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2016	Figures as at the end of previous reporting period, March 31, 2015
Unsecured considered good		
Interest accrued on fixed deposits with Banks	26	1,320
Prepaid Expenses	4,149	5,958
Total	4,175	7,278

(₹ in Lacs)

PARTICULARS	Figures as at the end of current reporting period, March 31, 2016		Figures as at the end of previous reporting period, March 31, 2015	
Note 25 - Revenue From Operations				
Sale of Products				
Sale of Electrical Energy	3,81,556		3,93,549	
(Net of advance against depreciation)				
Net Adjustment : Less / (Add) Rebate / (Interest) for prompt / (late) payments	2,036		(4)	
Less :Captive transfer of energy	441	3,79,079	-	3,93,553
Sale of cement	9,835		-	
Less : Excise duty	1,733	8,102	-	-
Coal sale for captive consumption	22,662		-	
Less :Captive transfer of Coal to thermal plant	19,897			
Less : Excise duty	2,765	-	-	-
Other Operating Revenues				
Sale ofVerified Emission Reduction (VERs)	18		-	
Service charges	14		31	
Sale ofFly Ash	1,155	1,187	829	860
Total		3,88,368		3,94,413

Note 26 - Other Income

Intereston deposits with banks		937		2,085
Intereston Income Tax refunds		594		-
Dividend received		1,332		3,663
Other non-operating income				
Insurance Claim Receipt	5,313		-	
Excess Provision Written Back	2		59	
Break fee	-		5,722	
Misc. Receipts	521	5,836	250	6,031
Total		8,699		11,779

Note 27 - Cost of Operation and Maintenance

(₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2016	Figures as at the end of previous reporting period, March 31, 2015
Cost of fuel	1,12,385	92,446
Raw Material Consumed	13,359	-
Stores and Spares Consumed	2,869	2,775
Repair & Maintenance - Plant & Machinery	1,356	2,378
Repair & Maintenance - Others	1,297	455
Renovation & Restoration Expenses (Net of insurance claim)	-	810
Operation and Maintenance Expenses	8,699	1,308
Transmission charges	14,081	17,555
Insurance - Plant & Machinery	2,067	2,667
Packing & Handling Charges	408	-
Less : Cost of self consumption/transfer	737	-
Total	1,55,784	1,20,394

Note 28 - Changes in inventories of finished goods & work in progress

Opening Stock				
Work in progress	-		-	
Finished stock	-	-	-	-
Closing stock				
Work in progress	-		-	
Finished stock	117	117	-	-
Excise duty on increase/decrease in closing stock		16		-
Total		(101)		-

Note 29 - Employee Benefit Expense

Salary , Wages & Bonus	7,289	7,131
Contribution to Provident and Other Funds	378	334
Gratuity	42	89
Leave Encashment	79	65
Workmen and Staff Welfare	538	447
Directors' Remuneration	313	458
Total	8,639	8,524

Note 30 - Finance Costs

Interest				
Debenture / FCCB	7,483		4,728	
Foreign Currency Loan	4,062		1,422	
Term Loans	2,03,125		1,93,038	
Working Capital	7,037		5,051	
Others	89	2,21,796	-	2,04,239
Financial charges				
DPG Commission	-		38	
Front end fee and other charges	18,022	18,022	7,478	7,516
Total		2,39,818		2,11,755

Note 31 - Depreciation and amortization expenses

Depreciation	55,280	46,397
Amortization	1,125	131
Total	56,405	46,528

JSW Hydro Energy Limited

Note 32 - Other Expenses

(₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2016		Figures as at the end of previous reporting period, March 31, 2015	
Advertisement		41		88
Consultancy, Legal& Professional Fee		1,695		1,317
Cost Audit Fees		1		1
Courier & Postage		102		66
Director's Sitting Fee		28		29
Freight and Octroi		174		101
Power, Water and Electricity charges		505		1,166
Internal Auditor Fee		23		22
Lease Rent of land		95		72
Listing & Custodial Fee		77		82
Miscellaneous Expenses		515		679
Printing & Stationery		42		101
Rent		19		9
Rural / site development expenses		2,355		46
Security Expenses		1,551		846
Secreterial Audit Fee		1		1
Taxes & Fees		255		322
Telephone and Telex		56		53
Travelling & Conveyance		393		430
Vehicle Running & Maintenance		284		349
Corporate Social Responsibility (CSR)		378		604
Auditor's Remuneration				
For Audit	41		40	
For Tax Audit	4		4	
For Certification	3		3	
Re-imbursement of Expenses	1	49	1	48
TOTAL		**8,639**		6,432

Note 33

In the opinion of the Board of Directors, the "Non Current Assets and Long Term Loans and Advances", have a value on realisation, in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet.

Note 34

Generation details & parameters :

Particulars	Baspa-II HEP	Vishnu-prayag HEP	Karcham Wangtoo HEP	Bina TPP	Nigrie STPP	Total
	Figures as at the end of current reporting period, March 31, 2016					
Net Saleable Energy (MU)	795.19	1,048.29	2,931.56	1,208.78	4,995.16	10,978.98
Plant Availability %	99.82	99.89	99.92	99.79	83.08	-

Note: Saleable Energy generation and Plant availability of Baspa HEP and Karcham Wangtoo HEP are for the period up to 31.08.2015 due to disinvestment of Plants as per Scheme of Arrangement sanctioned by Honb'le High Court of Himachal Pradesh at Shimla.

	Figures as at the end of previous reporting period, March 31, 2015					
Net Saleable Energy (MU)	1,100.47	1,573.96	3,708.41	2,236.95	1,800.27	10,420.06
Plant Availability %	99.84	99.13	99.65	92.47	58.33	-

Note 35 (a)Value of Imports on C.I.F. Basis :

(₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2016	Figures as at the end of previous reporting period, March 31, 2015
Payment to Suppliers of Capital Equipment	-	8,482
Payment for suppliers of spares	299	140

(b) Expenditure in Foreign Currency : (₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2016	Figures as at the end of previous reporting period, March 31, 2015
Travelling (Directors')	2	14
Interest & Bank Charges to Banks & others	10,160	8,782
Consultancy Fee	1,822	2,167

(c) Earnings in Foreign Exchange:

(₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2016	Figures as at the end of previous reporting period, March 31, 2015
Sale of Verified Emission Reductions (VERs)	18	-

(d) Details of Stores & Spares Consumed (Including for Machinery and O&M):

(₹ in Lacs)

Particulars	Figures as at the end of current reporting period, March 31, 2016		Figures as at the end of previous reporting period, March 31, 2015	
	Rs.	%	Rs.	%
(i) Indigenous	9,194	99	2,707	97
(ii) Imported	121	1	70	3

Note 36

Disclosure as required under Notification No. G.S.R.(E) dated 4th September, 2015 issued by the Ministry ofCorporateAffairs (As certified by the Management):

(₹ in Lacs)

	Particulars	Figures as at the end of current reporting period, March 31, 2016	Figures as at the end of previous reporting period, March 31, 2015
a)	The principal amount and interest due thereon remaining unpaid to any supplier		
	- Principal Amount	Nil	Nil
	- Interest Amount	Nil	Nil
b)	The amount of interest paid by the buyer in terms of Section16 of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of payment made to the suppliers beyond the appointed day.	Nil	Nil
c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during period) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
d)	The amount of interest accrued and remaining unpaid	Nil	Nil
e)	The amount of further interest remaining due and payable even in the succeedingperiod, until such date when the interest dues above are actually paid to the small enterprisefor the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil

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Note 37 Contingent Liabilities not provided for:

(₹ in Lacs)

	Particulars	Figures as at the end of current reporting period, March 31, 2016	Figures as at the end of previous reporting period, March 31, 2015
(a)	Outstanding amount of Bank Guarantee	34,753	42,429
	Margin Money against above	54	1,147
(b)	Claims against the Company not acknowledged as debts.	12,217	53,364
(c)	Disputed Entry Tax at Bina TPP in the State of Madhya Pradesh. (Amount of Rs.40.08Lac deposited with Govt. of Madhya Pradesh under protest)	401	-
(d)	Income tax matters under appeal	7,162	3,163
	Refund adjusted/Income Tax deposited against above	6,736	-
(e)	The Contingent liability of entry tax imposed by Government of Himachal Pradesh on goods entering the state of Himachal Pradesh in respect of Baspa HEP and Karcham wangtoo HEP stands transferred on disinvestment of Plants during the year to transferee company 'Himachal Baspa Power Company Limited' along with amount deposited as cash and pledge of Banks FDRs . The final decision of Hon'ble High Court was awaited till transfer of Plants. Therefore the total liability of the Company as at 31st march, 2016 (Baspa & Karcham Wangtoo HEPs) is Rs.Nil (Previous Year Rs.3,894.06 Lacs), against which Company has deposited Rs.Nil (Previous Year Rs.1,948.33 Lacs) and pledged banks FDRs of Rs.Nil (Previous Year Rs.1,915.24Lacs).		

Note 38 Commitments:

(₹ in Lacs)

	Particulars		Figures as at the end of current reporting period, March 31, 2016	Figures as at the end of previous reporting period, March 31, 2015
(a)	Outstanding amount of Letter of Credit		640	8,723
	Margin Money against above		-	-
(b)	Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	INR	49,482	52,861
		USD	1	1
		Euro	5	-
		JPY	389	389

Note 39

Corporate Guarantee

(a) The Company has given Corporate Guarantee of US$ 1,500 Lacs in favour of State Bank of India, Hong Kong branch for the credit facilities granted by lenders to Jaiprakash Associates Limited (Holding Company).The principal amount of loan outstanding was US$ 1,300 Lacs as on 31.03.2016.

(b) The Company has given Corporate Guarantee of Rs.50,000 Lacs in favour of State Bank of India, for the short term loan granted by them to Prayagraj Power Generation Company Limited (a subsidiary of the Company).The principal amount of loan outstanding was Rs.8,843 Lacs as on 31.03.2016.

(c) The Company has given Corporate Guarantee of Rs.50,000 Lacs in favour of State Bank of India, for Optionally Convertible Sub Debt underwritten/ granted by them to Prayagraj Power Generation Company Limited (a subsidiary of the Company). The principal amount of loan outstanding was Rs.50,000 Lacs as on 31.03.2016.

Note 40

(i) 900 Lacs Equity Shares of Rs. 10/- each fully paid (Previous Year 900 Lacs) held by the Company of Jaypee Powergrid Ltd. (Subsidiary Company) are pledged with Security Trustees,IDBI Trusteeship Services Ltd., as collateral security for the financial assistance granted by lenders to Jaypee Powergrid Ltd.

(ii) 16,183.27 Lacs Equity Shares of Rs. 10/- each fully paid (Previous Year-14,398.27) held by the Company of Prayagraj Power Generation Co. Ltd. (Subsidiary Company) are pledged with Security Trustees, SBI Cap Trusteeship Services Ltd., as collateral security for the financial assistance granted by lenders to Prayagraj Power Generation Co. Ltd.

Note 41

Related Party Disclosures, as required in terms of 'Accounting Standard [AS] 18' are given below:

(1) Relationships (Related party relationships are as identified by the Company and relied upon by the Auditors)

(a) Holding Company

Jaiprakash Associates Limited

(b) Subsidiary Companies:

(1) Jaypee Powergrid Limited
(2) Sangam Power Generation Company Limited
(3) Prayagraj Power Generation Company Limited
(4) Jaypee Arunachal Power Limited
(5) Jaypee Meghalaya Power Limited
(6) Himachal Baspa Power Company Limited (Ceased to be subsidiary w.e.f. 08.09.2015 and transactions made up to 31.08.2016, as perSupplemental Agreement dated 31.08.2015 to Securities Purchase Agreement dated 16.11.2014 executed with JSW Energy Ltd.)
(7) Bina Power Supply Limited (Formerly known as Himachal Karcham Power Company Limited)

(c) Fellow Subsidiary Companies:

(1) Jaypee Ganga Infrastructure Corporation Limited
(2) Himalyan Expressway Limited
(3) Jaypee Infratech Limited
(4) Jaypee Cement Corporation Limited(JCCL)
(5) Bhilai Jaypee Cement Limited
(6) Gujarat Jaypee Cement & Infrastructure Limited
(7) Jaypee Agra Vikas Limited
(8) Jaypee Fertilizers & Industries Limited
(9) Jaypee Assam Cement limited
(10) Himalayaputra Aviation Limited
(11) Jaypee Healthcare Limited (subsidiary of Jaypee Infratech Limited)
(12) Jaypee Cement Cricket (India) Limited
(13) Jaypee Cement Hockey (India) Limited
(14) Jaiprakash Agri Initiatives Company Limited (subsidiary of JCCL)
(15) Jaypee Sports International Limited (JPSI)-ceased to be subsidiary of JAL as it amalgamated into JAL on 16.10.2015 w.e.f the Appointed Date 01.04.2014

(d) Associate Companies / Concerns :

(1) Jaypee Infra Ventures (A Private Company with unlimited liability)
(2) Jaypee Development Corporation Limited [(subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability)]
(3) JIL Information Technology Limited [(subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability)]

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(4) Gaur & Nagi Limited (subsidiary of JIL Information Technology Limited)
(5) Indesign Enterprises Pvt. Limited [(subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability)]
(6) Jaypee Uttar Bharat Vikas Private Limited (JV Associate Co.)
(7) Kanpur Fertilisers and Cement limited (JV Associate Co.)
(8) Jaypee International Logistics Company Private Limited[(subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability)] (under process of striking off under Section 560 of the Companies Act, 1956)
(9) Tiger Hills Holiday Resort Private Limited (subsidiary of Jaypee Development Corporation Limited)
(10) Anvi Hotels Private Limited [(subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability)](under process of striking off under Section 560 of the Companies Act, 1956)
(11) Ibonshourne Limited (subsidiary of Indesign Enterprises Pvt. Limited w.e.f 11.01.2016)
(12) RPJ Minerals Private Limited
(13) Sarveshwari Stone Products Pvt. Ltd. (subsidiary of RPJ Minerals Private Limited)
(14) Rock Solid Cement Limited (subsidiary of RPJ Minerals Private Limited)
(15) Sonebhadra Minerals Private Limited
(16) MP Jaypee Coal Limited (JV Associate Co.)
(17) Madhya Pradesh Jaypee Minerals Limited (JV Associate Co.)
(18) MP Jaypee Coal Fields Limited (JV Associate Co.)
(19) Jaiprakash Kashmir Energy Limited(under process of striking off under Section 560 of the Companies Act, 1956)
(20) Jaypee Hotels Limited (KMP based Associate Company)
(21) Jaypee Mining Venture Private Limited (KMP based Associate Company)
(22) Ceekay Estate Private Limited (KMP based Associate Company).
(23) Pac Pharma Drugs and Chemicals Private Limited (under process of striking off under Section 560 of the Companies Act, 1956) (KMP based Associate Company)
(24) Akasva Associates Private Limited (KMP based Associate Company)
(25) Jaiprakash Exports Private Limited (KMP based Associate Company)
(26) Bhumi Estate Developers Private Limited (KMP based Associate Company)
(27) Jaypee Technical Consultants Private Limited (KMP based Associate Company)
(28) Andhra Cements Limited (subsidiary of Jaypee Development Corporation Limited)
(29) Jaypee Jan Sewa Sansthan ('Not for profit' Private limited Company) (KMP based Associate Company)
(30) Think Different Enterprises Private Limited (KMP based Associate Company)
(31) Dixit Holdings Private Limited (KMP based Associate Company)
(32) iValue Advisors Private Limited (KMP based Associate Company)
(33) JC World Hospitality Private Limited (KMP based Associate Company)
(34) JC Wealth & Investment Private Limited (KMP based Associate Company)
(35) C K World Hospitality Private Limited (KMP based Associate Company)
(36) Librans Venture Private Limited (KMP based Associate Company)
(37) Librans Real Estate Private Limited (KMP based Associate Company)

(e) Key Management Personnel:

Jaiprakash Power Ventures Limited

(1) Shri Manoj Gaur, Chairman
(2) Shri Sunil Kumar Sharma, Vice Chairman and CEO
(3) Shri Suren Jain, Managing Director and CFO
(4) Shri Parveen Kumar Singh, Whole-time Director

(2) Transactions carried out with related parties referred to above for the current reporting period, March 31, 2016

(₹ in Lacs)

	Referred in 1(a) above	Referred in 1(b) above	Referred in 1(c) above	Referred in 1(d) above	Referred in 1(e) above
Expenses					
Hiring Charges	**316**	-	**142**	-	-
(Previous Year)	(997)	(-)	(231)	(-)	(-)
Coal Handling Charges	**2,853**	-	-	-	-
(Previous Year)	(398)	(-)	(-)	(-)	(-)
Purchase of Cement and Cement Bags	**291**	-	-	-	-
(Previous Year)	(1,255)	(-)	(-)	(-)	(-)
Purchase of Clinker & Gypsum	**6,429**	-	-	-	-
(Previous Year)	(2,604)	(-)	(-)	(-)	(-)
Repair of Runners & Others	**829**				
(Previous Year)	(1,196)	(-)	(-)	(-)	(-)
Transmission Charges	**1,411**	-	-	-	-
(Previous Year)	(1,828)	(-)	(-)	(-)	(-)
Energy Sale Charges	**52**	-	-	-	-
(Previous Year)	(68)	(-)	(-)	(-)	(-)
Other Expenses	**12**	-	-	**25**	-
(Previous Year)	(25)	(-)	(-)	(6)	(-)
Services Availed	**391**	-	-	**1,219**	-
(Previous Year)	(-)	(-)	(-)	(509)	(-)
Salary & Perquisites (Key Management Personnel)	-	-	-	-	**342**
(Previous Year)	(-)	(-)	(-)	(-)	(539)
Income					
Sale of Cement (include during trial run)	**11,694**	-	-	-	-
(Previous Year)	(3,859)	(-)	(-)	(-)	(-)
Sale of Fly ash	**788**	-	-	-	-
(Previous Year)	(438)	(-)	(-)	(-)	(-)
Other Income	-	**16**	-		
(Previous Year)	(-)	(35)	(-)	(-)	(-)
Others					
Capital Items purchase	**32,851**	-	**11**	**3,493**	-
(Previous Year)	(2,076)	(-)	(-)	(-)	(-)
Execution of contractual Work	**856**	-		-	-
(Previous Year)	(5,933)	(-)	(-)	(-)	(-)
Outstandings					
- Amount Payables :	**465**	-	**206**	**3,984**	**9**
(Previous Year)	(10,423)	(-)	(244)	(500)	(25)
Outstandings					
-Amount Receivables	**7,212**	**2,781**	-	**7,112**	-
(Previous Year)	(195)	(1,268)	(20)	(7,222)	(-)
Investment in Subsidiaries					
Share Capital/ Share Application Money	-	**70**	-	-	-
(Previous Year)	(-)	(77,504)	(-)	(-)	(-)

Guarantees given by the holding company on behalf of the Company and guarantee given by the Company on behalf of the holding company have been mentioned elsewhere in the Notes to Financial Statements.

JSW Hydro Energy Limited

Note 42

Earnings Per Share is computed in accordance with Accounting Standard-20 issued by the Institute of Chartered Accountants of India.

(₹ in Lacs)

	Particulars	Figures as at the end of current reporting period, March 31, 2016	Figures as at the end of previous reporting period, March 31, 2015
[a]	Net Profit for Basic Earnings Per Share as per Profit & Loss Account	**(29,450)**	13.721
	Adjustment for the purpose of Diluted Earnings Per Share	-	-
	Net Profit for Diluted Earnings Per Share	**(29,450)**	13 721
[b]	Weighted average number of equity shares for Earnings Per Share computation:		
	[i] Number of Equity Shares at the beginning of the period / year	**2,93,80,03,084**	2,93,80,03,084
	[ii] Number of Equity Shares issued during the period / year	-	-
	[iii] Number of Shares allotted on amalgamation	-	-
	[iv] Number of potential Equity Shares	**5,45,31,659**	9,42,70,720
	[v] Weighted average No. of Shares for calculating:	-	-
	a) Basic Earnings Per Share	**2,93,80,03,084**	2,93,80,03,084
	b) Diluted Earnings Per Share	**2,99,25,34,743**	3,03,22,73,804
[c]	Earnings Per Share :		
	a) Before Extraordinary items		
	[i] Basic(Rs.)	**(0.49)**	0.47
	[ii] Diluted(Rs.)	**(0.48)**	0.45
	b) After Extraordinary items		
	[i] Basic(Rs.)	**(1.00)**	0.47
	[ii] Diluted(Rs.)	**(0.98)**	0.45
[d]	Face Value Per Share (Rs.)	**10.00**	10.00

Note 43

(a) Provident Fund - Defined Contribution Plan

Employees are entitled to Provident Fund benefits. Amount debited to Profit and Loss account including Administrative and Employees Deposit Linked Insurance charges Rs.378 Lacs during the period (Previous Year - Rs.334 Lacs) and Rs. Nil (Previous Year - Rs.28 Lacs) booked in Incidental Expenses during construction pending capitalisation.

(b) Gratuity - The liability for Gratuity is provided on the basis of Actuarial Valuation made at the end of each financial year. The Actuarial Valuation is made on Projected Unit Credit method as per AS 15(revised). Jaiprakash Associates Limited {JAL} (the Company's holding company) has constituted a Gratuity Fund Trust under the name Jaiprakash Associates Employees Gratuity Fund Trust vide Trust Deed dated 30th March, 2009 for JAL and its subsidiaries and appointed SBI Life Insurance Co. Ltd. for the management of the Trust Funds for the benefits of employees. As a subsidiary of JAL, the Company is participating in the Trust Fund by contributing its liability accrued up to the close of each financial year to the Trust Fund.

(c) Leave Encashment - Defined Benefit Plans - Provision has been made as per Actuarial Valuation.

Details of Gratuity and Leave encashment as per Accounting Standard-AS-15(Revised):

(₹ in Lacs)

Sl. No	Particulars	Gratuity (Funded)		Leave Encashment (Non Funded)	
		FY 2015-16	FY 2014-15	**FY 2015-16**	FY 2014-15
I	**Expenses recognized in the statement of Profit & Loss and in the Statement of Incidental Expenditure during Project Implementation, Pending Allocation for the Year**				
	1. Current Service Cost.	**61**	76	**49**	68
	2. Interest Cost	**31**	32	**21**	22
	3. Employee Contribution	-	-	-	-
	4. Acturial (Gains)/Losses	**(44)**	(7)	**9**	(17)
	5. Past Service Cost	-	-	-	-
	6. Settlement Cost	-	-	-	-
	7. Expected Return on Plan Assets	**6**	12	-	-
	8. Total Expenses	**42**	89	**79**	73
II	**Net Asset/ (Liability) recognized in the Balance Sheet**				
	1. Present Value of Defined Benefit Obligation.	**374**	388	**227**	262
	2. Fair Value of Plan Assets	**143**	61	-	-
	3. Funded Status -Surplus/ (Deficit)	**(231)**	(327)	**(227)**	(262)
	4. Excess of actual over estimated return on Plan Assets	**4**	(4)	-	-
	5. Net Asset/ (Liability)	**(231)**	(327)	**(227)**	(262)
III	**Change in Obligation during the Year**				
	1. Present value of Defined Benefit obligation at the beginning of the year.	**388**	376	**262**	256
	2. Acquisition/ transfer adjustments	**(38)**	-	**(86)**	-
	3. Current Service Cost.	**61**	76	**49**	68
	4. Interest Cost	**31**	32	**21**	22
	5. Settlement Cost	-	-	-	-
	6. Past Service Cost.	-	-	-	-
	7. Employee Contributions	-	-	-	-
	8. Actuarial (Gains)/Losses	**(40)**	(11)	**9**	(17)
	9. Benefit Payments	**28**	85	**28**	67
	10. Present Value of Defined Benefit Obligation at the end of the year	**374**	388	**227**	262
IV	**Change in Assets during the Year**				
	1. Plan Assets at the beginning of the year.	**61**	138	-	-
	2. Acquisition adjustments	**100**	-	-	-
	3. Settlements	-	-	-	-
	4. Expected return on Plan Assets	**6**	12	-	-
	5. Contribution by Employer	-	-	-	-
	6. Actual Benefit Paid	**28**	85	-	-
	7. Actuarial Gains/ (Losses)	**4**	(4)	-	-
	8. Plan Assets at the end of the year.	**143**	61	-	-
	9. Actual Return on Plan Assets	**9**	9	-	-
V	**Estimated amount of contribution in the immediate next year**	**9.75**	92.05	**23.31**	49.09
VI	**Major categories of plan assets (as percentage of total plan assets)**				
	1. Funds Managed by Insurer	**100%**	100%	-	-

JSW Hydro Energy Limited

(₹ in Lacs)

Sl. No	Particulars	Gratuity (Funded)		Leave Encashment (Non Funded)	
		FY 2015-16	FY 2014-15	FY 2015-16	FY 2014-15
VII	**Actuarial Assumptions:**				
	1. Discount Rate	**8.00%**	8.00%	**8.00%**	8.00%
	2. Mortality Table (of IALM)	**2006-08**	2006-08	**2006-08**	2006-08
	3. Turnover Rate:				
	Up to 30 Years	**2.00%**	2.00%	**2.00%**	2.00%
	From 31 to 44 years	**5.00%**	5.00%	**5.00%**	5.00%
	Above 44 years	**3.00%**	3.00%	**3.00%**	3.00%
	4. Future Salary Increase	**5.50%**	6.00%	**5.50%**	6.00%

	Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
	Gratuity- Funded					
a)	Present Value of Defined benefit obligation	**374**	388	376	297	268
b)	Fair value of Plan Assets	**143**	61	138	163	207
c)	Surplus/(Deficit) in the plan	**(231)**	(327)	(239)	(135)	(61)
d)	Experience gain/(loss) adjustments:					
	On Plan PBO	**44**	(17)	(19)	(3)	(5)
	On Plan Assets	**4**	(4)	(2)	1	18
	Leave Encashment -Non Funded		-	-	-	-
a)	Present Value of Defined benefit obligation	**227**	262	256	222	180
b)	Fair value of Plan Assets	-	-	-	-	-
c)	Surplus/(Deficit) in the plan	**(227)**	(262)	(256)	(222)	(180)
d)	Experience gain/(loss) adjustments:			-	-	-
	On Plan PBO	**(7)**	(21)	(40)	(12)	35
	On Plan Assets	-	-	-	-	-

Note 44

(a) As there is no taxable profit/ book profit for the period up to 31st March, 2016 no income tax amount/ MAT has been provided for the period up to 31st March, 2016.

(b) The Company has provided deferred tax assets (net) of Rs.27,489 Lacs (Previous year Rs.-716 Lacs) for the year ended 31st March, 2016.

(c) The MAT Credit Entitlement of Rs. 1,548 Lacs, which has expired has been reversed under the head in 'Surplus' in Note No.4 (Reserves and Surplus), as the same was created out of surplus during FY 2011-12.

Note 45 Statutory Auditors' Remuneration:

Details of remuneration (including Service Tax) paid to Statutory Auditors' :

(₹ in Lacs)

	Particulars	Figures as at the end of current reporting period, March 31, 2016	Figures for the previous reporting period, March 31, 2015
i	For Audit Fee	**41**	40
ii	For Tax Audit	**4**	4
iii	For Other Services	**3**	3
iv	For Reimbursement of Expenses	**1**	1
	Total	**49**	**48**

Note 46 Prior period adjustments (income/ expenses) :

(₹ in Lacs)

	Particulars	2015-16	2014-15
	Prior period income -		
i	Reversal of depreciation on Runners excess charged in previous year (Baspa HEP)	**19.63**	-
ii	Employment benefit expenses	**8.27**	-
iii	Sales of energy earlier considered as 'Advance against depreciation'	-	500.00
iv	Interest received on FDR pertaining to previous year	-	0.02
	Total	**27.90**	500.02
	Prior period expenses -		
i	Rates & Taxes	**7.22**	-
ii	Insurance Premium	-	50.67
iii	Service tax	-	0.88
iv	Energy Duty & Cess	-	2.08
v	Repair & Maintenance	-	0.27
vi	TDS and interest thereon	-	0.48
	Total	**7.22**	54.38
	Net amount-Prior period income/ (expenses)	**20.68**	445.64

Note 47

To ensure coal availabilty for 1,320 MW Jaypee Nigrie Super Thermal Power Plant (JNSTPP), the Company participated in e-auction of coal mine conducted by Govt. of India and was allotted Amelia (North) Coal Mine in terms of Vesting Order of 23rd March, 2015. After execution of Mining lease agreement on 25th May, 2015, the Collector, Distt. Singrauli (M.P.) allowed mining activities vide order dated 26th May, 2015, whereafter Amelia Coal Mine started mining operations.The acquisition cost of mine, mine related expenses, plant & machinery purchased from the previous mine operater and contractor i,e M.P.Jaypee Minerals Ltd (Joint Venture company of Jaiprakash Associates Ltd) and Jaiprakash Associates Ltd (the Holding company) respectively have been capitalised from the date of mine acquisition.

Note 48

In compliance of Accounting Standard-2, the Company has provided liability of Excise Duty amounting to Rs.16 Lacs (Previous year-Nil) on the stocks of Finished Goods lying at works. However, there is no impact on profit/(loss) for the current year.

Note 49

(i) The Scheme of Arrangement for transfer of businesses in relation to two of the Company's operating Hydro-electric plants namely, 300 MW Jaypee Baspa-II Hydro electric plant and 1091 MW Jaypee Karcham Wangtoo Hydro-electric plant to Himachal Baspa Power Company Limited (HBPCL), a subsidiary of the Company, as a going concern, on slump exchange basis, was sanctioned by the Hon'ble High Court of Himachal Pradesh at Shimla, vide order dated 25.06.2015. Consequent upon filing of the aforesaid Scheme of Arrangement with Registrar of Companies, Chandigarh the said Scheme became effective w.e.f. 1st September,2015. Accordingly, the businesses, in respect of Baspa-II Hydro electric plant and Karcham Wangtoo Hydro electric plant along with their assets, liabilities, rights and intertests, obligations etc stood transferred and vested in Himachal Baspa Power Company Limited (HBPCL) w.e.f. 1st September, 2015, against consideration of securities (12,500.50 Lacs Equity Shares of Rs.10/ each and 2,500 Non Convertible Debentures of Rs.100 each).

The Company, has concluded the Sale of Securities of Himachal Baspa Power Company Limited (HBPCL) to JSW Energy Limited at an Enterprise Value (EV) of Rs.9700 crores reduced by mutually agreed adjustments, including inter-alia Rs.300 crores which is payable upon receipt of certain additional consents and approvals related to the Karcham Wangtoo HEP. Project debt of Baspa HE Plant and Karcham Wangtoo HE Plant has been transferred to HBPCL. The proceeds from sale of aforesaid securities were utilised for reducing Company's debts. Consequent to sale of securities to JSW Ltd. the Company has earned profit of Rs. 103 Crs which has been shown as income from sale of securities as an exceptional item.

(ii) The carrying amount of the assets of Baspa HEP and Karcham HEP were Rs. Nil (Previous year-Rs.1,48,384 Lacs), Rs. Nil (Previous year-Rs.6,79,520 Lacs) respectively and its liabilities were Rs. Nil (Previous year-Rs.1,09,464 Lacs), Rs.Nil (Previous year-Rs.5,70,970 Lacs) respectively. The operating results of Baspa HEP and Karcham Wangtoo HEP are for the period from 01.04.2015 to 31.08.2015. The following statement shows the revenue and expense of continuing and discontinuing operations.

(₹ in Lacs)

	Particulars	Continuing Operations (JPVL)		Discontinuing Operations (Baspa & Karcham Wangtoo HEPs)		Total	
		31.03.2016	31.03.2015	**31.03.2016**	31.03.2015	**31.03.2016**	31.03.2015
i	Turnover	**2,87,350**	2,30,352	**109717**	1,75,840	**3,97,067**	4,06,192
ii	Operating Expenses	**1,91,976**	1,38,199	**22,212**	43,233	**2,14,188**	1,81,432
iii	Impairment Loss	**-**	-	**-**	-	**-**	-
iv	Pretax profit from operating activities	**95,374**	92,153	**87,505**	1,32,607	**1,82,879**	2,24,760
v	Financing Expenses	**1,94,047**	1,28,859	**45,771**	82,896	**2,39,818**	2,11,755
vi	Profit (Loss) before tax	**(98,673)**	(36,706)	**41,734**	49,711	**(56,939)**	13,005
vii	Income tax expense	**(49,756)**	(6,865)	**22,267**	6,149	**(27,489)**	(716)
viii	Profit (Loss) from operating activities after tax	**(48,917)**	(29,841)	**19,467**	43,562	**(29,450)**	13,721

Note 50

Expenditure incurred on Corporate Social Activities (CSR)

Gross amount of Rs. 349 Lacs (Previous year-Rs.593 Lacs) was required to be spent by the Company on the activities of CSR, as per schedule VII and as per provisions of Companies Act, 2013, whereas the Company has spent Rs.378 Lacs (Previous year-Rs.604 Lacs).

Amount spent during the year:

(₹ in Lacs)

	Particulars	Amount Spent	Amount yet to be spent	Total
(i)	Construction/ acquisition of any asset	-	-	-
(ii)	On purpose other than (i) above	378	-	378

Note 51

(a) The External Commercial Borrowings (ECBs) outstanding JPY 1,30,050 Lacs as on 31.03.2016 are fully hedged (JPY to USD) in respect of coupon as well as repayment. USD to INR portion has been hedged for 50% of outstanding i.e. JPY 65,025 Lacs (equivalent to USD 593.84 Lacs) and balance 50% portion is unhedged.

(b) The Company has outstanding exposure of USD 1,014.21 Lacs (unhedged) as on 31.03.2016 against Foreign Currency Convertible Bonds (FCCBs).

Note 52

(a) The Company is engaged in generation of Power (hydro & thermal), Cement grinding and Captive coal mining. The Company has been allotted Amelia Coal Block by Government of India for exertion of coal for supply to Jaypee Nigrie Super Thermal Power Plant. Further, the Company has set up Cement Grinding Unit at Jaypee Nigrie Super Thermal Power Plant, for gainful utilisation of dry fly ash and as mandated by Ministry of Environment and Forests. As total assets employed in Cement Grinding Unit and Coal Mine are less than 10% of the total assets of the Company and the revenue for the same is also less than 10% of the total revenue of the Company, therefore separate segment reporting is not applicable.

(b) The operations of the Company are carried with similar economic and political conditions having similar kind of risks, therefore geographical segments are not applicable.

Note 53

In terms of 'Accounting Standard (AS) 28', the assets are not impaired because the recoverable amount of fixed assets collectively determined by the present value of estimated future cash flows is higher than its carrying value.

Note 54

All the figures have been rounded off to the nearest rupees in lacs.

Note 55

Previous Year's figures have been regrouped/re-arranged , wherever considered necessary to make them conform to the figures for the current year.

For and on behalf of the Board

FOR R. NAGPAL ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 002626N

Manoj Gaur
Chairman
DIN 00008480

R. NAGPAL
Partner
M.No. 081594

Suren Jain
Managing Director & CFO
DIN 00011026

Sunil Kumar Sharma
Vice Chairman & CEO
DIN 00008125

Place: Noida
Dated: 27th May, 2016

R.K. Porwal
Vice President (F & A)

Y. K. Sharma
Sr. Vice President (F & A)

M.M. Sibbal
Vice President & Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lacs)

	Particulars	Figures as at the end of current reporting period, March 31, 2016		Figures as at the end of previous reporting period, March 31, 2015	
A.	**Cash flow from operating activities**				
	Profit before taxation		(56,939)		13,005
	Add Back				
	Depreciation and Amotization expenses	47,835		25,419	
	Deffered Revenue on account of advance against depreciation	5,053		4,553	
	Add:Finance costs	2,07,485	2,60,373	1,35,832	1,65,804
	Deduct:				
	Interest Income (Interest on bank depoits)	(359)		(272)	
	Other Income (including Interest on Arrear)	(11,099)		(5,935)	
	Dividend Income	(1,332)	(12,790)	(3,663)	(9,870)
	Changes in working Capital				
	(Increase)/Decrease in Trade Recivables	(9,008)		(19,220)	
	(Increase)/Decrease in Inventories	(3,477)		(14,927)	
	(Increase)/Decrease in Long Term/Short Term Loans and Advances and others Current Assets excluding Capital advances	(3,909)		(10,412)	
	Increase (Decrease) in Current Liabilities & Other Long Term Liabilities excluding Current Maturities of Long Term Debts and Capital Liabilities of Ongoing Projects	(8,900)		43,048	
	Increase (Decrease) in Short Term and Long Term Provisions	259	(25,035)	84	(1,427)
	Cash generated from Operations		1,65,609		1,67,512
	Adjustments for :				
	Income tax paid (net of refund)		-		(3,607)
	Operating Cash Flows-Continuing Operations		1,65,609		1,63,905
	Operating Cash Flows-Dis-Continuing Operations- Operation 1		14,262		14,980
	Operating Cash Flows-Dis-Continuing Operations- Operation 2		60,251		68,103
	Net cash inflow from operating activities----'A'		2,40,122		2,46,988
B.	**Cash flow from Investing activities**				
	Outflow				
	Investment in Fixed Assets/Capital Work in Progress	(79,978)		(1,56,344)	
	Changes on Account of Capital Liabilities/Advances on Ongoing Projects	15,886	(64,092)	(23,070)	(1,79,414)
	Investment in Subsidiary		(6,999)		(77,504)
	Inflow				
	Sale of Assets	1,37,212		-	
	Interest and Dividend Income	1,691		3,935	
	Other Income	11,099		5,935	
	Investment in bank deposits having original maturity of more than three months	6,709	1,56,711	(5,561)	4,309
	Cash Flows from Investing activities-Continuing Operations		85,620		(2,52,609)
	Cash Flows from Investing actvities-Dis-Continuing Operations-Unit 1		1,08,500		(1,347)
	Cash Flows from Investing actvities-Dis-Continuing Operations-Unit 2		6,36,146		(12,079)
	Net cash used in investing activities----- `B'		8,30,266		(2,66,035)

JSW Hyd... Limited

ANNEXURE-T21

LODHA & CO
Chartered Accountants

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Mumbai 400 001 INDIA
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0091-22-4002 1140 / 4002 1414
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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HIMACHAL BASPA POWER COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **HIMACHAL BASPA POWER COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 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 financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view

LODHA & CO. MUMBAI-01 Chartered Accountants

JSW Hydro Energy Limited

In order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2016 and its profit and cash flows for the year ended on that date.

Other Matter

The financial statements of the Company for the year ended 31st March, 2015, were audited by another auditor whose report dated 14th May, 2015 expressed an unmodified opinion on those statements. Also, Refer Note no.26 (i) (a)

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraph 3 of the Order.

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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

LODHA & CO MUMBAI-01 Chartered Accountants

JSW Hydro Energy Limited

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(g) With respect to other matter to be included in the Auditor's Report in accordance with the 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 financial statements-Refer Note 24 (ii) (a) to the 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For LODHA & CO.
Chartered Accountants

Firm Registration No: 301051E

A. M. Hariharan

Partner
Membership No. 38323

Place: Mumbai
Date: April 25, 2016

LODHA & CO. MUMBAI-01 Chartered Accountants

JSW Hydro Energy Limited

"ANNEXURE A"

ANNEXURE REFERRED TO IN PARAGRAPH "REPORT ON OTHER LEGAL AND REGUALTORY REQUIREMENTS" OF OUR REPORT TO THE MEMBERS OF "THE COMPANY"FOR THE YEAR ENDED 31ST MARCH, 2016

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we state that:

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   b) The fixed assets have been verified in accordance with a phased program designed to cover all assets once in three years. The frequency of verification is considered reasonable, having regard to the size of the Company and nature of its fixed assets.

   c) Based on information and explanations given to us, the title deeds of immovable properties are in the name of demerged Company and steps are being taken by the management for getting it transfer in the name of the Company.

2. The inventory has been physically verified by the management at reasonable intervals during the year. The procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. As per the information and explanations given to us, discrepancies noticed on physical verification between the physical stocks and book records were not material.

3. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of clause 3(iii) of the Order are not applicable to the Company.

4. The Company has not granted any loans, made investments, given guarantees and provided security as referred to in section 185 and 186 of the Act.

5. No deposits have been accepted by the Company within the meaning of directives issued by RBI (Reserve Bank of India) and Sections 73 to 76 or any other relevant provisions of the Act and rules framed there under.

6. We have broadly reviewed the cost records maintained by the Company pursuant to the Order of the Central Government under sub- section (1) of section 148 of the Act and are of the opinion that, prima facie, the prescribed records have been made and maintained. We are, however, not required to make a detailed examination of the records with a view to determine whether they are accurate or complete.

LODHA & CO. * MUMBAI-01 * Chartered Accountants

JSW Hydro Energy Limited

7. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income- tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to the Company with appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.

   b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess which have not been deposited on account of any dispute.

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution, banks and dues to debenture holder during the year.

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Terms loans were applied for the purposes for which they were raised.

10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.

11. The Company has not paid or provided for any managerial remuneration. Therefore, paragraph 3(xi) of the Order is not applicable to the Company.

12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.

13. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, all transactions with the related party are in compliance with Section 177 and 188 of the Act and the details have been disclosed as required by the applicable Accounting Standard.(Refer Note 24(x) to the Financial Statements).

LODHA & CO. MUMBAI-01 Chartered Accountants

JSW Hydro Energy Limited

14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause 3(xiv) of the Order are not applicable to the Company.

15. Based on the information and explanations given to us, the Company has not entered into any non-cash transactions prescribed under Section 192 of the Act with directors or persons connected with them during the year.

16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For LODHA & CO.
Chartered Accountants

Firm Registration No: 301051E

A. M. Hariharan

Partner
Membership No. 38323

Place: Mumbai
Date: April 25, 2016

LODHA & CO. MUMBAI-01 Chartered Accountants

JSW Hydro Energy Limited JSW

"ANNEXURE B"

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

We have audited the internal financial controls over financial reporting of **HIMACHAL BASPA POWER COMPANY LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the 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.

Auditors' 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 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.

LODHA & CO. MUMBAI-01 Chartered Accountants

JSW Hydro Energy Limited

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 March 31, 2016, 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.

For LODHA & CO.
Chartered Accountants
Firm Registration No: 301051E

A. M. Hariharan
Partner
Membership No. 38323

Place : Mumbai
Dated : April 25, 2016

LODHA & CO. MUMBAI-01 Chartered Accountants

JSW Hydro Energy Limited

HIMACHAL BASPA POWER COMPANY LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note	As at 31st March, 2016	As at 31st March, 2015
		₹ crore	₹ crore
I EQUITY AND LIABILITIES			
(1) Shareholders' funds:			
(a) Share capital	2	1,250.05	0.05
(b) Reserves and surplus	3	97.80	0.00
		1,347.85	0.05
(2) Non-current liabilities:			
(a) Long-term borrowings	4	7,923.62	-
(b) Deferred tax liabilities (net)	24(vi)	24.32	-
(c) Other long-term liabilities	5	174.19	-
(d) Long-term provisions	6	2.19	-
		8,124.32	-
(3) Current Liabilities:			
(a) Short-term borrowings	7	30.02	-
(b) Trade payables			
- Total Outstanding dues of Micro enterprises and small enterprises; and	8	-	-
- Total Outstanding dues of creditors other than Micro enterprises and small enterprises	8	45.61	0.00
(c) Other current liabilities	9	349.66	-
(d) Short-term provisions	10	21.92	0.01
		447.21	0.01
TOTAL		9,919.38	0.06
II ASSETS			
(1) Non-current assets:			
(a) Fixed Assets			
(i) Tangible assets	11	8,846.57	-
(b) Long-term loans and advances	12	25.50	-
(c) Other non-current assets	13	120.12	-
		8,992.19	-
(2) Current assets:			
(a) Inventories	14	18.31	-
(b) Trade receivables	15	834.24	0.02
(c) Cash and Bank balances	16	34.52	0.04
(d) Short-term loans and advances	17	34.25	0.00
(e) Other current assets	18	5.87	-
		927.19	0.06
TOTAL		9,919.38	0.06
Significant Accounting Policies	1		
Notes forming integral part of the financial statements	2 - 24		

As per our attached report of even date
For Lodha & Co.
Chartered Accountants
Firm Registration No.: 301051E

A.M.Hariharan
Partner
Membership No.:38323

LODHA & CO. MUMBAI-01 Chartered Accountants

Place: Mumbai
Date: 25th April,2016

For and on behalf of Board of Directors

Pramod Menon
Director
[DIN: 01443287]

Sanjay Sagar
Chairman
[DIN:00019489]

R. J. Punamiya

Rakesh Punamiya
Company Secretary

Praveen Bhansali
Chief Financial Officer

JSW Hydro Energy Limited

HIMACHAL BASPA POWER COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Note	For the year ended 31st March, 2016	For the year ended 31st March, 2015
		₹ crore	₹ crore
I Revenue from operations	19	626.15	-
II Other income	20	4.78	0.02
III Total Revenue (I+II)		630.93	0.02
IV Expenses:			
Employee benefits expense	21	18.88	-
Finance costs	22	396.67	-
Depreciation and amortisation expense	11	147.82	-
Other expenses	23	61.94	0.01
Total Expenses		625.31	0.01
V Profit before exceptional item and tax (III-IV)		5.62	0.01
VI Exceptional Item	24(viii)	(150.00)	-
VII Profit before tax (V-VI)		155.62	0.01
VIII Tax Expense:			
Current tax		33.50	0.01
Deferred tax	24(vi)	24.32	-
		57.82	0.01
IX Profit for the year (VII - VIII)		97.80	0.00
X Earnings per equity share of face value of ₹ 10 each - Basic & Diluted	24(vii)	1.34	0.69
Significant Accounting Policies	1		
Notes forming integral part of the financial statements	2 - 24		

As per our attached report of even date

For Lodha & Co.
Chartered Accountants
Firm Registration No.: 301051E

A.M.Hariharan
Partner
Membership No.:38323

LODHA & CO. MUMBAI-01 Chartered Accountants

Place: Mumbai
Date: 25th April,2016

For and on behalf of the Board of Directors

Pramod Menon
Director
[DIN: 01443287]

Sanjay Sagar
Chairman
[DIN:00019489]

R.T. Punamiya

Rakesh Punamiya
Company Secretary

Praveen Bhansali
Chief Financial Officer

JSW Hydro Energy Limited

HIMACHAL BASPA POWER COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ Crore)

		For the year ended 31st March, 2016		For the year ended 31st March, 2015	
I	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit before Tax		155.62		0.01
	Adjusted for:				
	Preliminary expenses written off	-		0.00	
	Depreciation and amortisation	147.82		-	
	Interest Income	(4.13)		-	
	Income from Current Investments	(0.11)		-	
	Excess provision no longer required written back	(0.02)		-	
	Finance Costs	396.67		-	
			540.23		0.00
	Operating profit before working capital changes		695.85		0.01
	Adjustments for:				
	Trade and Other Receivables	(370.88)			0.00
	Trade Payables including Advance received from customers	(9.25)			(0.02)
	Loans & Advances and other non-current assets	226.45			-
	Inventories	14.24			-
			(139.44)		-
	Cash generated from / (used in) operations		556.41		(0.00)
	Direct Taxes Paid		(13.04)		(0.00)
	NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES		543.37		(0.01)
II	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Fixed Assets including CWIP and Capital advances		14.96		-
	Interest Received		4.13		-
	Income from Sale of Current Investments		0.11		-
	NET CASH FROM / (USED IN) INVESTING ACTIVITIES		19.20		-
III	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from issue of share capital		-		0.05
	Borrowings repaid		(318.48)		-
	Finance costs paid		(395.32)		-
	NET CASH USED IN FINANCING ACTIVITIES		(713.80)		0.05
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (I+II+III)		(151.23)		0.04
	CASH AND CASH EQUIVALENTS - OPENING BALANCE		0.04		-
	ADD: PURSUANT TO SCHEME OF ARRANGEMENT [Refer Note 24(i)]		159.10		-
	CASH AND CASH EQUIVALENTS - CLOSING BALANCE (Refer Note 16)		7.91		0.04

Notes :

1 Previous year's figures have been regrouped / rearranged wherever necessary to conform to current year's classification.

As per our attached report of even date
For Lodha & Co.
Chartered Accountants
Firm Registration No.: 301051E

A.M.Hariharan
Partner
Membership No.:38323

Place: Mumbai
Date: 25th April,2016

For and on behalf of the Board of Directors

Pramod Menon
Director
[DIN: 01443287]

Sanjay Sagar
Chairman
[DIN:00019489]

R. P. Punamiya

Rakesh Punamiya
Company Secretary

Praveen Bhansali
Chief Financial Officer

LODHA & CO. MUMBAI-01 Chartered Accountants

JSW Hydro Energy Limited

HIMACHAL BASPA POWER COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

NOTE- 1 Significant Accounting Policies:

(a)	**General**
i)	The financial statements are prepared under the historical cost convention, on the accounting principles of a going concern.
ii)	Accounting Policies not specifically referred to otherwise are consistent and in consonance with the applicable accounting standards prescribed by under section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified).
iii)	All expenses and income to the extent ascertainable with reasonable certainty are accounted for on accrual basis.
iv)	The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual result could differ from these estimates. Any revision to accounting estimates is recognised prospectively.
v)	All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.
(b)	**Revenue Recognition**
i)	Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection. Revenue from sale of power is recognised when substantial risks and rewards of ownership is transferred to the buyer under the terms of the contract.
ii)	Other income is accounted on accrual basis as and when the right to receive arises.
(c)	**Fixed Assets**
i)	**Tangible Assets:** Fixed assets are stated at cost which includes all direct and indirect expenses up to the date of acquisition, installation and / or commencement of commercial generation of power. Expenditure incurred during construction period: Apart from costs related directly to the construction of an asset, expenses incurred up to the date of commencement of commercial production which are incidental and related to construction are capitalised as part of construction cost. Income, if any, earned during the construction period is deducted from the indirect costs.
(d)	**Depreciation /Amortisation** Depreciation on tangible assets is provided based on technical evaluation of useful life and residual value as per the provisions of Part A of schedule II of the Companies Act, 2013. Accordingly, in case of Buildings useful life is in the range of 20 -60 years and in case of Plant & Machinery in the range of 15-40 years Premium on Leasehold Land is amortised over the period of lease.

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JSW Hydro Energy Limited

(e)	**Impairment of assets** In accordance with Accounting Standard 28 'Impairment of assets', where there is an indication of impairment of the Company's assets related to cash generating units, the carrying amounts of such assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of such assets is estimated as the higher of its net selling price and its value in use. An impairment loss is recognized in the Statement of Profit and Loss whenever the carrying amounts of such assets exceed its recoverable amount. Depreciation on impaired assets related to a cash generating unit is provided by adjusting the depreciation charge in the remaining periods so as to allocate the revised carrying amount of the asset over its remaining useful life.
(f)	**Borrowing Costs**
i)	Borrowing Costs directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets up to the date when the asset is ready for its intended use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. The borrowing cost eligible for capitalization is netted off against any income arising on temporary investment of those borrowings. The capitalization of the borrowing costs ceases when substantially all activities necessary to prepare the qualifying asset for its intended use are complete.
ii)	Expenses incurred in connection with the arrangement of borrowings are written off over the period of the borrowing.
iii)	Other borrowing costs are charged to revenue.
(g)	**Investments** Long term Investments are stated at cost. In case, there is a decline other than temporary in the value of any Investments, a provision for the same is made. Current Investments are valued at lower of cost and fair value.
(h)	**Inventories** Inventories are valued at lower of cost and net realisable value. Cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on the weighted average basis for valuation. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Obsolete, defective and unserviceable stocks are duly provided for.
(i)	**Foreign Exchange Transactions** Foreign Currency transactions are initially recorded at the exchange rates prevailing on the date of the transaction. Foreign Currency assets and liabilities (monetary items) are reported at the exchange rate prevailing on the balance sheet date. All exchange differences arising on reporting of short term foreign currency monetary items at rates different from those at which they were initially recorded are recognized in the Statement of Profit and Loss. In respect of foreign exchange differences arising on revaluation or settlement of long term foreign currency monetary items, the Company has availed the option available in the Companies (Accounting Standard) (Second Amendment) Rules 2011, wherein: i. Foreign exchange differences on account of depreciable asset, is adjusted in the cost of depreciable asset and the charge of depreciation is accordingly increase /reduced. ii. In other cases, foreign exchange differences are accumulated in "Foreign Currency Monetary Item Translation difference account" and amortized over the balance period of such long term assets / liabilities. Non-monetary items such as Investments are carried at historical cost using the exchange rates on the date

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JSW Hydro Energy Limited

	of the transaction. Forward contracts other than those entered into to hedge foreign currency risk on unexecuted firm commitments or of highly probable forecast transactions are treated as foreign currency transactions and accounted accordingly. Exchange differences arising on such contracts are recognized in the period in which they arise and the premium paid is accounted as expense over the period of the contract. All other exchange differences are dealt with in the Statement of Profit and Loss.
(j)	**Employee benefits** Retirement benefits in the form of Provident Fund and Family Pension Scheme are defined contribution schemes and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts. Employee benefits under defined benefit plans, such as Gratuity and Compensated absences are provided for on the basis of the actuarial valuation made at the end of each financial year. Actuarial gains/ losses are immediately taken to Statement of Profit and Loss and are not deferred.
(k)	**Taxation** Income tax expenses comprise current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charges or credit (reflecting the tax effects of timing differences between accounting income and taxable income of the year). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain as the case may be to be realised. Tax credit is recognised in respect of Minimum Alternate Tax (MAT) paid in terms of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within the statutory time frame and the same is reviewed at each balance sheet date.
(l)	**Provisions and Contingent Liabilities** Provisions are recognised based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date when, a) the Company has a present obligation as a result of a past event b) a probable outflow of resources is expected to settle the obligation and c) the amount of the obligation can be reliably estimated Where some or all the expenditure required to settle a provision is expected to be reimbursed by another party, such reimbursement is recognised to the extent of provision or contingent liability as the case may be, only when it is virtually certain that the reimbursement will be received. Contingent liability is disclosed in the case of: a) a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of obligation cannot be made. b) 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 within the control of the enterprise.

LODHA & CO. MUMBAI-01 Chartered Accountants

JSW Hydro Energy Limited

HIMACHAL BASPA POWER COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE: 2	As at 31st March, 2016	As at 31st March, 2015
SHARE CAPITAL	₹ crore	₹ crore
Authorised: 1,25,00,50,000 (Previous year 50,000) Equity Shares of ₹ 10 each	1,250.05	0.05
Issued, Subscribed and paid-up: 1,25,00,50,000 (Previous year 50,000) Equity Shares of ₹ 10 each	1,250.05	0.05
	1,250.05	0.05

a) Reconciliation of the number of shares outstanding at the beginning and end of the year:

Particulars	No of Shares	No of Shares
Balance as at the beginning of the year	50,000	-
Issued during the year	12500,00,000	50,000
Balance as at the end of the year	12500,50,000	50,000

b) Details of aggregate shareholding by holding company:

Particulars	No. of Shares	No. of Shares
JSW Energy Limited & its nominees	12500,50,000	-
Jaiprakash Power Ventures Limited & its nominees	-	50,000

c) Terms & Rights attached to equity shares :

(i) The Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share.

(ii) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to the shareholding. However, no such preferential amount exists currently.

d) Details of shareholding more than 5% :

	Particulars	No. of Shares	No. of Shares
1	JSW Energy Limited & its nominees	12500,50,000 100%	- -
2	Jaiprakash Power Venture Limited & its nominees	- -	50,000 100%

LODHA & CO. MUMBAI-01 Chartered Accountants

JSW Hydro Energy Limited

HIMACHAL BASPA POWER COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE: 3	As at 31st March, 2016	As at 31st March, 2015
RESERVES AND SURPLUS	**₹ crore**	₹ crore
Debenture Redemption Reserve:		
Balance as at the beginning of the year	-	-
Add: Transfer from surplus	58.75	-
Balance as at the end of the year	58.75	-
Surplus:		
Balance as at the beginning of the year	0.00	-
Add: Profit for the year	97.80	0.00
Less: Transfer to Debenture Redemption Reserve	58.75	-
Balance as at the end of the year	39.05	0.00
	97.80	0.00

LODHA & CO. MUMBAI-01 Chartered Accountants

JSW Hydro Energy Limited

HIMACHAL BASPA POWER COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE: 4	As at 31st March, 2016	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2015
LONG-TERM BORROWINGS	₹ crore	₹ crore	₹ crore	₹ crore
	Non Current	Current	Non Current	Current
Secured Loan				
1. Rupee Term Loans from:				
a) Banks	5,316.53	177.92	-	-
b) Financial Institution	257.09	8.73	-	-
Unsecured Loan				
1. Debentures:				
a) 23,50,00,000 (Previous Year NIL) 13.00% Non Convertible Debentures of ₹ 100 each held by the Holding Company	2,350.00	-	-	-
	7,923.62	186.65	-	-

i) Terms of Repayment of Rupee Term Loans:		
Particulars	**As at 31st March, 2016**	As at 31st March, 2015
	₹ crore	₹ crore
From Banks :		
2 - 3 Years	355.85	-
4 - 5 Years	435.14	-
6 - 10 Years	1,022.64	-
11-14 Years	3,502.90	-
Total borrowing from Banks	5,316.53	-
From Financial Institution :		
2 - 3 Years	17.45	-
4 - 5 Years	21.09	-
6 - 10 Years	49.31	-
11-14 Years	169.24	-
Total borrowing from Financial Institution	257.09	-

LODHA & CO. MUMBAI-01 Chartered Accountants

JSW Hydro Energy Limited

HIMACHAL BASPA POWER COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

ii) Terms of Redemptions of Debentures:	
	23,50,00,000 no. (Previous Year NIL) @ 13% unsecured non convertible debentures of Rs. 100 each are redeemable at par at the end of 10 years from the date of issue i.e. 01.09.2015. Interest on NCD's for the period 1st October, 2015 to 31st March, 2016 has been waived off by the holing company.
iii) Details of Security :	
	Rupee Term Loan aggregating to ₹ 5,760.27 crore (Previous Year ₹ NIL) included in 1 (a) and (b) are secured on a pari passu basis by (a) a first charge on all moveable assets of the Karcham Wangtoo and Baspa II hydro electric plants of the Company (the Projects) by way of deed of hypothecation, (b) a first charge on all project related documents licenses, permits, approvals, rights, titles, interest etc pertaining to the Projects, (c) first charge on book debts, operating cash flows, receivable, commissions & revenue (both present & future) of the Projects, and on bank accounts of the Company.

LODHA & CO. MUMBAI-01 Chartered Accountants

JSW Hydro Energy Limited

HIMACHAL BASPA POWER COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE: 5	As at 31st March, 2016	As at 31st March, 2015
OTHER LONG-TERM LIABILITIES	₹ crore	₹ crore
Advance against depreciation	174.19	-
	174.19	-

NOTE: 6	As at 31st March, 2016	As at 31st March, 2015
LONG-TERM PROVISIONS	₹ crore	₹ crore
Employee benefits	2.19	-
	2.19	-

NOTE: 7	As at 31st March, 2016	As at 31st March, 2015
SHORT-TERM BORROWINGS	₹ crore	₹ crore
Secured Loans		
Working Capital Loan from a Bank	30.02	-
	30.02	-

Details of Security:
Working Capital Loan ₹ 30.02 crore (Previous Year ₹ NIL) are secured on a pari passu basis by (a) a first charge on all immovable assets of the Karcham Wangtoo hydro electric plant of the Company (the Project), (both present & future) (b) a first charge on all moveable assets of the Project, (both present & future (c) Charge on all intangible assets including but not limited to the goodwill, undertaking and uncalled capital of the borrower (d) a first charge on all project related documents licenses, permits, approvals, rights, titles, interest etc pertaining to the Project, (e) a first charge on book debts, operating cash flows, receivable, commissions & revenue (both present & future) of the Project and on bank accounts of the Project and (g) a pledge on 37,50,15,000 equity shares of face value of ₹ 10 each held by the holding Company, JSW Energy Limited.

HIMACHAL BASPA POWER COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE: 8	As at 31st March, 2016	As at 31st March, 2015
TRADE PAYABLES	₹ crore	₹ crore
Trade Payables		
– Total Outstanding dues of Micro enterprises and small enterprises; and [Refer Note 24(iv)]	-	-
– Total Outstanding dues of creditors other than Micro and small enterprises	45.61	0.00
	45.61	0.00

NOTE: 9	As at 31st March, 2016	As at 31st March, 2015
OTHER CURRENT LIABILITIES	₹ crore	₹ crore
Current maturities of long-term loans (Refer Note 4)	186.65	-
Interest accrued but not due on borrowing	0.12	-
Advance against depreciation	65.12	-
Payables (Capital goods) [Refer Note 24(iv)]	88.59	-
Other payables:		
Employee benefits expense	0.95	-
Statutory dues	7.90	-
Security deposits	0.13	-
Others	0.20	-
	349.66	-

NOTE: 10	As at 31st March, 2016	As at 31st March, 2015
SHORT-TERM PROVISIONS	₹ crore	₹ crore
Provision for employee benefits	0.12	-
Provision for Income Tax	21.80	0.01
[Net of advance tax ₹ 10 crore (previous year Nil)]	-	-
	21.92	0.01

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JSW Hydro Energy Limited

HIMACHAL BASPA POWER COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Note 11: FIXED ASSETS

₹ crore

Particulars	Gross Block					Depreciation / Amortisation				Net Block	Net Block
	As at 1st April, 2015	Transfer through scheme of arrangement [Refer Note 24(i)]	Additions	Deductions/ Adjustments	As at 31st March, 2016	Upto 31st March, 2015	For the year	Deductions/ Adjustments	Upto 31st March, 2016	As at 31st March, 2016	As at 31st March, 2015
Tangibles											
Freehold Land {Refer note (a)}	-	77.40	-	-	77.40	-	-	-	-	77.40	-
Leasehold Land {Refer note (a & b)}	-	9.85	-	-	9.85	-	0.40	-	0.40	9.45	-
Buildings	-	69.41	-	-	69.41	-	0.97	-	0.97	68.44	-
Plant & Equipment	-	8,817.75	13.14	-	8,830.89	-	144.69	-	144.69	8,686.20	-
Furniture & Fixtures	-	0.31	0.01	-	0.32	-	0.06	-	0.06	0.26	-
Vehicles	-	1.36	0.01	-	1.37	-	0.33	-	0.33	1.04	-
Office Equipment	-	4.49	0.66	-	5.15	-	1.37	-	1.37	3.78	-
Total	-	**8,980.57**	**13.82**	-	**8,994.39**	-	**147.82**	-	**147.82**	**8,846.57**	-

a) Deeds/titles of land of the Company are under process of execution/transfer in the name of the Company.
b) Leasehold Land acquired by the Company under various lease arrangements ranging from 10 to 50 years.

HIMACHAL BASPA POWER COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE: 12	As at 31st March, 2016	As at 31st March, 2015
LONG-TERM LOANS AND ADVANCES	₹ crore	₹ crore
Deposits:		
Deposits with Government/Semi Government Authorities	0.39	-
Deposits with the Hon'ble High Court [Refer Note 24(ii)]	25.00	-
Security deposits - Others	0.11	-
	25.50	-

NOTE: 13	As at 31st March, 2016	As at 31st March, 2015
OTHER NON-CURRENT ASSETS	₹ crore	₹ crore
Recoverable borrowing cost	58.62	-
Unamortised borrowing cost	61.50	-
	120.12	-

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JSW Hydro Energy Limited JSW

HIMACHAL BASPA POWER COMPANY LIMITED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE: 14	As at 31st March, 2016	As at 31st March, 2015
INVENTORIES	₹ crore	₹ crore
(As taken, valued and certified by the Management)		
Stores & spares	18.31	-
Basis of Valuation : Refer Note: 1(h)	18.31	-

NOTE: 15	As at 31st March, 2016	As at 31st March, 2015
TRADE RECEIVABLES	₹ crore	₹ crore
Unsecured, Considered good:		
Outstanding for a period exceeding six months from the due date	329.60	-
Outstanding for a period not exceeding six months from the due date	504.64	0.02
Refer Note: 24(i)(b)	834.24	0.02

NOTE: 16	As at 31st March, 2016	As at 31st March, 2015
CASH AND BANK BALANCES	₹ crore	₹ crore
Cash and Cash Equivalents :		
Balances with Banks - In current accounts	0.66	0.04
Bank deposits with maturity less than 3 months	7.20	-
Cash on hand	0.05	-
	7.91	0.04
Others:		
Earmarked deposits #	26.61	-
	26.61	-
	34.52	0.04
# deposits pledged with a Tax Authority		

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JSW Hydro Energy Limited

HIMACHAL BASPA POWER COMPANY LIMITED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE: 17	As at 31st March, 2016	As at 31st March, 2015
SHORT-TERM LOANS AND ADVANCES	₹ crore	₹ crore
Unsecured, considered good		
Prepaid Expenses	13.52	0.00
Deposits with a Government Authority	19.77	-
Other Advances	0.96	-
	34.25	0.00

NOTE: 18	As at 31st March, 2016	As at 31st March, 2015
OTHER CURRENT ASSETS	₹ crore	₹ crore
Interest accrued on deposits	0.65	-
Unamortised borrowing cost	4.73	-
Others	0.49	-
	5.87	-

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JSW Hydro Energy Limited

HIMACHAL BASPA POWER COMPANY LIMITED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE: 19	**For the year ended 31st March, 2016**	For the year ended 31st March, 2015
REVENUE FROM OPERATIONS	**₹ crore**	₹ crore
Sale of power	**626.15**	-
	626.15	-

NOTE: 20	**For the year ended 31st March, 2016**	For the year ended 31st March, 2015
OTHER INCOME	**₹ crore**	₹ crore
Interest income	**4.13**	-
Net gain on sale of current investments	**0.11**	-
Other non-operating income :		
Excess provision no longer required written back	**0.02**	-
Miscellaneous income	**0.52**	0.02
	4.78	0.02

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JSW Hydro Energy Limited

HIMACHAL BASPA POWER COMPANY LIMITED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE: 21	For the year ended 31st March, 2016	For the year ended 31st March, 2015
EMPLOYEE BENEFITS EXPENSE	₹ crore	₹ crore
Salaries and Wages	17.23	-
Contribution to Provident and Other Funds	0.63	-
Staff Welfare expense	1.02	-
	18.88	-

NOTE: 22	For the year ended 31st March, 2016	For the year ended 31st March, 2015
FINANCE COSTS	₹ crore	₹ crore
Interest expenses	392.14	-
Other borrowing costs	4.53	-
	396.67	-

NOTE: 23	For the year ended 31st March, 2016	For the year ended 31st March, 2015
OTHER EXPENSES	₹ crore	₹ crore
Consumption of Stores and Spares	12.34	-
Power	4.06	-
Rent	1.68	-
Repairs to Buildings	1.53	-
Repairs to Machinery	8.91	-
Insurance	10.88	-
Rates and taxes	0.04	-
Legal and Professional Charges	1.44	0.00
Printing & Stationery	0.20	-
Travelling and Conveyance	0.30	-
Cash Discount	0.69	-
Safety & Security expenses	1.05	-
Open Access charges	17.12	-
General expenses	1.70	0.01
	61.94	0.01

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JSW Hydro Energy Limited

NOTE –24

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(i) a) During the year, the 300 MW Baspa II (BASPA) and 1091 MW Karcham Wangtoo (KARCHAM) hydroelectric projects both located at Himachal Pradesh have been transferred by M/s Jaiprakash Power Ventures Limited (JPVL) to Himachal Baspa Power Company Limited (the Company), pursuant to the scheme of arrangement approved by the Hon'ble High Court, Shimla vide its Order dated 25th June 2015. Subsequently, JSW Energy Limited has acquired 100% stake in the Company, whereby the Company has become a 100% subsidiary of the JSW Energy Limited effective from 8th September, 2015.

Consequent to the scheme of arrangement following assets and liabilities were taken over:

Particulars	Amount (₹ Crore)
Fixed Assets	8,980.57
Add: Net Current & non-current assets	462.23
Total Assets	**9,442.80**
Less: Borrowings	5,692.80
Purchase consideration	**3,750.00**

Transfer of the titles/deeds of freehold and leasehold land in the name of the Company is in process.

b) In case of BASPA, revenue from sale of power is accounted for on the basis of billing to Himachal Pradesh State Electricity Board Limited (HPSEBL) as per Tariff approved by Himachal Pradesh Electricity Regulatory Commission (HPERC) in accordance with the provisions of the Long Term Power Purchase Agreement (LTPPA) dated 4th June 1997, Amendment No. 1 dated 7th January 1998, executed between the Company and HPSEBL.

In case of KARCHAM , revenue from sale of power is accounted as under :

(i) LTPPA sales are accounted for on the basis of invoices billed to procurer in accordance with the tariff petition filed with Central Electricity Regulatory Commission (CERC). Pending receipt of the final order from CERC, the procurer has been acknowledging the dues as per invoices and settling payment against the same on the basis of mutually agreed rate with the difference to be settled on receipt of the final tariff order, which as at 31st March, 2016 is ₹ 477.90 crore and forms part of Trade Receivables.

(ii) Sale of power under Short Term and Medium Term Power Purchase Agreements (PPA) and through the Power Exchange is accounted for on the basis of billing to various buyers under the terms of the PPA and the Power Exchange.

(ii) **Contingent Liabilities and Commitments to the extent not provided for in respect of:**

(a) Contingent Liabilities:

(₹crore)

Particulars	Current Year	Previous Year
Survey & investigation expenses to HPSEBL *	127.84	--

* Himachal Pradesh State Electricity Board Limited (HPSEBL) has raised a claim on the Jaiprakash Power Ventures Limited (JPVL) vide its letter dt. 6.11.2012 towards expenditure incurred for survey & investigation work of Baspa II HEP (300 MW) amounting to Rs. 127.84 crore. Pursuant to this an application was moved before the Hon'ble High Court to restrain the respondent Board (HPSEBL) from recovering the claimed amount from the energy bills of petitioner company. The Hon'ble court has accepted the plea and directed the Company to deposit ₹ 25 crore as security, which the company has complied with and disclosed under Long term loans and advances. Any future claims raised on this account are fully secured against the specific indemnity issued by Jaiprakash Power Ventures Limited (JPVL) in favour of the company.

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(b) Commitments:

(₹crore)

Particulars	Current Year	Previous Year
i) Estimated amount of Capital contracts remaining to be executed to the extent not provided for (net of advances)	0.19	--

ii) The Company has not taken any premises on non-cancellable operating lease arrangement.

Rentals charged to Statement of Profit and Loss: ₹ NIL.

(iii) Employees Benefits:

Defined benefit plan:

The employee's gratuity fund scheme is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method.

(₹crore)

Description	Current Year	Previous Year
1. Reconciliation of opening and closing balances of obligation		
a. Opening Balance	--	--
b. On acquisition of hydro project	1.60	
c. Current Service Cost	0.14	--
d. Interest Cost	0.07	--
e. Actuarial (gain)/loss	(0.09)	--
f. Benefits paid	--	--
g. Closing Balance	1.72	--
2. Change in Plan Assets (Reconciliation of opening and closing balances)		
a. Opening Fair Value of plan assets	--	--
b. Actual Company Contributions	--	--
c. Expected return on plan assets	--	--
d. Transfer from Other Company	--	--
e. Actuarial Gain /(loss)	--	--
f. Benefits paid	--	--
g. Closing Fair Value of plan assets	--	--
3. Reconciliation of fair value of assets and obligations		
a. Present value of obligation	1.72	--
b. Fair value of plan assets	--	--
c. Balance amount recognised as liability in the Balance sheet	1.72	--
d. Current Liabilities	0.06	--
e. Non-Current Liabilities	1.66	--
4. Expense recognized in the period		
a. Current service cost	0.14	--
b. Interest cost	0.07	--
c. Expected return on plan assets	--	--
d. Actuarial (gain)/loss	(0.09)	--
e. Expense recognised	0.12	--
5. Assumptions		
a. Discount rate (per annum)	7.96%	--
b. Estimated rate of return on plan assets (per annum)	--	--
c. Rate of escalation in salary (per annum)	6.00%	--
6. Investment Details		

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Other Disclosures:

(₹crore)

Particulars	2015-16	2014-15
Defined Benefit Obligation	1.72	--
Plan Assets	--	--
(Deficit)	(1.72)	--
Experience Adjustment on Plan Liabilities – Loss /(Gain)	(0.18)	--
Experience Adjustment on Plan Assets – (Loss) /Gain	--	--

(iv) The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

(₹crore)

Sl.No	Particulars	Current Year	Previous Year
1	Principal amount due and remaining unpaid	-	-
2	Interest due on (1) above and the unpaid interest	-	-
3	Interest paid on all delayed payments under the MSMED Act.	-	-
4	Payment made beyond the appointed day during the year	-	-
5	Interest due and payable for the period of delay other than (3) above	-	-
6	Interest accrued and remaining unpaid	-	-
7	Amount of further interest remaining due and payable in succeeding years	-	-

(v) Remuneration to Auditors (excluding service tax) :

(₹crore)

Particulars	Current Year	Previous Year
Audit Fees	0.15	--
Tax Audit Fees	0.02	--
Certification Fees	0.13	--
Total	**0.30**	--

(vi) Deferred Tax Liability/(Asset):

(₹crore)

Particulars	Current Year	Previous Year
On account of timing difference of depreciation	60.23	--
Less: Recoverable in future tariff determination	35.91	--
Balance as per Balance Sheet	24.32	--

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(vii) Earnings Per Share (Basic & Diluted)

Particulars	Current Year	Previous Year
Net profit/(Loss) as attributable to equity shareholders (₹crore) (A)	**97.80**	0.00
Weighted Average number of equity shares outstanding during the year (B)	**72,92,16,666**	52,466
Earnings Per Share - Basic and Diluted (₹) (A/B)	**1.34**	0.69
Nominal value of an equity share (₹)	**10**	10

(viii) Exceptional items represents compensation of ₹ 150 crore recovered from M/s Jaiprakash Power Ventures Limited (JPVL)on account of non-performance of some of the stipulated conditions and covenants to the transaction as envisaged in the Share Purchase Agreement (SPA).

(ix) (a) In the opinion of the Management, all the assets other than Fixed Assets and Non-Current Investments have a value on realisation in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet. Provision for depreciation and all known liabilities is adequate and not in excess of what is required.

(b) The Company is yet to receive balance confirmations in respect of certain trade payables, other payables, trade receivables, other receivables and loan and advances. The Management does not expect any material difference affecting the current year's financial statements due to the same.

(x) Related Party Disclosures:

List of Related Parties

A) Holding Company

1) JSW Energy Limited (from 8th September, 2015)
2) Jaiprakash Power Ventures Limited (Upto 7th September 2015)

B) Associates / Other Related Parties with whom the Company has entered into transactions during the year

1) JSW Power Trading Company Limited

C) Key Managerial Personnel

1) Mr. Sanjay Sagar– Director
2) Mr. Girish Deshpande – Whole Time Director
3) Mr. Pramod Menon – Director
4) Mr. Praveen Bhansali – Chief Financial Officer
5) Mr. Rakesh Punamiya – Company Secretary

(₹crore)

	Nature of transaction	Current Year	Previous Year
A	**Transactions during the year**		
1	**Sale of Power & Other Materials:**		
	JSW Power Trading Company Limited	**139.55**	--
2	**Interest received on overdue receivable:**		

	JSW Power Trading Company Limited	0.12	--
3	**Interest on Debentures:**		
	JSW Energy Limited	26.64	--
4	**Reimbursement received from / (paid to) [net]:**		
	JSW Energy Limited	(0.15)	--
	JSW Power Trading Company Limited	(3.94)	--
5	**Issue of non-convertible debentures:**		
	Jaiprakash Power Ventures Limited	2500.00	--
6	**Redemption of non-convertible debentures:**		
	JSW Energy Limited	150.00	--
7	**Investment in Equity Share Capital:**		
	Jaiprakash Power Ventures Limited	1250.00	0.05
8	**Security & Collateral provided by:**		
	JSW Energy Limited	375.01	--
B	**Balance at the year end:**		
1	**Trade (Payables) / Receivables [net]:**		
	JSW Power Trading Company Limited	154.18	--
	JSW Energy Limited	(0.05)	--
2	**Equity Share Capital:**		
	JSW Energy Limited	1250.05	--
	Jaiprakash Power Ventures Limited	--	0.05
3	**Non-convertible debentures:**		
	JSW Energy Limited	2350.00	--
4	**Security & Collateral provided by:**		
	JSW Energy Limited	375.01	--

Notes:

I. No amounts in respect of related parties have been written off / written back during the year, nor has any provision been made for doubtful debts / receivables.

II. Related party relationships have been identified by the management and relied upon by the Auditors.

(xi) The Company is primarily engaged in only one segment viz. "Generation and Sale of power" and having operations in India, there are no separate reportable segments as per Accounting Standard 17 prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

(xii) '0.00' represents less than ₹ 1 lac

(xiii) Additional information pursuant to Schedule III to the Companies Act, 2013

(₹crore)

		Current Year		Previous Year	
(a)	**C.I.F Value of Imports:**				
	Stores & Spares	0.11		--	
(b)	**Consumption of Stores & Spares:**	**Current Year**		**Previous Year**	
	Imported	8%	1.02	--	--
	Indigenous	92%	11.32	--	--

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(xiv)	The current year's figures include the figures of the hydro power projects acquired pursuant to Scheme of Arrangement [Refer Note 24 (i)] and hence not comparable with that of the previous year. Previous year's figures have been re-grouped / re-arranged wherever necessary to conform to current year's classification.

For and on behalf of the Board of Directors

Pramod Menon
Director
[DIN: 01443287]

Sanjay Sagar
Chairman
[DIN: 00019489]

Place: Mumbai
Date: 25th April 2016

R. T. Punamiya

Rakesh Punamiya
Company Secretary

Praveen Bhansali
Chief Financial Officer

LODHA & CO. MUMBAI-01 Chartered Accountants

JSW Hydro Energy Limited

LODHA
&CO
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HIMACHAL BASPA POWER COMPANY LIMITED

Report on the Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying Ind AS financial statements of Himachal Baspa Power Company Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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 financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind As in the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Act and with relevant rules thereunder.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.
We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan

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

Opinion

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

Report on Other Legal and Regulatory Requirements

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

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 (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

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

LODHA & CO. MUMBAI-01 Chartered Accountants

JSW Hydro Energy Limited

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

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.; and

(g) With respect to other matter to be included in the Auditor's Report in accordance with the 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 No. 41 to the Ind AS financial statements.

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

(iii) There is no amount required to be transferred, to the Investor Education and Protection Fund by the Company.

(iv) The Company has provided requisite disclosure in its Ind AS financial statements as to holding as well as dealings in Specified Bank Notes (SBN) during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with books of account maintained by the Company. -Refer Note 11 to the Ind AS financial statements.

For LODHA & CO.
Chartered Accountants
Firm Registration No: 301051E

A.M. Hariharan
Partner
Membership No. 38323

Place: Mumbai
Date: 27th April, 2017

LODHA & CO. MUMBAI-01 Chartered Accountants

JSW Hydro Energy Limited

"ANNEXURE A"

ANNEXURE REFERRED TO IN PARAGRAPH "REPORT ON OTHER LEGAL AND REGUALTORY REQUIREMENTS" OF OUR REPORT TO THE MEMBERS OF "THE COMPANY"FOR THE YEAR ENDED 31st MARCH, 2017

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we state that:

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   b) The fixed assets have been verified in accordance with a phased program designed to cover all assets once in three years. The frequency of verification is considered reasonable, having regard to the size of the Company and nature of its fixed assets. Pursuant to the program, physical verification of plant and machinery was conducted and no material discrepancies were noticed on such verification.

   c) Based on information and explanations given to us, the title deeds of certain immovable properties are held in the name of the erstwhile promoter.

2. The inventory has been physically verified by the management at reasonable intervals during the year. The procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. As per the information and explanations given to us, discrepancies noticed on physical verification between the physical stocks and book records were not material.

3. 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, the provisions of clause 3(iii) of the Order are not applicable to the Company.

4. The Company has not granted any loans, made investments, given guarantees and provided security as referred to in Section 185 and 186 of the Act.

5. No deposits within the meaning of directives issued by RBI (Reserve Bank of India) and Sections 73 to 76 or any other relevant provisions of the Act and rules framed there under have been accepted by the Company.

6. We have broadly reviewed the cost records maintained by the Company pursuant to the Order of the Central Government under sub- section (1) of Section 148 of the Act and are

LODHA & CO. MUMBAI-01 Chartered Accountants

JSW Hydro Energy Limited

of the opinion that, prima facie, the prescribed records have been made and maintained. We are, however, not required to make a detailed examination of the records with a view to determine whether they are accurate or complete.

7. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income- tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to the Company with appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax which have not been deposited on account of any dispute.

8. The Company has not defaulted in repayment of loans or borrowings to financial institutions, banks and dues to debenture holders during the year. The Company has not taken any loans or borrowings from Government during the year.

9. The Company has not raised any money by way of public issue or further public offer during the year or in the recent past. Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.

11. The Company has not paid or provided any managerial remuneration. Therefore, Para 3 (xi) of the Order is not applicable to the Company.

12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.

13. Based on the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 and 188 of the Act and the details have been disclosed in the Financial Statements (Refer Note No.42 to Ind AS financial statements).

LODHA & CO. MUMBAI-01 Chartered Accountants

JSW Hydro Energy Limited

14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause 3(xiv) of the Order are not applicable to the Company.

15. Based on the information and explanations given to us, the Company has not entered into any non-cash transactions prescribed under Section 192 of the Act, with directors or persons connected with them during the year. Therefore, the provisions of clause 3(xv) of the Order are not applicable to the Company.

16. In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For LODHA & CO.
Chartered Accountants
Firm Registration No: 301051E

A.M. Hariharan
Partner
Membership No. 38323

Place: Mumbai
Date: 27th April, 2017

LODHA & CO. MUMBAI-01 Chartered Accountants

JSW Hydro Energy Limited

"ANNEXURE B"

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 Himachal Baspa Power Company Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the"Guidance Note") and the Standards on Auditing issued by ICAI and deemed to be prescribed under Section 143(10) of the 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.

LODHA & CO. MUMBAI-01 Chartered Accountants

JSW Hydro Energy Limited

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 31st 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For LODHA & CO.
Chartered Accountants
Firm Registration No: 301051E

A.M. Hariharan
Partner
Membership No. 38323

Place : Mumbai
Dated : 27th April, 2017

LODHA & CO. MUMBAI-01 Chartered Accountants

JSW Hydro Energy Limited

Himachal Baspa Power Company Limited
Balance Sheet as at 31st March, 2017

(₹ Crore)

		Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
A		**ASSETS**				
	1	**Non-current assets**				
		(a) Property, Plant and Equipment	4	7,312.70	7,508.93	-
		(b) Capital work-in-progress	5	0.21	-	-
		(c) Intangible assets	6	878.32	911.36	-
		(d) Financial assets				
		(i) Other financial assets	7	260.57	248.35	-
		(e) Other non-current assets	8	-	0.01	-
		(f) Income tax assets (net)		17.16	-	-
		Total non - current assets		8,468.96	8,668.65	-
	2	**Current assets**				
		(a) Inventories	9	11.99	18.31	-
		(b) Financial assets				
		(i) Trade receivables	10	1,219.90	834.24	0.02
		(ii) Cash and cash equivalents	11	46.95	7.91	0.04
		(iii) Bank balances other than (ii) above	11	26.60	23.48	-
		(iv) Other financial assets	7	0.83	1.33	-
		(c) Other current assets	8	31.83	34.06	0.00
		Total current assets		1,338.10	919.33	0.06
		Total Assets (1+2)		9,807.06	9,587.98	0.06
B		**EQUITY AND LIABILITIES**				
		Equity				
		(a) Equity Share capital	12	1,250.05	1,250.05	0.05
		(b) Other Equity	13	201.80	71.12	0.00
		Total equity		1,451.85	1,321.17	0.05
		Liabilities				
	1	**Non-current liabilities**				
		(a) Financial Liabilities				
		(i) Borrowings	14	7,927.56	7,862.12	-
		(ii) Other financial liabilities	15	0.01	0.13	-
		(b) Provisions	16	3.06	2.19	-
		(c) Deferred tax liabilities (Net)		31.36	24.29	-
		Total non - current liabilities		7,961.99	7,888.73	-
	2	**Current liabilities**				
		(a) Financial liabilities				
		(i) Borrowings	17	-	30.02	-
		(ii) Trade payables	18	69.55	45.81	0.00
		(iii) Other financial liabilities	15	310.40	271.48	-
		(b) Other current liabilities	19	12.38	7.90	-
		(c) Provisions	16	0.89	1.07	-
		(d) Current tax liabilities (Net)		-	21.80	0.01
		Total current liabilities		393.22	378.08	0.01
		Total Equity and Liabilities (1+2+3)		9,807.06	9,587.98	0.06

See accompanying notes to the financial statements

As per our attached report of even date
For Lodha & Co.
Chartered Accountants
Firm Registration No.: 301051E

A. M. Hariharan
Partner
Membership No.: 38323

Place: Mumbai
Date: 27th April, 2017

LODHA & CO. MUMBAI-01 Chartered Accountants

For and on behalf of Board of Directors

Girish Deshpande
Whole Time Director
[DIN: 02756000]

Sanjay Sagar
Chairman
[DIN:00019489]

Rakesh Punamiya
Company Secretary

JSW Hydro Energy Limited

Himachal Baspa Power Company Limited
Statement of Profit and Loss for the year ended 31st March, 2017

(₹ Crore)

	Particulars	Note No.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
I	Revenue from operations	20	1,451.89	590.07
II	Other income	21	29.48	4.77
III	**Total income (I + II)**		**1,481.37**	**594.84**
IV	**EXPENSES**			
	(a) Employee benefits expense	22	40.16	18.98
	(b) Finance costs	23	894.77	553.66
	(c) Depreciation and amortisation expense	24	236.30	138.28
	(d) Other expenses	25	135.60	61.24
	Total expenses (IV)		**1,306.83**	**772.16**
V	**Profit/(loss) before exceptional item and tax (III-IV)**		**174.54**	**(177.32)**
VI	Exceptional items (Refer note no. 24)		-	(150.00)
VII	**Profit/(loss) before tax (V - VI)**		**174.54**	**(27.32)**
VIII	Tax expense	26	43.18	57.79
IX	**Profit/(loss) after tax (VII-VIII)**		**131.36**	**(85.11)**
X	**Other comprehensive income**		**(0.68)**	**0.09**
	(i) Items that will not be reclassified to profit or loss Remeasurements of the net defined benefit liabilities / (asset)		(0.87)	0.09
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.19	-
XI	**Total comprehensive income for the year (IX + X)**		**130.68**	**(85.02)**

See accompanying notes to the financial statements

As per our attached report of even date
For Lodha & Co.
Chartered Accountants
Firm Registration No.: 301051E

A. M . Hariharan
Partner
Membership No.: 38323

Place: Mumbai
Date: 27th April, 2017

For and on behalf of Board of Directors

Girish Deshpande
Whole Time Director
[DIN: 02756000]

Sanjay Sagar
Chairman
[DIN:00019489]

Rakesh Punamiya
Company Secretary

LODHA & CO. MUMBAI-01 Chartered Accountants

JSW Hydro Energy Limited

Himachal Baspa Power Company Limited
Statement of Cash Flow for the year ended 31st March, 2017

(₹ Crore)

	Particulars	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
I	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit before Tax		174.54		(27.32)
	Adjusted for:				
	Depreciation and amortisation	236.30		138.28	
	Interest Income	(12.10)		(4.13)	
	Income from investments	(14.71)		(0.11)	
	Excess provision no longer required written back	(1.70)		(0.02)	
	Finance costs	894.77		553.66	
	Other adjustment (OCI)	(0.68)		0.09	
			1101.88		687.77
	Operating profit before working capital changes		1276.42		660.45
	Adjustments for:				
	Trade and other receivables	(383.43)		(399.07)	
	Trade payables including advance received from customers	(8.56)		(160.09)	
	Loans & advances and other non-current assets	(14.82)		159.77	
	Inventories	6.33		14.24	
			(400.48)		(385.15)
	Cash generated from operations		875.94		275.30
	Direct taxes paid		(75.08)		(13.04)
	NET CASH FLOW FROM OPERATING ACTIVITIES		800.86		262.26
II	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of fixed assets including CWIP and capital advances		(7.24)		362.18
	Interest received		12.10		4.13
	Income from sale of investments		14.71		0.11
	NET CASH FROM INVESTING ACTIVITIES		19.57		366.42
III	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Borrowings (taken) / repaid (Net)		113.49		(383.85)
	Finance costs paid		(894.88)		(396.06)
	NET CASH USED IN FINANCING ACTIVITIES		(781.39)		(779.91)
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (I+II+III)		39.04		(151.23)
	CASH AND CASH EQUIVALENTS - OPENING BALANCE		7.91		0.04
	ADD: PURSUANT TO SCHEME OF ARRANGEMENT		-		159.10
	CASH AND CASH EQUIVALENTS - CLOSING BALANCE(Refer Note 6)		46.95		7.91

See accompanying notes to the financial statements

As per our attached report of even date
For Lodha & Co
Chartered Accountants
Firm Registration No.: 301051E

A. M. Hariharan
Partner
Membership No.: 38323

Place: Mumbai
Date: 27th April,2017

For and on behalf of the Board of Directors

Girish Deshpande
Whole Time Director
[DIN: 02756000]

Sanjay Sagar
Chairman
[DIN:00019489]

Rakesh Punamiya
Company Secretary

LODHA & CO. MUMBAI-01 Chartered Accountants

JSW Hydro Energy Limited

Himachal Baspa Power Company Limited

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

a. Equity Share capital (₹ Crore)

Balance at the 1st April, 2015	0.05
Changes in equity share capital during the FY 2015-16	1,250.00
Balance at the 31st March, 2016	1,250.05
Changes in equity share capital during the FY 2016-17	-
Balance at the 31st March, 2017	1,250.05

b. Other Equity (₹ Crore)

Particulars	Reserves and Surplus		Items of other comprehensive Income	Capital Contribution by parent company	Total
	Debenture redemption reserve	Retained earnings	Actuarial gain / (loss)		
Balance as at 1st April, 2016	58.75	(143.86)	0.09	156.14	**71.12**
Profit for the year 2016-17	-	131.36	-	-	**131.36**
Transfer to retained earnings	(13.75)	13.75	-	-	-
Other comprehensive income for the year, net of income tax	-	-	(0.68)	-	**(0.68)**
Total comprehensive income for the year	**45.00**	**1.25**	**(0.59)**	**156.14**	**201.80**

(₹ Crore)

Particulars	Reserves and Surplus		Items of other comprehensive Income	Capital Contribution by parent company	Total
	Debenture redemption reserve	Retained earnings	Actuarial gain / (loss)		
Balance at 1st April, 2015	-	0.00	-	-	**0.00**
Profit for the year 2015-16	-	(85.11)	-	-	**(85.11)**
Transfer from retained earnings	58.75	(58.75)	-	-	-
Other comprehensive income for the year, net of income tax	-	-	0.09	-	**0.09**
Others	-	-	-	156.14	**156.14**
Total comprehensive income for the year	**58.75**	**(143.86)**	**0.09**	**156.14**	**71.12**

See accompanying notes to the financial statements

As per our attached report of even date
For Lodha & Co.
Chartered Accountants
Firm Registration No. 301051E

A. M. Hariharan
Partner
Membership No.: 38323

Place: Mumbai
Date: 27th April, 2017

LODHA & CO. MUMBAI-01 Chartered Accountants

For and on behalf of Board of Directors

Girish Deshpande
Whole Time Director
[DIN: 02756000]

Rakesh Punamiya
Company Secretary

Sanjay Sagar
Chairman
[DIN:00019489]

JSW Hydro Energy Limited JSW

HIMACHAL BASPA POWER COMPANY LIMITED
Notes to Financial Statements for the year ended 31st March, 2017

Note 1: General information

a) Himachal Baspa Power company Limited is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. It is 100% subsidiary of M/s JSW Energy Limited. The registered office of the Company is located at Sholtu Colony, P.O. Tapri, Dist. Kinnaur, 172104 (HP).

b) The Company is primarily engaged in the business of generation and transmission of power.

Note 2: Statement of compliance

a) The financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

b) Up to the year ended 31st March, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2015. Refer Note 46 for the details of significant first-time adoption exemptions availed by the Company and an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, it's performance and cash flows.

Note 3: Significant accounting policies

3.1 Basis of preparation of financial statements:

a) In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its Financial Statements as per the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1st April, 2016. Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2017, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements". The figures for the previous year ended 31st March, 2016 and Opening Balance Sheet as on 1st April, 2015 have also been reinstated by the Management as per the requirements of Ind AS.

b) The financial statements of the Company are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) on the accrual basis of accounting and historical cost convention except for certain material items that have been measured at fair value as required by the relevant Ind AS and explained in the ensuing policies below.

c) The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest crore, except otherwise indicated.

LODHA & CO. MUMBAI-01 Chartered Accountants

JSW Hydro Energy Limited

3.2 Use of estimates & judgements

a) The preparation of the financial statements requires that the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.

b) The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods. The critical accounting judgements and key estimates followed by the Company for preparation of financial statements is described in note 27.

3.3 Property, plant and equipment

a) The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to statement of profit and loss in the period in which the costs are incurred.

b) An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

c) Assets in the course of construction are capitalised in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences.

d) Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold or Leasehold land is stated at historical cost.

3.4 Other Intangible assets

a) Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.

b) Certain computer software costs are capitalized and recognized as Intangible assets based on materiality, accounting prudence and significant benefits expected to flow therefrom for a period longer than one year.

LODHA & CO. MUMBAI-01 Chartered Accountants

JSW Hydro Energy Limited

3.5 Depreciation /Amortisation

a) Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method.

b) Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

c) Assets held under Service concession arrangement are amortised over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

d) Depreciation on tangible assets is provided based on technical evaluation of useful life and residual value as per the provisions of Part A of Schedule II of the Companies Act, 2013.

e) Specialised Software is amortised over an estimated useful life of 3 years.

Estimated useful lives of the Property, Plant and Equipment are as follows:

Class of Property, Plant and Equipment	Useful life in Years
Buildings	20-60
Plant and Machinery	15-40
Furniture and fixtures	10
Vehicles	8
Office equipment	5

Useful life is either the period of time which the asset is expected to be used or the number of production or similar units expected to be obtained from the use of asset.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

3.6 Impairment of tangible and intangible assets other than goodwill

a) At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

b) Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

LODHA & CO. MUMBAI-01 Chartered Accountants

JSW Hydro Energy Limited

c) Recoverable amount is the higher of fair value less costs of disposal and 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 which the estimates of future cash flows have not been adjusted.

d) If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

e) When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.7 Borrowing costs

a) Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

b) All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

c) The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

The Company suspends capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

3.8 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and demand deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

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3.9 Revenue recognition

Sale of Power

Revenue is recognised to the extent that it is probable that economic benefit will flow to the Company and that the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated rebates and other similar allowances.

Revenue from sale of power / other items is recognised when substantial risks and rewards of ownership is transferred to the buyer under the terms of the contract.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Interest or Surcharge on delayed payments or overdue trade receivables is recognised when significant certainty as to measurability or realisibility exists.

3.10 Foreign currency transactions

The functional currency of the Company and its subsidiaries is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR).

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences on transactions entered into in order to hedge certain foreign currency risks

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3.11 Employee benefits

The Company has following post-employment plans:

a) Defined-benefit plan - gratuity

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of plan assets. The defined benefit obligation is calculated annually by actuaries through actuarial valuation using the projected unit credit method.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- service cost comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements
- net interest expense or income

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefit expenses in the statement of the profit & loss.

Re-measurement comprising of actuarial gains and losses arising from

(a) Re-measurement of Actuarial (gains) / losses
(b) Return on plan assets, excluding amount recognized in effect of asset ceiling
(c) Re-measurement arising because of change in effect of asset ceiling are recognised in the period in which they occur directly in Other comprehensive income. Re-measurement is not reclassified to profit or loss in subsequent periods.

Ind AS 19 requires the exercise of judgment in relation to various assumptions including future pay rises, inflation and discount rates and employee and pensioner demographics. The Company determines the assumptions in conjunction with its actuaries, and believes these assumptions to be in line with best practice, but the application of different assumptions could have a significant effect on the amounts reflected in the income statement, other comprehensive income and balance sheet. There may be also interdependency between some of the assumptions.

b) Defined-contribution plan – provident fund

Under defined contribution plans, provident fund, the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Defined Contribution plan comprise of contributions to the employees' provident fund set up as trust or Regional Provident Fund Commissioner and certain state plans like Employees' State Insurance. The Company's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

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c) Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the Balance sheet date determined based on an actuarial valuation.

3.12 Share-based payment arrangements

a) Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

b) The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

3.13 Taxation

i) Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

a) <u>Current tax</u>

Current tax is the amount of tax payable based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

b) <u>Deferred tax</u>

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Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets relate to the same taxable entity and same taxation authority.

ii) Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

iii) Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

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3.14 Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

3.15 Provisions, contingencies and commitments

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

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

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

A disclosure for contingent liabilities is made when there is

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

(b) a present obligation that arises from past events but is not recognized because:

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period.

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Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

3.16 Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Profit and Loss.

Subsequent measurement

Financial assets, other than equity instruments, are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:
(a) the entity's business model for managing the financial assets and
(b) the contractual cash flow characteristics of the financial asset.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

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- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment

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and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

a) The Company recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVOCI. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward-looking.

b) The Company's trade receivables or contract revenue receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall, being simplified approach for recognition of impairment loss allowance.

c) Under simplified approach, the Company does not track changes in credit risk. Rather it recognizes impairment loss allowance based on the lifetime ECL at each reporting date right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables.

d) The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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e) For financial assets other than trade receivables, the Company recognises 12–month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12 months ECL. The impairment losses and reversals are recognised in Statement of Profit and Loss. For equity instruments and financial assets measured at FVTPL, there is no requirement for impairment testing.

Derecognition of financial assets

a) The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

b) On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

c) On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

3.17 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by an entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All Financial liabilities are measured at amortized cost using effective interest method or fair value through profit and loss. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

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Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Reclassification of financial assets and liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the

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business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in the business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and the how they are accounted for:

Original Classification	Revised Classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in statement of profit and loss.
FVPTL	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured. at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new gross carrying amount. No other adjustment is required.
FCTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to statement of profit and loss at the reclassification date.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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3.18 Leases

a) A lease is classified at the inception date as a finance lease or an operating lease. Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

b) Accounting for arrangements that contains lease

Under Appendix C to Ind AS17, an entity may enter into an arrangement comprising a transaction or a series of related transactions, that do not take the legal form of lease but conveys a right to use an asset in return for a payment or series of payments. Arrangements meeting these criteria should be identified as either operating leases or finance leases.

For determining whether an arrangement is, or contains, a lease shall be based on the substance of the arrangement and requires an assessment of whether:

(a) fulfilment of the arrangement is dependent on the use of specific asset or assets; and
(b) the arrangement conveys a right to use the asset.

The Company enters into agreements, comprising a transaction or series of related transactions that does not take the legal form of a lease but conveys the right to use the asset in return for a payment or series of payments. In case of such arrangements, the Company applies the requirements of Ind AS 17 – Leases to the lease element of the arrangement. For the purpose of applying the requirements under Ind AS 17 – Leases, payments and other consideration required by the arrangement are separated at the inception of the arrangement into those for lease and those for other elements.

c) The Company as lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments (discounted at the interest rate implicit in the lease or at the entity's incremental borrowing rate). The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Lease payments under an operating lease is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

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3.19 Service concession arrangements

Under Appendix A to Ind AS 11 – Service Concession Arrangements applies to public-to-private service concession arrangements if:

a) the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; AND

b) the grantor controls—through ownership, beneficial entitlement or otherwise—any significant residual interest in the infrastructure at the end of the term of the arrangement; AND

c) Is the infrastructure constructed or acquired by the operator from a third party for the purpose of the service arrangement OR is the infrastructure existing infrastructure of the grantor to which the operator is given access for the purpose of the service arrangement?

Infrastructure used in a public-to-private service concession arrangement for its entire useful life (whole of life assets) is within the scope of this Appendix if the conditions in 'a') above are met.
These arrangements are accounted on the basis of below mentioned models depending on the nature of consideration and relevant contract law.

<u>Financial asset model:</u>

The Financial asset model is used when the Company, being an operator, has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. Unconditional contractual right is established when the grantor contractually guarantees to pay the operator:

(a) specific or determinable amount;
(b) the shortfall, if any, between amounts received from the users of the public services and specified or determinable amounts.

<u>Intangible asset model:</u>

The intangible asset model is used to the extent that the company, being an operator, receives a right (a license) to charge users of the public service. A right to charge users of a public services is not an unconditional right to receive cash because the amounts are contingent on to the extent that public uses the services. Both type of arrangements may exist within a single contract to the extent that the grantor has given an unconditional guarantee of payment for the construction and the operation i.e. considered as a Financial asset and to the extent that the operator has to rely on the public using the service in order to obtain payment, the operation has an intangible asset. If the Company (being an operator) performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

The Company manages concession arrangements which include power supply from one of its hydro power plant. The Company maintains and services the infrastructure during the concession period. These concession arrangements set out rights and obligations related to the infrastructure and the services to be provided.

The right to consideration gives rise to an intangible asset and financial receivable

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and accordingly, both the intangible asset and financial receivable models are applied.

Income from the concession arrangements earned under the intangible asset model consists of the (i) Fair Value of the contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset; and (ii) payments actually received from the users. The intangible asset is amortized over its expected useful life in a way that reflects the pattern in which the asset's economic benefits are consumed by the company, starting from the date when the right to operate starts to be used. Based on these principles, the intangible asset is amortized in line with the actual usage of the specific public facility, with a maximum of the duration of the concession.

Financial receivable is recorded at a fair value of guaranteed residual value to be received at the end of the concession period. This receivable is subsequently measured at amortised cost.

Any asset carried under concession arrangements is derecognised on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expire.

3.20 Inventories

Cost of inventories includes cost of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Inventories of stores, spare parts, coal, fuel and loose tools are stated at the lower of weighted average cost and net realizable value. Net realisable value represents the estimated selling price for inventories in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale.

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Notes to the financial statements for the year ended 31st March, 2017

Note 4. Property, plant & equipment (₹ Crore)

Description of Assets	Land - Freehold	Land - Leasehold	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross carrying value								
Balance as at 1st April, 2016	77.40	8.77	33.32	7,503.70	3.32	0.27	1.05	7,627.83
Additions	-	-	0.39	4.09	0.20	0.04	2.07	6.79
Balance as at 31st March, 2017	77.40	8.77	33.71	7,507.79	3.52	0.31	3.12	7,634.62
II. Accumulated depreciation and impairment for the year 2016-17								
Balance as at 1st April, 2016	-	0.38	0.37	116.95	1.00	0.02	0.17	118.89
Depreciation expense for the year	-	0.28	0.73	200.65	0.89	0.05	0.43	203.03
Balance as at 31st March, 2017	-	0.66	1.10	317.60	1.89	0.07	0.60	321.92
Net carrying value as at 31st March, 2017	77.40	8.11	32.61	7,190.19	1.63	0.24	2.52	7,312.70

a) Leasehold Land acquired by the Company under various lease arrangements ranging from 10 to 50 years.

b) Transfer of title/deeds in case of freehold and leasehold land in the name of company is in process.

c) Refer note 14 for the details in respect of certain property, plant and equipment hypothecated / mortgaged as security for borrowings.

	Land - Freehold	Land - Leasehold	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Deemed cost								
Balance as at 1st April, 2015	-	-	-	-	-	-	-	-
Addition through Scheme of arrangement (Refer Note 42 (v))	77.40	8.77	33.32	7,503.69	2.67	0.26	1.04	7,627.15
Additions	-	-	-	0.01	0.64	0.01	0.01	0.67
Balance as at 31st March, 2016	77.40	8.77	33.32	7,503.70	3.31	0.27	1.05	7,627.82
II. Accumulated depreciation and impairment for the year 2015-16								
Balance as at 1st April, 2015	-	-	-	-	-	-	-	-
Depreciation expense for the year	-	0.38	0.37	116.95	1.00	0.02	0.17	118.89
Balance as at 31st March, 2016	-	0.37	0.37	116.95	1.00	0.02	0.17	118.89
Net carrying value as at 31st March, 2016	77.40	8.39	32.95	7,386.75	2.31	0.25	0.88	7,508.93

Note 5. Capital work in progress

Capital work in progress & pre operative expenditure during construction period (pending allocation) relating to property, plant & equipment (₹ Crore)

Balance as at 1st April, 2015	-
Balance as at 31st March, 2016	-
Balance as at 31st March, 2017	0.21
1) Amount transferred to property, plant & equipment during the year ₹ 0.39 crore (31st March 2016 : ₹ NIL)	

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Notes to the financial statements for the year ended 31st March, 2017

Note 6. Intangible assets (₹ Crore)

Description of Assets	Computer Software	Service Concession Arrangement Intangibles *	Total
I. Gross Carrying Value			
Balance as at 1st April, 2016	-	930.75	930.75
Additions	0.20	0.03	0.23
Balance as at 31st March, 2017	0.20	930.78	930.98
II. Accumulated amortisation and impairment for the year 2015-16			
Balance as at 1st April, 2016	-	19.39	19.39
Amortisation expense for the year	0.02	33.25	33.27
Balance as at 31st March, 2017	0.02	52.64	52.66
Net carrying value as at 31st March, 2017	0.18	**878.14**	**878.32**
Net carrying value as at 31st March, 2016	-	**911.36**	**911.36**

Description of Assets	Computer Software	Service Concession Arrangement Intangibles*	Total
I. Deemed cost			
Balance as at 1st April, 2015	-	-	-
Addition through Scheme of arrangement (Refer Note 42 (v))	-	930.75	930.75
Additions	-	-	-
Balance as at 31st March, 2016	-	930.75	930.75
II. Accumulated amortisation and impairment for the year 2015-16			
Balance as at 1st April, 2015	-	-	-
Amortisation expense for the year	-	19.39	19.39
Balance as at 31st March, 2016	-	19.39	19.39
Net carrying value as at 31st March, 2016	-	**911.36**	**911.36**

*Refer Note 32

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Notes to the financial statements for the year ended 31st March, 2017

Note 7. Other financial assets

(₹ Crore)

Particulars	As at 31st March, 2017			As at 31st March, 2016			As at 1st April, 2015		
	Current	Non-Current	Total	Current	Non-Current	Total	Current	Non-Current	Total
(a) Service concession receivable	-	176.45	176.45	-	161.11	161.11	-	-	-
(b) Security Deposits									
- Unsecured, considered good									
(i) Government/Semi-Government Authorities	-	25.00	25.00	-	25.39	25.39	-	-	-
(ii) Others	-	0.65	0.65	-	0.10	0.10	-	-	-
	-	25.65	25.65	-	25.49	25.49	-	-	-
c) Interest Receivables									
Other Interest receivable	0.83	-	0.83	0.83	-	0.83	-	-	-
	0.83	-	0.83	0.83	-	0.83			
d) Other Loans and Advances									
- Unsecured, considered good	-	56.80	56.80	0.50	58.62	59.13	-	-	-
	-	56.80	56.80	0.50	58.62	59.13	-	-	-
e) Other bank balances									
- In margin money accounts	-	1.67	1.67	-	3.13	3.13	-	-	-
	-	1.67	1.67	-	3.13	3.13	-	-	-
	0.83	260.57	261.40	1.33	248.35	249.68	-	-	-

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Notes to the financial statements for the year ended 31st March, 2017

Note 8. Other non-current and current assets

(₹ Crore)

Particulars	As at 31st March, 2017			As at 31st March, 2016			As at 1st April, 2015		
	Current	Non-Current	Total	Current	Non-Current	Total	Current	Non-Current	Total
(a) Prepayments	11.13	-	11.13	13.63	0.01	13.64	0.00	-	0.00
(b) Balance with Government Authority VAT credit receivable	19.81	-	19.81	19.77	-	19.77	-	-	-
(c) Others	0.89	-	0.89	0.66	-	0.66			
	31.83	-	31.83	34.06	0.01	34.07	0.00	-	0.00

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Notes to the financial statements for the year ended 31st March, 2017

Note 9. Inventories

(₹ Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Stores and spares	11.99	18.31	-
	11.99	**18.31**	-

Basis of valuation: Refer note 3.20

Refer Note 14 for Inventories hypothecated as security against certain bank borrowings.

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Notes to the financial statements for the year ended 31st March, 2017

Note 10. Trade receivables

(₹ Crore)

Particulars	As at 31st March, 2017			As at 31st March, 2016			As at 1st April, 2015		
	Current	Non-Current	Total	Current	Non-Current	Total	Current	Non-Current	Total
Unsecured, considered good	1,219.90	-	1,219.90	834.24	-	834.24	0.02	-	0.02
	1,219.90	**-**	**1,219.90**	**834.24**	**-**	**834.24**	**0.02**	**-**	**0.02**

Refer Note 14 for trade receivables hypothecated as security for borrowings.
Refer Note 30 for credit terms, ageing analysis and other relevant details related to trade receivables.

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Notes to the financial statements for the year ended 31st March, 2017

Note 11. Cash and cash equivalents and other bank balances

(₹ Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Cash and cash equivalents			
(a) Balances with banks			
(i) In Current accounts	20.90	0.66	0.04
(ii) In Deposit accounts	26.00	7.20	-
(b) Cash on hand	0.05	0.05	-
	46.95	7.91	0.04

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

(In ₹)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	1,27,500.00	91,019.00	2,18,519.00
(+) Permitted receipts	1,12,000.00	6,09,056.00	7,21,056.00
(-) Permitted payments	-	(3,79,851.00)	(3,79,851.00)
(-) Amount deposited in Banks	(2,39,500.00)	-	(2,39,500.00)
Closing cash in hand as on 30.12.2016	-	**3,20,224.00**	**3,20,224.00**

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

(₹ Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Bank balances other than above			
(i) Earmarked balances with banks			
- Margin money account	26.60	23.48	-
	26.60	23.48	-

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Notes to the financial statements for the year ended 31st March, 2017

Note 12. Equity share capital (₹ Crore)

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Authorised:						
Equity shares of ₹ 10 each with voting rights	1,25,00,50,000	1,250.05	1,25,00,50,000	1,250.05	50,000	0.05
Issued, Subscribed and Fully Paid:						
Equity shares of ₹ 10 each with voting rights	1,25,00,50,000	1,250.05	1,25,00,50,000	1,250.05	50,000	0.05
	1,25,00,50,000	**1,250.05**	**1,25,00,50,000**	**1,250.05**	**50,000**	**0.05**

a) Reconciliation of the number of shares outstanding at the beginning and end of the year:

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
	No. of Shares	No. of Shares	No. of Shares
Balance as at the beginning of the year	1,25,00,50,000	50,000	50,000
Issued during the year	-	1,25,00,00,000	-
Balance as at the end of the year	1,25,00,50,000	1,25,00,50,000	50,000

b) Terms & Rights attached to equity shares :

(i) The Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share.

(ii) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to the shareholding. However, no such preferential amount exists currently.

c) Details of shareholding more than 5% :

	Particulars	No. of Shares	No. of Shares	No. of Shares
1	JSW Energy Limited & its nominees	1,25,00,50,000	1,25,00,50,000	-
		100%	100%	-
2	Jaiprakash Power Venture Limited & its nominees	-	-	49,500
		-	-	99%

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Notes to the financial statements for the year ended 31st March, 2017

Note 13. Other equity

(₹ Crore)

Particulars	Reserves and Surplus		Items of other comprehensive income	Capital contribution by parent company *	Total
	Debenture redemption reserve	Retained earnings	Actuarial gain / (loss)		
Balance as at 1st April, 2016	58.75	(143.86)	0.09	156.14	**71.12**
Profit for the year 2016-17	-	131.36	-	-	**131.36**
Transfer to retained earnings	(13.75)	13.75	-	-	-
Other comprehensive income for the year, net of income tax	-	-	(0.68)	-	**(0.68)**
Total comprehensive income for the year	**45.00**	**1.25**	**(0.59)**	**156.14**	**201.80**

(₹ Crore)

Particulars	Reserves and Surplus		Items of other comprehensive income	Capital contribution by parent company *	Total
	Debenture redemption reserve	Retained earnings	Actuarial gain / (loss)		
Balance at 1st April, 2015	-	0.00	-	-	**0.00**
Profit for the year 2015-16	-	(85.11)	-	-	**(85.11)**
Transfer from retained earnings	58.75	(58.75)	-	-	-
Other comprehensive income for the year, net of income tax	-	-	0.09	-	**0.09**
Others	-	-	-	156.14	**156.14**
Total comprehensive income for the year	**58.75**	**(143.86)**	**0.09**	**156.14**	**71.12**

* As per Ind AS, waiver of interest by the Holding company on debentures issued to it, has been considered as deemed equity.

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Notes to the financial statements for the year ended 31st March, 2017

Note 14. Non-current borrowings (₹ Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Measured at amortised cost			
Secured Borrowings:			
Term loans			
I From banks	6,604.03	5,258.75	-
II From financial institution	423.53	253.37	-
	7,027.56	5,512.12	-
Unsecured Borrowings			
Debentures			
i Non-convertible debentures - Holding Company	900.00	2,350.00	-
	900.00	2,350.00	-
	7,927.56	**7,862.12**	-

(i) Aggregate amount of installments due for payments within one year ₹ 230.82 crore (as at 31st March, 2016 - ₹ 182.77 crore) have been grouped under "Current maturities of long-term debt" (Refer note 15)

(ii) The secured borrowings are net of amortised cost of ₹ 55.30 crore (as at 31st March, 2016 - ₹ 61.50 crore)

(iii) Terms of Redemptions of Debentures:

9,00,00,000 no. (Previous Year 23,50,00,000 no.) @ 13% unsecured non convertible debentures of Rs. 100 each are redeemable at par at the end of 10 years from the date of issue i.e. 01.09.2015.

iv) Term of Repayment of Rupee Terms Loans :

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
From Banks :			
2 - 3 Years	482.02	355.85	-
4 - 5 Years	610.64	435.14	-
6 - 10 Years	1,221.96	1,022.64	-
Above 10 Year	4,341.37	3,502.90	-
Total Borrowings from Banks	**6,655.99**	**5,316.53**	-
From Financial Institutions :			
2 - 3 Years	30.93	17.45	-
4 - 5 Years	39.16	21.09	-
6 - 10 Years	78.34	49.31	-
Above 10 Year	278.44	169.24	-
Total Borrowings from Financial Institutions	**426.87**	**257.09**	-

(v) Details of Security :

Rupee Term Loan aggregating to ₹ 7,258.38 crore (Previous Year ₹ 5,694.89 crore) included in A are secured on a pari passu basis by (a) a first charge on all immovable assets of the Karcham Wangtoo and Baspa II hydro electric plant of the Company (the Projects), (b) a first charge on all moveable assets of the Projects, (c) a first charge on all project related documents licenses, permits, approvals, rights, titles, interest etc pertaining to the Projects, and (d) first charge on book debts, operating cash flows, receivable, commissions & revenue (both present & future) and bank accounts of the Projects.

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Notes to the financial statements for the year ended 31st March, 2017

Note 15. Other financial liabilities **(₹ Crore)**

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non-Current			
Deposits received from Dealers	0.01	0.13	-
	0.01	0.13	-
Current			
(a) Current maturities of long-term debt *	230.82	182.77	-
(b) Interest accrued but not due on borrowings	0.01	0.12	-
(c) Other liabilities	79.57	88.59	-
	310.40	271.48	-
	310.41	**271.61**	-

* Refer Note 14 for the details of borrowings repayment terms and security charge.

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Notes to the financial statements for the year ended 31st March, 2017

Note 16. Provisions

(₹ Crore)

Particulars	As at 31st March, 2017			As at 31st March, 2016			As at 1st April, 2015		
	Current	Non-Current	Total	Current	Non-Current	Total	Current	Non-Current	Total
Provision for employee benefits	0.89	3.06	3.95	1.07	2.19	3.26	-	-	-
	0.89	**3.06**	**3.95**	**1.07**	**2.19**	**3.26**	-	-	-

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Notes to the financial statements for the year ended 31st March, 2017

Note 17. Current borrowings

(₹ Crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured Borrowings			
Loans repayable on demand			
From Banks			
Cash Credit	-	30.02	-
	-	30.02	-
	-	**30.02**	**-**

Details of Security:
Working Capital Loan ₹ NIL (Previous Year ₹ 30.02 crore) are secured on a pari passu basis by (a) a first charge on all immovable assets of the Karcham Wangtoo hydro electric plant of the Company (the Project), (b) a first charge on all moveable assets of the Project, (c) a first charge on all project related documents licenses, permits, approvals, rights, titles, interest etc pertaining to the Project, and (d) first charge on book debts, operating cash flows, receivable, commissions & revenue (both present & future) and bank accounts of the Project.

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Notes to the financial statements for the year ended 31st March, 2017

Note 18. Trade payables

(₹ Crore)

Particulars	As at 31st March, 2017			As at 31st March, 2016			As at 1st April, 2015		
	Current	Non-Current	Total	Current	Non-Current	Total	Current	Non-Current	Total
Trade Payables	69.55	-	69.55	45.81	-	45.81	0.00	-	0.00
Total trade payables	**69.55**	-	**69.55**	**45.81**	-	**45.81**	**0.00**	-	**0.00**

Refer Note 44 for disclosure under Micro, Small and Medium Enterprises Development Act.

Himachal Baspa Power Company Limited

Notes to the financial statements for the year ended 31st March, 2017

Note 19. Other non-current and current liabilities

(₹ Crore)

Particulars	As at 31st March, 2017			As at 31st March, 2016			As at 1st April, 2015		
	Current	Non-Current	Total	Current	Non-Current	Total	Current	Non-Current	Total
(a) Advances received from customers	* 0.00	-	* 0.00	-	-	-	-	-	-
(b) Employee recoveries and employer contributions	0.24	-	0.24	0.20	-	0.20	-	-	-
(c) Statutory dues	11.92	-	11.92	7.70	-	7.70	-	-	-
(d) Others	0.22	-	0.22	-	-	-	-	-	-
	12.38	-	12.38	7.90	-	7.90	-	-	-

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Notes to the financial statements for the year ended 31st March, 2017

Note 20. Revenue from operations

(₹ Crore)

	Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
(a)	Sale of power	1,438.18	601.47
Less :			
(i)	Cash Discount /Rebate	(7.49)	(0.69)
(ii)	Provision for trueing up of capacity & energy charges	-	(24.21)
(b)	Income from service concession arrangement	21.20	13.50
		1,451.89	**590.07**

Himachal Baspa Power Company Limited

Notes to the financial statements for the year ended 31st March, 2017

Note 21. Other income **(₹ Crore)**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
a) Interest Income		
i On Bank deposits	2.14	4.13
ii On other financial assets	9.96	0.00
b) Others		
i Net Gain on sale of investments	14.71	0.11
ii Domestic Scrap Sales	0.53	-
iii Insurance Claim	0.01	-
iv Miscellaneous income	2.13	0.53
	29.48	**4.77**

Himachal Baspa Power Company Limited

Notes to the financial statements for the year ended 31st March, 2017

Note 22. Employee benefits expense

(₹ Crore)

	Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
(a)	Salaries and wages *	36.35	17.32
(b)	Contribution to provident and other funds *	1.28	0.63
(c)	Staff welfare expenses	2.53	1.03
		40.16	**18.98**

* Refer note 37 for the details of defined benefit plan and defined contribution plan of the Company.

Himachal Baspa Power Company Limited

Notes to the financial statements for the year ended 31st March, 2017

Note 23. Finance costs

(₹ Crore)

	Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
(a)	Interest expense	887.03	550.48
(b)	Other borrowing costs	7.74	3.18
		894.77	**553.66**

Himachal Baspa Power Company Limited

Notes to the financial statements for the year ended 31st March, 2017

Note 24. Depreciation and amortisation expense (₹ Crore)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
(a) Depreciation on property, plant and equipment	203.03	118.89
(b) Amortization on Intangible assets	33.27	19.39
	236.30	**138.28**

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Notes to the financial statements for the year ended 31st March, 2017

Note 25. Other expenses

(₹ Crore)

	Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
(a)	Stores and spares consumed	14.63	12.40
(b)	Power & Water	6.02	4.06
(c)	Rent including lease rentals	4.55	1.68
(d)	Repairs and maintenance	18.35	10.59
(e)	Royalty	0.02	0.02
(f)	Rates and taxes	0.40	0.04
(g)	Insurance charges	20.20	10.87
(h)	Net loss / (gain) on foreign currency transactions net off Derivative gain/loss (other than considered as finance costs)	0.01	0.00
(i)	Legal and other professional costs	2.29	1.94
(j)	Open Access Charges	61.66	17.12
(k)	Other General Expenses	7.47	2.52
		135.60	**61.24**

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Note 27. Critical accounting judgements and key sources of estimation uncertainty

In the course of applying the policies outlined in all notes under section 3 above, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future periods.

Critical judgements in applying accounting policies

Service concession arrangements

The management have assessed applicability of Appendix A of Ind AS 11: Service Concession Arrangements with respect to its power plant and transmission assets portfolio. In assessing the applicability, they have exercised significant judgment in relation to the underlying ownership of the assets, terms of implementation agreements and power purchase agreements entered with the grantor, ability to determine prices, useful lives of the assets, assessment of right to guaranteed cash etc. Based on detailed evaluation, the management have determined that arrangement in relation to the Company's Baspa power plant (300 MW) meets the criterion for recognition as service concession arrangements.

Revenue recognition

During the quarter, the Company has received the order of CERC, determining the tariff of Karcham Wangtoo Plant and accordingly the Company has recognised revenue from sale of power under the respective power purchase agreements.

Key sources of estimation uncertainties

Useful lives and residual value of property, plant and equipment

Management reviews the useful lives and residual values of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the Management.

Impairment of property plant and equipment

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the

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recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is usually determined on the basis of discounted estimated future cash flows. This involves management estimates on anticipated commodity prices, market demand and supply, economic and regulatory environment, discount rates and other factors. Any subsequent changes to cash flow due to changes in the above mentioned factors could impact the carrying value of assets.

Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

Fair value measurements

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The management determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Defined benefit plans

The cost of defined benefit plan and other post-employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary escalations and mortality rates etc. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Shared based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. This requires a reassessment of the estimates used at the end of each reporting period.

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Tax

The Company is subject to tax, principally in India. The amount of tax payable in respect of any period is dependent upon the interpretation of the relevant tax rules. Whilst an assessment must be made of deferred tax position of the entity, these matters are inherently uncertain until the position of the entity is agreed with the relevant tax authorities.

Note 28.

The Company is yet to receive balance confirmations in respect to certain financial assets and liabilities. The management does not expect any material difference affecting to current year's financial statements due to the same.

Note 29. Financial Instruments: Classifications and fair value measurements

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):

Except as detailed in the following table, the management consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values

(₹ crore)

As at 31st March, 2017	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets					
Financial assets carried at amortised cost					
Loans & advances	-	-	-	-	-
Ancillary Borrowing cost	56.80	56.80			
Security deposits	25.65	25.65	-	-	25.65
Trade receivables	1,219.90	1,219.90	-	-	-
Receivables-Service concession agreement	176.45	176.45	-	-	-
Other Receivables	0.83	0.83	-	-	-
Cash and cash equivalents	75.22	75.22	-	-	-
	1,554.85	**1,554.85**	**-**	**-**	**25.65**
Total Financial assets	**1,554.85**	**1,554.85**	**-**	**-**	**25.65**
Financial liabilities					
Financial Liabilities carried at amortised cost					
Borrowings	8,158.38	8,283.87	-	-	8,283.87
Rent and Other Deposits	0.01	0.01	-	-	-
Trade Payables	69.55	69.55	-	-	-
Creditors Capex	79.57	79.57	-	-	-
Interest accrued but not due on borrowings	0.01	0.01	-	-	-
	8,307.52	**8,433.01**	**-**	**-**	**8,283.87**
Total Financial liabilities	**8,307.52**	**8,433.01**	**-**	**-**	**8,283.87**

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(₹ crore)

As at 31st March, 2016	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets					
Financial assets carried at amortised cost					
Loans & advances	0.50	0.50	-	-	-
Ancillary Borrowing cost	58.62	58.62			
Security deposits	25.49	25.49	-	-	25.49
Trade receivables	834.24	834.24	-	-	-
Receivables-Service concession agreement	161.11	161.11	-	-	-
Other Receivables	0.83	0.83	-	-	-
Cash and cash equivalents	34.52	34.52	-	-	-
	1,115.31	**1,115.31**	**-**	**-**	**25.49**
Total Financial assets	**1,115.31**	**1,115.31**	**-**	**-**	**25.49**
Financial liabilities					
Financial Liabilities carried at amortised cost					
Borrowings	8,074.91	8,394.80	-	-	8,394.80
Rent and Other Deposits	0.13	0.13	-	-	-
Trade Payables	45.81	45.81	-	-	-
Creditors Capex	88.59	88.59	-	-	-
Interest accrued but not due on borrowings	0.12	0.12	-	-	-
	8,209.56	**8,529.45**	**-**	**-**	**8,394.80**
Total Financial liabilities	**8,209.56**	**8,529.45**	**-**	**-**	**8,394.80**

Capital management

The Company being in a capital intensive industry, its objective is to maintain a strong credit rating healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

The Company's capital requirement is mainly to fund repayment of principal and interest on its borrowings. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings and the capital markets. The Company is not subject to any externally imposed capital requirements.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and align maturity profile of its debt commensurate with life of the asset and closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

Gearing ratio

The Company monitors its capital using gearing ratio, which is net debt divided to total equity as given below:

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(₹ crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Debt (i)	7,258.38	5,694.89	-
Cash and bank balances (including cash and bank balances in a disposal group held for sale)	75.22	34.51	0.04
Net debt	**7,183.16**	**5,660.38**	**(0.04)**
Total equity (ii)	2,351.85	3,671.17	0.05
Net debt to equity ratio	**3.05**	**1.54**	**(0.76)**

(i) Debt is defined as long-term and short-term borrowings (excluding derivative and contingent consideration)

(ii) Non-convertible debentures held by Holding company considered as quasi equity.

Financial risk management objectives

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilizing forward foreign exchange contracts and currency options.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are **NIL.**

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and foreign currency required at the settlement date of certain receivables/payables. The use of foreign currency forward contracts is governed by the Company's strategy approved by the board of directors, which provide principles on the use of such forward contracts consistent with the Company's risk management policy.

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The Forward exchange contracts entered into by the Company and outstanding are **NIL**.

Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

The Company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The following table provides a break-up of the Company's fixed and floating rate borrowings:

(₹ crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Fixed rate borrowings	900.00	2,350.00	-
Floating rate borrowings	7,258.38	5,694.89	-
Total borrowings	**8,158.38**	**8,044.89**	**-**

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit (PBT) for the year ended 31st March, 2017 would decrease/increase by Rs. 26.78 crore (for the year ended 31st March, 2016: decrease/increase by Rs. 5.07 crore). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on. No amount has been recognised in the financial position as financial liabilities

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the remaining contractual maturities of financial liabilities as at reporting date

(₹ crore)

As at 31st March, 2017				
Particulars	**< 1 year**	**1-5 years**	**> 5 years**	**Total**
Non-current liabilities				
Long term borrowings	-	1,141.86	6,785.70	7,927.56
Other long-term liabilities				
Rent and other Deposits	-	0.01	-	0.01
Total Non-Current Liabilities	-	1,141.87	6,785.70	7,927.57
Current Liabilities				
Trade and other payables and acceptances:				
Trade payables - Other than acceptances	69.55	-	-	69.55
Other current financial liabilities:				
Current maturities of long-term debt	230.82	-	-	230.82
Creditors Capex	79.57	-	-	79.57
Interest accrued but not due on borrowings	0.01	-	-	0.01
Total current liabilities	379.95	-	-	379.95
Total Financial Liabilities	**379.95**	**1,141.87**	**6785.70**	**8,307.52**
Non-current assets				
Long term loans and advances				
Security deposits	-	0.65	25.00	25.65
Ancillary Borrowing cost	-	56.80	-	56.80
Service concession – arrangements	-	-	176.45	176.45
Other advances	-	1.67	-	1.67
Total Non-current Assets	-	59.12	201.45	260.57
Current assets				
Other assets	0.83	-	-	0.83
Trade receivables	1,219.90	-	-	1,219.90
Cash and cash equivalents	46.95	-	-	46.95
Bank Balances other than above	26.60	-	-	26.60
Total current assets	1,294.28	-	-	1,294.28
Total Financial Assets	**1,294.28**	**59.12**	**201.45**	**1,554.85**

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The Company has hypothecated part of its trade receivables, loans, short term investments and cash and cash equivalents in order to fulfil certain collateral requirements for the banking facilities extended to the Company. There is obligation to release the hypothecation on these securities to the Company once these banking facilities are surrendered. (Refer Note 14)

Power offtake risk management

With supply outpacing demand in the medium term, merchant tariffs have been under constant pressure, posing a severe challenge to the off take of merchant power. With the DISCOMS adhering to strict fiscal discipline there has been deferment of power procurement, resulting in reduced demand for power. The Company's focus is on enhancing the sale through long term PPAs and through captive route and ensuring an optimum mix of medium, short and long term arrangements. Further, the Company is tracking various opportunities for sale of power to utilities in the home states as well as others.

Note 30. Trade receivables

The average credit period on sales of power is 61 /30 days for Karcham Wangtoo HEP and Baspa II HEP respectively.

Trade receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period for which the Company has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Allowances for doubtful debts are recognised against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

Age of receivables (net of provision):

(₹ crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Within the credit period	147.45	138.21	0.02
1-30 days past due	64.06	63.66	-
31-60 days past due	64.39	61.73	-
61-90 days past due	60.06	65.76	-
91-180 days past due	242.95	210.43	-
181-365 days past due	251.43	91.44	-
More than one year			
>1 year to 2 years	226.92	199.06	-
More than 2 years to 3 years	137.32	-	-
More than 3 years	25.32	3.95	-
Total	**1219.90**	**834.24**	**0.02**

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Note 31. Revenue recognition

a) Revenue from sale of power w.r.t Baspa II, is accounted for on the basis of billing to Himachal Pradesh State Electricity Board Limited (HPSEBL) as per Tariff approved by Himachal Pradesh Electricity Regulatory Commission (HPERC) in accordance with the provisions of the Long Term Power Purchase Agreement (LTPPA) dated 4th June, 1997, Amendment No. 1 dated 7th January, 1998, executed between the company and HPSEBL.

b) In case of Karcham Wangtoo Plant, revenue from sale of power is accounted as under:

- For the financial year 2015-16, LTPPA sales were accounted for on the basis of invoices billed to procurer in accordance with the tariff petition filed with CERC. Pending receipt of the final Order from CERC, the procurer has been acknowledging the dues as per invoices and settling payments against the same on the basis of mutually agreed rate with the difference to be settled on receipt of the final tariff Order.

- During the financial year 2016-17, CERC Order dated 30th March, 2017 was received by the Company and accordingly, LTPPA sales has been accounted as per the said Order. Besides, the Group is examining the actions to be taken against the said Order.

Sale of power under Short Term and Medium Term Power Purchase Agreements (PPA) and through the Power Exchange is accounted for on the basis of billing to various buyers under the terms of the PPA and terms of sale on the Power Exchanges.

Note 32. Service concession arrangement

The Company has entered into an arrangement with Himachal Pradesh State Electricity Board ("HPSEB" or "the Board") in relation to its 300 MW Baspa Hydro Power Plant ("Baspa Power Plant") to provide power supply on the following basis:

- 12% of the Baspa Power Plant capacity to be provided free of cost to HPSEB.
- Balance 88 % of the Baspa Power Plant capacity at the tariff which consists of capacity charges, primary energy charges, incentive of secondary energy, incentive in case plant availability is greater than 90%

The term of the arrangement is for 40 years, further extendable by 20 years. In case HPSEB grants the Company further extension of 20 years, it shall have the right to continue purchasing power from the projects on the same terms of conditions. The Board has the option to purchase the Project at the end of the term of the Agreement at the buyout price determined in terms of Schedule II to the Agreement. Clause 3(a) of Schedule II to the Agreement provides that the Board shall purchase all the assets of the Baspa Power Plant including land, buildings, civil structures, plant and equipment, spare parts, records and drawings except for cash and bank balances.

Based on the aforesaid tariff structure, the right to consideration gives rise to an intangible asset and financial receivable and accordingly, both the intangible asset and financial receivable models are applied.

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On the acquisition date, the hydro business reclassified PP&E of ₹1,366.56 crore and advance against depreciation of ₹236.23 crore at the existing carrying value to the financial asset of ₹199.58 crore and intangible asset of ₹930.75 crore. In respect of capital expenditure incurred during financial year 2015-2016, the hydro business has derecognized the PP&E and recognized financial assets and intangible assets in line with the accounting policy on SCA.

The depreciation of ₹28.92 crore on PP&E under previous GAAP has been reversed as the financial assets and intangible assets are recognized under Ind AS. Further the amortization of ₹19.39 crore on intangible assets have been provided and the financial assets are carried at amortised cost by accretion of interest income of ₹13.50 crore at effective interest rate and reversal of revenue from sale of power of ₹48.89 crore during the year ended 31st March, 2016.

Note 33. Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated balance sheet:

(₹ crore)

Particulars	**As at 31st March, 2017**	**As at 31st March, 2016**	**As at 1st April, 2015**
Deferred tax assets	381.89	425.34	-
Deferred tax liabilities	(445.56)	(476.92)	-
Less: Recoverable in future tariff	32.31	27.29	-
	(31.36)	**(24.29)**	**-**

Deductible temporary differences and unused tax losses recognised are attributable to the following:

(₹ crore)

Particulars	**As at 31st March, 2017**	**As at 31st March, 2016**	**As at 1st April, 2015**
--Plant, Property & Equipment	361.16	402.42	-
--Intangible Assets	(425.57)	(454.29)	-
--Borrowing Cost	20.73	22.92	-
--Borrowings	(19.99)	(22.63)	-
Less: Recoverable in future tariff	32.31	27.29	-
Deferred Tax	**(31.36)**	**(24.29)**	**-**

Note 34. Income tax

The income tax expense for the year can be reconciled to the accounting profit as follows:

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(₹ crore)

Particulars	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
Profit before tax	**174.54**	**(27.32)**
Enacted tax rate (%)	34.608	34.608
Income tax expense	**60.41**	**(9.46)**
Tax effect due to tax holiday	(17.08)	-
Effect of non-deductible expenses	-	55.09
Effect of tax payable under MAT	5.14	39.45
Others	(0.27)	-
Less: Recoverable in future tariff	(5.02)	(27.29)
Income tax expense recognised in Statement of Profit and Loss	**43.18**	**57.79**

Note 35. Operating segment

The Chairman of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators, however the Company is primarily engaged in only one segment viz., "Generation and Sale of power" and that most of the operations are in India. Hence the Company does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments".

Note 36. Earnings per share

Particulars	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
Profit for the year (₹ crore) - (A)	131.36	(85.11)
Weighted average number of equity shares for basic & diluted EPS (net of treasury shares) - (B)	1,25,00,05,000	72,92,16,667
Earnings Per Share – Basic and Diluted (₹) - (A/B)	1.05	(1.17)
Nominal value of an equity share (₹)	10	10

Note 37. Employee benefit plans

Defined contribution plans – Provident fund:

The Company has certain defined contribution plans in which both employee and employer contribute monthly, at the rate of 12% of basic salary, as per regulations to provident fund set up as trust and to the respective regional provident fund commissioner. The Company which contributes to the provident fund set up as a trust are liable for future provident fund benefits to the extent of its annual contribution and any shortfall in fund assets based on government specified

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minimum rates of return relating to current period service and recognises such contributions and shortfall, if any, as an expense for the year incurred.

Defined benefits plans - Gratuity:

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. The amount of gratuity shall be payable to an employee on the termination of his employment after he has rendered continuous service for not less than five years, or on their superannuation or resignation. However, in case of death of an employee, the minimum period of five years shall not be required. The amount of gratuity payable on retirement / termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years' service completed. The gratuity plan is a funded plan administered by a separate Fund that is legally separated from the entity and the Company makes contributions to the insurer (LIC). The Company does not fully fund the liability and maintains a target level of funding to be maintained over period of time based on estimations of expected gratuity payments.

The Company has a policy on compensated absences with provisions on accumulation and encashment by the employees during employment or on separation from the Company due to death, retirement or resignation. The expected cost of compensated absences is determined by actuarial valuation performed by an independent actuary at the balance sheet date using projected unit credit method.

The plans typically expose the Company to actuarial risks such as: Investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to market yields at the end of the reporting period on government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced Investment in equity securities and debt instruments.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31st March, 2017 by M/S K A Pandit, Consultants & Actuaries. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Changes in the present value of the defined benefit obligation are, as follows :

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(₹ crore)

Defined benefit obligation as at 1st April, 2015	-
Interest cost	0.07
Current service cost	0.14
on acquisition of hydro project	1.60
Benefits paid	-
Actuarial (Gains)/Loss	(0.09)
Defined benefit obligation as at 31 March, 2016	**1.72**
Interest cost	0.14
Current service cost	0.28
Benefits paid	(0.12)
Actuarial (Gains)/Loss	0.88
Defined benefit obligation as at 31 March, 2017	**2.90**

Changes in the defined benefit obligation and fair value of plan assets as at 31st March, 2017

(₹ crore)

Particulars		Defined Benefit Obligation	Fair Value of Plan assets	Benefit Liability
Gratuity cost charged to profit or loss	**Opening Balance as on 1st April, 2016**	1.72	-	1.72
	Current Service cost	0.14	-	0.14
	Net interest expense	0.28	-	0.28
	Sub-total included in profit or loss	0.42	-	0.42
Re-measurement gains / (losses) in other comprehensive income	Benefits paid	(0.12)	-	(0.12)
	Return on plan assets (excluding amounts included in net interest expense)		-	-
	Actuarial changes arising from changes in demographic assumptions		-	-
	Actuarial changes arising from changes in financial assumptions	0.18	-	0.18
	Experience adjustments	0.70	-	0.70
	Sub-total included in OCI	0.76	-	0.76
	Contributions by employer	-	-	-
	Closing Balance as on 31st March, 2017	2.90	-	2.90

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Notes to Financial Statements for the year ended 31st March, 2017

Changes in the defined benefit obligation and fair value of plan assets as at 31st March, 2016

(₹ crore)

Particulars		Defined Benefit Obligation	Fair Value of Plan assets	Benefit Liability
	Opening Balance as on 1st April, 2015	-	-	-
Gratuity cost charged to profit or loss	On acquisition of hydro project	1.60		1.60
	Current Service cost	0.14	-	0.14
	Net interest expense	0.07	-	0.07
	Sub-total included in profit or loss	1.81	-	1.81
Re-measurement gains/(losses) in other comprehensive income	Benefits paid	-	-	-
	Return on plan assets (excluding amounts included in net interest expense)	-	-	-
	Actuarial changes arising from changes in demographic assumptions	-	-	-
	Actuarial changes arising from changes in financial assumptions	0.09	-	0.09
	Experience adjustments	(0.18)	-	(0.18)
	Sub-total included in OCI	(0.09)	-	(0.09)
	Contributions by employer	-	-	-
	Closing Balance as on 31st March, 2016	1.72	-	1.72

The major categories of plan assets of the fair value of the total plan assets are as follows:

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Insurer Managed Funds	100%	100%	-

The principal assumptions used in determining gratuity for the Company's plans are shown below:

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Discount rate:	7.96%	8.00%	-
Future salary increases:	6%	5%	-
Rate of Employee Turnover	2%	2, 3 & 5%	-
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	

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A sensitivity of the defined benefit obligation to changes in the weighted key assumptions are:

Particulars	As at 31st March, 2017	As at 31st March, 2016
Delta Effect of +1% Change in Rate of Discounting	(0.26)	(0.16)
Delta Effect of -1% Change in Rate of Discounting	0.30	0.19
Delta Effect of +1% Change in Rate of Salary Increase	0.30	0.19
Delta Effect of -1% Change in Rate of Salary Increase	(0.26)	(0.16)
Delta Effect of +1% Change in Rate of Employee Turnover	0.02	0.02
Delta Effect of -1% Change in Rate of Employee Turnover	(0.03)	(0.03)

The following are the maturity analysis of projected benefit obligations:

(₹ crore)

	As at 31st March, 2017	As at 31st March, 2016
Within the next 12 months (next annual reporting period)	0.14	0.08
Between 2 and 5 years	0.79	0.43
Between 5 and 10 years	1.25	0.82
Total expected payments	**2.18**	**1.33**

Note 38. Employee share based payment plan

a) The Company has the share option plan schemes for permanent employees of the Company in the identified grades of employees for respective plans / schemes including any director except promoter or independent directors, nominee directors and non-executive directors or a director who either himself or through relatives or through anybody directly or indirectly holds more than 10% of the outstanding equity shares of the parent Company.

For Normal Options - 'JSWEL EMPLOYEES STOCK OWNERSHIP PLAN - 2016' (ESOP Plan)

b) The award value shall be determined as percentage of Total Fixed Pay. The grant shall be at such price as may be determined by the ESOP Committee and shall be specified in the Grant letter. The option shall not be transferable and can be exercised only by the employees of the Company.

c) The number of options to be granted to each eligible employees is determined by dividing the Award Value (amount equivalent to percentage of Annual Fix Pay) by the Fair Value of option provided. The Fair Value of option on the date of each grant is determined by using Black Scholes model.

The following table illustrates the number movements in share option during the year:

JSWEL EMPLOYEES STOCK OWNERSHIP PLAN – 2012 (Grant Date: 3rd May, 2016)

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Particulars	As at 31st March, 2017	As at 31st March, 2016
Opening balance	-	-
Granted during the year	82,145	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Closing balance	82,145	-
Exercisable options	82,145	-

The method of settlement for above grants are as below:

Particulars	Grant Date: 3rd May, 2016
Vesting Period	3/4 Years
Method of Settlement	Equity
Exercise Price (₹)	53.68
Fair Value (₹)	30.78
Dividend yield (%)	20.00%
Expected volatility (%)	46.32%/44.03%
Risk-free interest rate (%)	7.40%/7.47%
Expected life of share options / SARs	5/6 Years
Weighted average share price (INR)	53.68
Pricing formula	Exercise Price determined at ₹ 53.68 (Rupees Fifty Three and Sixty Eight paise only) per share, was at a discount of 20% to the closing market price of Parent Company's share i.e. ₹ 67.10/- at the close of 2nd May, 2016 at Exchange having highest trading volume.
Expected option Life	The expected option life is assumed to be mid-way between the option vesting and expiry. Since the vesting period and contractual term of each tranche is different, the expected life for each tranche will be different. The Expected option life is calculated as (Year to Vesting + Contractual Option term) /2.
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	The following factors have been considered: (a) Share price (b) Exercise prices (c) Historical volatility (d) Expected option life (e) Dividend Yield
Model used	Black-Scholes Method

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The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

Note 39. Operating Lease

The Company, as a lessee, has entered into operating leases on certain immovable properties (Shimla office and 3 no. guest houses), with lease terms of 3 years. The Company has the option to lease the assets for additional terms as mutually agreed. The Company has paid INR 37.36 lakh (31 March 2016: INR 9.32 lakh) during the year towards minimum lease payment.

Future minimum rentals payable under non-cancellable operating leases as follows:

(₹ crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Within one year	0.40	0.37	-
After one year but not more than five years	0.31	0.71	-
More than five years	-	-	-
Total	**0.71**	**1.09**	**-**

Note 40. Commitments

(₹ crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Estimated amount of Capital contracts remaining to be executed to the extent not provided for (net of advances)	-	0.19	-
		0.19	

Note 41. Contingent liabilities

(₹ crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(a) Claims against the Company not acknowledged as debt (recoverable from others)*	127.84	127.84	-
(b) Other claims not acknowledged as debt	0.07	-	-
	127.91	127.84	

* Himachal Pradesh State Electricity Board Limited (HPSEBL) has raised a claim on the Jaiprakash Power Ventures Limited (JPVL) vide its letter dated 6.11.2012 towards expenditure incurred for survey & investigation work of Baspa II HEP (300 MW) amounting to Rs. 127.84 crore. Pursuant to this an application was moved before the Hon'ble High Court to restrain the respondent Board (HPSEBL) from recovering the claimed amount from the energy bills of petitioner company. The Hon'ble court has accepted the plea and directed the Company to deposit ₹25 crores as security, which the company has complied with and disclosed under Long term loans and advances. Any future claims raised on this account are fully secured

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against the specific indemnity issued by Jaiprakash Power Ventures Limited (JPVL) in favour of the company.

The Company's pending litigations comprise mainly claims against the Company, property disputes, proceedings pending with Government Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not reasonably expect the outcome of these proceedings to have a material impact on its financial statements.

Note 42. Related party disclosure

A)	**List of Related Parties**
	Related parties with whom the Company has entered into transactions during the year:
I	**Holding Company**
1	JSW Energy Ltd.
II	**Enterprises over which key management personnel and relatives of such personnel exercise significant influence**
1	JSW Steel Limited
2	Jindal Vidya Mandir
3	JSW IP Holdings Private Limited
4	Jindal Stainless Steelway ltd.
5	Jaiprakash Power Ventures Limited(JPVL) (Up to 7th September 2015) *
III	**Joint Venture / Associates**
1	JSW Power Trading Co. Ltd.
IV	**Key Managerial Personnel**
1	Mr. Sanjay Sagar – Chairman
2	Mr. Girish Deshpande – Director
3	Mr. Pramod Menon – Director (Up to 31st January, 2017)
4	Mr. Praveen Bhansali - Chief Financial Officer (Up to 13th January, 2017)
5	Mr. Rakesh Punamiya - Company Secretary
6	Ms. Sheila Sangwan
7	Mr. Rakesh Nath

(₹ crore)

A	**Transaction during the year**	**Current Year**	**Previous Year**
1	Sale of power /Material		
	JSW Power Trading Company Limited	463.38	139.55
2	Interest received on overdue receivables		
	JSW Power Trading Company Limited	-	0.12
3	Interest on Debentures		
	JSW Energy Limited	163.60	26.64
4	Rebate on Sale of power		
	JSW Power Trading Company Limited	2.52	

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5	Purchase of Fuel / Goods		
	JSW Steel Limited	0.01	
	Jindal Stainless steelway LTD	0.01	
6	Advertisement/Sponsorship/Branding expense		
	JSW IP Holdings Private Limited	1.72	
7	Security Deposit paid/(refund)		
	JSW IP Holdings Private Limited	0.07	
8	Reimbursement received from / (paid to) {net}:		
	JSW Energy Limited	(0.45)	(0.15)
	JSW Power Trading Company Limited	(9.84)	(3.94)
	Jindal Vidya Mandir	(0.31)	-
9	Issue of non-convertible debentures:		
	JSW Energy Limited	340.00	-
	Jaiprakash Power Ventures Limited	-	2,500.00
10	Redemption of non-convertible debentures:		
	JSW Energy Limited	1,790.00	150.00
11	Investment of equity share capital		
	Jaiprakash Power Ventures Limited	-	1,250.00
12	Security & collateral provided by		
	JSW Energy Limited	-	375.01

(₹ crore)

B	Closing Balances	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
1	Trade (Payables) / Receivables			
	JSW Energy Limited	0.01	(0.05)	
	JSW Power Trading Company Limited	361.84	154.18	
2	Deposit With			
	JSW IP Holdings Private Limited	0.07	-	-
3	Non-Convertible Debentures			
	JSW Energy Limited	900.00	2,350.00	
4	Equity Share Capital			
	JSW Energy Limited	1,250.05	1,250.05	
	Jaiprakash Power Ventures Limited	-	-	0.05
5	Loan and Advances			
	JSW IP Holdings Private Limited	1.06	-	-
6	Security & Collateral Provided by			
	JSW Energy Limited	-	375.01	

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HIMACHAL BASPA POWER COMPANY LIMITED
Notes to Financial Statements for the year ended 31st March, 2017

Note:

i) No amounts in respect of related parties have been written off / written back during the year, nor has any provision been made for doubtful debts / receivables during the year, except as discussed above

ii) Related party relationships have been identified by the management and relied upon by the Auditors

iii) Related party transactions have been disclosed on basis of value of transactions in terms of the respective contracts.

iv) Terms and conditions of sales and purchases: the sales and purchases transactions among the related parties are in the ordinary course of business based on normal commercial terms, conditions, market rates and memorandum of understanding signed with the related parties. For the year ended 31st March, 2017, the Company has not recorded any loss allowances for transactions between the related parties.

v) * During the year 2015-16, the 300 MW Baspa II (BASPA) and 1091 MW Karcham Wangtoo (KARCHAM) hydroelectric projects both located at Himachal Pradesh have been transferred by M/s Jaiprakash Power Ventures Limited (JPVL) to Himachal Baspa Power Company Limited (the Company), pursuant to the Scheme of Arrangement approved by the Hon'ble High Court, Shimla vide its Order dated 25th June 2015. Subsequently, JSW Energy Limited has acquired 100% stake in the Company, whereby the Company has become a 100% subsidiary of the JSW Energy Limited effective from 8th September, 2015.

Consequent to the Scheme of Arrangement following assets and liabilities were taken over:

Particulars	**(₹ Crore)**
Fixed Assets	8,980.57
Add: Net Current & non-current assets	462.23
Total Assets	**9,442.80**
Less: Borrowings	5,692.80
Purchase consideration	**3,750.00**

Accordingly, the previous year's figures include the figures of the hydro power projects acquired pursuant to Scheme of Arrangement for part of the year and hence not comparable with that of the current year.

Note 43. Approval of financial statements

The financial statements were approved for issue by the Board of Directors on 27th April, 2017

Note 44. Disclosure under Micro, Small and Medium Enterprises Development Act

The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

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Notes to Financial Statements for the year ended 31st March, 2017

(₹ crore)

Sl. No.	Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
1	Principal amount outstanding	-	-	-
2	Principal amount due and remaining unpaid	-	-	-
3	Interest due on (2) above and the unpaid interest	-	-	-
4	Interest paid on all delayed payments under the MSMED Act.	-	-	-
5	Payment made beyond the appointed day during the year	-	-	-
6	Interest due and payable for the period of delay other than (4) above	-	-	-
7	Interest accrued and remaining unpaid	-	-	-
8	Amount of further interest remaining due and payable in succeeding years	-	-	-

Note 45. Exceptional item includes

(₹ crore)

Sl. No.	Particulars	Current Year	Previous Year
(a)	Compensation received from JPVL as per terms of Share Purchase Agreement.	-	150.00
	Total	-	**150.00**

Note 46. Disclosure as per IND AS 101 - First-time adoption of Indian Accounting Standards

a) Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of 1st April, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities.

However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Company as detailed below:

Mandatory exceptions and optional exemptions

Deemed cost for property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value of all of its plant and equipment and intangible assets recognised as of 1st April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

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Classification and measurement of financial assets

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.
Classification of debt instruments:

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

Derecognition of financial assets and liabilities:

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1st April, 2015 (the transition date).
Impairment of financial assets:

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date.

Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

Share based payments:

Ind AS 102 'Share based Payments' has not been applied to equity instruments in share-based payment transactions that vested before 1st April, 2015.

b) First-time Ind AS adoption reconciliations:

Effect of Ind AS adoption on the balance sheet as at 31st March, 2016:

(₹ crore)

Balance sheet as at 31st March, 2016

	IGAAP	Adjustments	Ind AS
Assets			
Non-current assets			
Property, plant and equipment	8,846.57	(1,337.64)	7,508.93
Other Intangible assets	-	911.36	911.36
Other Financial assets	148.76	99.59	248.35
Other non-current assets	-	0.01	0.01
	8,995.33	**(326.68)**	**8,668.65**
Current assets			
Inventories	18.31	-	18.31
Trade receivables	834.24	-	834.24
Cash and cash equivalents	7.91	-	7.91
Bank Balances other than (iii) above	23.48	-	23.48
Other Financial assets	1.33	-	1.33
Other Current Assets	38.78	(4.72)	34.06

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JSW Hydro Energy Limited

HIMACHAL BASPA POWER COMPANY LIMITED
Notes to Financial Statements for the year ended 31st March, 2017

	924.05	**(4.72)**	**919.33**
Total assets	**9,919.38**	**(331.40)**	**9,587.98**
Equity and liabilities			
Equity			
Equity share capital	1,250.05	-	1,250.05
Other equity			
Retained earnings	97.80	(26.68)	71.12
Total equity	**1,347.85**	**(26.68)**	**1,321.17**
Non-current liabilities			
Financial liabilities			
Borrowings	7,923.62	(61.50)	7,862.12
Other financial liabilities	0.13	-	0.13
Long term provisions	2.19	-	2.19
Deferred tax liabilities	24.32	(0.03)	24.29
Other non-current liabilities	174.19	(174.19)	-
	8,124.45	**(235.72)**	**7,888.73**
Current Liabilities			
Financial liabilities			
Borrowings	30.02	-	30.02
Trade payables	45.81	-	45.81
Other current financial liabilities	275.36	(3.88)	271.48
Liabilities for current tax (net)	21.80	-	21.80
Provisions	1.07	-	1.07
Other current liabilities	73.02	(65.12)	7.90
	447.08	**(69.00)**	**378.08**
Total liabilities	**8,571.53**	**(304.72)**	**8,266.81**
Total equity and liabilities	**9,919.38**	**(331.40)**	**9,587.98**

Company reconciliation of profit or loss for the year ended 31st March, 2016

(₹ crore)

Particulars	IGAAP	Adjustments	Ind AS
Revenue from operations	626.15	(36.08)	590.07
Other income	4.77	0.00	4.77
Total Income	**630.92**	**(36.08)**	**594.84**
Employee benefits expense	18.88	0.09	18.97
Depreciation and amortization expense	147.82	(9.53)	138.29
Finance costs	396.67	156.99	553.66
Other expenses	61.93	(0.69)	61.24
Total expense	**625.30**	**146.86**	**772.16**
Profit before exceptional items	**5.62**	**(182.94)**	**(177.32)**
Exceptional item	(150.00)	-	(150.00)

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JSW Hydro Energy Limited

HIMACHAL BASPA POWER COMPANY LIMITED
Notes to Financial Statements for the year ended 31st March, 2017

Profit before tax from continuing operations	**155.62**	**(182.94)**	**(27.32)**
(1) Current tax	33.50	-	33.50
(2) Deferred tax	24.32	(0.03)	24.29
Income tax expense	57.82	(0.03)	57.79
Profit for the year from continuing operations	**97.80**	**(182.91)**	**(85.11)**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/ (losses) on defined benefit plans	-	0.09	**0.09**
Other comprehensive income for the year, net of tax	-	**0.09**	**0.09**
Total comprehensive income for the year, net of tax	**97.80**	**(182.82)**	**(85.02)**

Company reconciliation of equity for year ended 31st March, 2016

(₹ crore)

Particulars	31st March, 2016
Equity under Previous GAAP	**1,347.85**
Impact of Service concession accounting	(25.86)
Net gain / (loss) on financial assets / liabilities fair valued through statement of profit and loss	(0.85)
Employee benefits – Actuarial (Gain) / Loss recognized in OCI	(0.09)
Deferred taxes	0.03
Other Comprehensive Income (OCI)	0.09
Equity under IND AS	**1,321.17**

Footnotes to the above reconciliations

1. Defined benefit liabilities

Under Ind AS, re-measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit and loss in previous GAAP.

2. Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and

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JSW Hydro Limited

charged to profit or loss using the effective interest method.

3. Provisions

Under Indian GAAP, the Company has accounted for provisions, including long-term provision, at the undiscounted amount. In contrast, Ind AS 37 requires that where the effect of time value of money is material, the amount of provision should be the present value of the expenditures expected to be required to settle the obligation. The discount rate(s) should not reflect risks for which future cash flow estimates have been adjusted. Ind AS 37 also provides that where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as borrowing cost.

4. Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 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. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

5. Other comprehensive income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

6. Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

For and on behalf of the Board of Directors

Girish Deshpande
Whole Time Director
[DIN: 02756000]

Sanjay Sagar
Chairman
[DIN: 00019489]

R. J. Punamiya

Rakesh Punamiya
Company Secretary

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JSW Hydro Energy Limited

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Shah Gupta & Co.
Chartered Accountants

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HIMACHAL BASPA POWER LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Himachal Baspa Power Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in sub-section 5 of Section 134 of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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

Auditor's Responsibility

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

In conducting 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 and the Order under sub-section 11 of Section 143 of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under sub-section 10 of Section 143 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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone 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 standalone financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

SHAH GUPTA & CO. MUMBAI FRN CHARTERED ACCOUNTANTS

JSW Hydro Energy Limited

Report on Other Legal and Regulatory Requirements

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

2. As required by sub-section 3 of Section 143 of the Act, based on our audit 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, Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

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

   (e) On the basis of written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of sub-section 2 of Section 164 of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 42 of the standalone Ind AS financial statements;

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The company has not entered into any derivative contracts during the year; and

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **SHAH GUPTA & CO.,**
Chartered Accountants
Firm Registration No.: 109574W

Heneel K Patel
Partner
M. No.114103
Place: Mumbai
Date: May 02, 2018

SHAH GUPTA & CO. MUMBAI FRN 109574W CHARTERED ACCOUNTANTS

JSW Hydro Energy Limited

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Himachal Baspa Power Company Limited of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.

(b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company (except the title deeds of certain immovable properties are held in the name of the erstwhile promoter) as at the balance sheet date. In respect of immovable properties of land that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company (except the title deeds of certain lease agreements are held in the name of the erstwhile promoter).

(ii) The inventory has been physically verified by the Company at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.

(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.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable. Hence, reporting under paragraph 3 (iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public and hence, reporting under paragraph 3 (v) of the Order is not applicable to the Company.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148 of the Act. We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-section 1 of Section 148 of the Act and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not required to make a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us, and the records of the company examined by us, in our opinion, the Company is regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it. According to information and explanations given to us, no undisputed amounts payable were outstanding, at the year end, 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 of sales tax, wealth tax, service tax, goods and service tax, income tax, duty of excise, duty of excise, value added tax, and cess which have not been deposited on account of any dispute.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to the banks, financial institutions and dues to debenture holders during the year. The Company has not taken any loans from government.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Hence, reporting under paragraph 3 (ix) of the Order is not applicable to the Company.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officer or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company and hence, reporting under paragraph 3 (xii) of the Order is not applicable to the Company.

SHAH GUPTA & CO. MUMBAI FRN 109574W CHARTERED ACCOUNTANTS

JSW Hydro Energy Limited

(xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures, and hence, reporting under paragraph 3 (xiv) of the Order is not applicable to the Company.

(xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with the directors. Hence, reporting under paragraph 3 (xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and hence, reporting under paragraph 3(xvi) of the Order is not applicable to the Company.

For **SHAH GUPTA & CO**
Chartered Accountants
FRN – 109574W

Heneel K Patel
Partner
M. No.114103
Place: Mumbai
Date: May 02, 2018

SHAH GUPTA & CO ★ MUMBAI FRN. 109574W ★ CHARTERED ACCOUNTANTS

JSW Hydro Energy Limited

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Himachal Baspa Power Company Limited of even date)

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 **HIMACHAL BASPA POWER COMPANY LIMITED** ("the Company") as of March 31, 2018, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India. 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, 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 of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under sub-section 10 of Section 143 of the Act, to the extent applicable to an audit of internal financial controls. 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 standalone 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 internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls 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 standalone 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 standalone 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 controls 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 Institute of Chartered Accountants of India.

For **SHAH GUPTA & CO.,**
Chartered Accountants
Firm Registration No.: 109574W

Heneel K Patel
Partner
M. No.114103
Place: Mumbai
Date: May 02, 2018

SHAH GUPTA & CO. MUMBAI FRN 109574W CHARTERED ACCOUNTANTS

JSW Hydro Energy Limited

HIMACHAL BASPA POWER COMPANY LIMITED

Registered Office : Sholtu Colony
P.O. Tapri, Dist. Kinnaur (H.P.) - 172104
CIN : U40101HP2014PLC000681
Audited Financial Results for the Quarter and year ended 31.03.2018

(` Crore)

Sl.	Particulars	Quarter ended			Year ended	
		31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017
		Audited	Unaudited	Audited	Audited	Audited
I	Revenue from Operation	146.17	224.11	201.75	1,400.93	1,451.89
II	Other Income	11.97	2.87	15.60	72.78	29.48
III	**Total Income from operations (net)**	**158.14**	**226.97**	**217.35**	**1,473.71**	**1,481.37**
IV	**Expenses:**					
	a) Fuel Cost	-	-	-	-	-
	b) Purchase of Power	-	-	-	-	-
	c) Employee Benefits Expense	9.26	11.26	9.84	41.91	40.16
	d) Finance costs	167.67	179.77	214.48	764.57	894.77
	e) Depreciation and Amortisation Expense	58.46	59.54	58.48	236.57	236.30
	f) Other Expenses	36.73	43.83	39.31	147.14	135.60
	Total Expenses	**272.12**	**294.41**	**322.10**	**1,190.19**	**1,306.83**
V	**Profit/(loss) before exceptional items and tax** (III - IV)	**(113.98)**	**(67.43)**	**(104.74)**	**283.52**	**174.54**
VI	Exceptional items	-	-	-	-	-
VII	**Profit/(loss) before tax (V- VI)**	**(113.98)**	**(67.43)**	**(104.74)**	**283.52**	**174.54**
VIII	Tax Expense	(31.66)	(22.32)	(42.19)	63.40	43.18
IX	**Net Profit / (Loss) for the Year (VII - VIII)**	**(82.33)**	**(45.12)**	**(62.55)**	**220.12**	**131.36**
X	**Other Comprehensive Income**					
	A.(i) Items that will not be reclassfied to Profit or loss (net of taxes)	0.42	-	(0.68)	0.42	(0.68)
	B.(i) Items that will be reclassfied to Profit or loss (net of taxes)	-	-	-	-	-
		0.42	-	**(0.68)**	**0.42**	**(0.68)**
XI	**Total Comprehensive Income (IX+X)**	**(81.90)**	**(45.12)**	**(63.24)**	**220.54**	**130.68**
XII	**Paid-up Equity Share Capital (net of treasury shares)** (Face Value of ` 10 per share)	1,250.05	1,250.05	1,250.05	1,250.05	1,250.05
XIII	Other Equity	-	-	-	422.54	201.80
XIV	**Earnings per Share (not annualised)**					
	- Basic EPS (`)	(0.66)	(0.36)	(0.50)	1.76	1.05
	- Diluted EPS (`)	(0.66)	(0.36)	(0.50)	1.76	1.05

Notes :

1. The Company is engaged in only one segment viz. "Generation and Sale of Power" and as such there are no separate reportable segments as per IND AS – 108 "Operating Segments".
2. Comparative financial information has been regrouped and reclassified, wherever necessary, to correspond to the figures of the current quarter/period.
3. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 2nd May 2018.

SHAH GUPTA & CO. ★ CHARTERED ACCOUNTANTS ★ MUMBAI

JSW Hydro Energy Limited

4 Statement of Asset and Liabilities (` Crore)

Sl.	Particulars	As at 31.03.2018 Unaudited	As at 31.03.2017 Audited
A	**ASSETS**		
1	**Non-current assets:**		
	(a) Property, Plant and Equipment	7,113.29	7,312.70
	(b) Capital work-in-progress	3.06	0.21
	(c) Other Intangible assets	846.40	878.32
	(d) Financial Assets		
	(i) Other financial assets	277.92	260.57
	(e) Income tax assets (net)	14.86	17.16
	(f) Other non-current assets	0.01	-
	Total Non - Current Assets	**8,255.54**	**8,468.96**
2	**Current assets:**		
	(a) Inventories	11.45	11.99
	(b) Financial Assets		
	(i) Investments	86.42	-
	(ii) Trade receivables	226.21	1,219.90
	(iii) Cash and cash equivalents	90.43	46.95
	(iv) Bank Balances other than (ii) above	30.07	26.60
	(v) Other financial assets	0.84	0.83
	(c) Other current assets	33.19	31.83
	Total Current Assets	**478.60**	**1,338.10**
	Total Assets	**8,734.14**	**9,807.06**
B	**EQUITY AND LIABILITIES**		
1	**Equity**		
	(a) Equity Share Capital	1,250.05	1,250.05
	(b) Other Equity	422.54	201.80
	Total equity	**1,672.59**	**1,451.85**
	LIABILITIES		
2	**Non-current liabilities**		
	(a) Financial Liabilities		
	(i) Borrowings	6,577.13	7,927.56
	(ii) Other financial liabilities (other than those specified at '(b)' below)	0.01	0.01
	(b) Provisions	1.52	3.06
	(c) Deferred tax liabilities (Net)	35.25	31.36
	Total Non - Current Liabilities	**6,613.91**	**7,961.99**
3	**Current liabilities**		
	(a) Financial Liabilities		
	(i) Trade payables	30.99	69.55
	(ii) Other financial liabilities (other than those specified at '(b)' below)	401.71	310.40
	(b) Other current liabilities	13.82	12.38
	(c) Provisions	1.12	0.89
	Total Non - Current Liabilities	**447.63**	**393.22**
	Total Equity and Liabilities	**8,734.14**	**9,807.06**

For and on behalf of the Board of Directors

Prashant Jain
Chairman
[DIN: 01281621]

Place : Mumbai
Date : 02-May-2018

SHAH GUPTA & CO. MUMBAI FRN: 109574W CHARTERED ACCOUNTANTS

JSW Hydro Energy Limited

Himachal Baspa Power Company Limited
Balance Sheet as at 31st March, 2018

(` Crore)

		Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017
A		**ASSETS**			
	1	**Non-current assets**			
		(a) Property, plant and equipment	4	7,113.29	7,312.70
		(b) Capital work-in-progress	5	3.06	0.21
		(c) Other Intangible assets	6	846.40	878.32
		(d) Financial assets			
		(i) Other financial assets	7	277.92	260.57
		(e) Income tax assets (net)		14.86	17.16
		(f) Other non-current assets	8	0.01	-
		Total non - current assets		**8,255.54**	**8,468.96**
	2	**Current assets**			
		(a) Inventories	9	11.45	11.99
		(b) Financial assets			
		(i) Investments	10	86.42	-
		(ii) Trade receivables	11	226.21	1,219.90
		(iii) Cash and cash equivalents	12	90.43	46.95
		(iv) Bank balances other than (iii) above	12	30.07	26.60
		(v) Other financial assets	7	0.84	0.83
		(c) Other current assets	8	33.19	31.83
		Total current assets		**478.60**	**1,338.10**
		Total Assets (1+2)		**8,734.14**	**9,807.06**
B		**EQUITY AND LIABILITIES**			
	1	**Equity**			
		(a) Equity share capital	13	1,250.05	1,250.05
		(b) Other equity	14	422.54	201.80
		Total equity		**1,672.59**	**1,451.85**
	2	**Liabilities**			
	a	**Non-current liabilities**			
		(a) Financial liabilities			
		(i) Borrowings	15	6,577.13	7,927.56
		(ii) Other financial liabilities	16	0.01	0.01
		(b) Provisions	17	1.52	3.06
		(c) Deferred tax liabilities (Net)		35.25	31.36
		Total non - current liabilities		**6,613.91**	**7,961.99**
	b	**Current liabilities**			
		(a) Financial liabilities			
		(i) Trade payables	18	30.99	69.55
		(ii) Other financial liabilities	16	401.71	310.40
		(b) Other current liabilities	19	13.82	12.38
		(c) Provisions	17	1.12	0.89
		Total current liabilities		**447.63**	**393.22**
		Total Equity and Liabilities (1+2)		**8,734.14**	**9,807.06**

See accompanying notes to the financial statements

As per our attached report of even date
For Shah Gupta & Co
Chartered Accountants
Firm Registration No.: 109574W

Heneel K. Patel
Partner
M No. 114103

Place: Mumbai
Date: 02-05-2018

For and on behalf of Board of Directors

Girish Deshpande
Whole Time Director
[DIN: 02756000]

Prashant Jain
Chairman
[DIN: 01281621]

Vrushali Karnik
Company Secretary

Sanjeev Kango
Chief Financial Officer

Himachal Baspa Power Company Limited
Statement of Profit and Loss for the year ended 31st March, 2018

(` Crore)

	Particulars	Note No.	For the Year ended 31st March 2018	For the Year ended 31st March 2017
I	Revenue from operations	20	1,400.93	1,451.89
II	Other income	21	72.78	29.48
III	**Total income (I + II)**		**1,473.71**	**1,481.37**
IV	**Expenses**			
	(a) Employee benefits expense	22	41.91	40.16
	(b) Finance costs	23	764.57	894.77
	(c) Depreciation and amortisation expense	24	236.57	236.30
	(d) Other expenses	25	147.14	135.60
	Total expenses		**1,190.19**	**1,306.83**
V	**Profit before exceptional item and tax (III-IV)**		**283.52**	**174.54**
VI	Exceptional items		-	-
VII	**Profit before tax (V - VI)**		**283.52**	**174.54**
VIII	Tax expense	26	63.40	43.18
IX	**Profit for the year (VII-VIII)**		**220.12**	**131.36**
X	**Other comprehensive income**		**0.42**	**(0.68)**
	(i) Items that will not be reclassified to profit or loss - Remeasurements of the net defined benefit liabilities / (asset)		0.54	(0.87)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.12)	0.19
XI	**Total comprehensive income for the year (IX + X)**		**220.54**	**130.68**
XII	**Earnings per equity share of ` 10 each :**	36		
	Basic `		1.76	1.05
	Diluted `		1.76	1.05

See accompanying notes to the financial statements

As per our attached report of even date
For Shah Gupta & Co
Chartered Accountants
Firm Registration No.: 109574W

Heneel K. Patel
Partner
M No. 114103

Place: Mumbai
Date: 02-05-2018

For and on behalf of Board of Directors

Girish Deshpande
Whole Time Director
[DIN: 02756000]

Prashant Jain
Chairman
[DIN: 01281621]

Vrushali Karnik
Company Secretary

Sanjeev Kango
Chief Financial Officer

Himachal Baspa Power Company Limited
Statement of Cash Flows for the year ended 31st March, 2018

(` Crore)

	Particulars	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
I	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit before Tax		283.52		174.54
	Adjusted for:				
	Depreciation and amortisation	236.57		236.30	
	Interest income	(54.75)		(12.10)	
	Income from investments	(11.36)		(14.71)	
	Excess provision no longer required written back	(5.73)		(1.70)	
	Share based payment transactions expenses	0.19			
	Finance costs	764.57		894.77	
	Other adjustment (OCI)	0.42		(0.68)	
			929.92		1101.88
	Operating profit before working capital changes		1213.44		1276.42
	Adjustment for:				
	Trade and other receivables	992.33		(383.43)	
	Trade payables including advance received from customers	81.10		(8.56)	
	Loans & advances and other non-current assets	(20.85)		(14.82)	
	Inventories	0.54		6.33	
			1053.12		(400.48)
	Cash generated from operations		2266.56		875.94
	Direct taxes paid		(57.21)		(75.08)
	NET CASH FLOW FROM OPERATING ACTIVITIES		2209.35		800.86
II	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of property, plant & equipment including CWIP and capital advances		(8.08)		(7.24)
	Investment made		(86.42)		
	Interest received		54.75		12.10
	Net gain on sale of investments		11.36		14.71
	NET CASH FROM INVESTING ACTIVITIES		(28.39)		19.57
III	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Borrowings (repaid)/taken		(1,383.18)		113.49
	Finance costs		(754.31)		(894.88)
	NET CASH USED IN FINANCING ACTIVITIES		(2,137.49)		(781.39)
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (I+II+III)		43.48		39.04
	CASH AND CASH EQUIVALENTS - At the Beginning of the year		46.95		7.91
	CASH AND CASH EQUIVALENTS - At the end of the year (Refer Note 12)		90.43		46.95

See accompanying notes to the financial statements

As per our attached report of even date
For Shah Gupta & Co
Chartered Accountants
Firm Registration No.: 109574W

Heneel K. Patel
Partner
M No. 114103

Place: Mumbai
Date: 02-05-2018

SHAH GUPTA & CO ★ MUMBAI FRN: 109574W ★ CHARTERED ACCOUNTANTS

For and on behalf of Board of Directors

G. Deshpande

Girish Deshpande
Whole Time Director
[DIN: 02756000]

Prashant Jain
Chairman
[DIN: 01281621]

Vrushali Karnik
Company Secretary

Sanjeev Kango
Chief Financial Officer

JSW Hydro Energy Limited ★ JSW

Himachal Baspa Power Company Limited

Statement of changes in equity for the year ended 31st March, 2018

a. Equity share capital (` Crore)

Balance at the 1st April, 2017	1,250.05
Changes in equity share capital during the FY 2017-18	-
Balance at the 31st March, 2018	1,250.05

b. Other equity (` Crore)

Particulars	Reserves and Surplus			Items of other comprehensive income	Capital Contribution by parent company	Total
	Equity-settled employee benefits reserve	Debenture redemption reserve	Retained earnings	Actuarial gain / (loss) on defined benefit liabilities/(assets)		
Balance as at 1st April, 2017	-	45.00	1.25	(0.59)	156.14	**201.80**
Profit for the year 2017-18	0.19	-	220.12	-	-	**220.31**
Transfer from retained earnings	-	15.00	(15.00)	-	-	-
Other comprehensive income for the year, net of income tax	-	-	-	0.42	-	**0.42**
Total comprehensive income for the year	**0.19**	**60.00**	**206.37**	**(0.17)**	**156.14**	**422.54**

See accompanying notes to the financial statements

As per our attached report of even date
For Shah Gupta & Co
Chartered Accountants
Firm Registration No.: 109574W

Heneel K. Patel
Partner
M No. 114103

Place: Mumbai
Date: 02-05-2018

For and on behalf of Board of Directors

Girish Deshpande
Whole Time Director
[DIN: 02756000]

Prashant Jain
Chairman
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Vrushali Karnik
Company Secretary

Sanjeev Kango
Chief Financial Officer

HIMACHAL BASPA POWER COMPANY LIMITED
Notes to Financial Statements for the year ended 31st March, 2018

Note 1: General information

a) Himachal Baspa Power company Limited is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. It is 100% subsidiary of M/s JSW Energy Limited. The registered office of the Company is located at Sholtu Colony, P.O. Tapri, Dist. Kinnaur, 172104 (HP).

b) The Company is primarily engaged in the business of generation and transmission of power.

Note 2: Statement of compliance

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

Note 3: Significant accounting policies

3.1 Basis of preparation of financial statements:

a) In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its Financial Statements as per the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1st April, 2016. Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2018, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements".

b) The financial statements of the Company are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) on the accrual basis of accounting and historical cost convention except for certain material items that have been measured at fair value as required by the relevant Ind AS and explained in the ensuing policies below.

c) The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest crore, except otherwise indicated.

3.2 Use of estimates & judgements

a) The preparation of the financial statements requires that the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.

b) The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing

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JSW Hydro Energy Limited

circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods. The critical accounting judgements and key estimates followed by the Company for preparation of financial statements is described in note 28.

3.3 Property, plant and equipment

a) The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including. relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to statement of profit and loss in the period in which the costs are incurred.

b) An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

c) Assets in the course of construction are capitalised in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences.

d) Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold or Leasehold land is stated at historical cost.

3.4 Other Intangible assets

a) Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.

b) Certain computer software costs are capitalized and recognized as Intangible assets based on materiality, accounting prudence and significant benefits expected to flow therefrom for a period longer than one year.

3.5 Depreciation /Amortisation

a) Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method.

b) Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

JSW Hydro Energy Limited

c) Assets held under Service concession arrangement are amortised over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

d) Depreciation on tangible assets is provided based on technical evaluation of useful life and residual value as per the provisions of Part A of Schedule II of the Companies Act, 2013.

e) Specialised Software is amortised over an estimated useful life of 3 years.

Estimated useful lives of the Property, Plant and Equipment are as follows:

Class of Property, Plant and Equipment	Useful life in Years
Buildings	20-60
Plant and Machinery	15-40
Furniture and fixtures	10
Vehicles	8
Office equipment	5

Useful life is either the period of time which the asset is expected to be used or the number of production or similar units expected to be obtained from the use of asset.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

3.6 Impairment of tangible and intangible assets other than goodwill

a) At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

b) Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

c) Recoverable amount is the higher of fair value less costs of disposal and 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 which the estimates of future cash flows have not been adjusted.

d) If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-

JSW Hydro Energy Limited

generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

e) When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.7 Borrowing costs

a) Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

b) All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

c) The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

The Company suspends capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

3.8 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and demand deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.9 Revenue recognition

Sale of Power

Revenue is recognised to the extent that it is probable that economic benefit will flow to the Company and that the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated rebates and other similar allowances.

Revenue from sale of power / other items is recognised when substantial risks and rewards of ownership is transferred to the buyer under the terms of the contract.

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Interest income

Interest income from a financial asset Is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Interest or Surcharge on delayed payments or overdue trade receivables is recognised when significant certainty as to measurability or realisibility exists.

3.10 Foreign currency transactions

The functional currency of the Company and its subsidiaries is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR).

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences on transactions entered into in order to hedge certain foreign currency risks

3.11 Employee benefits

The Company has following post-employment plans:

a) Defined-benefit plan - gratuity

The liability or asset recognised In the balance sheet in respect of defined benefit gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of plan assets. The defined benefit obligation is calculated annually by actuaries through actuarial valuation using the projected unit credit method.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- service cost comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements
- net interest expense or income

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefit expenses in the statement of the profit & loss.

Re-measurement comprising of actuarial gains and losses arising from

(a) Re-measurement of Actuarial (gains) / losses
(b) Return on plan assets, excluding amount recognized in effect of asset ceiling
(c) Re-measurement arising because of change in effect of asset ceiling are recognised in the period in which they occur directly in Other comprehensive income. Re-measurement is not reclassified to profit or loss in subsequent periods.

Ind AS 19 requires the exercise of judgment in relation to various assumptions including future pay rises, inflation and discount rates and employee and pensioner demographics. The Company determines the assumptions in conjunction with its actuaries, and believes these assumptions to be in line with best practice, but the application of different assumptions could have a significant effect on the amounts reflected in the income statement, other comprehensive income and balance sheet. There may be also interdependency between some of the assumptions.

b) Defined-contribution plan – provident fund

Under defined contribution plans, provident fund, the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Defined Contribution plan comprise of contributions to the employees' provident fund set up as trust or Regional Provident Fund Commissioner and certain state plans like Employees' State Insurance. The Company's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

c) Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

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Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the Balance sheet date determined based on an actuarial valuation.

3.12 Share-based payment arrangements

a) Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

b) The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

3.13 Taxation

i) Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

a) Current tax

Current tax is the amount of tax payable based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

b) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax

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liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets relate to the same taxable entity and same taxation authority.

ii) Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

iii) Current and deferred tax for the year
Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3.14 Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

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Notes to Financial Statements for the year ended 31st March, 2018

3.15 Provisions, contingencies and commitments

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

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

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

A disclosure for contingent liabilities is made when there is

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

(b) a present obligation that arises from past events but is not recognized because:

- (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

3.16 Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Profit and Loss.

Subsequent measurement

Financial assets, other than equity instruments, are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:
(a) the entity's business model for managing the financial assets and
(b) the contractual cash flow characteristics of the financial asset.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

a) The Company recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVOCI. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward-looking.

b) The Company's trade receivables or contract revenue receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall, being simplified approach for recognition of impairment loss allowance.

c) Under simplified approach, the Company does not track changes in credit risk. Rather it recognizes impairment loss allowance based on the lifetime ECL at each reporting date right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables.

d) The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

e) For financial assets other than trade receivables, the Company recognises 12-month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12 months ECL. The impairment losses and

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reversals are recognised in Statement of Profit and Loss. For equity instruments and financial assets measured at FVTPL, there is no requirement for impairment testing.

Derecognition of financial assets

a) The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

b) On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

c) On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

3.17 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by an entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

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Financial liabilities

All Financial liabilities are measured at amortized cost using effective interest method or fair value through profit and loss. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an

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accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Reclassification of financial assets and liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in the business model. The Company does not restate any

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previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassifications and the how they are accounted for:

Original Classification	Revised Classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in statement of profit and loss.
FVPTL	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new gross carrying amount. No other adjustment is required.
FCTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to statement of profit and loss at the reclassification date.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained below.

Financial assets/ financial liabilities	
Fair value hierarchy	Valuation technique(s) and key input(s)
Level 1	Quoted (unadjusted) market prices in active markets for identical assets or liabilities

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Level 2	Valuation Techniques for which the lowest level input that is significant to the fair Value measurement is directly or indirectly observable.
Level 3	Valuation Techniques for which the lowest level input that is significant to the fair Value measurement is unobservable.

3.18 Leases

a) A lease is classified at the inception date as a finance lease or an operating lease. Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

b) Accounting for arrangements that contains lease

Under Appendix C to Ind AS17, an entity may enter into an arrangement comprising a transaction or a series of related transactions, that do not take the legal form of lease but conveys a right to use an asset in return for a payment or series of payments. Arrangements meeting these criteria should be identified as either operating leases or finance leases.

For determining whether an arrangement is, or contains, a lease shall be based on the substance of the arrangement and requires an assessment of whether:

(a) fulfilment of the arrangement is dependent on the use of specific asset or assets; and
(b) the arrangement conveys a right to use the asset.

The Company enters into agreements, comprising a transaction or series of related transactions that does not take the legal form of a lease but conveys the right to use the asset in return for a payment or series of payments. In case of such arrangements, the Company applies the requirements of Ind AS 17 – Leases to the lease element of the arrangement. For the purpose of applying the requirements under Ind AS 17 – Leases, payments and other consideration required by the arrangement are separated at the inception of the arrangement into those for lease and those for other elements.

c) The Company as lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments (discounted at the interest rate implicit in the lease or at the entity's incremental borrowing rate). The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

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Lease payments under an operating lease is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

3.19 Service concession arrangements

Under Appendix A to Ind AS 11 – Service Concession Arrangements applies to public-to-private service concession arrangements if:

a) the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; AND

b) the grantor controls—through ownership, beneficial entitlement or otherwise—any significant residual interest in the infrastructure at the end of the term of the arrangement; AND

c) Is the infrastructure constructed or acquired by the operator from a third party for the purpose of the service arrangement OR is the infrastructure existing infrastructure of the grantor to which the operator is given access for the purpose of the service arrangement?

Infrastructure used in a public-to-private service concession arrangement for its entire useful life (whole of life assets) is within the scope of this Appendix if the conditions in 'a') above are met.
These arrangements are accounted on the basis of below mentioned models depending on the nature of consideration and relevant contract law.

<u>Financial asset model:</u>

The Financial asset model is used when the Company, being an operator, has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. Unconditional contractual right is established when the grantor contractually guarantees to pay the operator:

(a) specific or determinable amount;
(b) the shortfall, if any, between amounts received from the users of the public services and specified or determinable amounts.

<u>Intangible asset model:</u>

The intangible asset model is used to the extent that the company, being an operator, receives a right (a license) to charge users of the public service. A right to charge users of a public services is not an unconditional right to receive cash because the amounts are contingent on to the extent that public uses the services. Both type of arrangements may exist within a single contract to the extent that the grantor has given an unconditional guarantee of payment for the construction and the operation i.e. considered as a Financial asset and to the extent that the operator has to rely on the public using the service in order to obtain payment, the operation has an intangible asset. If the Company (being an operator) performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

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The Company manages concession arrangements which include power supply from one of its hydro power plant. The Company maintains and services the infrastructure during the concession period. These concession arrangements set out rights and obligations related to the infrastructure and the services to be provided.

The right to consideration gives rise to an intangible asset and financial receivable and accordingly, both the intangible asset and financial receivable models are applied.

Income from the concession arrangements earned under the intangible asset model consists of the (i) Fair Value of the contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset; and (ii) payments actually received from the users. The intangible asset is amortized over its expected useful life in a way that reflects the pattern in which the asset's economic benefits are consumed by the company, starting from the date when the right to operate starts to be used. Based on these principles, the intangible asset is amortized in line with the actual usage of the specific public facility, with a maximum of the duration of the concession.

Financial receivable is recorded at a fair value of guaranteed residual value to be received at the end of the concession period. This receivable is subsequently measured at amortised cost.

Any asset carried under concession arrangements is derecognised on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expire.

3.20 Inventories

Cost of inventories includes cost of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Inventories of stores, spare parts, coal, fuel and loose tools are stated at the lower of weighted average cost and net realizable value. Net realisable value represents the estimated selling price for inventories in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale.

3.21 Recent accounting pronouncements: below is summary of New Indian Accounting standards issued / Amendments made but not yet effective

Ind AS 115 - Revenue from Contracts with Customers

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers effective from April 1, 2018. The core principle of the new standard is that an entity should recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (ie an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. 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.
Control of an asset refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. Control includes the ability to prevent other entities from directing the use of, and obtaining the benefits from, an asset.

Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 effective from April 1, 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.

Amendments to Ind AS 12, Income Taxes clarifying the requirements for recognising deferred tax assets on unrealised losses. The amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. They also clarify certain other aspects of accounting for deferred tax assets. These amendments only clarify the existence of guidance of Ind AS 12 and do not change the underlying principles for recognition of deferred tax asset.

Consequential amendments to other Ind AS due to notification of Ind AS 115 and other amendments discussed above.

The management is yet to assess the impact of the aforesaid amendments on the Company's financial information.

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Notes to the financial statements for the year ended 31st March, 2018

Note 4. Property, plant & equipment

(` Crore)

Description of Assets	Land - Freehold	Land - Leasehold	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross carrying value								
Balance as at 1st April, 2017	77.40	8.77	33.72	7,507.79	3.52	0.31	3.12	7,634.62
Additions	-	-	0.01	2.07	0.73	0.68	0.33	3.82
Disposals	-	-	-	-	-	-	(0.02)	(0.02)
Balance as at 31st March, 2018	77.40	8.77	33.73	7,509.86	4.25	0.99	3.44	7,638.43
II. Accumulated depreciation and impairment for the year 2017-18								
Balance as at 1st April, 2017	-	0.66	1.10	317.60	1.89	0.07	0.60	321.92
Depreciation expense for the year	-	0.28	0.82	200.88	0.72	0.06	0.48	203.24
Eliminated on disposal of assets	-		-	-	-	-	(0.02)	(0.02)
Balance as at 31st March, 2018	-	0.94	1.92	518.48	2.61	0.13	1.06	525.14
Net carrying value as at 31st March, 2018 (I-II)	**77.40**	**7.83**	**31.81**	**6,991.37**	**1.64**	**0.86**	**2.37**	**7,113.29**

a) Leasehold Land acquired by the Company under various lease arrangements ranging from 10 to 50 years.

b) Transfer of title/deeds in case of freehold and leasehold land in the name of company is in process

c) Refer note 15 for the details in respect of certain property, plant and equipment hypothecated / mortgaged as security for borrowings.

	Land - Freehold	Land - Leasehold	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I Gross carrying value								
Balance as at 1st April, 2016	77.40	8.77	33.32	7,503.70	3.31	0.27	1.05	7,627.83
Additions		-	0.39	4.09	0.20	0.04	2.07	6.80
Balance as at 31st March, 2017	77.40	8.77	33.72	7,507.79	3.52	0.31	3.12	7,634.62
II Accumulated depreciation and impairment for the year 2016-17								
Balance as at 1st April, 2016		0.37	0.37	116.95	1.00	0.02	0.17	118.89
Depreciation expense for the year	-	0.28	0.73	200.65	0.89	0.04	0.43	203.03
Balance as at 31st March, 2017	-	0.66	1.10	317.60	1.89	0.07	0.60	321.92
Net carrying value as at 31st March, 2017 (I-II)	**77.40**	**8.11**	**32.61**	**7,190.19**	**1.63**	**0.24**	**2.52**	**7,312.70**

Note 5. Capital work in progress

Capital work in progress & pre operative expenditure during construction period (pending allocation) relating to property, plant & equipment

(` Crore)

Balance as at 31st March, 2017	0.21
Balance as at 31st March, 2018	3.06

1) Amount transferred to property, plant & equipment during the year ` 0 31 crore (31st March 2017 :` 0.39 crore)

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Notes to the financial statements for the year ended 31st March, 2018

Note 6. Other Intangible assets (` Crore)

Description of Assets	Computer Software	Service Concession Arrangement Intangibles *	Total
I. Gross Carrying Value			
Balance as at 1st April, 2017	0.20	930.77	930.98
Additions	0.77	0.64	1.41
Balance as at 31st March, 2018	0.97	931.42	932.39
II. Accumulated amortisation and impairment for the year 2017-18			
Balance as at 1st April, 2017	0.02	52.63	52.66
Amortisation expense for the year	0.08	33.25	33.33
Balance as at 31st March, 2018	0.10	85.89	85.99
Net carrying value as at 31st March, 2018 (I-II)	0.87	**845.53**	**846.40**

Description of Assets	Computer Software	Service Concession Arrangement Intangibles*	Total
I. Gross Carrying Value			
Balance as at 1st April, 2016	-	930.75	930.75
Additions	0.20	0.03	0.23
Balance as at 31st March, 2017	0.20	930.78	930.98
II. Accumulated amortisation and impairment for the year 2016-17			
Balance as at 1st April, 2016	-	19.39	19.39
Amortisation expense for the year	0.02	33.25	33.27
Balance as at 31st March, 2017	0.02	52.64	52.66
Net carrying value as at 31st March, 2017 (I-II)	**0.18**	**878.14**	**878.32**

*Refer Note 32

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Notes to the financial statements for the year ended 31st March, 2018

Note 7. Other financial assets (` Crore)

Particulars	As at 31st March, 2018			As at 31st March, 2017		
	Current	Non-Current	Total	Current	Non-Current	Total
(a) Service concession receivable	-	195.59	195.59	-	176.45	176.45
(b) Security Deposits						
- Unsecured, considered good						
(i) Government/Semi-Government Authorities	-	25.42	25.42	-	25.00	25.00
(ii) Others	-	0.09	0.09	-	0.65	0.65
	-	25.51	25.51	-	25.65	25.65
c) Interest Receivables						
Other interest receivable	0.84	-	0.84	0.83	-	0.83
	0.84	-	0.84	0.83	-	0.83
d) Other Loans and Advances						
- Unsecured, considered good	-	56.79	56.79	-	56.80	56.80
	-	56.79	56.79	-	56.80	56.80
e) Other bank balances						
- In margin money accounts	-	0.02	0.02	-	1.67	1.67
	-	0.02	0.02	-	1.67	1.67
	0.84	**277.92**	**278.76**	**0.83**	**260.57**	**261.40**

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Notes to the financial statements for the year ended 31st March, 2018

Note 8. Other non-current and current assets

(` Crore)

Particulars	As at 31st March, 2018			As at 31st March, 2017		
	Current	Non-Current	Total	Current	Non-Current	Total
(a) Capital Advances	-	0.01	0.01	-	-	-
(b) Prepayments	12.36	-	12.36	11.14	-	11.14
(c) Balance with Government Authority VAT credit receivable	19.88	-	19.88	19.81	-	19.81
(d) Others	0.94	-	0.94	0.89	-	0.89
	33.19	**0.01**	**33.20**	**31.83**	**-**	**31.83**

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Notes to the financial statements for the year ended 31st March, 2018

Note 9. Inventories (` Crore)

Particulars	**As at 31st March, 2018**	**As at 31st March, 2017**
Stores and spares	11.45	11.99
	11.45	**11.99**

Basis of valuation: Refer note 3.20
Refer Note 15 for Inventories hypothecated as security against certain bank borrowings.

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Notes to the financial statements for the year ended 31st March, 2018

Note 10. Investment

(` Crore)

Particulars	As at 31st March, 2018			As at 31.03.2017		
	Current	Non- Current	Total	Current	Non- Current	Total
Investments carried at:						
(a) Investments in mutual funds						
Reliance Liquid Fund TP Growth	36.34	-	36.34	-	-	-
Kotak Floater STP Growth	50.07	-	50.07	-	-	-
Total investments carrying value	**86.42**	**-**	**86.42**	-	-	-

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Notes to the financial statements for the year ended 31st March, 2018

Note 11. Trade receivables

(` Crore)

Particulars	As at 31st March, 2018			As at 31st March, 2017		
	Current	Non-Current	Total	Current	Non-Current	Total
Unsecured, considered good	226.21	-	226.21	1,219.90	-	1,219.90
	226.21	-	**226.21**	**1,219.90**	-	**1,219.90**

Refer Note 15 for trade receivables hypothecated as security for borrowings.
Refer Note 30 for credit terms, ageing analysis and other relevant details related to trade receivables.

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Notes to the financial statements for the year ended 31st March, 2018

Note 12. Cash and cash equivalents and other bank balances

(` Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Cash and cash equivalents		
(a) Balances with banks		
(i) In Current accounts	0.81	20.90
(ii) In Deposit accounts	89.60	26.00
(b) Cash on hand	0.02	0.05
	90.43	46.95

(` Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Bank balances other than above		
(i) Earmarked balances with banks		
- Margin money account	30.07	26.60
	30.07	26.60

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Notes to the financial statements for the year ended 31st March, 2018

Note 13. Equity share capital (` Crore)

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of ` 10 each with voting rights	1,250,050,000	1,250.05	1,250,050,000	1,250.05
Issued, Subscribed and Fully Paid:				
Equity shares of ` 10 each with voting rights	1,250,050,000	1,250.05	1,250,050,000	1,250.05

a) Reconciliation of the number of shares outstanding at the beginning and end of the year:

Particulars	As at 31st March, 2018	As at 31st March, 2017
	No. of Shares	No. of Shares
Balance as at the beginning of the year	1,250,050,000	1,250,050,000
Issued during the year	-	-
Balance as at the end of the year	1,250,050,000	1,250,050,000

b) Terms & Rights attached to equity shares :

(i) The Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share.

(ii) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to the shareholding. However, no such preferential amount exists currently

c) Details of shareholding more than 5% :

	Particulars	No. of Shares	No. of Shares
1	JSW Energy Limited & its nominees	1,250,050,000	1,250,050,000
		100%	100%

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Notes to the financial statements for the year ended 31st March, 2018

Note 14. Other equity

(` Crore)

Particulars	Reserves and Surplus			Items of other comprehensive income	Capital contribution by parent company *	Total
	Equity-settled employee benefits reserve	Debenture redemption reserve	Retained earnings	Actuarial gain / (loss) on defined benefit liabilities/(assets)		
Balance as at 1st April, 2017	-	45.00	1.25	(0.59)	156.14	**201.80**
Profit for the year 2017-18	0.19		220.12			**220.31**
Transfer from retained earnings	-	15.00	(15.00)	-	-	-
Other comprehensive income for the year, net of income tax	-	-	-	0.42	-	**0.42**
Total comprehensive income for the year	**0.19**	**60.00**	**206.37**	**(0.17)**	**156.14**	**422.54**

(` Crore)

Particulars	Reserves and Surplus			Items of other comprehensive income	Capital contribution by parent company *	Total
	Equity-settled employee benefits reserve	Debenture redemption reserve	Retained earnings	Actuarial gain / (loss)		
Balance at 1st April, 2016	-	58.75	(143.86)	0.09	156.14	**71.12**
Profit for the year 2016-17	-	-	131.37	-	-	**131.37**
Transfer to retained earnings	-	(13.75)	13.75	-		
Other comprehensive income for the year, net of income tax	-	-	-	(0.68)	-	**(0.68)**
Total comprehensive income for the year	-	**45.00**	**1.25**	**(0.59)**	**156.14**	**201.80**

* As per Ind AS, waiver of interest by the Holding company on debentures issued to it, has been considered as deemed equity.

Himachal Baspa Power Company Limited

Notes to the financial statements for the year ended 31st March, 2018

Note 15. Non-current borrowings (` Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Measured at amortised cost		
Secured Borrowings:		
Term loans		
i From banks	5,777.13	6,604.03
ii From financial institution	-	423.53
	5,777.13	**7,027.56**
Unsecured Borrowings		
Debentures		
i Non-convertible debentures - Holding Company	800.00	900.00
	800.00	**900.00**
	6,577.13	**7,927.56**

(i)	Aggregate amount of Installments due for payments within one year ` 208.35 crore (as at 31st March, 2017 - ` 230.82 crore) have been grouped under "Current maturities of long-term debt" (Refer note 16)
(ii)	The secured borrowings are net of amortised cost of ` 42.23 crore (as at 31st March, 2017 - 55.30 crore)

(iii) Terms of Redemptions of Debentures:

8,00,00,000 no. (Previous Year 9,00,00,000 no.) @ 13% unsecured non convertible debentures of Rs 100 each are redeemable at par at the end of 10 years from the date of issue i.e. 01.09.2015.

iv) Term of Repayment of Rupee Terms Loans :

Particulars	As at 31st March, 2018	As at 31st March, 2017
From Banks :		
2 - 3 Years	544.34	482.02
4 - 5 Years	639.93	610.64
6 - 10 Years	1,082.16	1,221.96
Above 10 Year	3,552.93	4,341.37
Total Borrowings from Banks (A)	**5,819.36**	**6,655.99**
From Financial Institutions :		
2 - 3 Years	-	30.93
4 - 5 Years	-	39.16
6 - 10 Years	-	78.34
Above 10 Year	-	278.44
Total Borrowings from Financial Institutions (B)	-	**426.87**

(v) Details of Security :

Rupee Term Loan aggregating to ₹ 5,985.48 crore (Previous Year ₹ 7,258.38 crore) included in A are secured on a pari passu basis by (a) a first charge on all immovable assets of the Karcham Wangtoo and Baspa II hydro electric plant of the Company (the Projects), (b) a first charge on all moveable assets of the Projects, (c) a first charge on all project related documents licenses, permits, approvals, rights, titles, interest etc pertaining to the Projects, and (d) first charge on book debts, operating cash flows, receivable, commissions & revenue (both present & future) and bank accounts of the Projects.

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Notes to the financial statements for the year ended 31st March, 2018

Note 16. Other financial liabilities (` Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Non-Current		
Deposits received from Dealers	0.01	0.01
	0.01	**0.01**
Current		
(a) Current maturities of long-term debt *	208.35	230.82
(b) Interest accrued but not due on borrowings	0.00	0.01
(c) Other liabilities	193.36	79.57
	401.71	**310.40**
	401.72	**310.41**

* Refer Note 15 for the details of borrowings repayment terms and security charge.

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JSW Hydro Energy Limited

Himachal Baspa Power Company Limited

Notes to the financial statements for the year ended 31st March, 2018

Note 17. Provisions

(` Crore)

Particulars	As at 31st March, 2018			As at 31st March, 2017		
	Current	Non-Current	Total	Current	Non-Current	Total
Provision for employee benefits	1.12	1.52	2.64	0.89	3.06	3.95
	1.12	**1.52**	**2.64**	**0.89**	**3.06**	**3.95**

Himachal Baspa Power Company Limited

Notes to the financial statements for the year ended 31st March, 2018

Note 18. Trade payables

(` Crore)

Particulars	As at 31st March, 2018			As at 31st March, 2017		
	Current	Non-Current	Total	Current	Non-Current	Total
Trade Payables	30.99	-	30.99	69.55	-	69.55
	30.99	**-**	**30.99**	**69.55**	**-**	**69.55**

Refer Note 45 for disclosure under Micro, Small and Medium Enterprises Development Act.

Himachal Baspa Power Company Limited

Notes to the financial statements for the year ended 31st March, 2018

Note 19. Other non-current and current liabilities

(` Crore)

Particulars	As at 31st March, 2018			As at 31st March, 2017		
	Current	Non-Current	Total	Current	Non-Current	Total
(a) Advances received from customers	0.03	-	0.03	* 0.00	-	* 0.00
(b) Employee recoveries and employer contributions	0.27	-	0.27	0.24	-	0.24
(c) Statutory dues	13.52	-	13.52	11.92	-	11.92
(d) Others	-	-	-	0.22	-	0.22
	13.82	**-**	**13.82**	**12.38**	**-**	**12.38**

* Less than ` 1 Lakh

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Notes to the financial statements for the year ended 31st March, 2018

Note 20. Revenue from operations (` Crore)

	Particulars	For the Year ended 31st March 2018	For the Year ended 31st March 2017
(a)	Sale of power	1,520.84	1,438.18
Less :			
(i)	Cash Discount /Rebate	(14.89)	(7.49)
(ii)	Provision for trueing up of capacity & energy charges	(128.37)	-
(b)	Income from service concession arrangement	23.35	21.20
		1,400.93	**1,451.89**

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Notes to the financial statements for the year ended 31st March, 2018

Note 21. Other income (` Crore)

Particulars	For the Year ended 31st March 2018	For the Year ended 31st March 2017
a) Interest Income		
i On Bank deposits	2.33	2.14
ii On other financial assets	52.42	9.96
b) Others		
i Net Gain on sale of investments	11.36	14.71
ii Profit on sale of capital assets (net of loss on assets sold / scrapped / written off)	0.03	-
iii Forex gain/loss	0.00	-
iv Domestic Scrap Sales	0.19	0.53
v Insurance Claim	0.14	0.01
vi Miscellaneous income	6.31	2.13
	72.78	**29.48**

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Notes to the financial statements for the year ended 31st March, 2018

Note 22. Employee benefits expense (` Crore)

	Particulars	For the Year ended 31st March 2018	For the Year ended 31st March 2017
(a)	Salaries and wages *	38.39	36.35
(b)	Contribution to provident and other funds	1.40	1.28
(c)	Share based payment transactions expenses	0.13	-
(d)	Staff welfare expenses	1.98	2.53
		41.91	**40.16**

* Refer note 37 for the details of defined benefit plan and defined contribution plan of the Company.

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Notes to the financial statements for the year ended 31st March, 2018

Note 23. Finance costs (` Crore)

	Particulars	For the Year ended 31st March 2018	For the Year ended 31st March 2017
(a)	Interest expense	750.04	887.03
(b)	Other borrowing costs	14.53	7.74
		764.57	**894.77**

SHAH GUPTA & CO. MUMBAI CHARTERED ACCOUNTANTS

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Notes to the financial statements for the year ended 31st March, 2018

Note 24. Depreciation and amortisation expense (` Crore)

	Particulars	For the Year ended 31st March 2018	For the Year ended 31st March 2017
(a)	Depreciation on property, plant and equipment	203.24	203.03
(b)	Amortization on Intangible assets	33.33	33.27
		236.57	**236.30**

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Notes to the financial statements for the year ended 31st March, 2018

Note 25. Other expenses

(` Crore)

	Particulars	For the Year ended 31st March 2018	For the Year ended 31st March 2017
(a)	Stores and spares consumed	10.36	14.63
(b)	Power & Water	5.44	6.02
(c)	Rent including lease rentals	4.28	4.55
(d)	Repairs and maintenance	26.05	18.35
(e)	Royalty	0.08	0.02
(f)	Rates and taxes	0.79	0.40
(g)	Insurance charges	20.76	20.20
(h)	Net loss / (gain) on foreign currency transactions	-	0.01
(i)	Legal and other professional costs	2.66	2.29
(j)	Donation	0.01	-
(k)	CSR Expenses*	2.20	-
(l)	Open Access Charges	60.44	61.66
(m)	Other General Expenses	14.08	7.47
		147.14	**135.60**

* Refer note 40

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Notes to the financial statements for the year ended 31st March, 2018

Note 26. Tax expense

(` Crore)

Particulars	For the Year ended 31st March 2018	For the Year ended 31st March 2017
a) Current Tax	59.51	36.11
b) Deferred Tax	3.89	7.07
	63.40	**43.18**

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Notes to Financial Statements for the year ended 31st March, 2018

Note 27. Critical accounting judgements and key sources of estimation uncertainty

In the course of applying the policies outlined in all notes under section 3 above, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future periods.

Critical judgements in applying accounting policies

Service concession arrangements

The management have assessed applicability of Appendix A of Ind AS 11: Service Concession Arrangements with respect to its power plant and transmission assets portfolio. In assessing the applicability, they have exercised significant judgment in relation to the underlying ownership of the assets, terms of implementation agreements and power purchase agreements entered with the grantor, ability to determine prices, useful lives of the assets, assessment of right to guaranteed cash etc. Based on detailed evaluation, the management have determined that arrangement in relation to the Company's Baspa power plant (300 MW) meets the criterion for recognition as service concession arrangements.

Revenue recognition

a) In case of BASPA, revenue from sale of power is accounted for on the basis of billing to Himachal Pradesh State Electricity Board Limited (HPSEBL) as per Tariff approved by Himachal Pradesh Electricity Regulatory Commission (HPERC) in accordance with the provisions of the Long Term Power Purchase Agreement (LTPPA) dated 4th June 1997, Amendment No. 1 dated 7th January 1998, executed between the Company and HPSEBL.

b) In case of KARCHAM , revenue from sale of power is accounted as under :

   i) LTPPA sales are accounted for on the basis of invoices billed to procurer in accordance with the order of CERC, determining the tariff of Karcham Wangtoo Plant.

   ii) Sale of power under Short Term and Medium Term Power Purchase Agreements (PPA) and through the Power Exchange is accounted for on the basis of billing to various buyers under the terms of the PPA and the Power Exchange.

Key sources of estimation uncertainties

Useful lives and residual value of property, plant and equipment

Management reviews the useful lives and residual values of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the Management.

Impairment of property plant and equipment

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At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is usually determined on the basis of discounted estimated future cash flows. This involves management estimates on anticipated commodity prices, market demand and supply, economic and regulatory environment, discount rates and other factors. Any subsequent changes to cash flow due to changes in the above mentioned factors could impact the carrying value of assets.

Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

Fair value measurements

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The management determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Defined benefit plans

The cost of defined benefit plan and other post-employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary escalations and mortality rates etc. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Shared based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. This requires a reassessment of the estimates used at the end of each reporting period.

Tax

The Company is subject to tax, principally in India. The amount of tax payable in respect of any period is dependent upon the interpretation of the relevant tax rules. Whilst an assessment must be made of deferred tax position of the entity,

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these matters are inherently uncertain until the position of the entity is agreed with the relevant tax authorities.

Note 28.

The Company is yet to receive balance confirmations in respect to certain financial assets and liabilities. The management does not expect any material difference affecting to current year's financial statements due to the same.

Note 29. Financial Instruments: Classifications and fair value measurements

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):

(` crore)

As at 31st March, 2018	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets					
Financial assets carried at fair value through profit or loss (FVTPL)					
Investment in mutual fund units	86.42	86.42	-	86.42	-
Financial assets carried at amortised cost					
Ancillary Borrowing cost #	56.80	56.80			
Security deposits	25.51	25.51	-	-	25.51
Trade receivables #	226.21	226.21	-	-	-
Receivables-Service concession agreement #	195.59	195.59	-	-	-
Other Receivables #	0.84	0.84	-	-	-
Cash and cash equivalents and other bank balances #	120.52	120.52	-	-	-
	711.89	**711.89**	-	**86.42**	**25.51**
Total Financial assets	**711.89**	**711.89**	-	**86.42**	**25.51**
Financial liabilities					
Financial Liabilities carried at amortised cost					
Borrowings	6,785.48	6,785.48	-	-	6,785.48
Rent and Other Deposits #	0.01	0.01	-	-	-
Trade Payables #	30.99	30.99	-	-	-
Capital Creditors #	193.36	193.36	-	-	-
	7,009.84	**7,009.84**	-	-	**6,785.48**
Total Financial liabilities	**7,009.84**	**7,009.84**	-	-	**6,785.48**

(` crore)

As at 31st March, 2017	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets					
Financial assets carried at amortised cost					
Ancillary Borrowing cost #	56.80	56.80			
Security deposits	25.65	25.65	-	-	25.65
Trade receivables #	1,219.90	1,219.90	-	-	-
Receivables-Service concession agreement #	176.45	176.45	-	-	-
Other Receivables #	0.83	0.83	-	-	-
Cash and cash equivalents and other bank balances #	75.22	75.22	-	-	-
	1,554.85	**1,554.85**	-	-	**25.65**
Total Financial assets	**1,554.85**	**1,554.85**	-	-	**25.65**
Financial liabilities					
Financial Liabilities carried at amortised cost					
Borrowings	8,158.38	8,283.87	-	-	8,283.87
Rent and Other Deposits #	0.01	0.01	-	-	-
Trade Payables #	69.55	69.55	-	-	-
Capital Creditors #	79.57	79.57	-	-	-
Interest accrued but not due on borrowings #	0.01	0.01	-	-	-
	8,307.52	**8,433.01**	-	-	**8,283.87**
Total Financial liabilities	**8,307.52**	**8,433.01**	-	-	**8,283.87**

#The carrying amounts of ancillary borrowing cost, trade receivables, Receivables-Service concession agreement, other receivables, trade payables, capital creditors, cash and cash equivalents and other bank balances, rent and other deposits are considered to be the same as their fair values, due to their short term nature. The fair values of the financial assets and financial liabilities included in the level 2 are based on NAV and in level 3 based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Capital management

The Company being in a capital intensive industry, its objective is to maintain a strong credit rating healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

The Company's capital requirement is mainly to fund repayment of principal and interest on its borrowings. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings and the capital markets. The Company is not subject to any externally imposed capital requirements.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and align maturity profile of its debt commensurate with life of the asset and closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

Gearing ratio
The Company monitors its capital using gearing ratio, which is net debt divided to total equity as given below:

(` crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Debt (i)	5,985.48	7,258.38
Cash and bank balances (including cash and bank balances in a disposal group held for sale)	120.52	75.22
Net debt	**5,864.96**	**7,183.16**
Total equity (ii)	2,472.59	2,351.85
Net debt to equity ratio	**2.37**	**3.05**

(i) Debt is defined as long-term and short-term borrowings (excluding derivative and contingent consideration)
(ii) Non-convertible debentures held by Holding company considered as quasi equity.

Financial risk management objectives

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilizing forward foreign exchange contracts and currency options.

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The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are **NIL**.

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and foreign currency required at the settlement date of certain receivables/payables. The use of foreign currency forward contracts is governed by the Company's strategy approved by the board of directors, which provide principles on the use of such forward contracts consistent with the Company's risk management policy.

The Forward exchange contracts entered into by the Company and outstanding are **NIL**.

Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

The Company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The following table provides a break-up of the Company's fixed and floating rate borrowings:

(` crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Fixed rate borrowings	800.00	900.00
Floating rate borrowings	5,985.48	7,258.38
Total borrowings	**6,785.48**	**8,158.38**

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit (PBT) for the year ended 31st March, 2018 would decrease/increase by Rs. 32.93 crore (for the year ended 31st March, 2017: decrease/increase by Rs. 26.78 crore). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored.

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In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on. No amount has been recognised in the financial position as financial liabilities

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the remaining contractual maturities of financial liabilities as at reporting date

(` crore)

As at 31st March, 2018				
Particulars	**< 1 year**	**1-5 years**	**> 5 years**	**Total**
Non-current liabilities				
Long term borrowings	-	1,165.66	5,411.47	6,577.13
Other long-term liabilities				
Rent and other Deposits	-	0.01	-	0.01
Total Non-Current Liabilities	-	1,165.67	5,411.47	6,577.14
Current Liabilities				
Trade and other payables and acceptances:				
Trade payables - Other than acceptances	30.99	-	-	30.99
Other current financial liabilities:				
Current maturities of long-term debt	208.35	-	-	208.35
Creditors Capex	193.36	-	-	193.36
Interest accrued but not due on borrowings	-	-	-	-
Total current liabilities	432.70	-	-	432.70
Total Financial Liabilities	**432.70**	**1,165.67**	**5,411.47**	**7,009.84**
Non-current assets				
Long term loans and advances				
Security deposits	-	0.51	25.00	25.51
Ancillary Borrowing cost	-	56.80	-	56.80
Service concession – arrangements	-	134.18	61.41	195.59
Other advances	-	0.02	-	0.02
Total Non-current Assets	-	191.51	86.41	277.92
Current assets				
Other assets	0.84	-	-	0.84
Trade receivables	226.21	-	-	226.21

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Cash and cash equivalents	90.43	-	-	90.43
Bank Balances other than above	30.07	-	-	30.07
Investments	86.42	-	-	86.42
Total current assets	433.97	-	-	433.97
Total Financial Assets	**433.97**	**191.51**	**86.41**	**711.89**

(crore)

As at 31st March, 2017				
Particulars	**< 1 year**	**1-5 years**	**> 5 years**	**Total**
Non-current liabilities				
Long term borrowings	-	1,141.86	6,785.70	7,927.56
Other long-term liabilities				
Rent and other Deposits	-	0.01	-	0.01
Total Non-Current Liabilities	-	1,141.87	6,785.70	7,927.57
Current Liabilities				
Trade and other payables and acceptances:				
Trade payables - Other than acceptances	69.55	-	-	69.55
Other current financial liabilities:				
Current maturities of long-term debt	230.82	-	-	230.82
Creditors Capex	79.57	-	-	79.57
Interest accrued but not due on borrowings	0.01	-	-	0.01
Total current liabilities	379.95	-	-	379.95
Total Financial Liabilities	**379.95**	**1,141.87**	**6785.70**	**8,307.52**
Non-current assets				
Long term loans and advances				
Security deposits	-	0.65	25.00	25.65
Ancillary Borrowing cost	-	56.80	-	56.80
Service concession – arrangements	-	-	176.45	176.45
Other advances	-	1.67	-	1.67
Total Non-current Assets	-	59.12	201.45	260.57
Current assets				
Other assets	0.83	-	-	0.83
Trade receivables	1,219.90	-	-	1,219.90
Cash and cash equivalents	46.95	-	-	46.95
Bank Balances other than above	26.60	-	-	26.60
Total current assets	1,294.28	-	-	1,294.28
Total Financial Assets	**1,294.28**	**59.12**	**201.45**	**1,554.85**

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JSW Hydro Energy Limited ★ JSW

The Company has hypothecated part of its trade receivables, loans, short term investments and cash and cash equivalents in order to fulfil certain collateral requirements for the banking facilities extended to the Company. 'There is obligation to release the hypothecation on these securities to the Company once these banking facilities are surrendered. (Refer Note 15)

Power offtake risk management

With supply outpacing demand in the medium term, merchant tariffs have been under constant pressure, posing a severe challenge to the off take of merchant power. With the DISCOMS adhering to strict fiscal discipline there has been deferment of power procurement, resulting in reduced demand for power. The Company's focus is on enhancing the sale through long term PPAs and through captive route and ensuring an optimum mix of medium, short and long term arrangements. Further, the Company is tracking various opportunities for sale of power to utilities in the home states as well as others.

Note 30. Trade receivables

The average credit period on sales of power is 61 /30 days for Karcham Wangtoo HEP and Baspa II HEP respectively.

Trade receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period for which the Company has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Allowances for doubtful debts are recognised against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

Age of receivables (net of provision):

(` crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Within the credit period	102.95	147.45
1-30 days past due	22.23	64.06
31-60 days past due	19.90	64.39
61-90 days past due	24.43	60.06
91-180 days past due	41.75	242.95
181-365 days past due	7.37	251.43
More than one year		
>1 year to 2 years	4.16	226.92
More than 2 years to 3 years	-	137.32
More than 3 years	3.42	25.32
Total	**226.21**	**1,219.90**

HIMACHAL BASPA POWER COMPANY LIMITED
Notes to Financial Statements for the year ended 31st March, 2018

Note 31. Revenue recognition

a) Revenue from sale of power w.r.t Baspa II, is accounted for on the basis of billing to Himachal Pradesh State Electricity Board Limited (HPSEBL) as per Tariff approved by Himachal Pradesh Electricity Regulatory Commission (HPERC) in accordance with the provisions of the Long Term Power Purchase Agreement (LTPPA) dated 4th June, 1997, Amendment No. 1 dated 7th January, 1998, executed between the company and HPSEBL.

b) In case of Karcham Wangtoo Plant, revenue from sale of power is accounted as under:

- During the financial year 2017-18, LTPPA sales has been accounted as per the CERC Order dated 30th March, 2017.

- Sale of power under Short Term and Medium Term Power Purchase Agreements (PPA) and through the Power Exchange is accounted for on the basis of billing to various buyers under the terms of the PPA and terms of sale on the Power Exchanges.

Note 32. Service concession arrangement

The Company has entered into an arrangement with Himachal Pradesh State Electricity Board ("HPSEB" or "the Board") in relation to its 300 MW Baspa Hydro Power Plant ("Baspa Power Plant") to provide power supply on the following basis:

- 12% of the Baspa Power Plant capacity to be provided free of cost to Himachal Government(GoHP).

- Balance 88 % of the Baspa Power Plant capacity at the tariff which consists of capacity charges, primary energy charges, incentive of secondary energy, incentive in case plant availability is greater than 90%

The term of the arrangement is for 40 years, further extendable by 20 years. In case HPSEB grants the Company further extension of 20 years, it shall have the right to continue purchasing power from the projects on the same terms of conditions. The Board has the option to purchase the Project at the end of the term of the Agreement at the buyout price determined in terms of Schedule II to the Agreement. Clause 3(a) of Schedule II to the Agreement provides that the Board shall purchase all the assets of the Baspa Power Plant including land, buildings, civil structures, plant and equipment, spare parts, records and drawings except for cash and bank balances.

Based on the aforesaid tariff structure, the right to consideration gives rise to an intangible asset and financial receivable and accordingly, both the intangible asset and financial receivable models are applied.

On the acquisition date, the hydro business reclassified PP&E of ₹1,366.56 crore and advance against depreciation of ₹236.23 crore at the existing carrying value to the financial asset of ₹199.58 crore and intangible asset of ₹930.75 crore. In respect of capital expenditure incurred during financial year 2015-2016, the hydro business has derecognized the PP&E and recognized financial assets and intangible assets in line with the accounting policy on SCA.

The depreciation of ₹28.92 crore on PP&E under previous GAAP has been reversed as the financial assets and intangible assets are recognized under Ind AS. Further the amortization of ₹19.39 crore on intangible assets have been provided and the financial assets are carried at amortised cost by accretion of interest income of ₹13.50 crore at effective interest rate and reversal of revenue from sale of power of ₹48.89 crore during the year ended 31st March, 2016.

Note 33. Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:

(` crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Deferred tax assets	325.01	381.89
Deferred tax liabilities	(400.51)	(445.56)
Less: Recoverable in future tariff	40.25	32.31
	(35.25)	**(31.36)**

Deductible temporary differences and unused tax losses recognised are attributable to the following:

(` crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
--Plant, Property & Equipment	323.40	361.16
--Intangible Assets	(401.60)	(425.57)
--Borrowing Cost	2.74	0.74
--Others	(0.04)	-
Less: Recoverable in future tariff	40.25	32.31
Deferred Tax	**(35.25)**	**(31.36)**

Note 34. Income tax

The income tax expense for the year can be reconciled to the accounting profit as follows:

(` crore)

Particulars	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Profit before tax	**283.52**	**174.54**
Enacted tax rate (%)	34.944	34.608
Income tax expense	**99.07**	**60.41**
Tax effect due to tax holiday	(38.25)	(17.08)
Effect of non-deductible expenses	1.00	

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Effect of tax payable under MAT	6.61	5.14
Effect of differential tax rate -domestic	0.21	-
Others	-	(0.27)
Less: Recoverable in future tariff	(5.24)	(5.02)
Income tax expense recognised in Statement of Profit and Loss	**63.40**	**43.18**

Note 35. Operating segment

The Chairman of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators, however the Company is primarily engaged in only one segment viz., "Generation and Sale of power" and that most of the operations are in India. Hence the Company does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments".

Note 36. Earnings per share

Particulars	**For the Year ended 31st March, 2018**	**For the Year ended 31st March, 2017**
Profit for the year (` crore) - (A)	220.12	131.36
Weighted average number of equity shares for basic & diluted EPS - (B)	1,25,00,05,000	1,25,00,05,000
Earnings Per Share – Basic and Diluted (`) - (A/B)	1.76	1.05
Nominal value of an equity share (`)	10	10

Note 37. Employee benefit plans

Defined contribution plans - Provident fund:

The Company has certain defined contribution plans in which both employee and employer contribute monthly, at the rate of 12% of basic salary, as per regulations to provident fund set up as trust and to the respective regional provident fund commissioner. The Company which contributes to the provident fund set up as a trust are liable for future provident fund benefits to the extent of its annual contribution and any shortfall in fund assets based on government specified minimum rates of return relating to current period service and recognises such contributions and shortfall, if any, as an expense for the year incurred.

Defined benefits plans - Gratuity:

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. The amount of gratuity shall be payable to an employee on the termination of his employment after he has rendered continuous service for not less than five years, or on their superannuation or resignation. However, in case of death of an employee, the minimum period of five years shall not be required. The amount of gratuity payable on retirement / termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by the

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number of years' service completed. The gratuity plan is a funded plan administered by a separate Fund that is legally separated from the entity and the Company makes contributions to the insurer (LIC). The Company does not fully fund the liability and maintains a target level of funding to be maintained over period of time based on estimations of expected gratuity payments.

The Company has a policy on compensated absences with provisions on accumulation and encashment by the employees during employment or on separation from the Company due to death, retirement or resignation. The expected cost of compensated absences is determined by actuarial valuation performed by an independent actuary at the balance sheet date using projected unit credit method.

The plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to market yields at the end of the reporting period on government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities and debt instruments.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31st March, 2018 by M/S K A Pandit, Consultants & Actuaries. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Changes in the present value of the defined benefit obligation are, as follows :

(` crore)

Defined benefit obligation as at 1st April, 2016	**1.72**
Interest cost	0.14
Current service cost	0.28
Benefits paid	(0.12)
Actuarial (Gains)/Loss	0.88
Defined benefit obligation as at 31 March, 2017	**2.90**
Interest cost	0.21
Current service cost	0.38
Benefits paid	(0.19)

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Actuarial (Gains)/Loss	(0.27)
Defined benefit obligation as at 31 March, 2018	**3.03**

Changes in the defined benefit obligation and fair value of plan assets as at 31st March, 2018

(` crore)

Particulars		Defined Benefit Obligation	Fair Value of Plan assets	Benefit Liability
Gratuity cost charged to profit or loss	**Opening Balance as on 1st April, 2017**	**2.90**	**-**	**2.90**
	Current Service cost	0.38	-	0.38
	Net interest expense	0.21	-	0.21
	Liability Transferred In/Acquisitions*	0.23		
	(Liability Transferred out/Divestments*)	(0.04)		
	Sub-total included in profit or loss	**0.79**	**-**	**0.59**
Re-measurement gains / (losses) in other comprehensive income	Benefits paid	(0.19)	-	(0.19)
	Return on plan assets (excluding amounts included in net interest expense)		-	
	Actuarial changes arising from changes in demographic assumptions		-	
	Actuarial changes arising from changes in financial assumptions	(0.15)	-	(0.15)
	Experience adjustments	(0.32)	-	(0.12)
	Sub-total included in OCI	**(0.47)**	**-**	**(0.27)**
	Contributions by employer	-	-	-
	Closing Balance as on 31st March, 2018	**3.03**	**-**	**3.03**

Changes in the defined benefit obligation and fair value of plan assets as at 31st March, 2017

(` crore)

Particulars		Defined Benefit Obligation	Fair Value of Plan assets	Benefit Liability
Gratuity cost charged to profit or loss	**Opening Balance as on 1st April, 2016**	**1.72**	-	**1.72**
	Current Service cost	0.14	-	0.14
	Net Interest expense	0.28	-	0.28
	Sub-total included in profit or loss	**0.42**	-	**0.42**
Re-measurement gains/(losses) in other comprehensive income	Benefits paid	(0.12)	-	(0.12)
	Return on plan assets (excluding amounts included in net interest expense)		-	-
	Actuarial changes arising from changes in demographic assumptions		-	-
	Actuarial changes arising from changes in financial assumptions	0.18	-	0.18
	Experience adjustments	0.70	-	0.70
	Sub-total included in OCI	**0.76**	-	**0.76**
	Contributions by employer	-	-	-
	Closing Balance as on 31st March, 2017	**2.90**	-	**2.90**

The major categories of plan assets of the fair value of the total plan assets are as follows:

Particulars	**As at 31st March, 2018**	**As at 31st March, 2017**
Insurer Managed Funds	100%	100%

The principal assumptions used in determining gratuity for the Company's plans are shown below:

Particulars	**As at 31st March, 2018**	**As at 31st March, 2017**
Discount rate:	7.78%	7.96%

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Future salary increases:	6%	6%
Rate of Employee Turnover	2%	2%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

A sensitivity of the defined benefit obligation to changes in the weighted key assumptions are:

Particulars	As at 31st March, 2018	As at 31st March, 2017
Delta Effect of +1% Change in Rate of Discounting	(0.27)	(0.26)
Delta Effect of -1% Change in Rate of Discounting	0.31	0.30
Delta Effect of +1% Change in Rate of Salary Increase	0.31	0.30
Delta Effect of -1% Change in Rate of Salary Increase	(0.27)	(0.26)
Delta Effect of +1% Change in Rate of Employee Turnover	0.04	0.02
Delta Effect of -1% Change in Rate of Employee Turnover	(0.05)	(0.03)

The following are the maturity analysis of projected benefit obligations:

(` crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Within the next 12 months (next annual reporting period)	0.17	0.14
Between 2 and 5 years	0.87	0.79
Between 5 and 10 years	1.20	1.25
Total expected payments	**2.24**	**2.18**

Note 38. Employee share based payment plan

a) The Company has the share option plan schemes for permanent employees of the Company in the identified grades of employees for respective plans / schemes including any director except promoter or independent directors, nominee directors and non-executive directors or a director who either himself or through relatives or through anybody directly or indirectly holds more than 10% of the outstanding equity shares of the parent Company.

For Normal Options - 'JSWEL EMPLOYEES STOCK OWNERSHIP PLAN - 2016' (ESOP Plan)

b) The award value shall be determined as percentage of Total Fixed Pay. The grant shall be at such price as may be determined by the ESOP Committee and shall be specified in the Grant letter. The option shall not be transferable and can be exercised only by the employees of the Company.

c) The number of options to be granted to each eligible employees is determined by dividing the Award Value (amount equivalent to percentage of Annual Fix

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Pay) by the Fair Value of option provided. The Fair Value of option on the date of each grant is determined by using Black Scholes model.

The following table illustrates the number movements in share option during the year:

JSWEL EMPLOYEES STOCK OWNERSHIP PLAN – 2012 (Grant Date: 3rd May, 2016)

Particulars	**As at 31st March, 2018**	**As at 31st March, 2017**
Opening balance	82,145	-
Granted during the year	-	82,145
Forfeited during the year	-	-
Exercised during the year	46,084	-
Expired during the year	36,061	-
Closing balance	-	82,145
Exercisable options	-	82,145
The method of settlement for above grants are as below:		
Particulars	Grant Date: 3rd May, 2016	
Vesting Period	3/4 Years	
Method of Settlement	Equity	
Exercise Price (`)	53.68	
Fair Value (`)	30.78	
Dividend yield (%)	20.00%	
Expected volatility (%)	46.32%/44.03%	
Risk-free interest rate (%)	7.40%/7.47%	
Expected life of share options / SARs	5/6 Years	
Weighted average exercise price (INR)	53.68	
Pricing formula	Exercise Price determined at ₹ 53.68 (Rupees Fifty Three and Sixty Eight paise only) per share, was at a discount of 20% to the closing market price of Parent Company's share i.e. ₹ 67.10/- at the close of 2nd May, 2016 at Exchange having highest trading volume.	
Expected option Life	The expected option life ' is assumed to be mid-way between the option vesting and expiry. Since the vesting period and contractual term of each tranche is different, the expected life for each tranche will be different. The Expected option life is calculated as (Year to Vesting + Contractual Option	

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	term) /2.
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	The following factors have been considered: (a) Share price (b) Exercise prices (c) Historical volatility (d) Expected option life (e) Dividend Yield
Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	
Model used	Black-Scholes Method

JSWEL EMPLOYEES STOCK OWNERSHIP PLAN – 2012 (Grant Date: 19th May 2017)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Opening balance	-	-
Granted during the year	73211	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Closing balance	73211	-
Exercisable options	-	-

The method of settlement for above grants are as below:

Particulars	Grant Date: 19th May 2017
Vesting Period	3/4 Years
Method of Settlement	Equity
Exercise Price (`)	51.80
Fair Value (`)	28.21/29.54
Dividend yield (%)	20.00%
Expected volatility (%)	44.50%/45.16%
Risk-free interest rate (%)	6.90%/6.98%
Expected life of share options / SARs	5/6 Years
Weighted average exercise price (INR)	51.80
Pricing formula	Exercise Price determined at ₹ 51.80 (Rupees Fifty One and Eighty paise only) per share, was at a discount of 20% to the closing market price of Parent Company's share i.e. ₹ 64.75/- at the close of 19th May, 2017 at Exchange having highest trading volume.
Expected option Life	The expected option life is assumed to be mid-way between the option vesting and expiry. Since the vesting period and contractual term of each tranche is different, the expected life for each tranche will be different. The Expected

	option life is calculated as (Year to Vesting + Contractual Option term) /2.
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	The following factors have been considered: (a) Share price (b) Exercise prices (c) Historical volatility (d) Expected option life (e) Dividend Yield
Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	
Model used	Black-Scholes Method

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

Note 39. Operating Lease

The Company, as a lessee, has entered into operating leases on certain immovable properties (Shimla office and 3 no. guest houses), with lease terms of 3 years. The Company has the option to lease the assets for additional terms as mutually agreed. The Company has paid INR 26.29 lakh (31 March 2017: INR 37.36 lakh) during the year towards minimum lease payment.

Future minimum rentals payable under non-cancellable operating leases as follows:

(` crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Within one year	0.07	0.40
After one year but not more than five years	0.01	0.31
More than five years	-	-
Total	**0.08**	**0.71**

Note 40. Details of Corporate Social Responsibility (CSR) Expenditure:

(` crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Amount required to be spent as per Section 135 of the Act	2.20	-
Amount spend during the year on:		
(i) Construction / acquisition of an asset	1.10	-
(ii) On purpose other than (i) above	1.10	-
Total	**2.20**	**-**

Note 41. Commitments

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(` crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Estimated amount of Capital contracts remaining to be executed to the extent not provided for (net of advances)	11.86	-
Total	11.86	-

Note 42. Contingent liabilities

(` crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
(a) Claims against the Company not acknowledged as debt (recoverable from others)*	127.84	127.84
(b) Other claims not acknowledged as debt	0.07	0.07
Total	127.91	127.91

* Himachal Pradesh State Electricity Board Limited (HPSEBL) has raised a claim on the Jaiprakash Power Ventures Limited (JPVL) vide its letter dated 6.11.2012 towards expenditure incurred for survey & investigation work of Baspa II HEP (300 MW) amounting to Rs. 127.84 crore. Pursuant to this an application was moved before the Hon'ble High Court to restrain the respondent Board (HPSEBL) from recovering the claimed amount from the energy bills of petitioner company. The Hon'ble court has accepted the plea and directed the Company to deposit ₹25 crores as security, which the company has complied with and disclosed under Long term loans and advances. Any future claims raised on this account are fully secured against the specific indemnity issued by Jaiprakash Power Ventures Limited (JPVL) in favour of the company.

The Company's pending litigations comprise mainly claims against the Company, property disputes, proceedings pending with Government Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not reasonably expect the outcome of these proceedings to have a material impact on its financial statements.

Note 43. Related party disclosure

A)	**List of Related Parties**
	Related parties with whom the Company has entered into transactions during the year:
I	**Holding Company**
1	JSW Energy Ltd.

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II	**Enterprises over which key management personnel and relatives of such personnel exercise significant influence**
1	JSW Steel Limited
2	Jindal Vidya Mandir
3	JSW IP Holdings Private Limited
4	Jindal Stainless Steelway ltd.
5	Jaypee Private ITI
6	JSW Global Business Solutions Limited
III	**Joint Venture / Associates**
1	JSW Power Trading Co. Ltd.
IV	**Key Managerial Personnel**
1	Mr. Sanjay Sagar – Chairman (Up to 15th Jun,2017)
2	Mr. Prashant Jain – Chairman (From 16th Jun,2017)
3	Mr. Girish Deshpande – Whole Time Director
4	Mr. Jyoti Kumar Agarwal – Director Finance
5	Mr. Sanjeev Kango - Chief Financial Officer (From 27th Apr,2017)
6	Mr. Rakesh Punamiya - Company Secretary (Up to 3rd Feb,2018)
7	Ms. Vrushali Karnik - Company Secretary (From 5th Feb,2018)
8	Ms. Sheila Sangwan - Independent Director
9	Mr. Rakesh Nath- Independent Director
10	Ms. Shailaja Chandra - Independent Director
11	Mr. Nirmal Kumar Jain - Non-executive Non-Independent Director
12	Mr. Chandan Bhattacharya - Independent Director

(₹ crore)

B	**Transaction during the year**	**Current Year**	**Previous Year**
1	Sale of power /Material		
	JSW Power Trading Company Limited	490.42	463.38
2	Interest on Debentures		
	JSW Energy Limited	116.86	163.60
3	Rebate on Sale of power		
	JSW Power Trading Company Limited	1.88	2.52
4	Service Received		
	JSW Global Business Solutions Limited	0.65	-
5	Purchase of Fuel / Goods		
	JSW Steel Limited	-	0.01
	Jindal Stainless steelway LTD	-	0.01
6	Advertisement/Sponsorship/Branding expense		
	JSW IP Holdings Private Limited	3.10	1.72
7	Security Deposit paid/(refund)		
	JSW IP Holdings Private Limited	-	0.07
8	Reimbursement received from / (paid to) {net}:		
	JSW Energy Limited	(1.73)	(0.45)
	JSW Steel Limited	(1.16)	-

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	JSW Power Trading Company Limited	(13.65)	(9.84)
	Jindal Vidya Mandir	-	(0.31)
	Jaypee Private ITI	(0.21)	-
9	Donation/CSR Expenses		
	Jindal Vidya Mandir	0.64	-
10	Issue of non-convertible debentures:		
	JSW Energy Limited	-	340.00
11	Redemption of non-convertible debentures:		
	JSW Energy Limited	100.00	1,790.00

(₹ crore)

C	Closing Balances	As at 31st March, 2018	As at 31st March, 2017
1	Trade (Payables) / Receivables		
	JSW Energy Limited	(1.64)	0.01
	JSW Steel Limited	(0.10)	-
	JSW Power Trading Company Limited	98.96	361.84
	JSW Global Business Solutions Limited	(0.22)	-
2	Deposit With		
	JSW IP Holdings Private Limited	0.07	0.07
3	Non-Convertible Debentures		
	JSW Energy Limited	800.00	900.00
4	Equity Share Capital		
	JSW Energy Limited	1,250.05	1,250.05
5	Loan and Advances		
	JSW IP Holdings Private Limited	0.21	1.06

D. The Remuneration to Key Managerial Personnel During the year was as follows:
(₹ crore)

	Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
1	Short term benefits	0.48	0.54
2	Post -Employment benefits	0.02	0.02
3	Sitting fees	0.16	0.06
4	Commission to directors	-	-

Note:

i) No amounts in respect of related parties have been written off / written back during the year, nor has any provision been made for doubtful debts / receivables during the year, except as discussed above

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ii) Related party relationships have been identified by the management and relied upon by the Auditors

iii) Related party transactions have been disclosed on basis of value of transactions in terms of the respective contracts.

iv) Terms and conditions of sales and purchases: the sales and purchases transactions among the related parties are in the ordinary course of business based on normal commercial terms, conditions, market rates and memorandum of understanding signed with the related parties. For the year ended 31st March, 2018, the Company has not recorded any loss allowances for transactions between the related parties.

Note 44. Approval of financial statements

The financial statements were approved for issue by the Board of Directors on 02nd May, 2018

Note 45. Disclosure under Micro, Small and Medium Enterprises Development Act

The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

(` crore)

Sl. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
1	Principal amount outstanding	-	-
2	Principal amount due and remaining unpaid	-	-
3	Interest due on (2) above and the unpaid interest	-	-
4	Interest paid on all delayed payments under the MSMED Act.	-	-
5	Payment made beyond the appointed day during the year	-	-
6	Interest due and payable for the period of delay other than (4) above	-	-
7	Interest accrued and remaining unpaid	-	-
8	Amount of further interest remaining due and payable in succeeding years	-	-

Note 46. Remuneration to Auditors (excluding service tax/GST)

(₹ crore)

	Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
1	Audit Fees	0.31	0.30
2	Tax Audit Fees	0.05	0.02
3	Certification Fees	0.00	0.01
4	Reimbursement of Expenses	-	0.01
	Total	**0.36**	**0.34**

SHAH GUPTA & CO. MUMBAI CHARTERED ACCOUNTANTS

JSW Hydro Energy Limited

HIMACHAL BASPA POWER COMPANY LIMITED
Notes to Financial Statements for the year ended 31st March, 2018

For and on behalf of the Board of Directors

Girish Deshpande Whole Time Director [DIN: 02756000]	**Prashant Jain** Chairman [DIN: 01281621]
Vrushali Karnik Company Secretary	**Sanjeev Kango** Chief Financial Officer

SHAH GUPTA & CO * MUMBAI FRN 109574W * CHARTERED ACCOUNTANTS

JSW Hydro Energy Limited

38, Bombay Mutual Building,
2nd Floor, Dr. D. N. Road, Fort,
Mumbai - 400 001.

Tel. : +91(22) 2262 3000/4085 1000
Email : contact@shahgupta.com
Web : www.shahgupta.com

Shah Gupta & Co.
Chartered Accountants

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF JSW HYDRO ENERGY LIMITED (FORMERLY KNOWN AS HIMACHAL BASPA POWER COMPANY LIMITED)

Report on the Financial Statements

Opinion

We have audited the financial statements of **JSW Hydro Energy Limited** (hereinafter referred to as "the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under sub- section 10 of Section 143 of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Overview, Board's Report including Annexures to Board's Report and Shareholder's Information but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

The Company's Board of Directors is responsible for the matters stated in sub-section (5) of Section 134 of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the audit of the financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under sub-section (3) (i) of Section 143 the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls over financial reporting with reference to these financial statements of the Company in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a

JSW Hydro Energy Limited

material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

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

2. As required by sub-section (3) of Section 143 of the Act, based on our audit, we report that:

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

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

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

   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of written representation received from the directors as on March 31, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of sub-section 2 of Section 164 of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting with reference to these financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

JSW Hydro Energy Limited

(g) With respect to the other matters to be included in the Auditor's report in accordance with the requirements of the sub-section 16 of Section 197 of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

(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 (as amended), 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 financial statements – Refer Note 42 to the financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company did not have any derivative contracts as at March 31, 2019 and

iii. As at March 31, 2019 there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **SHAH GUPTA & CO.,**
Chartered Accountants
Firm Registration No.: 109574W

Vipul K Choksi
M. No.37606
Place: Mumbai
Date: May 15, 2019

JSW Hydro Energy Limited

APPENDIX A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of JSW HYDRO ENERGY LIMITED [FORMERLY KNOWN AS HIMACHAL BASPA POWER COMPANY LIMITED] of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.

(b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company (except the title deeds of certain immovable properties are held in the name of the erstwhile promoter) as at the balance sheet date. In respect of immovable properties of land that have been taken on lease and disclosed as property, plant and equipment's in the financial statements, the lease agreements are in the name of the Company (except the title deeds of certain lease agreements are held in the name of the erstwhile promoter).

(ii) The inventory has been physically verified by the Company at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.

(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, reporting under paragraph 3(iii) (a), (b) and (c) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of Section 185 and 186 of the Act are applicable to the Company. Accordingly, reporting under paragraph 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public and hence, reporting under paragraph 3(v) of the Order is not applicable to the Company.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148 of the Act. We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-section 1 of Section 148 of the Act and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not required to make a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us, and the records of the company examined by us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax, goods and service tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us, there are no undisputed amounts payable in respect of Income tax, service tax, goods and service tax, cess and other material statutory dues which were outstanding, at the year end, 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 of sales tax, wealth tax, service tax, goods and service tax, income tax, duty of excise, duty of excise, value added tax, and cess which have not been deposited on account of any dispute except as follows:

Name of the Statute	Nature of the Dues	Amount# (Rs. in Crore)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income tax	10.77	A.Y. 2015-16	Commissioners of Income Tax (Appeals)

#Net of amounts paid under protest

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to the banks and dues to debenture holders during the year. The Company has not taken any loans from financial institutions and government.

(ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us by the Management, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year under review. Accordingly, reporting under paragraph 3(ix) of the Order is not applicable to the Company.

(x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the Management, we report that no material fraud by the Company and on the Company by its officer or employees has been noticed or reported during the year.

(xi) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the Management, we report that the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, reporting under paragraph 3 (xii) of the Order is not applicable to the Company.

(xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Company has not made any preferential allotment/private placement of shares or fully or partly convertible debentures during the year.

(xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements, in our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and hence, reporting under paragraph 3(xvi) of the Order is not applicable to the Company.

For **SHAH GUPTA & CO**
Chartered Accountants
FRN – 109574W

Vipul K Choksi
M. No.37606
Place: Mumbai
Date: May 15, 2019

JSW Hydro Energy Limited

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of JSW HYDRO ENERGY LIMITED [FORMERLY KNOWN AS HIMACHAL BASPA POWER COMPANY LIMITED] of even date)

We have audited the internal financial controls over financial reporting of **JSW Hydro Energy Limited** (hereinafter referred to as "the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India. 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, 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 with reference to these financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under sub-section 10 of Section 143 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 Institute of Chartered Accountants of India. 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 with reference to these financial statements 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, 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 internal financial controls system over financial reporting with reference to these financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these financial statements

A Company's internal financial control over financial reporting with reference to these financial statements 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 with reference to these financial statements 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 with reference to these financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, 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 with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2019, 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.

For **SHAH GUPTA & CO.,**
Chartered Accountants
Firm Registration No.: 109574W

Vipul K Choksi
M. No.37606
Place: Mumbai
Date: May 15, 2019

JSW Hydro Energy Limited

JSW HYDRO ENERGY LIMITED

(Formerly known as Himachal Baspa Power Company Limited)

Registered Office : Sholtu Colony
P.O. Tapri, Dist. Kinnaur (H.P.) - 172104
CIN : U40101HP2014PLC000681

Statement of audited Financial Results for the year ended 31.03.2019

(₹ Crore)

Sl.	Particulars	Quarter Ended			Year Ended	
		31.03.2019	31.12.2018	31.03.2018	31.03.2019	31.03.2018
		Audited	Unaudited	Audited	Audited	Audited
I	Revenue from Operation	131.17	204.45	146.17	1,243.97	1,400.93
II	Other income	10.20	3.13	11.97	31.77	72.78
III	**Total Income from operations (net)**	**141.37**	**207.58**	**158.14**	**1,275.74**	**1,473.71**
IV	**Expenses:**					
	a) Fuel Cost	-	-	-	-	-
	b) Purchase of Power	-	-	-	-	-
	c) Employee Benefits Expense	9.24	12.55	9.26	46.20	41.91
	d) Finance costs	140.63	148.52	167.67	611.66	764.57
	e) Depreciation and Amortisation Expense	106.71	109.04	58.46	432.32	236.57
	f) Other Expenses	30.55	28.93	36.73	126.88	147.14
	Total Expenses	**287.13**	**299.04**	**272.12**	**1,217.06**	**1,190.19**
V	**Profit/(loss) before exceptional items and tax (III - IV)**	**(145.76)**	**(91.46)**	**(113.98)**	**58.68**	**283.52**
VI	Exceptional items	-	-	-		
VII	**Profit/(loss) before tax (V- VI)**	**(145.76)**	**(91.46)**	**(113.98)**	**58.68**	**283.52**
VIII	**Tax Expense**					
	- Current Tax	(35.58)	(22.71)	(23.82)	14.52	59.51
	- Deferred Tax	75.77	46.94	6.96	(30.16)	0.24
	- Deferred Tax (recoverable from)/payable in future tariff	(75.77)	(46.94)	(14.79)	(5.09)	3.65
		(35.58)	(22.71)	(31.65)	(20.73)	63.40
IX	**Net Profit / (Loss) for the Period/Year (VII - VIII)**	**(110.18)**	**(68.75)**	**(82.33)**	**79.41**	**220.12**
X	**Other Comprehensive Income**					
	A (i) Items that will not be reclassfied to Profit or loss (net of taxes)	(0.84)	-	0.42	(0.84)	0.42
	B (i) Items that will be reclassfied to Profit or loss (net of taxes)	-	-	-	-	-
		(0.84)	-	0.42	(0.84)	0.42
XI	**Total Comprehensive Income (IX+X)**	**(111.02)**	**(68.75)**	**(81.91)**	**78.57**	**220.54**
XII	**Paid-up Equity Share Capital (net of treasury shares)** (Face Value of ` 10 per share)	1,250.05	1,250.05	1,250.05	1,250.05	1,250.05
XIII	Other Equity	-	-	-	501.15	422.53
XIV	**Earnings per Share (not annualised)**					
	- Basic EPS (`)	(0.88)	(0.55)	(0.66)	0.64	1.76
	- Diluted EPS (`)	(0.88)	(0.55)	(0.66)	0.64	1.76

Notes :

1 The Company is engaged in only one segment viz. "Generation and Sale of Power" and as such there are no separate reportable segments as per IND AS – 108 "Operating Segments".

2 Comparative financial information has been regrouped and reclassified, wherever necessary, to correspond to the figures of the current quarter/period.

3 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 15th May 2019.

4 Post 100% tie up of Karcham HEP from Ist april 2018 with state discoms, the company provided depreciation on tangible assets as per the provisions of Part B of Schedule II of the Companies Act,2013 based on the useful life and residual value notified for accounting purposes by CERC Tariff Regulations.The increased depreciation expenses of the aforesaid change for the year ended 31st Mar 2019 is Rs 195.63 crore.

SHAH GUPTA & CO. CHARTERED ACCOUNTANTS

JSW Hydro Energy Limited

5 Statement of Asset and Liabilities (₹ Crore)

Sl.	Particulars	As at 31.03.2019 Audited	As at 31.03.2018 Audited
A	**ASSETS**		
1	**Non-current assets:**		
	(a) Property, Plant and Equipment	6,715.10	7,113.29
	(b) Capital work-in-progress	8.16	3.06
	(c) Other Intangible assets	814.34	846.40
	(d) Financial Assets		
	(i) Other financial assets	225.74	277.92
	(e) Other non-current assets	25.44	0.01
	(f) Income tax assets (net)	33.23	14.86
	Total Non - Current Assets	**7,822.01**	**8,255.54**
2	**Current assets:**		
	(a) Inventories	10.98	11.45
	(b) Financial Assets		
	(i) Investments	107.06	86.42
	(ii) Trade receivables	198.59	226.21
	(iii) Cash and cash equivalents	46.14	90.43
	(iv) Bank Balances other than (iii) above	28.34	30.07
	(v) Other financial assets		0.84
	(c) Other current assets	33.82	33.18
	Total Current Assets	**424.93**	**478.60**
	Total Assets	**8,246.94**	**8,734.14**
B	**EQUITY AND LIABILITIES**		
1	**Equity**		
	(a) Equity Share Capital	1,250.05	1,250.05
	(b) Other Equity	501.15	422.53
	Total equity	**1,751.20**	**1,672.58**
	LIABILITIES		
2	**Non-current liabilities**		
	(a) Financial Liabilities		
	(i) Borrowings	5,809.77	6,577.13
	(ii) Other financial liabilities (other than those specified at '(b)' below)	0.01	0.01
	(b) Provisions	3.23	1.52
	(c) Deferred tax liabilities (Net)		35.25
	Total Non - Current Liabilities	**5,813.01**	**6,613.91**
3	**Current liabilities**		
	(a) Financial Liabilities		
	(i) Trade payables		
	(a) Total outstanding dues of micro and small enterprises	0.78	
	(b) Total outstanding dues of creditors other than micro and small ent	49.46	30.99
	(ii) Other financial liabilities (other than those specified at '(b)' below)	623.32	401.72
	(b) Other current liabilities	7.81	13.82
	(c) Provisions	1.36	1.12
	Total Non - Current Liabilities	**682.73**	**447.65**
	Total Equity and Liabilities	**8,246.94**	**8,734.14**

1 The Company is engaged in only one segment viz. "Generation and Sale of Power" and as such there are no separate reportable segments as per IND AS – 108 "Operating Segments".

2 Comparative financial information has been regrouped and reclassified, wherever necessary, to correspond to the figures of the current quarter/period.

3 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 15th May 2019.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 15-May-2019

Prashant Jain
Chairman
[DIN: 01281621]

JSW Hydro Energy Limited

JSW HYDRO ENERGY LIMITED
(Formerly known as Himachal Baspa Power Company Limited)
Balance Sheet as on 31st March, 2019

(₹ Crore)

		Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
A		**ASSETS**			
	1	**Non-current assets**			
		(a) Property, plant and equipment	4	6,715.10	7,113.29
		(b) Capital work-in-progress	5	8.16	3.06
		(c) Intangible assets	6	814.34	846.40
		(d) Financial assets			
		(i) Other financial assets	7	225.74	277.92
		(e) Other non-current assets	8	25.44	0.01
		(f) Income tax assets (net)		33.23	14 86
		Total non - current assets		**7,822.01**	**8,255.54**
	2	**Current assets**			
		(a) Inventories	9	10.98	11.45
		(b) Financial assets			
		(i) Investments	10	107.06	86.42
		(ii) Trade receivables	11	198.59	226.21
		(iii) Cash and cash equivalents	12	46.14	90.43
		(iv) Bank balances other than (iii) above	12	28.34	30.07
		(v) Other financial assets	7	-	0.84
		(c) Other current assets	8	33.82	33.18
		Total current assets		**424.93**	**478.60**
		Total Assets (1+2)		**8,246.94**	**8,734.14**
B		**EQUITY AND LIABILITIES**			
	1	**Equity**			
		(a) Equity share capital	13	1,250.05	1,250.05
		(b) Other equity	14	501.15	422.53
		Total equity		**1,751.20**	**1,672.58**
		Liabilities			
	2	**Non-current liabilities**			
		(a) Financial liabilities			
		(i) Borrowings	15	5,809.77	6,577.13
		(ii) Other financial liabilities	16	0.01	0.01
		(b) Provisions	17	3.23	1.52
		(c) Deferred tax liabilities (Net)	34		35.25
		Total non - current liabilities		**5,813.01**	**6,613.91**
	3	**Current liabilities**			
		(a) Financial liabilities			
		(i) Trade payables			
		(a) Total outstanding dues of micro and small enterprises	18	0.78	-
		(b) Total outstanding dues of creditors other than micro and small enterprises	18	49.46	30.99
		(ii) Other financial liabilities	16	623.32	401.72
		(b) Other current liabilities	19	7.81	13.82
		(c) Provisions	17	1.36	1.12
		Total current liabilities		**682.73**	**447.65**
		Total Equity and Liabilities (1+2+3)		**8,246.94**	**8,734.14**

As per our attached report of even date
For Shah Gupta & Co
Chartered Accountants
Firm Registration No.: 109574W

Vipul K Choksi
Partner
M No. 37606

Place: Mumbai
Date: 15-05-2019

For and on behalf of Board of Directors

Gyan Bhadra Kumar
Whole Time Director
[DIN: 03620109]

Prashant Jain
Chairman
[DIN: 01281621]

Vrushali Karnik
Company Secretary

Sanjeev Kango
Chief Financial Officer

JSW HYDRO ENERGY LIMITED
(Formerly known as Himachal Baspa Power Company Limited)
Statement of Profit and Loss for the year ended 31st March, 2019

(₹ Crore)

	Particulars	Note No.	For the year Ended 31st March,19	For the year Ended 31st March,18
I	Revenue from operations	20	1,243.97	1,400.93
II	Other income	21	31.77	72.78
III	**Total income (I + II)**		**1,275.74**	**1,473.71**
IV	**Expenses**			
	(a) Employee benefits expense	22	46.20	41.91
	(b) Finance costs	23	611.66	764.57
	(c) Depreciation and amortisation expense	24	432.32	236.57
	(d) Other expenses	25	126.88	147.14
	Total expenses (IV)		**1,217.06**	**1,190.19**
V	**Profit/(loss) before exceptional item and tax (III-IV)**		**58.68**	**283.52**
VI	Exceptional items		-	-
VII	**Profit before tax (V - VI)**		**58.68**	**283.52**
VIII	Tax Expense			
	Current tax		14.52	59.51
	Deferred tax		(30.16)	0.24
	Deferred tax(recoverable from)/payable in future tariff		(5.09)	3.65
		26	(20.73)	63.40
IX	**Profit for the year (VII-VIII)**		**79.41**	**220.12**
X	**Other comprehensive income**		**(0.84)**	**0.42**
	(i) Items that will not be reclassified to profit or loss Remeasurements of the net defined benefit liabilities / (asset)		(1.07)	0.54
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.23	(0.12)
XI	**Total comprehensive income for the year (IX + X)**		**78.57**	**220.54**
XII	**Earnings per equity share of ₹ 10 each :**			
	Basic	36	0.64	1.76
	Diluted		0.64	1.76

See accompanying notes to the financial statements

As per our attached report of even date
For Shah Gupta & Co
Chartered Accountants
Firm Registration No.: 109574W

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Place: Mumbai
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Chief Financial Officer

JSW HYDRO ENERGY LIMITED
(Formerly known as Himachal Baspa Power Company Limited)
Statement of Cash Flows for the year ended 31st March, 2019

(₹ Crore)

	Particulars	For the year ended 31st March, 2019		For the year ended 31st March, 2018	
I	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit before Tax		58.68		283.52
	Adjusted for:				
	Depreciation and amortisation	432.32		236.57	
	Interest Income	(15.65)		(54.75)	
	Gain from investments	(9.45)		(11.36)	
	Excess provision no longer required written back	(4.61)		(5.73)	
	Share based payment expenses	0.05		0.19	
	Finance costs	611.66		764.57	
	Other adjustment (OCI)	(0.84)		0.42	
			1013.47		929.92
	Operating profit before working capital changes		1072.15		1213.44
	Adjustment for:				
	Trade and other receivables	27.66		993.28	
	Trade payables & Other Liabilities	172.97		81.10	
	Loans & advances and other non-current assets	29.32		(20.85)	
	Inventories	0.47		0.54	
			230.43		1054.06
	Cash generated from operations		1302.58		2267.51
	Direct taxes paid (Net of refund received)		(32.89)		(57.21)
	NET CASH FLOW FROM OPERATING ACTIVITIES		1269.69		2210.30
II	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of property, plant & equipment including CWIP and capital advances		(7.17)		(8.08)
	Investment made		(20.64)		(86.42)
	Interest received		14.96		53.81
	Net gain on sale of investments		9.45		11.36
	NET CASH FROM INVESTING ACTIVITIES		(3.40)		(29.33)
III	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Borrowings (repaid)/taken		(724.65)		(1,383.18)
	Finance costs paid		(585.93)		(754.31)
	NET CASH USED IN FINANCING ACTIVITIES		(1,310.58)		(2,137.49)
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (I+II+III)		(44.29)		43.48
	CASH AND CASH EQUIVALENTS - At the beginning of the year		90.43		46.95
	CASH AND CASH EQUIVALENTS - At the end of the year (Refer Note 12)		46.14		90.43

See accompanying notes to the financial statements

Note:

1 The Statement of cash flows has been prepared under the indirect methods as set out in Indian Accounting standard (Ind AS 7) Statement of cash flows.

As per our attached report of even date
For Shah Gupta & Co
Chartered Accountants
Firm Registration No.: 109574W

Vipul K Choksi
Partner
M No. 37606

Place: Mumbai
Date: 15-05-2019

For and on behalf of Board of Directors

Gyan Bhadra Kumar
Whole Time Director
[DIN: 03620109]

Prashant Jain
Chairman
[DIN: 01281621]

Vrushali Karnik
Company Secretary

Sanjeev Kango
Chief Financial Officer

JSW HYDRO ENERGY LIMITED

(Formerly known as Himachal Baspa Power Company Limited)

Statement of changes in equity for the year ended 31st March, 2019

a. Equity share capital (₹ Crore)

Balance at the 1st April, 2017	1,250 05
Changes in equity share capital during the FY 2017-18	
Balance at the 1st April, 2018	1,250 05
Changes in equity share capital during the FY 2018-19	-
Balance at the 31th Mar, 2019	1,250.05

b. Other equity (₹ Crore)

Particulars	Reserves & surplus			Items of other comprehensive income	Capital Contribution by parent company	Total
	Equity-settled employee benefits reserve	Debenture redemption reserve	Retained earnings	Actuarial gain / (loss)on defined benefit liabilities/ (assets)		
Balance as at 1st April, 2018	0.19	60.00	206 37	(0.17)	156.14	**422.53**
Profit for the year		-	79.41	-	-	**79.41**
Recognition of Share based payment	0.05			-	-	**0.05**
Transfer from Debenture redemption reserve	-	(21 55)	21 55	-		-
Other comprehensive Income for the year, net of income tax	-	-	-	(0.84)	-	**(0.84)**
Total comprehensive income for the year ended 31th Mar'19	**0.24**	**38.45**	**307.33**	**(1.01)**	**156.14**	**501.15**

(` Crore)

Particulars	Reserves & surplus			Items of other comprehensive income	Capital Contribution by parent company	Total
	Equity-settled employee benefits reserve	Debenture redemption reserve	Retained earnings	Actuarial gain / (loss)on defined benefit liabilities/ (assets)		
Balance at 1st April, 2017	-	45.00	1.25	(0.59)	156.14	**201.80**
Profit for the year		-	220.12	-	-	**220.12**
Recognition of Share based payment	0.19	-		-	-	**0.19**
Transfer to Debenture redemption reserve	-	15.00	(15.00)	-	-	-
Other comprehensive income for the year, net of income tax	-	-	-	0.42	-	**0.42**
Total comprehensive income for the year	**0.19**	**60.00**	**206.37**	**(0.17)**	**156.14**	**422.53**

See accompanying notes to the financial statements

As per our attached report of even date

For Shah Gupta & Co

Chartered Accountants

Firm Registration No.: 109574W

Vipul K Choksi

Partner

M No. 37606

Place: Mumbai

Date: 15-05-2019

For and on behalf of Board of Directors

Gyanbhadrak

Gyan Bhadra Kumar
Whole Time Director
[DIN: 03620109]

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Chief Financial Officer

SHAH GUPTA & CO MUMBAI CHARTERED ACCOUNTANTS

JSW Hydro Energy Limited

JSW HYDRO ENERGY LIMITED

(Formerly Known as Himachal Baspa Power Company Limited)

Notes to Financial Statements for the year ended 31st March, 2019

Note 1: General information

a) JSW Hydro Energy Limited (Formerly Known as Himachal Baspa Power Company Limited) is a public limited Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. It is 100% subsidiary of M/s JSW Energy Limited. The registered office of the Company is located at Sholtu Colony, P.O. Tapri, Dist. Kinnaur, 172104 (HP).

b) The Company is primarily engaged in the business of generation and transmission of power.

Note 2: Statement of compliance

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

b) The financial statements were approved for issue by the Board of Directors on 15th May, 2019

Note 3: Significant accounting policies

3.1 Basis of preparation of financial statements:

a) In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its Financial Statements as per the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1st April, 2016. Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2019, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements".

b) The financial statements of the Company are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) on the accrual basis of accounting and historical cost convention except for certain material items that have been measured at fair value as required by the relevant Ind AS and explained in the ensuing policies below.

c) The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest crore, except otherwise indicated.

d) Current and non-current classification
The company presents assets and liabilities in the balance sheet passed on current / non-current classification.

An assets is classified as current when it satisfies any of the followings criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle, it is held primarily for the purpose of being traced:

- it is expected to be realised within 12 months after the reporting date: or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the followings criteria:

- it is expected to be settled in the Company's normal operating cycle:
- it is held primarily for the purpose of being traced.
- It is due to be settled within 12 months after the reporting date ;or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Term of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non –current only.

3.2 Use of estimates & judgements

a) The preparation of the financial statements requires that the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.

b) The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods. The critical accounting judgements and key estimates followed by the Company for preparation of financial statements is described in note 27.

3.3 Property, plant and equipment

a) The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to statement of profit and loss in the period in which the costs are incurred.

SHAH GUPTA & CO. CHARTERED ACCOUNTANTS

JSW Hydro Energy Limited

b) An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

c) Assets in the course of construction are capitalised in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences.

d) Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold or Leasehold land is stated at historical cost.

3.4 Other Intangible assets

a) Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.

b) Certain computer software costs are capitalized and recognized as Intangible assets based on materiality, accounting prudence and significant benefits expected to flow therefrom for a period longer than one year.

c) An intangible assets is derecognised on disposal, or when no further economic benefits are expected from use or disposal. Gain / (loss) on de-recognition are recognized in profit or loss.

3.5 Depreciation and Amortisation

a) Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values as per the provisions of Part B of Schedule II of the Companies Act,2013 based on the useful life,rate and residual value notified for accounting purposes by CERC Tariff regulation 2014.

b) Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

c) Assets held under Service concession arrangement are amortised over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

d) Post 100% tie up of Karcham Wangtoo HEP from 1st April 2018 with state discoms, The company provided depreciation on tangible assets as per the provisions of Part B of Schedule II of the Companies Act,2013 based on the rates, useful life and residual value notified for accounting purposes by CERC Tariff

JSW Hydro Energy Limited

regulation 2014. Earlier company was providing depreciation based on technical evaluation of useful life and residual value as per the provision of part A of schedule II of the companies act 2013.

e) Depreciation is being calculated annually based on straight line method and at rates specified below which are as per CERC Tariff regulation 2014. Provided that the remaining depreciable value as on 31st March of the year closing after a period of twelve years from the effective date of commercial operation of the station shall be spread over the balance useful life of the assets.

Rate of depreciation are given below:

Particulars	Depreciation rate (Per Annum)
Plant & Machinery	5.28%
Lease hold Land	3.34%
Buildings	3.34%
Furniture's & Fixtures	6.33%
Vehicles	9.50%
Office equipment's	6.33%
Computer & Software	15%

3.6 Impairment of tangible and intangible assets other than goodwill

a) At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

b) Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

c) Recoverable amount is the higher of fair value less costs of disposal and 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 which the estimates of future cash flows have not been adjusted.

d) If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

e) When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.7 Borrowing costs

a) Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

b) All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

c) The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

The Company suspends capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

3.8 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and demand deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.9 Revenue recognition

Sale of Power

The Company primarily generates revenue from contracts with customers for supply of power generated from power plants including from allocating the capacity of the plant under the long term power purchase agreements, from sale of power on merchant basis including under short term contracts

Revenue from capacity charges (other than from contracts classified as lease) under the long term power supply agreements is recognised over a period of time as the capacity of the plant is made available under the terms of the contracts.Electricity charges are recognised on supply of power under such power supply agreements. Revenue from sale of power on merchant basis is recognised when power is supplied to the customers.

JSW Hydro Energy Limited

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Interest or Surcharge on delayed payments or overdue trade receivables is recognised when significant certainty as to measurability or realisibility exists.

3.10 Foreign currency transactions

The functional currency of the Company and its subsidiaries is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR).

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences on transactions entered into in order to hedge certain foreign currency risks

3.11 Employee benefits

The Company has following post-employment plans:

a) Defined-benefit plan - gratuity

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of plan assets. The defined benefit obligation is calculated annually by actuaries through actuarial valuation using the projected unit credit method.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

JSW Hydro Energy Limited

- service cost comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements
- net interest expense or income

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefit expenses in the statement of the profit & loss.

Re-measurement comprising of actuarial gains and losses arising from

(a) Re-measurement of Actuarial (gains) / losses
(b) Return on plan assets, excluding amount recognized in effect of asset ceiling
(c) Re-measurement arising because of change in effect of asset ceiling are recognised in the period in which they occur directly in Other comprehensive income. Re-measurement is not reclassified to profit or loss in subsequent periods.

Ind AS 19 requires the exercise of judgment in relation to various assumptions including future pay rises, inflation and discount rates and employee and pensioner demographics. The Company determines the assumptions in conjunction with its actuaries, and believes these assumptions to be in line with best practice, but the application of different assumptions could have a significant effect on the amounts reflected in the income statement, other comprehensive income and balance sheet. There may be also interdependency between some of the assumptions.

b) Defined-contribution plan – provident fund

Under defined contribution plans, provident fund, the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Defined Contribution plan comprise of contributions to the employees' provident fund set up as trust or Regional Provident Fund Commissioner and certain state plans like Employees' State Insurance. The Company's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

c) Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the Balance sheet date determined based on an actuarial valuation.

3.12 Share-based payment arrangements

a) Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

b) The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

3.13 Taxation

i) Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

a) Current tax

Current tax is the amount of tax payable based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

b) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.
Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures,

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except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets relate to the same taxable entity and same taxation authority.

ii) Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

iii) Current and deferred tax for the year
Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3.14 Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

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3.15 Provisions, contingencies and commitments

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

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

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

A disclosure for contingent liabilities is made when there is

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

(b) a present obligation that arises from past events but is not recognized because:

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

3.16 Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

(i) Initial recognition and measurement:
All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss ,are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Profit and Loss.

(ii) Subsequent measurement

Financial assets, other than equity instruments, are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:
(a) the entity's business model for managing the financial assets and
(b) the contractual cash flow characteristics of the financial asset.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or

- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

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Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.
A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

a) The Company recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVOCI. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward-looking.

b) The Company's trade receivables or contract revenue receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall, being simplified approach for recognition of impairment loss allowance.

c) Under simplified approach, the Company does not track changes in credit risk. Rather it recognizes impairment loss allowance based on the lifetime ECL at each reporting date right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables.

d) The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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e) For financial assets other than trade receivables, the Company recognises 12-month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12 months ECL. The impairment losses and reversals are recognised in Statement of Profit and Loss. For equity instruments and financial assets measured at FVTPL, there is no requirement for impairment testing.

Derecognition of financial assets

a) The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

b) On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

c) On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

3.17 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by an entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All Financial liabilities are measured at amortized cost using effective interest method or fair value through profit and loss. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

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Reclassification of financial assets and liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in the business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassifications and the how they are accounted for:

Original Classification	Revised Classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in statement of profit and loss.
FVPTL	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new gross carrying amount. No other adjustment is required.
FCTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to statement of profit and loss at the reclassification date.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained below.

Financial assets/ financial liabilities	
Fair value hierarchy	Valuation technique(s) and key input(s)
Level 1	Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2	Valuation Techniques for which the lowest level input that is significant to the fair Value measurement is directly or indirectly observable.
Level 3	Valuation Techniques for which the lowest level input that is significant to the fair Value measurement is unobservable.

3.18 Leases

a) A lease is classified at the inception date as a finance lease or an operating lease. Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

b) Accounting for arrangements that contains lease

Under Appendix C to Ind AS17, an entity may enter into an arrangement comprising a transaction or a series of related transactions, that do not take the legal form of lease but conveys a right to use an asset in return for a payment or series of payments. Arrangements meeting these criteria should be identified as either operating leases or finance leases.

For determining whether an arrangement is, or contains, a lease shall be based on the substance of the arrangement and requires an assessment of whether:

(a) fulfilment of the arrangement is dependent on the use of specific asset or assets; and
(b) the arrangement conveys a right to use the asset.

The Company enters into agreements, comprising a transaction or series of related transactions that does not take the legal form of a lease but conveys the right to use the asset in return for a payment or series of payments. In case of such arrangements, the Company applies the requirements of Ind AS 17 – Leases to the lease element of the arrangement. For the purpose of applying the requirements under Ind AS 17 – Leases, payments and other consideration required by the arrangement are separated at the inception of the arrangement into those for lease and those for other elements.

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c) The Company as lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments (discounted at the interest rate implicit in the lease or at the entity's incremental borrowing rate). The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Lease payments under an operating lease is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

3.19 Service concession arrangements

Under Appendix C to Ind AS 115 – Service Concession Arrangements (revenue from contract with customer) applies to public-to-private service concession arrangements if:

a) the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; AND

b) the grantor controls—through ownership, beneficial entitlement or otherwise—any significant residual interest in the infrastructure at the end of the term of the arrangement; AND

c) Is the infrastructure constructed or acquired by the operator from a third party for the purpose of the service arrangement OR is the infrastructure existing infrastructure of the grantor to which the operator is given access for the purpose of the service arrangement?

Infrastructure used in a public-to-private service concession arrangement for its entire useful life (whole of life assets) is within the scope of this Appendix if the conditions in 'a') above are met.
These arrangements are accounted on the basis of below mentioned models depending on the nature of consideration and relevant contract law.

<u>Financial asset model:</u>

The Financial asset model is used when the Company, being an operator, has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. Unconditional contractual right is established when the grantor contractually guarantees to pay the operator:

(a) specific or determinable amount;
(b) the shortfall, if any, between amounts received from the users of the public services and specified or determinable amounts.

Intangible asset model:

The intangible asset model is used to the extent that the company, being an operator, receives a right (a license) to charge users of the public service. A right to charge users of a public services is not an unconditional right to receive cash because the amounts are contingent on to the extent that public uses the services. Both type of arrangements may exist within a single contract to the extent that the grantor has given an unconditional guarantee of payment for the construction and the operation i.e. considered as a Financial asset and to the extent that the operator has to rely on the public using the service in order to obtain payment, the operation has an intangible asset. If the Company (being an operator) performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

The Company manages concession arrangements which include power supply from one of its hydro power plant. The Company maintains and services the infrastructure during the concession period. These concession arrangements set out rights and obligations related to the infrastructure and the services to be provided.

The right to consideration gives rise to an intangible asset and financial receivable and accordingly, both the intangible asset and financial receivable models are applied.

Income from the concession arrangements earned under the intangible asset model consists of the (i) Fair Value of the contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset; and (ii) payments actually received from the users. The intangible asset is amortized over its expected useful life in a way that reflects the pattern in which the asset's economic benefits are consumed by the Company, starting from the date when the right to operate starts to be used. Based on these principles, the intangible asset is amortized in line with the actual usage of the specific public facility, with a maximum of the duration of the concession.

Financial receivable is recorded at a fair value of guaranteed residual value to be received at the end of the concession period. This receivable is subsequently measured at amortised cost.

Any asset carried under concession arrangements is derecognised on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expire.

3.20 Inventories

Cost of inventories includes cost of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Inventories of stores, spare parts, fuel and loose tools are stated at the lower of weighted average cost and net realizable value. Net realisable value represents the estimated selling price for inventories in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale.

3.21 Applicability of new Ind AS:
Initial application of an Ind AS

The Company applied Ind AS 115 'Revenue from Contracts with Customers' for the first time. Ind AS 115 supersedes Ind AS 11 'Construction Contracts' and Ind AS 18 'Revenue' and it applies, with limited exceptions, to all revenue arising from contracts with customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.
Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 using the cumulative effect method on transition, applied to contracts that were not completed contracts as at April 1, 2018. Therefore, the comparative information was not restated and continues to be reported under Ind AS 11 and Ind AS 18. There was no impact on transition on the opening balance sheet as at April 1, 2018. The new standard has no material impact on the revenue recognised during the year.

New material accounting pronouncements, which are not yet effective
Ind AS 116 – Leases

Ind AS 116 Leases was notified on March 30, 2019 by the Ministry of Corporate Affairs. It replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases (i.e. leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right of use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right of use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right of use asset.

The standard permits two possible methods of transition i.e. Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, and Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

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As the Company does not have any material leases, wherein the company is a lessee, the adoption of this standard is not likely to have a material impact at transition date and for the ensuing financial year.

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments):

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement.

Ind AS 109 – Prepayment Features with Negative Compensation:

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its Consolidated Financial Statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the remeasurement.
In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its Consolidated Financial Statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any such long-term interests in associates and joint ventures.

Ind AS 103 – Business Combinations and Ind AS 111 - Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation

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Notes to the financial statements for the year ended 31st March, 2019

Note 4. Property, plant & equipment

(₹ Crore)

Description of Assets	Land - Freehold	Land - Leasehold	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross carrying value								
Balance as at 1st April, 2018	77.40	8.77	33.73	7,509.86	4.25	0.99	3.45	7,638 45
Additions	-	-	-	0.09	0.14	0.22	0.22	0 67
Balance as at 31th March, 2019	77.40	8.77	33.73	7,509.95	4.39	1.21	3.67	7,639 12
II. Accumulated depreciation and impairment for the year 2018-19								
Balance as at 1st April, 2018	-	0.94	1 92	518.48	2 61	0.13	1 07	525.15
Depreciation expense for the year	-	0.29	1 13	396.52	0 53	0.07	0.33	398.87
Balance as at 31th March, 2019	-	1.23	3.05	915.00	3.14	0.20	1.40	924.02
Net carrying value as at 31th Mar, 2019 (I-II)	**77.40**	**7.54**	**30.68**	**6,594.95**	**1.25**	**1.01**	**2.27**	**6,715.10**
	Land - Freehold	**Land - Leasehold**	**Buildings**	**Plant and Equipment**	**Office Equipment**	**Furniture and Fixtures**	**Vehicles**	**Total**
I. Gross carrying value								
Balance as at 1st April, 2017	77.40	8.77	33.72	7,507.79	3.52	0 31	3.12	7,634 63
Additions	-	-	0.01	2.07	0.73	0 68	0 33	3.82
Disposals	-	-	-	-	-	-	(0 02)	(0 02)
Balance as at 31st March, 2018	77.40	8 77	33.73	7,509.86	4.25	0.99	3.43	7,638 43
II. Accumulated depreciation and impairment for the year 2017-18								
Balance as at 1st April, 2017	-	0.66	1 10	317.60	1.89	0 07	0 60	321.92
Depreciation expense for the year	-	0.28	0.82	200.88	0.72	0.06	0.48	203.24
Eliminated on disposal of assets	-	-	-	-	-	-	(0.02)	(0.02)
Balance as at 31st March, 2018	-	0.94	1.92	518.48	2.61	0.13	1.06	525.14
Net carrying value as at 31st March, 2018 (I-II)	**77.40**	**7.83**	**31.81**	**6,991.38**	**1.64**	**0.86**	**2.37**	**7,113.25**

Note:

a) Refer note 15 for the details in respect of certain property , plant and equipment hypothecated/mortgaged as security against borrowing

Note 5. Capital work in progress

Capital work in progress & pre operative expenditure during construction period (pending allocation) relating to property, plant & equipment

(₹ Crore)

Balance as at 31st March, 2018	3.06
Balance as at 31th March, 2019	8 16

Footnote:

1) Amount transferred to property plant and equipment during the year ₹ 0.85 crore (for the year ended 31st March 2018: ₹ 0.31 Crore)

JSW HYDRO ENERGY LIMITED
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Notes to the financial statements for the year ended 31st March, 2019

Note 6. Other Intangible assets (₹ Crore)

Description of Assets	Computer Software	Service Concession Arrangement Intangibles *	Total
Balance as at 1st April, 2018	0.97	931.42	932.39
Additions	0.06	1.32	1.38
Balance as at 31th March, 2019	1.03	932.74	933.77
II. Accumulated amortisation and impairment for the year 2018-19			
Balance as at 1st April, 2018	0.10	85.89	85.99
Amortisation expense for the year	0.16	33.28	33.44
Balance as at 31th March, 2019	0.26	119.17	119.43
Net carrying value as at 31th Mar, 2019 (I-II)	0.77	**813.57**	**814.34**

Description of Assets	Computer Software	Service Concession Arrangement Intangibles *	Total
I. Gross Carrying Value			
Balance as at 1st April, 2017	0.20	930.78	930.98
Additions	0.77	0.64	1.41
Balance as at 31st March, 2018	0.97	931.42	932.39
II. Accumulated amortisation and impairment for the year 2017-18			
Balance as at 1st April, 2017	0.02	52.64	52.66
Amortisation expense for the year	0.08	33.25	33.33
Balance as at 31st March, 2018	0.10	85.89	85.99
Net carrying value as at 31st March, 2018	**0.87**	**845.53**	**846.40**

*Refer Note 33 (Service concession arrangement)

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Notes to the financial statements for the year ended 31st March, 2019

Note 7. Other financial assets (₹ Crore)

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	Current	Non-Current	Total	Current	Non-Current	Total
(a) Service concession receivable	-	221.47	221.47	-	195.59	195.59
(b) Security Deposits						
- Unsecured, considered good						
(i) Government/Semi-Government Authorities	-	0.43	0.43	-	25.42	25.42
(ii) Others	-	0.09	0.09	-	0.09	0.09
	-	0.52	0.52	-	25.51	25.51
c) Interest Receivables						
Other interest receivable	-	-	-	0.84	-	0.84
- Unsecured, considered good	-	-	-	-	-	-
	-	-	-	0.84	-	0.84
d) Other Loans and Advances						
- Unsecured, considered good	-	-	-	-	56.80	56.80
	-	-	-	-	56.80	56.80
e) Other bank balances						
- In margin money for security against entry tax	-	3.75	3.75	-	0.02	0.02
	-	3.75	3.75	-	0.02	0.02
	-	**225.74**	**225.74**	**0.84**	**277.92**	**278.76**

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Notes to the financial statements for the year ended 31st March, 2019

Note 8. Other non-current and current assets (₹ Crore)

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	Current	Non-Current	Total	Current	Non-Current	Total
(a) Capital Advances	0.79	-	0.79	-	0.01	0.01
(b) Prepayments	10.50	0.44	10.94	12.36	-	12.36
(c) Deposit with Government/Semi Government	-	25.00	25.00			
(d) Entry tax receivable	19.88	-	19.88	19.88	-	19.88
(e) Others	2.65	-	2.65	0.94	-	0.94
	33.82	**25.44**	**59.26**	**33.18**	**0.01**	**33.19**

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Notes to the financial statements for the year ended 31st March, 2019

Note 9. Inventories **(₹ Crore)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Stores and spares	10.98	11.45
	10.98	**11.45**

Basis of valuation: Refer note 3.20 (Inventories)

Refer Note 15 for Inventories hypothecated as security against certain bank borrowings.

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Notes to the financial statements for the year ended 31st March, 2019

Note 10. Investment (₹ Crore)

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	Current	Non- Current	Total	Current	Non- Current	Total
Investments carried at:						
A. Fair value through Profit and Loss						
(a) Investments in mutual funds						
i) Aditya Birla Sunlife Liquid Growth Fund	16.02	-	16.02	-	-	-
ii) Reliance Liquid Fund TP Growth	-	-	-	36.34	-	36.34
iii) Kotak floater STP Growth	-	-	-	50.08	-	50.08
iv) Kotak Liquid Regular Plan Growth	27.02	-	27.02	-	-	-
v) HDFC Liquid Fund Regular Plan Growth	53.06	-	53.06			
vi)Franklin India Treasury -SIP Growth	10.96	-	10.96	-	-	-
Total	**107.06**	**-**	**107.06**	**86.42**	**-**	**86.42**

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Notes to the financial statements for the year ended 31st March, 2019

Note 11. Trade receivables (₹ Crore)

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	Current	Non-Current	Total	Current	Non-Current	Total
(a) Unsecured, considered good (i) Trade Receivables considered good - Secured; (ii) Trade Receivables considered good - Unsecured; (iii) Trade Receivables which have significant increase in Credit Risk; and (iv) Trade Receivables - credit impaired	198.59	-	198.59	226.21	-	226.21
	198.59	-	**198.59**	**226.21**	-	**226.21**

Refer Note 15 for trade receivables hypothecated as security for borrowings.
Refer Note 31 (Trade rceivable) for credit terms, ageing analysis and other relevant details related to trade receivables.

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Notes to the financial statements for the year ended 31st March, 2019

Note 12. Cash and cash equivalents and other bank balances (₹ Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Cash and cash equivalents		
(a) Balances with banks		
(i) In Current accounts	26.51	0.81
In Deposit accounts with maturity less than 3 months at inception	19.60	89.60
(b) Cash on hand	0.03	0.02
	46.14	90.43

(₹ Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Bank balances other than above		
(i) Earmarked balances with banks		
- Margin money for Security against Entry Tax	28.34	30.07
	28.34	30.07

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Notes to the financial statements for the year ended 31st March, 2019

Note 13. Equity share capital (₹ Crore)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of ` 10 each with voting rights	1,250,050,000	1,250.05	1,250,050,000	1,250.05
Issued, Subscribed and Fully Paid:				
Equity shares of ` 10 each with voting rights	1,250,050,000	1,250.05	1,250,050,000	1,250.05
	1,250,050,000	**1,250.05**	**1,250,050,000**	**1,250.05**

a) Reconciliation of the number of shares outstanding at the beginning and end of the year:

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares		No. of Shares	
Balance as at the beginning of the year	1,250,050,000		1,250,050,000	
Issued during the year	-		-	
Balance as at the end of the year	1,250,050,000		1,250,050,000	

b) Terms & Rights attached to equity shares :

(i) The Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share.

(ii) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to the shareholding. However, no such preferential amount exists currently.

c) Details of shareholding more than 5% shares in the company are set out below :

	Particulars	No. of Shares		No. of Shares	
1	JSW Energy Limited & its nominees	1,250,050,000		1,250,050,000	
		100%		100%	
		-		-	

JSW HYDRO ENERGY LIMITED

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Notes to the financial statements for the year ended 31st March, 2019

Note 14. Other equity

(₹ Crore)

Particulars	Reserves and Surplus			Items of other comprehensive income	Capital contribution by parent company	Total
	Equity-settled employee benefits reserve	Debenture redemption reserve	Retained earnings	Actuarial gain / (loss)on defined benefit liabilities/		
Balance as at 1st April, 2018	0 19	60 00	206 37	(0 17)	156 14	422.53
Profit for the year	-	-	79 41	-		79.41
Recognition of Share based payment	0.05					0.05
Transfer from Debenture redemption reserve		(21 55)	21 55		-	-
Other comprehensive income for the year, net of income tax		-	-	(0.84)	-	(0.84)
Total comprehensive income for the year ended 31th Mar'2019	**0.24**	**38.45**	**307.33**	**(1.01)**	**156.14**	**501.15**

(₹ Crore)

Particulars	Reserves and Surplus			Items of other comprehensive income	Capital contribution by parent company *	Total
	Equity-settled employee benefits reserve	Debenture redemption reserve	Retained earnings	Actuarial gain / (loss)on defined benefit liabilities/		
Balance at 1st April, 2017		45.00	1 25	(0.59)	156.14	201.80
Profit for the year 2017-18	-	-	220.12	-	-	220.12
Recognition of Share based payment	0.19					0.19
Transfer to Debenture redemption reserve	-	15.00	(15.00)	-	-	-
Other comprehensive income for the year, net of income tax	-			0.42	-	0.42
Total comprehensive income for the year ended 31st Mar,2018	**0.19**	**60.00**	**206.37**	**(0.17)**	**156.14**	**422.53**

* As per Ind AS, waiver of interest by the Holding company on debentures issued to it, has been considered as deemed equity.

Notes:

(1) Retained earning

Retained earning comprise balance of accumulated (undistributed) profit and loss at each year end.

(2) Equity -settled employee benefit reserve

The Company offers ESOP under which options to subscribe for the Company's share have been granted to certain employees and senior management.The share bassed payment reserve is used to recognise the value of equity settled share bassed payments provided as part of the ESOP scheme.

(3) Debenture redumption reserve

The Indian Companies Act requires companies that issue debentures to creat a debenture redumption reserve from annual profits until such debentures are redeemed Companies are required to maintain 25% as a reserve of outstanding redeemable debentures.The amounts credited to the debentures redemption reserve may not be utilised except to redeem debentures.

(4) Remeasurements of the net defined benefit plans

This reserve represents the impact of acuarial gains and losses on the funded obligation due to change in financial assumptions,change in demographic assumption, experience adjustments etc,recognised through other comprehensive income.

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Notes to the financial statements for the year ended 31st March, 2019

Note 15. Non-current borrowings (₹ Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Measured at amortised cost		
Secured Borrowings:		
Term loans		
i From Banks	5,425.27	5,777.13
	5,425.27	**5,777.13**
Unsecured Borrowings		
Debentures		
i Non-convertible debentures - Holding Company	384.50	800.00
	384.50	**800.00**
	5,809.77	**6,577.13**

(i)	Aggregate amount of Installments due for payments within one year ` 251.06 crore (as at 31st March, 2018 - 208.35 crore) have been grouped under "Current maturities of long-term debt" (Refer note 16)
(ii)	The secured borrowings are net of amortised cost of ` 36.62 crore (as at 31st March, 2018 - ` 42.23 crore)

(iii) Terms of Redemptions of Debentures:

3,84,50,000 no. (Previous Year 8,00,00,000 no.) @ 13% unsecured non convertible debentures of Rs. 100 each are redeemable at par at the end of 10 years from the date of issue i.e. 01.09.2015.

iv) Term of Repayment of Rupee Term Loans :

Particulars	As at 31st March, 2019	As at 31st March, 2018
From Banks :		
2 - 3 Years	594.98	544.34
4 - 5 Years	684.73	639.93
6 - 10 Years	985.26	1,082.16
Above 10 Year	3,196.93	3,552.93
Total Borrowings from Banks	**5,461.90**	**5,819.36**

Reconciliation at the beginning of the year (including current maturities)

Particulars	As at 31st March,2019
Balance as at the begininning of the year(including current maturities)	6785.48
Cash flows (repayment)/proceeds)	(730.46)
Non cash changes	
1 Amortised borrowings cost	5.81
Balance as at the end of the year (including current maturities)	**6,060.83**

(v) Details of Security :

Rupee Term Loan aggregating to ₹ 5,676.33 crore (Previous Year ₹ 5,985.48 crore) included in A are secured on a pari passu basis by (a) a first charge on all immovable assets of the Karcham Wangtoo and Baspa II hydro electric plant of the Company (the Projects), (b) a first charge on all moveable assets of the Projects, (c) a first charge on all project related documents licenses, permits, approvals, rights, titles, Interest etc pertaining to the Projects, and (d) first charge on book debts, operating cash flows, receivable, commissions & revenue (both present & future) and bank accounts of the Projects.

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Notes to the financial statements for the year ended 31st March, 2019

Note 16. Other financial liabilities (₹ Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Non-Current		
Deposits received from Dealers	0.01	0.01
	0.01	**0.01**
Current		
(a) Current maturities of long-term debt *	251.06	208.35
(b) Interest accrued but not due on borrowings	25.72	0.00
(c) Payable for capital project	53.68	64.99
(d) Other payable	292.86	128.37
	623.32	**401.71**
	623.33	**401.72**

* Refer Note 15 for the details of borrowings repayment terms and security charge.

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Notes to the financial statements for the year ended 31st March, 2019

Note 17. Provisions **(₹ Crore)**

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	Current	Non-Current	Total	Current	Non-Current	Total
Provision for employee benefits						
(i) Provision for gratuity	1.14	1.31	2.45	0.92	-	0.92
(ii) Provision for compensated absence	0.22	1.92	2.14	0.20	1.52	1.72
	1.36	**3.23**	**4.59**	**1.12**	**1.52**	**2.64**

* Refer Note 37 (Employees benefit plans)

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Notes to the financial statements for the year ended 31st March, 2019

Note 18. Trade payables

(₹ Crore)

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	Current	Non-Current	Total	Current	Non-Current	Total
Trade Payables						
(a) Total outstanding dues of micro and small enterprises	0.78	-	0.78			
(b) Total outstanding dues of creditors other than	49.46	-	49.46	30.99	-	30.99
	50.24	-	**50.24**	**30.99**	-	**30.99**

* Refer Note 44 (Disclosure under Micro,Small and Medium Enterprises Development Act)

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Notes to the financial statements for the year ended 31st March, 2019

Note 19. Other non-current and current liabilities (₹ Crore)

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	Current	Non-Current	Total	Current	Non-Current	Total
(a) Advances received from customers	-	-	-	0.03	-	0.03
(b) Employee recoveries and employer contributions	0.36	-	0.36	0.27	-	0.27
(c) Statutory dues	7.20	-	7.20	13.52	-	13.52
(d)) Advance against depreciation	0.25	-	0.25	-	-	-
	7.81	-	**7.81**	**13.82**	-	**13.82**

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Notes to the financial statements for the year ended 31st March, 2019

Note 20. Revenue from operations (₹ Crore)

	Particulars	For the year Ended 31st March,19	For the year Ended 31st March,18
	Disaggregation of revenue from contract with customers:		
(1)	Sale of power		
	Own generation	1,217.82	1,377.58
	Total revenue from contract with customers (A)	**1,217.82**	**1,377.58**
(2)	Income from service concession arrangement	26.15	23.35
	Income from service concession arrangement (B)	**26.15**	**23.35**
	Total (A) + (B)	**1,243.97**	**1,400.93**

(a) Significant changes in the contract liability balance during the year are follows:

Contract liability - Advance from customer	As at 31st March,2019	As at 31st March,2018
Opening balance	-	-
Less: Revenue recognized during the year from balance at the beginning of the year	-	-
Add: Advance received during the year not recognized as revenue	-	-
Closing Balance	-	-

Contract liability is the Company obligation to transfer goods or service to a customer for which the company has received consideration from the customer in advance

(b) Details of revenue from contract with Customer

Particulars	For the year Ended 31st March,19	For the year Ended 31st March,18
Total Revenue from contract with customers as above	1,217.82	1,377.58
Add: Rebate on prompt payment	15.77	14.89
Less: Incentive	63.71	67.41
Total Revenue from contract with customers as per contracted price	**1,169.89**	**1,325.06**

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Notes to the financial statements for the year ended 31st March, 2019

Note 21. Other income

(₹ Crore)

Particulars	For the year Ended 31st March,19	For the year Ended 31st March,18
a) Interest Income earned on financial assets that are not designated as at FVTPL		
i On Bank deposits	2.44	2.33
ii Interest Income	13.21	52.42
b) Others		
i Net Gain on sale of current investments designated as at FVTPL	9.45	11.36
ii Profit on sale of capital assets (net of loss on assets sold / scrapped / written off)	-	0.03
iii Net gain on foreign currency transaction *	0.00	0.00
iv Domestic Scrap Sales	0.38	0.19
v Insurance Claim	-	0.14
vi Sale of Carbon credit	1.02	-
vii Provision no longer required written back	4.45	5.73
viii Miscellaneous income	0.82	0.58
	31.77	**72.78**

* FY 2018-19 Rs.2105.25 FY 2017-18 Rs.1630.37

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Notes to the financial statements for the year ended 31st March, 2019

Note 22. Employee benefits expense (₹ Crore)

	Particulars	For the year Ended 31st March,19	For the year Ended 31st March,18
(a)	Salaries and wages	41.82	38.39
(b)	Contribution to provident and other funds *	1.75	1.41
(c)	Share based payment	0.16	0.13
(d)	Staff welfare expenses	2.47	1.98
		46.20	41.91

* Refer note 37 (Employees benefit plans) for the details of defined benefit plan and defined contribution plan of the Company.

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Notes to the financial statements for the year ended 31st March, 2019

Note 23. Finance costs

(₹ Crore)

	Particulars	For the year Ended 31st March,19	For the year Ended 31st March,18
(a)	Interest expense		
	I Interest on Debentures	72.18	116.86
	ii Interest on Term Loan	529.69	633.18
	iii Interest cash credit	0.01	0.00
(b)	Unwinding of interest on Financial liabilities carried at Amortised cost	4.61	4.61
(c)	Other borrowing costs	5.17	9.92
		611.66	**764.57**

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Notes to the financial statements for the year ended 31st March, 2019

Note 24. Depreciation and amortisation expense (₹ Crore)

	Particulars	For the year Ended 31st March,19	For the year Ended 31st March,18
(a)	Depreciation on property, plant and equipment	398.87	203.24
(b)	Amortization on Intangible assets	33.45	33.33
		432.32	**236.57**

* Refer note 46 (Change in accounting policy)

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Note 25. Other expenses (₹ Crore)

	Particulars	For the year Ended 31st March,19	For the year Ended 31st March,18
(a)	Stores and spares consumed	13.02	10.36
(b)	Power & Water	5.30	5.44
(c)	Rent including lease rentals	4.47	4.28
(d)	Repairs and maintenance	47.22	25.85
(e)	Royalty	0.09	0.08
(f)	Rates and taxes	0.36	0.79
(g)	Insurance	19.30	20.76
(h)	Net loss / (gain) on foreign currency transactions net off Derivative gain/loss (other than considered as finance costs)	0.01	-
(i)	Legal and other professional charges	1.90	2.66
(j)	Travelling Expenses	1.16	1.14
(k)	Donation	0.15	0.01
(l)	Corporate Social Responsibility *	4.09	2.20
(m)	Open Access Charges	14.10	60.44
(n)	Miscellaneous receivable balance written off	0.83	0.00
(o)	Other General Expenses	14.88	13.13
		126.88	**147.14**

* Refer note 40 (Details of Corporate Social Responsibility (CSR) expenditure

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Note 26. Tax expense **(₹ Crore)**

(a) Income Tax Expense

Particulars	For the year Ended 31st March,19	For the year Ended 31st March,18
a) Current Tax	14.52	59.51
b) Deferred Tax	(35.25)	3.89
	(20.73)	**63.40**

Note 27. Critical accounting judgements and key sources of estimation uncertainty

In the course of applying the policies outlined in all notes under section 3 above, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future periods.

Critical judgements in applying accounting policies

Service concession arrangements

The Management has assessed applicability of Appendix C of Ind AS 115: Service Concession Arrangements (revenue from contract with customer) with respect to its power plant and transmission assets portfolio. In assessing the applicability, they have exercised significant judgment in relation to the underlying ownership of the assets, terms of implementation agreements and power purchase agreements entered with the grantor, ability to determine prices, useful lives of the assets, assessment of right to guaranteed cash etc. Based on detailed evaluation, the Management has determined that arrangement in relation to the Company's Baspa power plant (300 MW) meets the criterion for recognition as service concession arrangements.

Revenue recognition

a) In case of BASPA, revenue from sale of power is accounted for on the basis of billing to Himachal Pradesh State Electricity Board Limited (HPSEBL) as per Tariff approved by Himachal Pradesh Electricity Regulatory Commission (HPERC) in accordance with the provisions of the Long Term Power Purchase Agreement (LTPPA) dated 4th June 1997, Amendment No. 1 dated 7th January 1998, executed between the Company and HPSEBL.

b) In case of KARCHAM Wangtoo , revenue from sale of power is accounted as under :

i) LTPPA sales are accounted for on the basis of invoices billed to procurer in accordance with the order of CERC, determining the tariff of Karcham Wangtoo Plant.

ii) Sale of power under Short Term and Medium Term Power Purchase Agreements (PPA) and through the Power Exchange is accounted for on the basis of billing to various buyers under the terms of the PPA and the Power Exchange.

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Key sources of estimation uncertainties

Impairment of property plant and equipment

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is usually determined on the basis of discounted estimated future cash flows. This involves management estimates on anticipated commodity prices, market demand and supply, economic and regulatory environment, discount rates and other factors. Any subsequent changes to cash flow due to changes in the above mentioned factors could impact the carrying value of assets.

Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

Fair value measurements

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The management determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Defined benefit plans

The cost of defined benefit plan and other post-employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary escalations and mortality rates etc. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Shared based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. This requires a reassessment of the estimates used at the end of each reporting period.

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Tax

The Company is subject to tax, principally in India. The amount of tax payable in respect of any period is dependent upon the interpretation of the relevant tax rules. Whilst an assessment must be made of deferred tax position of the entity, these matters are inherently uncertain until the position of the entity is agreed with the relevant tax authorities.

Evaluation of arrangements to determine whether it contains lease:

The management has critically evaluated the terms of the contract (including by obtaining independent legal advice) with respect to Karcham Wangtoo Hydro Plant to determine whether the contract is, in substance, with a customer or with multiple state electricity utility companies, and the customer is merely acting as an intermediator/facilitator. Based on such evaluation, it was concluded that the arrangement is not in the nature of lease in terms of Appendix "C" of Ind AS 17 "Determining whether an Arrangement contains a Lease".

Service concession arrangements:

In assessing the applicability of Appendix C to Ind AS 115: 'Service Concession Arrangements (revenue from contract with customer)', the management has exercised significant judgments in evaluating the useful lives of the assets and the terms of power purchase agreements / transmission license arrangements / other similar implementation arrangements/provisions of the Electricity Act, 2003 towards, the ability to enter into power purchase arrangements with any customer, power supply and pricing terms and and related rights beneficial entitlement in the related infrastructure, useful lives of the assets and obligation to transfer the asset at the end of arrangement etc. Based on such evaluation, the management has determined that only arrangement in respect of a Hydro power plant at Himachal Pradesh of the company meets the criterion for recognition as service concession arrangement.

Note 28.

The Company is yet to receive balance confirmations in respect to certain financial assets and liabilities. The management does not expect any material difference affecting to current year's financial statements due to the same.

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Note 29. Financial Instruments: Classifications and fair value measurements

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):

(₹ Crore)

As at 31st March, 2019	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets					
Financial assets carried at fair value through profit or loss (FVTPL)					
Investment in mutual fund units	107.06	107.06	-	107.06	-
Financial assets carried at amortised cost					
Security deposits	0.52	0.52	-	-	0.52
Trade receivables #	198.59	198.59	-	-	-
Receivables-Service concession agreement #	221.47	221.47	-	-	-
Cash and cash equivalents and other bank balances #	78.23	78.23	-	-	-
	605.87	**605.87**	-	**107.06**	**0.52**
Total Financial assets	**605.87**	**605.87**	-	**107.06**	**0.52**
Financial liabilities					
Financial Liabilities carried at amortised cost					
Borrowings	6,060.83	6,060.83	-	-	6,060.83
Rent and Other Deposits #	0.01	0.01	-	-	-
Trade Payables #	50.24	50.24	-	-	-
Payable for capital projects#	53.68	53.68	-	-	-
Other payable#	318.58	318.58			
	6483.34	**6483.34**	-	-	**6,060.83**
Total Financial liabilities	**6483.34**	**6483.34**	-	-	**6,060.37**

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(₹ Crore)

As at 31st March, 2018	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets					
Financial assets carried at fair value through profit or loss (FVTPL)					
Investment in mutual fund units	86.42	86.42	-	86.42	-
Financial assets carried at amortised cost					
Ancillary Borrowing cost #	56.80	56.80			
Security deposits	25.51	25.51	-	-	25.51
Trade receivables #	226.21	226.21	-	-	-
Receivables-Service concession agreement #	195.59	195.59	-	-	-
Other Receivables #	0.84	0.84	-	-	-
Cash and cash equivalents and other bank balances #	120.52	120.52	-	-	-
	711.89	**711.89**	**-**	**86.42**	**25.51**
Total Financial assets	**711.89**	**711.89**	**-**	**86.42**	**25.51**
Financial liabilities					
Financial Liabilities carried at amortised cost					
Borrowings	6,785.48	6,785.48	-	-	6,785.48
Rent and Other Deposits #	0.01	0.01	-	-	-
Trade Payables #	30.99	30.99	-	-	-
Payable for capital projects#	64.99	64.99			
Other payable#	128.37	128.37	-	-	-
	7,009.84	**7,009.84**	**-**	**-**	**6,785.48**
Total Financial liabilities	**7,009.84**	**7,009.84**	**-**	**-**	**6,785.48**

#The carrying amounts of ancillary borrowing cost, trade receivables, Receivables-Service concession agreement, other receivables, trade payables, capital creditors, cash and cash equivalents and other bank balances, rent and other deposits are considered to be the same as their fair values, due to their short term nature. The fair values of the financial assets and financial liabilities included in the level 2 are based on NAV and in level 3 based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

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Financial risk management objectives

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilizing forward foreign exchange contracts and currency options.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are **NIL**.

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and foreign currency required at the settlement date of certain receivables/payables. The use of foreign currency forward contracts is governed by the Company's strategy approved by the board of directors, which provide principles on the use of such forward contracts consistent with the Company's risk management policy.

The Forward exchange contracts entered into by the Company and outstanding are **NIL**.

Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

The Company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

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The following table provides a break-up of the Company's fixed and floating rate borrowings:

(₹ Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Fixed rate borrowings	384.50	800.00
Floating rate borrowings	5,676.33	5,985.48
Total borrowings	**6,060.83**	**6,785.48**

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit (PBT) for the year ended 31st March, 2019 would decrease/increase by Rs. 29.38 crore (for the year ended 31st March, 2018: decrease/increase by Rs. 32.93 crore). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay

if the guarantee is called on. No amount has been recognised in the financial position as financial liabilities

The state electricity distribution companies (Government companies) and related parties are the major customer of the Company and accordingly, credit risk is minimal.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the remaining contractual maturities of financial liabilities as at reporting date

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(₹ Crore)

As at 31st March, 2019				
Particulars	**< 1 year**	**1-5 years**	**> 5 years**	**Total**
Non-current liabilities				
Long term borrowings	-	1,262.32	4,547.45	5,809.77
Other long-term liabilities				
Rent and other Deposits	-	0.01	-	0.01
Total Non-Current Liabilities	-	1,262.33	4,547.45	5,809.78
Current Liabilities				
Trade and other payables and acceptances:				
Trade payables - Other than acceptances	50.24	-	-	50.24
Other current financial liabilities:				
Current maturities of long-term debt	251.06	-	-	251.06
Payable for capital project	53.68	-	-	53.68
Other payable	292.86			292.86
Interest accrued but not due on borrowings	25.72	-	-	25.72
Total current liabilities	673.56	-	-	673.56
Total Financial Liabilities	**673.56**	**1,262.33**	**4,547.45**	**6483.34**
Non-current assets				
Long term loans and advances				
Security deposits	-	0.01	0.51	0.52
Ancillary Borrowing cost	-	-	-	-
Service concession – arrangements	-	221.11	0.36	221.47
Other advances	-	3.75	-	3.75
Total Non-current Assets	-	224.87	0.87	225.74
Current assets				
Trade receivables	198.59	-	-	198.59
Cash and cash equivalents	46.14	-	-	46.14
Bank Balances other than above	28.34	-	-	28.34
Investments in mutual fund	107.06	-	-	107.06
Total current assets	380.13	-	-	380.13
Total Financial Assets	**380.13**	**224.87**	**0.87**	**605.87**

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(₹ Crore)

As at 31st March, 2018				
Particulars	**< 1 year**	**1-5 years**	**> 5 years**	**Total**
Non-current liabilities				
Long term borrowings	-	1,165.66	5,411.47	6,577.13
Other long-term liabilities				
Rent and other Deposits	-	0.01	-	0.01
Total Non-Current Liabilities	-	1,165.67	5,411.47	6,577.14
Current Liabilities				
Trade and other payables and acceptances:				
Trade payables - Other than acceptances	30.99	-	-	30.99
Other current financial liabilities:				
Current maturities of long-term debt	208.35	-	-	208.35
Payable for capital project	64.99	-	-	64.99
Other payable	128.37			128.37
Interest accrued but not due on borrowings	-	-	-	-
Total current liabilities	432.70	-	-	432.70
Total Financial Liabilities	**432.70**	**1,165.67**	**5,411.47**	**7,009.84**
Non-current assets				
Long term loans and advances				
Security deposits	-	0.51	25.00	25.51
Ancillary Borrowing cost	-	56.80	-	56.80
Service concession – arrangements	-	134.18	61.41	195.59
Other advances	-	0.02	-	0.02
Total Non-current Assets	-	191.51	86.41	277.92
Current assets				
Other assets	0.84	-	-	0.84
Trade receivables	226.21	-	-	226.21
Cash and cash equivalents	90.43	-	-	90.43
Bank Balances other than above	30.07	-	-	30.07
Investments	86.42	-	-	86.42
Total current assets	433.97	-	-	433.97
Total Financial Assets	**433.97**	**191.51**	**86.41**	**711.89**

The Company has hypothecated part of its trade receivables, loans, short term investments and cash and cash equivalents in order to fulfil certain collateral requirements for the banking facilities extended to the Company. There is obligation to release the hypothecation on these securities to the Company once these banking facilities are surrendered. (Refer Note 15)

Power offtake risk management

With supply outpacing demand in the medium term, merchant tariffs have been under constant pressure, posing a severe challenge to the off take of merchant power. With the DISCOMS adhering to strict fiscal discipline there has been deferment of power procurement, resulting in reduced demand for power. The Company's focus is on enhancing the sale through long term PPAs and through captive route and ensuring an optimum mix of medium, short and long term arrangements. Further, the Company is tracking various opportunities for sale of power to utilities in the home states as well as others.

Note 30 Capital management

The Company being in a capital intensive industry, its objective is to maintain a strong credit rating, healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

The Company's capital requirement is mainly to fund its capacity expansion ,repayment of principal and interest on its borrowings and strategic acquisition.The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings and the capital markets. The Company is not subject to any externally imposed capital requirements.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and align maturity profile of its debt commensurate with life of the asset and closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

Gearing ratio

The Company monitors its capital using gearing ratio, which is net debt divided to total equity as given below:

(₹ Crore)

Particulars	**As at 31st March, 2019**	**As at 31st March, 2018**
Debt (i)	5,676.33	5,985.48
Cash and bank balances (including current investment in liquid fund) (ii)	181.54	206.92
Net debt (i-ii)	**5,494.79**	**5,778.56**
Total equity (iii)	2,135.70	2,472.59
Net debt to equity ratio	**2.57**	**2.34**

(i) Debt includes long term and short term borrowings (refer note No-15)
(ii) Includes cash and cash equivalents balance in bank deposits (other than earmarked deposits) and investments in mutual fund.
(iii) Includes equity share capital and other equity.

Non-convertible debentures held by Holding company considered as quasi equity.

Note 31. Trade receivables

The average credit period on sales of power is 60 /30 days for Karcham Wangtoo HEP and Baspa II HEP respectively.

Trade receivables include amounts (see below for aged analysis) that are past due at the end of the reporting period for which the Company has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Allowances for doubtful debts are recognised against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

Ageing of Trade receivable:

(₹ Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Within the credit period	147.64	102.95
1-30 days past due	16.31	22.23
31-60 days past due	1.05	19.90
61-90 days past due	-	24.43
91-180 days past due	-	41.75
>180 days past due	33.59	14.96
Total	**198.59**	**226.21**

Note 32. Revenue recognition

a) Revenue from sale of power w.r.t Baspa II, is accounted for on the basis of billing to Himachal Pradesh State Electricity Board Limited (HPSEBL) as per Tariff approved by Himachal Pradesh Electricity Regulatory Commission (HPERC) in accordance with the provisions of the Long Term Power Purchase Agreement (LTPPA) dated 4th June, 1997, Amendment No. 1 dated 7th January, 1998, executed between the company and HPSEBL.

b) In case of Karcham Wangtoo Plant, revenue from sale of power is accounted as under:

- During the financial year 2018-19, LTPPA sales has been accounted as per the CERC Order dated 30th March, 2017.
- Sale of power under Short Term and Medium Term Power Purchase Agreements (PPA) and through the Power Exchange is accounted for on the basis of billing to various buyers under the terms of the PPA and terms of sale on the Power Exchanges.

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Note 33. Service concession arrangement

The Company has entered into an arrangement with Himachal Pradesh State Electricity Board ("HPSEB" or "the Board") in relation to its 300 MW Baspa Hydro Power Plant ("Baspa Power Plant") to provide power supply on the following basis:

- 12% of the Baspa Power Plant capacity to be provided free of cost to Himachal Government(GoHP).
- Balance 88 % of the Baspa Power Plant capacity at the tariff which consists of capacity charges, primary energy charges, incentive of secondary energy, incentive in case plant availability is greater than 90%

The term of the arrangement is for 40 years, further extendable by 20 years. In case HPSEB grants the Company further extension of 20 years, it shall have the right to continue purchasing power from the projects on the same terms of conditions. The Board has the option to purchase the Project at the end of the term of the Agreement at the buyout price determined in terms of Schedule II to the Agreement. Clause 3(a) of Schedule II to the Agreement provides that the Board shall purchase all the assets of the Baspa Power Plant including land, buildings, civil structures, plant and equipment, spare parts, records and drawings except for cash and bank balances.

Based on the aforesaid tariff structure, the right to consideration gives rise to an intangible asset and financial receivable and accordingly, both the intangible asset and financial receivable models are applied.

On the acquisition date, the hydro business reclassified PP&E of ₹1,366.56 crore and advance against depreciation of ₹236.23 crore at the existing carrying value to the financial asset of ₹199.58 crore and intangible asset of ₹930.75 crore. In respect of capital expenditure incurred during financial year 2015-2016, the hydro business has derecognized the PP&E and recognized financial assets and intangible assets in line with the accounting policy on SCA.

The depreciation of ₹28.92 crore on PP&E under previous GAAP has been reversed as the financial assets and intangible assets are recognized under Ind AS. Further the amortization of ₹19.39 crore on intangible assets have been provided and the financial assets are carried at amortised cost by accretion of interest income of ₹13.50 crore at effective interest rate and reversal of revenue from sale of power of ₹48.89 crore during the year ended 31st March, 2016.

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Note 34. Tax expenses

(₹ Crore)

Particulars	**For the year ended 31st March,2019**	**For the year ended 31st March,2018**
(1) Current Tax	14.75	59.93
(2) Deferred tax	(53.57)	11.28
(3) MAT credit entitlement availment	22.96	(11.58)
(4) Deferred tax (recoverable) / adjustable in future tariff	(4.64)	3.65
	(20.50)	**63.28**

A reconciliation of income tax expenses applicable to accounting profit / (loss) before tax at the statutory income tax rate to recognised income tax expenses for the year indicated are as follows:

(₹ Crore)

Particulars	**For the year ended 31st March,2019**	**For the year ended 31st March,2018**
Profit before tax (excluding share of gain/(loss) of an associate or joint venture)	**58.67**	**283.52**
Enacted tax rate	34.944%	34.944%
Computed expected tax expenses	20.50	99.07
Tax effect due to exempt income / non-taxable receipts	-	-
Tax effect due to tax holiday	(42.75)	(38.25)
Expenses not deductible in determining taxable profits	6.76	1.00
Deferred tax / tax credit recognised from earlier year	(35.25)	6.61
Effect of taxes (recoverable)/payable in future tariff	30.61	(5.24)
Other-Tax at lower rate	(0.38)	0.09
Tax expenses for the year	**(20.50)**	**63.28**

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Deferred tax assets / (liabilities)

Significant components of deferred tax assets / (liabilities) ,deductible temporary differences and unused tax losses recognised in the financial statements are follows:

(₹ crore)

	Particulars	As at 31st March,2018	Recognised / (reversed) through profit or loss/ OCI / equity	As at 31st March,2019
	Property plant & equipment	(78.20)	52.86	(25.34)
	Borrowings	2.74	0.26	3.00
	Investment	-	-	-
	MAT credit	55.83	(22.95)	32.88
	Provision for diminution in assets	-	-	-
	Recoverable / (payable) in future tariff	(15.66)	5.15	(10.51)
	Other	0.04	(0.08)	(0.04)
	Total	**(35.25)**	**35.25**	**0.00**

(₹ crore)

	Particulars	As at 31st March,2017	Recognised / (reversed) through profit or loss/ OCI / equity	As at 31st March,2018
	Property plant & equipment	(64.41)	(13.79)	(78.20)
	Borrowings	0.74	2.00	2.74
	Investment	-	-	-
	MAT credit	44.25	11.58	55.83
	Provision for diminution in assets	-	-	-
	Recoverable / (payable) in future tariff	(11.94)	(3.72)	(15.66)
	Other	-	0.04	0.04
	Total	**(31.36)**	**(3.89)**	**(35.25)**

Note 35. Operating segment

The Chairman of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators, however the Company is primarily engaged in only one segment viz., "Generation and Sale of power" and that most of the operations are in India. Hence the Company does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments".

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Note 36. Earnings per share

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Profit for the year (` crore) - (A)	79.41	220.12
Weighted average number of equity shares for basic & diluted EPS - (B)	1,25,00,50,000	1,25,00,50,000
Earnings Per Share – Basic and Diluted (`) - (A/B)	0.64	1.76
Nominal value of an equity share (`)	10	10

Note 37. Employee benefit Plans:

Defined benefits plans:-

(a) Defined contribution plans – Provident fund:

The Company makes monthly contributions to provident fund managed by trust for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

As per Ind AS 19 on "Employee Benefits", employer established provident fund trusts are treated as defined benefit plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. According to the defined benefit obligation of interest rate guarantee on exempted provident fund in respect of employees of the Company as at 31 March 2019 is 8.55% and hence no provision is required to be provided for in the books of accounts towards the guarantee given for notified interest rates.

Company's contribution to provident fund recognised in the Statement of profit and loss of ₹ 1.75 crore (for the year 31st March 2018: ₹ 1.41Crore) (included in note No.22)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Discount rate:	7.79%	7.85%
Rate of return on assets:	8.64%	8.88%
Guaranteed rate of return	8.65%	8.55%

(b) Defined benefits plans - Gratuity:

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. The amount of gratuity shall be payable to an employee on the termination of his employment after he has rendered continuous service for not less than five years, or on their superannuation or resignation. However, in case of death of an employee, the minimum period of five years shall not be required. The amount of gratuity payable on retirement / termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years' service completed. The gratuity plan is a funded plan administered by a separate Fund that is legally separated from the entity and the Company makes contributions to the insurer (LIC). The Company does not fully fund the liability and maintains a target level of funding to be maintained over period of time based on estimations of expected gratuity payments.

The Company has a policy on compensated absences with provisions on accumulation and encashment by the employees during employment or on separation from the Company due to death, retirement or resignation. The expected cost of compensated absences is determined by actuarial valuation performed by an independent actuary at the balance sheet date using projected unit credit method.

The plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to market yields at the end of the reporting period on government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities and debt instruments.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31st March, 2019 by M/S K A Pandit, Consultants & Actuaries. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Changes in the présent value of the defined benefit obligation are, as follows :

	(₹ Crore)
Defined benefit obligation as at 1st April, 2017	**2.90**
Interest cost	0.21
Current service cost	0.38
Benefits paid	(0.19)
Actuarial (Gains)/Loss	(0.27)
Defined benefit obligation as at 31 March, 2018	**3.03**
Interest cost	0.23
Current service cost	0.42
Benefits paid	(0.35)
Actuarial (Gains)/Loss	1.02
Defined benefit obligation as at 31 March, 2019	**4.35**

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Changes in the defined benefit obligation and fair value of plan assets as at 31st March, 2019

(₹ Crore)

Particulars		Defined Benefit Obligation	Fair Value of Plan assets	(Benefit)/ Liability
Gratuity cost charged to profit or loss	**Opening Balance as on 1st April, 2018**	**3.03**	**2.11**	**0.92**
	Current Service cost	0.42	-	0.42
	Net interest expense	0.23	0.16	0.07
	Liability Transferred in/Acquisitions*	0.04		0.04
	(Liability Transferred out/Divestments*)	(0.07)		(0.07)
	Sub-total included in profit or loss	**0.62**	**0.16**	**0.46**
Re-measurement gains / (losses) in other comprehensive income	Benefits paid	(0.35)	(0.35)	-
	Return on plan assets (excluding amounts included in net interest expense)		(0.02)	0.02
	Actuarial changes arising from changes in demographic assumptions		-	
	Actuarial changes arising from changes in financial assumptions	0.03	-	0.03
	Experience adjustments	1.02	-	1.02
	Sub-total included in OCI	**1.05**	**(0.02)**	**1.07**
	Contributions by employer	-	-	-
	Closing Balance as on 31st March, 2019	**4.35**	**1.90**	**2.45**

Changes in the defined benefit obligation and fair value of plan assets as at 31st March, 2018

(₹ Crore)

Particulars		Defined Benefit Obligation	Fair Value of Plan assets	(Benefit)/ Liability
Gratuity cost charged to profit or loss	**Opening Balance as on 1st April, 2017**	**2.90**	**0.35**	**2.55**
	Current Service cost	0.38	-	0.38
	Net interest expense	0.21	0.02	0.19
	Liability Transferred in/Acquisitions*	0.23	-	0.23
	(Liability Transferred out/Divestments*)	(0.04)	-	(0.04)
	Sub-total included in profit or loss	**0.79**	**0.02**	**0.77**

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	Benefits paid	(0.19	(0.19)	-
Re-measurement gains/(losses) in other comprehensive income	Return on plan assets (excluding amounts included in net interest expense)		0.07	(0.07)
	Actuarial changes arising from changes in demographic assumptions		-	-
	Actuarial changes arising from changes in financial assumptions	(0.15)	-	(0.15)
	Experience adjustments	(0.32)	-	(0.32)
	Sub-total included in OCI	**(0.47)**	**0.07**	**(0.54)**
	Contributions by employer	-	1.85	(1.85)
	Closing Balance as on 31st March, 2018	**3.03**	**2.11**	**0.92**

The actual return on plan assets (including interest income) was ₹ 0.14 Crore (previous year ₹0.09 crore)

The major categories of plan assets of the fair value of the total plan assets are as follows:

Particulars	**As at 31st March, 2019**	**As at 31st March, 2018**
Insurer Managed Funds	100%	100%

In the absence of detailed information regarding plan assets which is funded with insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has been not been disclosed.

The principal assumptions used in determining gratuity for the Company's plans are shown below:

Particulars	**As at 31st March, 2019**	**As at 31st March, 2018**
Discount rate:	7.69%	7.78%
Future salary increases:	6%	6%
Rate of Employee Turnover	2%	2%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

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Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discounted rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period. While holding all other assumptions constant.

Particulars	As at 31st March, 2019	As at 31st March, 2018
Delta Effect of +1% Change in Rate of Discounting	(0.35)	(0.27)
Delta Effect of -1% Change in Rate of Discounting	0.40	0.31
Delta Effect of +1% Change in Rate of Salary Increase	0.40	0.31
Delta Effect of -1% Change in Rate of Salary Increase	(0.36)	(0.27)
Delta Effect of +1% Change in Rate of Employee Turnover	0.05	0.04
Delta Effect of -1% Change in Rate of Employee Turnover	(0.05)	(0.05)

The following are the maturity analysis of projected benefit obligations:

(₹ Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Within the next 12 months (next annual reporting period)	0.28	0.17
Between 2 and 5 years	1.35	0.87
Between 5 and 10 years	1.90	1.20
Above 10 years	6.41	5.51
Total expected payments	**9.94**	**7.75**

Each year an assets-liability-matching study is performed in which the consequences of the strategic Investment policies are analysed in term of risk and return profiles.

The company expects to contribute ₹ 1.14 crore (previous year ₹ 0.92 crore) to its gratuity plan for the next year. The weighted average duration of the defined benefit plan is 10 years (previous year 11 year)

Compensated Absences

The Company has a policy on compensated absences with provisions on accumulation and encashment by the employees during employment or on separation from the Company due to death, retirement or resignation. The expected cost of compensated absence is determined by actuarial valuation performed by an independent actuary at the balance sheet date using projected unit credit method.

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Note 38. Employee share based payment plan

a) The Company has the share option plan schemes for permanent employees of the Company in the identified grades of employees for respective plans / schemes including any director except promoter or independent directors, nominee directors and non-executive directors or a director who either himself or through relatives or through anybody directly or indirectly holds more than 10% of the outstanding equity shares of the parent Company.

b) The award value shall be determined as percentage of Total Fixed Pay. The grant shall be at such price as may be determined by the ESOP Committee and shall be specified in the Grant letter. The option shall not be transferable and can be exercised only by the employees of the Company.

c) The number of options to be granted to each eligible employees is determined by dividing the Award Value (amount equivalent to percentage of Annual Fix Pay) by the Fair Value of option provided. The Fair Value of option on the date of each grant is determined by using Black Scholes model.

The following table illustrates the number movements in share option during the year:

JSWEL EMPLOYEES STOCK OWNERSHIP PLAN – 2012 (Grant Date: 3rd May, 2016)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Outstanding at 1 April	-	82145
Granted during the year	-	-
Exercised During the Year	-	46084
Expired during the year	-	36061
Outstanding at 31st March,	-	-
Exercisable at 31st March	-	-

JSWEL EMPLOYEES STOCK OWNERSHIP PLAN – 2012 (Grant Date: 19th May, 2017)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Outstanding at 1 April	73211	-
Granted during the year	-	73211
Exercised During the Year	-	-
Expired during the year	-	-
Outstanding at 31st March,	73211	73211
Exercisable at 31st March	73211	73211

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ii) JSWEL EMPLOYEES STOCK OWNERSHIP PLAN – 2016 (Grant Date: 1st Nov, 2018)

a) The Company has the share option plan schemes for permanent employees of the Company in the identified grades of employees for respective plans / schemes including any director except promoter or independent directors, nominee directors and non-executive directors or a director who either himself or through relatives or through anybody directly or indirectly holds more than 10% of the outstanding equity shares of the parent Company.

b) The award value shall be determined as percentage of Total Fixed Pay. The grant shall be at such price as may be determined by the ESOP Committee and shall be specified in the Grant letter. The option shall not be transferable and can be exercised only by the employees of the Company.

c) The number of options to be granted to each eligible employees is determined by dividing the Award Value (amount equivalent to percentage of Annual Fix Pay) by the Fair Value of option provided. The Fair Value of option on the date of each grant is determined by using Black Scholes model.

Particulars	**As at 31st March, 2019**	**As at 31st March, 2018**
Outstanding at 1 April	-	-
Granted during the year	219428	-
Exercised During the Year	-	-
Expired during the year	-	-
Outstanding at 31st March,	219428	-
Exercisable at 31st March	219428	-

The Method of settlement for above grants are as below:

Particulars	***Grant date***		
	3rd May, 2016	**19th May, 2017**	**1st Nov,2018**
Vesting period	3/4 years	3/4 years	3/4 years
Method of settlement	Equity	Equity	Equity
Exercise price₹	53.68	51.80	51.96
Fair value₹	30.54/31.01	28.21/29.54	36.46/39.52
Dividend Yield(%)	20%	20%	20%
Expected Volatility(%)	46.32%/44.03%	44.50%/45.16%	44.50%/45.16%
Risk free Interest rate (%)	7.40%/7.47%	6.90%/6.98%	6.90%/6.98%
Expected Life of Share options (years)	5/6 Years	5/6 Years	5/6 Years
Weighted Average exercise price₹	53.68	51.80	51.96

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

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Note 39. Operating Lease

The Company, as a lessee, has entered into operating leases on certain immovable properties (Shimla office and 3 no. guest houses), with lease terms of 3 years. The Company has the option to lease the assets for additional terms as mutually agreed. The Company has paid INR ₹ 8.00 lakh (31 March 2018: INR ₹ 26.29 lakh) during the year towards minimum lease payment.

Future minimum rentals payable under non-cancellable operating leases as follows:

(₹ Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Within one year	0.08	0.07
After one year but not more than five years	0.13	0.01
More than five years	-	-
Total	**0.21**	**0.08**

Note 40. Details of Corporate Social Responsibility (CSR) Expenditure:

(₹ Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Amount required to be spent as per Section 135 of the Act	4.09	2.20
Amount spend during the year on:		
(i) Construction / acquisition of an asset	1.81	1.10
(ii) On purpose other than (i) above	2.28	1.10
Total	**4.09**	**2.20**

Note 41. Commitments

(₹ Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Estimated amount of Capital contracts remaining to be executed to the extent not provided for (net of advances)	21.33	11.86
Total	21.33	11.86

Note 42. Contingent liabilities

(₹ Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Claims against the Company not acknowledged as debt (recoverable from others)*	127.84	127.84
(b)Other claims not acknowledged as debt	0.07	0.07
c) Income tax Demand for AY 2016-17	34.72	
Total	162.63	127.91

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* Himachal Pradesh State Electricity Board Limited (HPSEBL) has raised a claim on the Jaiprakash Power Ventures Limited (JPVL) vide its letter dated 6.11.2012 towards expenditure incurred for survey & investigation work of Baspa II HEP (300 MW) amounting to Rs. 127.84 crore. Pursuant to this an application was moved before the Hon'ble High Court to restrain the respondent Board (HPSEBL) from recovering the claimed amount from the energy bills of petitioner company. The Hon'ble court has accepted the plea and directed the Company to deposit ₹25 crores as security, which the company has complied with and disclosed under Long term loans and advances. Any future claims raised on this account are fully secured against the specific indemnity issued by Jaiprakash Power Ventures Limited (JPVL) in favour of the company.

The Company's pending litigations comprise mainly claims against the Company, property disputes, proceedings pending with Government Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not reasonably expect the outcome of these proceedings to have a material impact on its financial statements.

Note 43. Related party disclosure

A)	**List of Related Parties**
	Related parties with whom the Company has entered into transactions during the year:
I	**Holding Company**
1	JSW Energy Ltd.
II	**Enterprises over which key management personnel and relatives of such personnel exercise significant influence**
1	JSW Steel Limited
2	Jindal Vidya Mandir
3	JSW IP Holdings Private Limited
4	Jaypee Private ITI
5	JSW Global Business Solutions Limited
6	JSW Foundation
III	**Joint Venture / Associates**
1	JSW Power Trading Company Ltd.
2	JSW Energy (Barmer) Limited
IV	**Key Managerial Personnel**
1	Mr. Prashant Jain – Chairman (From 16th Jun,2017)
2	Mr. Girish Deshpande – Whole Time Director (Till 31st Aug,18)
3	Mr. Jyoti Kumar Agarwal – Director Finance
4	Mr. Gyan Bhadra Kumar - Whole Time Director (From 31st Aug,18)
5	Mr. Sanjeev Kango - Chief Financial Officer (From 27th Apr,17)
6	Ms. Vrushali Karnik - Company Secretary (From 5th Feb,18)
7	Ms. Sheila Sangwan - Independent Director
8	Mr. Rakesh Nath- Independent Director
9	Ms. Shailaja Chandra - Independent Director

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10	Mr. Nirmal Kumar Jain - Non-executive Director
11	Mr. Chandan Bhattacharya - Independent Director
12	Ms. Seema Jajodia- Non-executive Director
13	Mr. Sharad Mahendra – Additional Director (From 1st Nov,18)

(₹ crore)

B	Transaction during the year	Current Year	Previous Year
1	Sale of power /Material		
	JSW Power Trading Company Limited	3.29	490.42
2	Interest on Debentures		
	JSW Energy Limited	72.18	116.86
3	Rebate on Sale of power		
	JSW Power Trading Company Limited		1.88
4	Service Received		
	JSW Global Business Solutions Limited	2.93	0.65
5	Purchase of Fuel / Goods		
	JSW Steel Limited	1.00	-
	JSW Energy (Barmer) Limited	0.01	
6	Advertisement/Sponsorship/Branding expense		
	JSW IP Holdings Private Limited	2.42	3.10
7	Reimbursement received from / (paid to) {net}:		
	JSW Energy Limited	(3.56)	(1.73)
	JSW Steel Limited	(1.33)	(1.16)
	JSW Power Trading Company Limited	(0.02)	(13.65)
	Jaypee Private ITI	(0.23)	(0.21)
	JSW Global Business Solutions Limited	(0.04)	
	Jindal Vidya Mandir	(0.57)	
8	Donation/CSR Expenses		
	Jindal Vidya Mandir		0.64
	JSW Foundation	0.19	
9	Redemption of 13% non-convertible debentures:		
	JSW Energy Limited	415.50	100.00

(₹ crore)

C	Closing Balances	As at 31st March, 2019	As at 31st March, 2018
1	Trade (Payables) / Receivables		
	JSW Energy Limited	(5.13)	(1.64)
	JSW Steel Limited	(0.06)	(0.10)
	JSW Power Trading Company Limited	(0.00)	98.96

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JSW Hydro Energy Limited

	JSW Global Business Solutions Limited	(0.25)	(0.22)
2	Deposit With		
	JSW IP Holdings Private Limited	0.07	0.07
3	Non-Convertible Debentures		
	JSW Energy Limited	384.50	800.00
4	Equity Share Capital		
	JSW Energy Limited	1,250.05	1,250.05
5	Loan and Advances		
	JSW IP Holdings Private Limited	0.26	0.21

D. The Remuneration to Key Managerial Personnel During the year was as follows:

(₹ crore)

	Particulars	**For the year ended 31st March, 2019**	**For the year ended 31st March, 2018**
1	Short term benefits	0.90	0.48
2	Post –Employment benefits	0.03	0.02
3	Sitting fees	0.14	0.16
4	Commission to directors	-	-

Note:

i) No amounts in respect of related parties have been written off / written back during the year, nor has any provision been made for doubtful debts / receivables during the year, except as discussed above

ii) Related party relationships have been identified by the management and relied upon by the Auditors

iii) Related party transactions have been disclosed on basis of value of transactions in terms of the respective contracts.

iv) Terms and conditions of sales and purchases: the sales and purchases transactions among the related parties are in the ordinary course of business based on normal commercial terms, conditions, market rates and memorandum of understanding signed with the related parties. For the year ended 31st March, 2018, the Company has not recorded any loss allowances for transactions between the related parties.

Note 44. Disclosure under Micro, Small and Medium Enterprises Development Act

The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

(₹ crore)

Sl. No.	**Particulars**	**As at 31st March, 2019**	**As at 31st March, 2018**
1	Principal amount outstanding to MSME*	0.78	-
2	Principal amount due and remaining unpaid	-	-
3	Interest due on (2) above and the unpaid interest	-	-
4	Interest paid on all delayed payments under the MSMED Act.	-	-

JSW Hydro Energy Limited

5	Payment made beyond the appointed day during the year	-	-
6	Interest due and payable for the period of delay other than (4) above	-	-
7	Interest accrued and remaining unpaid	-	-
8	Amount of further interest remaining due and payable in succeeding years	-	-

*Does not exceed 45 days from the acceptance or the date of deemed acceptance of the goods and service.

Note 45. Remuneration to Auditors (excluding service tax/GST)

(₹ crore)

	Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
1	Audit Fees	0.35	0.31
2	Tax Audit Fees	0.05	0.05
3	Certification Fees	0.01	0.00
4	Reimbursement of Expenses	0.01	-
	Total	**0.42**	**0.36**

Note 46. Change in accounting policy

Post 100% tie up of Karcham Wangtoo HEP from 1st April 2018 with state discoms, The company provided depreciation on tangible assets as per the provisions of Part B of Schedule II of the Companies Act,2013 based on the rates, useful life and residual value notified for accounting purposes by CERC Tariff regulation 2014. Earlier company was providing depreciation based on technical evaluation of useful life and residual value as per the provision of part A of schedule II of the Companies Act 2013.The increased depreciation expenses of the aforesaid change for the year ended 31st March,2019 is Rs.195.63 crores

For and on behalf of the Board of Directors

Gyanbhadr Kr.

Gyan Bhadra Kumar
Whole Time Director
[DIN:03620109]

Prashant Jain
Chairman
[DIN: 01281621]

Vrushali Karnik
Company Secretary

Sanjeev Kango
Chief Financial Officer

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