

JSW Energy (Raigarh) Limited
Balance Sheet as at March 31, 2018

(In `)

Particulars			Note No.	As at March 31, 2018	As at March 31, 2017
A		ASSETS			
	1	Non-current assets			
		(a) Property, plant and equipment	4	2602,38,823	2607,63,169
		(b) Capital work-in-progress	5	-	2358,42,126
		(c) Other Intangible assets	6	1,43,260	2,11,978
		(d) Financial Assets			
		(i) Other financial assets	7	1305,43,952	1305,43,952
		(e) Other non-current assets	8	4809,29,326	4809,29,326
		Total Non - Current Assets		8718,55,361	11082,90,551
	2	Current assets			
		(a) Financial Assets			
		(i) Cash and cash equivalents	9	2,88,849	3,43,535
		(ii) Other financial assets	7	-	377
		(b) Other current assets	8	9,318	61,776
		Total Current Assets		2,98,167	4,05,688
		Total Assets		8721,53,528	11086,96,239
B		EQUITY AND LIABILITIES			
	1	Equity			
		(a) Equity share capital	10A	11383,23,000	11383,23,000
		(b) Other equity	10B	(2712,84,286)	(309,79,840)
		Total equity		8670,38,714	11073,43,160
		Liabilities			
	2	Non-current liabilities			
		(a) Financial Liabilities			
		(i) Borrowings	11	35,00,000	-
		(b) Provisions	12	-	1,14,479
		Total Non - Current Liabilities		35,00,000	1,14,479
	3	Current liabilities			
		(a) Financial Liabilities			
		(i) Trade payables	13	15,49,263	11,82,464
		(b) Provisions	12	-	10,622
		(c) Current tax liabilities (net)	14	-	3,745
		(d) Other current liabilities	15	65,551	41,769
		Total Current Liabilities		16,14,814	12,38,600
		Total Equity and Liabilities		8721,53,528	11086,96,239

See accompanying notes to the financial statements

As per our attached report of even date

For Lodha & Co.

Chartered Accountants

Firm Registration No. 301051E

For and on behalf of the Board of Directors

A. M. Hariharan

Partner

Membership No. 38323

Akash Sharma

Whole-time Director

[DIN : 03135322]

Jayaprakash Nair

Director

[DIN : 07816567]

Place: Mumbai

Date : April 30, 2018

Rakesh Punamiya

Company Secretary

Sudarsan Maddi

Chief Financial Officer

JSW Energy (Raigarh) Limited
Statement of Profit and Loss for the year ended March 31, 2018
(In ₹)

SI No.	Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I	Revenue from operations		-	-
II	Other income	16	163	59,650
III	Total Income		163	59,650
IV	Expenses			
	(a) Depreciation and amortisation expense		5,02,074	5,80,142
	(b) Finance costs	17	1,75,548	-
	(c) Other expenses	18	37,84,861	8,60,809
	(d) Pre-operative and other expenses w/off		2358,42,126	-
	Total Expenses		2403,04,609	14,40,951
V	Loss before tax		(2403,04,446)	(13,81,301)
VI	Tax Expense			
	(a) Current tax		-	17,724
	(b) Deferred tax		-	-
VII	Loss after tax		(2403,04,446)	(13,99,025)
VIII	Other comprehensive income			
	(i) Items that will not be reclassified to profit or loss			-
	- Remeasurements of the defined benefit liabilities / (asset)		-	(27,854)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
IX	Total comprehensive income for the year		(2403,04,446)	(14,26,879)
X	Earnings per equity share of Rs 10 each	23		
	Basic (₹)		(2.11)	(0.01)
	Diluted (₹)		(2.11)	(0.01)

See accompanying notes to the financial statements

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Company Secretary

Sudarsan Maddi

Chief Financial Officer

JSW Energy (Raigarh) Limited
Statement of changes in equity for the year ended March 31, 2018

(In `)

[A] Equity share capital

Balance as at April 1, 2016	11333,23,000
Changes in equity share capital during the year	50,00,000
Balance as at March 31, 2017	11383,23,000
Changes in equity share capital during the year	-
Balance as at March 31, 2018	11383,23,000

[B] Other equity

Particulars	Share Application money pending allotment	Reserve and surplus	Items of other comprehensive income	Total
		Retained earnings	Actuarial Gain / (Loss) on defined benefit liabilities / (asset)	
Balance as at April 1, 2016	10,00,000	(295,52,961)	-	(285,52,961)
Loss for the year	-	(13,99,025)	(27,854)	(14,26,879)
Movement during the year	(10,00,000)	-	-	(10,00,000)
Balance as at March 31, 2017		(309,51,986)	(27,854)	(309,79,840)
Balance as at April 1, 2017	-	(309,51,986)	(27,854)	(309,79,840)
Loss for the year	-	(2403,04,446)	-	(2403,04,446)
Balance as at March 31, 2018		(2712,56,432)	(27,854)	(2712,84,286)

See accompanying notes to the financial statements

As per our attached report of even date

For Lodha & Co.

Chartered Accountants

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Place: Mumbai

Date : April 30, 2018

Rakesh Punamiya

Company Secretary

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Chief Financial Officer

JSW Energy (Raigarh) Limited
Statement of Cash Flows for the year ended March 31, 2018

(In `)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before tax	(2403,04,446)	(13,81,301)
Adjusted for:		
Depreciation and amortisation expense	5,02,074	5,80,142
Interest income	(163)	(59,650)
Finance costs	1,75,548	-
Pre-operative expenses w/off	2358,42,126	-
Operating Profit / (Loss) before working capital changes	(37,84,861)	(8,60,809)
Adjustments for:		
Increase/(Decrease) in other financial assets and current assets	52,835	43,916
Increase/(Decrease) in other financial liabilities and current liabilities	2,11,288	(3,61,681)
Cash used in operations	(35,20,738)	(11,78,574)
Direct taxes paid (Net)	-	(13,979)
NET CASH FLOW USED IN OPERATING ACTIVITIES	(35,20,738)	(11,92,553)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment and intangible assets (including capital work-in-progress)	(34,111)	(38,76,677)
Interest received	163	59,650
NET CASH USED IN INVESTING ACTIVITIES	(33,948)	(38,17,027)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Shares to the holding company	-	40,00,000
Borrowings from Holding Company	35,00,000	-
NET CASH FROM FINANCING ACTIVITIES	35,00,000	40,00,000
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(54,686)	(10,09,580)
CASH AND CASH EQUIVALENTS - AT THE BEGINNING OF THE YEAR	3,43,535	13,53,115
CASH AND CASH EQUIVALENTS - AT THE END OF THE YEAR (refer note 9)	2,88,849	3,43,535

See accompanying notes to the financial statements

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Place: Mumbai

Date : April 30, 2018

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Company Secretary

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Chief Financial Officer

JSW Energy (Raigarh) Limited

Notes to Financial Statements for the year ended March 31, 2018

Note

1 General information

The Company forms part of the JSW Energy group, and is a 100% subsidiary of JSW Energy Limited. The Company is in the process of setting up 2 x 660 MW capacity of super critical thermal power plant at Raigarh.

2 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standard (IND AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

3 Significant accounting policies

3.1 Basis of preparation of financial statements:

These financial statements have been prepared in accordance with the IND AS as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with rule 4 of the Companies (Indian Accounting standards) Rules, 2015.

The financial statements of the Company are prepared 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:

The financial statements are presented in Indian ` ('INR') .

3.2 Use of estimates & Judgements:

The preparation of the financial statements requires 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.

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 19.

3.3 Property, plant and equipment

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. Major shutdown or overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.

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.

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. Where an obligation (legal or constructive) exists to dismantle or remove an asset or restore a site to its former condition at the end of its useful life, the present value of the estimated cost of dismantling, removing or restoring the site is capitalized along with the cost of acquisition or construction upon completion and a corresponding liability is recognized. Revenue generated from production during the trial period is capitalised

3.4 Intangible assets :-

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.

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.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3.5 Depreciation & amortisation:

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.

Amortisation of intangible assets 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.

Assets held under finance leases are depreciated 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.

Depreciation on tangible assets is provided as per the provisions of Part C of Schedule II of the Companies Act, 2013 based on useful life and residual value specified therein.

JSW Energy (Raigarh) Limited

Notes to Financial Statements for the year ended March 31, 2018

3.6 **Borrowing costs:**

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.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in Statement of profit or loss in the period in which they are incurred.

3.7 **Cash and cash equivalents:**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and demand deposits 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.

3.8 **Revenue recognition:**

Dividend and interest income:

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

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.

3.9 **Taxation:**

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.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the 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.

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.

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.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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.

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.

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.

3.10 **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.

JSW Energy (Raigarh) Limited
Notes to Financial Statements for the year ended March 31, 2018

3.11 Provisions , Contingencies and commitments:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and 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 where 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.

3.12 Foreign currency transactions and foreign operation:

In preparing the financial statements of the Company, transactions in currencies other than the Company'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 statement of 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;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to statement of profit or loss on repayment of the monetary items.

3.13 Leases:

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.

JSW Energy (Raigarh) Limited
Notes to Financial Statements for the year ended March 31, 2018

3.14 Employee Benefits:

a. Short-term employee benefits:

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

b. Long term employee benefits:

Compensated absences which are not expected to be availed or encashed within twelve months after the end of the period in which the employee renders the related service are recognised as a liability as at the Balance Sheet date on the basis of actuarial valuation using projected unit credit method.

c. Retirement benefit costs and termination benefits

Defined contribution plans:

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plans:

For defined benefit retirement benefits plans, the cost of providing benefits is determined using the projected unit credit method, and spread over the period during which the benefit is expected to be derived from employees' services. Re-measurement of defined benefit plans in respect of post-employment and other long term benefits are charged to the Other Comprehensive Income. Actuarial valuations being carried out at the end of each annual reporting period for defined benefit plans.

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/ superannuation. The gratuity is paid @ 15 days salary for the every completed year of service as per the Payment of Gratuity Act, 1972.

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.

Share-based payment arrangements:

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.

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.

The Company has created an Employee Benefit Trust for providing share-based payment to its employees. The Trust is used as a vehicle for distributing shares to employees under the employee remuneration schemes. The Trust buys shares of the Parent Company from the market, for giving shares to employees. The Company treats the Trust as its extension and shares held by the Trust are treated as treasury shares.

3.15 Financial instruments:

Financial assets and financial liabilities are recognised when a Company 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 statement of 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.

JSW Energy (Raigarh) Limited

Notes to Financial Statements for the year ended March 31, 2018

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (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 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 statement of 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 statement of 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 statement of profit or loss and is included in the "Other income" line item.

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 remeasurement recognised in statement of profit or loss. The net gain or loss recognised in statement of 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

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.

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.

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.

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.

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.

JSW Energy (Raigarh) Limited

Notes to Financial Statements for the year ended March 31, 2018

Derecognition of financial assets

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.

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 statement of profit or loss if such gain or loss would have otherwise been recognised in statement of profit or loss on disposal of that financial asset.

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 statement of profit or loss if such gain or loss would have otherwise been recognised in statement of 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.

3.16 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 a Company 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 statement of 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 Company 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 Companying 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 remeasurement recognised in statement of profit or loss. The net gain or loss recognised in statement of profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

JSW Energy (Raigarh) Limited
Notes to Financial Statements for the year ended March 31, 2018

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 statement of 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 statement of profit or loss.

3.17 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 change 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.

JSW Energy (Raigarh) Limited
Notes to financial statements for the year ended March 31, 2018

Note No. 4 - Property, plant and equipment

(In `)

Description of Assets	Land - Freehold	Land - Leasehold	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Carrying Value						
Balance as at April 1, 2017	2378,16,171	227,93,402	2,37,266	5,85,831	3,90,200	2618,22,870
Additions / (Deletion)	-	-	(39,795)	(1,55,065)	-	(1,94,860)
Balance as at March 31, 2018	2378,16,171	227,93,402	1,97,471	4,30,766	3,90,200	2616,28,010
II. Accumulated depreciation						
Balance as at April 1, 2017	-	4,54,524	1,89,467	1,96,120	2,19,590	10,59,701
Depreciation expense for the year	-	2,27,262	1,456	95,692	1,09,795	4,34,205
Additions / (Deletion)	-	-	(30,834)	(73,885)	-	(1,04,719)
Balance as at March 31, 2018	-	6,81,786	1,60,089	2,17,927	3,29,385	13,89,187
Net Carrying Value (I-II)						
Balance as at March 31, 2018	2378,16,171	221,11,616	37,382	2,12,839	60,815	2602,38,823

Description of Assets	Land - Freehold	Land - Leasehold	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Carrying Value						
Balance as at April 1, 2016	2378,16,171	227,93,402	2,37,266	5,85,831	3,90,200	2618,22,870
Additions	-	-	-	-	-	-
Balance as at March 31, 2017	2378,16,171	227,93,402	2,37,266	5,85,831	3,90,200	2618,22,870
II. Accumulated depreciation						
Balance as at April 1, 2016	-	2,27,262	1,60,742	98,060	1,09,795	5,95,859
Depreciation expense for the year	-	2,27,262	28,725	98,060	1,09,795	4,63,842
Balance as at March 31, 2017	-	4,54,524	1,89,467	1,96,120	2,19,590	10,59,701
Net Carrying Value (I-II)						
Balance as at March 31, 2017	2378,16,171	223,38,878	47,799	3,89,711	1,70,610	2607,63,169

Note: The Company has availed the deemed cost exemption in relation to property, plant and equipment on the date of transition and hence the net carrying amount has been considered as the gross carrying amount on that date.

JSW Energy (Raigarh) Limited
Notes to financial statements for the year ended March 31, 2018
Note No.5 - Capital work-in-progress

(In ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Plant and Equipment, Civil works		
Railway sliding	112,17,710	112,17,710
Civil works	93,60,545	93,60,545
Sub Total (A)	205,78,255	205,78,255
<u>Pre- Operative expenditure during construction period (Pending allocation) :</u>		
Opening balance	2113,68,587	2113,68,587
Employees benefits expense	20,01,866	20,01,866
Repairs & maintenance	22,170	22,170
Rent	6,69,300	6,69,300
Legal and professional expenses	6,58,950	6,58,950
Travelling and conveyance	3,42,242	3,42,242
CSR expenses	2,00,757	2,00,757
Sub Total (B)	2152,63,871	2152,63,871
Pre-operative expenses transferred to statement of profit or loss (C)	2358,42,126	-
Total (A + B - C)	-	2358,42,126

JSW Energy (Raigarh) Limited

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

Note No.6 -Other intangible assets

(In ₹)

Description of Assets	Computer Software
I. Gross Carrying Value	
Balance as at April 1, 2017	4,44,578
Additions / (Deletions)	(16,999)
Balance as at March 31, 2018	4,27,579
II. Accumulated amortisation	
Balance as at April 1, 2017	2,32,600
Amortisation expense for the year	67,868
Additions / (Deletions)	(16,149)
Balance as at March 31, 2018	2,84,319
Net Carrying Value (I-II)	
Balance as at March 31, 2018	1,43,260

Description of Assets	Computer Software
I. Gross Carrying Value	
Balance as at April 1, 2016	4,44,578
Additions / (Deletions)	-
Balance as at March 31, 2017	4,44,578
II. Accumulated amortisation	
Balance as at April 1, 2016	1,16,300
Amortisation expense for the year	1,16,300
Balance as at March 31, 2017	2,32,600
Net Carrying Value (I-II)	
Balance as at March 31, 2017	2,11,978

JSW Energy (Raigarh) Limited

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

Note No.7 - Other financial assets

(In `)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Current	Non- Current	Current	Non- Current
a) Security deposits with government/semi-government authorities				
- Unsecured, considered good	-	1304,99,452	-	1304,99,452
	-	1304,99,452	-	1304,99,452
b) Security deposits with others				
- Unsecured, considered good	-	44,500	-	44,500
	-	44,500	-	44,500
c) Interest receivable				
- Interest accrued on deposits	-	-	377	-
	-	-	377	-
Total	-	1305,43,952	377	1305,43,952

JSW Energy (Raigarh) Limited**Notes to financial statements for the year ended March 31, 2018****Note No.8 - Other non-current and current assets**

Particulars	As at March 31, 2018		As at March 31, 2017	
	Current	Non- Current	Current	Non- Current
(a) Capital Advances	-	4809,29,326	-	4809,29,326
(b) Prepayments	8,523	-	18,932	-
(c) Balance in gratuity fund	-	-	42,844	-
(d) Advance Tax (net)	795	-	-	-
Total	9,318	4809,29,326	61,776	4809,29,326

JSW Energy (Raigarh) Limited**Notes to financial statements for the year ended March 31, 2018****Note No.9 - Cash and cash equivalents****(In `)**

Particulars	As at March 31, 2018	As at March 31, 2017
Cash and cash equivalents		
(a) Balances with banks		
(i) In Current Accounts	2,88,849	43,069
(ii) In Deposit Accounts	-	3,00,466
Total	2,88,849	3,43,535

JSW Energy (Raigarh) Limited

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

Note No.10A -Equity share capital

(In ₹)

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of Rs.10 each with voting rights	25000,00,000	250000,00,000	25000,00,000	250000,00,000
Issued, Subscribed and Fully Paid:				
Equity shares of Rs. 10 each with voting rights	1138,32,300	11383,23,000	1138,32,300	11383,23,000

1] The reconciliation of the number of shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2018	As at March 31, 2017
	No. of Shares	No. of Shares
Shares outstanding as at the beginning of the year	1138,32,300	1133,32,300
Add: Fresh issue of shares	-	5,00,000
Shares outstanding as at the end of the year	1138,32,300	1138,32,300

2] Disclosure of Share holding

Particulars	As at March 31, 2018	As at March 31, 2017
	No. of Shares	No. of Shares
a) Details of Shareholding by Holding Company, Subsidiary of Holding Company or		
JSW Energy Ltd (Holding company)	1138,32,300	1138,32,300
b) Details of more than 5% of aggregate share in the company		
JSW Energy Ltd (Holding company)	1138,32,300	1138,32,300

3] Terms & Rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs 10/- share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company the share holder of equity share will be entitle to receive remaining assets of the company after distribution of all the preferential amount. However, no such preferential amount as at end of the year.

JSW Energy (Raigarh) Limited
Statement of changes in equity for the year ended March 31, 2018

Note No.10B -Other equity

(In `)

Particulars	Share Application money pending allotment	Reserve and surplus	Items of other comprehensive income	Total
		Retained earnings	Actuarial Gain / (Loss) on defined benefit liabilities / (asset)	
Balance as at April 1, 2016	10,00,000	(295,52,961)	-	(285,52,961)
Loss for the year	-	(13,99,025)	(27,854)	(14,26,879)
Shares allotted during the year	(10,00,000)	-	-	(10,00,000)
Balance as at March 31, 2017		(309,51,986)	(27,854)	(309,79,840)
Balance as at April 1, 2017	-	(309,51,986)	(27,854)	(309,79,840)
Loss for the year	-	(2403,04,446)	-	(2403,04,446)
Balance as at March 31, 2018		(2712,56,432)	(27,854)	(2712,84,286)

JSW Energy (Raigarh) Limited**Notes to financial statements for the year ended March 31, 2018****Note No.11- Non- Current Borrowings****(In `)**

Particulars	As at March 31, 2018	As at March 31, 2017
a) Unsecured Borrowings Borrowings from holding company	35,00,000	-
Total	35,00,000	-

Note: Terms of Repayment : Loan @ 11% repayable within 15 years of achieving commercial operations.

JSW Energy (Raigarh) Limited**Notes to financial statements for the year ended March 31, 2018****Note No.12 - Provisions****(In `)**

Particulars	As at March 31, 2018		As at March 31, 2017	
	Current	Non- Current	Current	Non- Current
Provision for employee benefits	-	-	10,622	1,14,479
Total	-	-	10,622	1,14,479

JSW Energy (Raigarh) Limited
Notes to financial statements for the year ended March 31, 2018

Note No.13 - Trade payables

(In `)

Particulars	As at March 31, 2018	As at March 31, 2017
a) Total outstanding dues of micro, small and medium enterprises	-	-
b) Total outstanding dues of other than micro, small and medium enterprises	15,49,263	11,82,464
Total	15,49,263	11,82,464

Note : Refer Note-26 for disclosure under Micro, Small and Medium Enterprises Development Act.

JSW Energy (Raigarh) Limited**Notes to financial statements for the year ended March 31, 2018****Note No.14 - Current tax liabilities (net)****(In `)**

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for tax (net)	-	3,745
Total	-	3,745

JSW Energy (Raigarh) Limited**Notes to financial statements for the year ended March 31, 2018****Note No.15 - Other current liabilities****(In ₹)**

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Statutory Dues	43,792	40,274
(b) Others	21,759	1,495
Total	65,551	41,769

JSW Energy (Raigarh) Limited**Notes to financial statements for the year ended March 31, 2018****Note No.16 - Other income****(In ₹)**

Particulars	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
(a) Interest on bank deposits	163	57,360
(b) Interest on income tax refund	-	2,290
Total	163	59,650

JSW Energy (Raigarh) Limited**Notes to financial statements for the year ended March 31, 2018****Note No.17 - Finance cost****(In `)**

Particulars		For the Year Ended March 31, 2018	For the year Ended March 31, 2017
(a)	Interest Expense	1,75,548	-
	Total	1,75,548	-

JSW Energy (Raigarh) Limited**Notes to financial statements for the year ended March 31, 2018****Note No.18 - Other expenses****(In ₹)**

Particulars	For the Year Ended March 31, 2018	For the year Ended March 31, 2017
(a) Rent	6,34,800	-
(b) Legal and other professional charges	12,60,388	-
(c) Auditors remuneration		
(i) Audit fees	59,000	57,500
(ii) Out-of-pocket expenses	-	12,721
(d) Director sitting Fees	1,73,500	5,03,800
(e) Other General Expenses	16,57,173	2,86,788
Total	37,84,861	8,60,809

JSW Energy (Raigarh) Limited
Notes to Financial Statements for the year ended March 31, 2018

19 Critical accounting judgements and key sources of estimation uncertainty

In the course of applying the policies outlined in all notes under Section 3, 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

The management has reviewed all the transactions and not found any material changes in preparation of financial statements in accordance with Ind Ass.

Key sources of estimation uncertainties

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.

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 each entity within the Company, these matters are inherently uncertain until the position of each entity is agreed with the relevant tax authorities.

JSW Energy (Raigarh) Limited

Notes to Financial Statements for the year ended March 31, 2018

20 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.

Amendment to Ind AS 40, Investment Property clarifying when assets are transferred to, or from, investment properties. The amendment clarifies that transfer to, or from, investment properties there must be a change in use supported by evidence. A change in intention, in isolation is not enough to support a transfer.

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.

Amendment to Ind AS 28, Investments in associates and joint ventures and Ind AS 112, Disclosure of Interests in Other Entities clarifying that:

- Disclosure requirements of Ind AS 112 are applicable to interest in entities classified as held for sale except for summarised financial information
- The option available with venture capital organisation, mutual funds, unit trust and similar entities to measure their investment in associates or joint ventures at fair value through profit or loss (FVTPL) is available for each investment in an associate or joint venture.

Consequential amendments to other Ind AS due to notification of Ind AS 115 and other amendments discussed above.

The aforesaid amendments are not having material impact on the Company's financial information.

JSW Energy (Raigarh) Limited

Notes to Financial Statements for the year ended March 31, 2018

21 Financial Instruments: Classifications and fair value measurements

This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

Fair value hierarchy	Valuation technique(s) and key input(s)
Level 1	Quoted bid prices in an active market.
Level 2	Discounted cash flow at a discount rate that reflects the issuer's current borrowing rate at the end of the reporting period.
Level 3	Income approach – in this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees.

Fair value of financial assets and financial liabilities

The management consider that the carrying amounts of current financial assets and financial liabilities recognised in the financial statements approximate their fair values.

As at March 31, 2018	Carrying amount	Level 1	Level 2	Level 3
Financial assets				
Financial assets carried at amortised cost				
Security Deposits	1305,43,952	-	-	-
Cash and cash equivalents	2,88,849	-	-	-
	1308,32,801	-	-	-
Financial liabilities				
Financial Liabilities carried at amortised cost				
Trade Payables	15,49,263	-	-	-
	15,49,263	-	-	-

As at March 31, 2017	Carrying amount	Level 1	Level 2	Level 3
Financial assets				
Financial assets carried at amortised cost				
Security Deposits	1305,43,952	-	-	-
Interest Receivable	377	-	-	-
Cash and cash equivalents	3,43,535	-	-	-
	1308,87,864	-	-	-
Financial liabilities				
Financial Liabilities carried at amortised cost				
Trade Payables	11,82,464	-	-	-
	11,82,464	-	-	-

JSW Energy (Raigarh) Limited

Notes to Financial Statements for the year ended March 31, 2018

22 Financial risk management

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.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management, 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 the reporting date based on contractual undiscounted payments.

	< 1 year	1-5 years	> 5 years	Total
March 31, 2018				
Trade Payables	15,49,263	-	-	15,49,263
March 31, 2017				
Trade Payables	11,82,464	-	-	11,82,464

23 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted

Particulars	March 31, 2018	March 31, 2017
Loss attributable to equity holders of the Company (`)	(2403,04,446)	(13,99,025)
Weighted average number of Equity shares for basic and diluted EPS	1138,32,300	1136,57,779
Earnings Per Share :		
- Basic (`)	(2.11)	(0.01)
- Diluted (`)	(2.11)	(0.01)

24 Commitments

There are no commitments to be disclosed by the Company.

25 Contingent liabilities

There are no contingent liability to be disclosed by the Company.

JSW Energy (Raigarh) Limited

Notes to Financial Statements for the year ended March 31, 2018

26 Related party disclosure

A	List of Related Parties
I	Holding and Fellow Subsidiaries
1	JSW Energy Limited (Holding Company) JSW Energy (Kutehr) Limited (Fellow Subsidiary)
II	Key Managerial Personnel
1	Mr. Akash Sharma - Whole time Director
2	Mr. Sudarsan Maddi - Chief Financial Officer
3	Rakesh Punamiya - Company Secretary (from 3rd February, 2018)
4	Ms. Vrushali Karnik - Company Secretary (Upto 25th January, 2018)

B	Transactions during the year	Current Year	Previous Year
1	Equity Share Capital / Share application money JSW Energy Limited	-	40,00,000
2	Unsecured Loan received JSW Energy Limited	35,00,000	-
3	Reimbursements paid / (received) JSW Energy Limited JSW Energy (Kutehr) Limited	2,68,299 (2,432)	1,07,225 (42,709)

C	Closing Balances	As at March 31, 2018	As at March 31, 2017
1	Equity Share Capital / Share application money JSW Energy Limited	11,38,323,000	11,38,323,000
2	Unsecured Loan received JSW Energy Limited	35,00,000	-
3	Trade Payables / (receivables) JSW Energy Limited JSW Energy (Kutehr) Limited	2,68,299 (2,432)	- -

Note :

- 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.
- Related party relationships have been identified by the management and relied upon by the auditors.
- Related party relationships have been disclosed on basis of value of transactions in terms of the respective contracts.

JSW Energy (Raigarh) Limited

Notes to Financial Statements for the year ended March 31, 2018

27 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:

Sl. No.	Particulars	As at March 31, 2018	As at March 31, 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	-	-

JSW Energy (Raigarh) Limited

Notes to Financial Statements for the year ended March 31, 2018

28 Employee benefit expense:

Defined benefit plans:

A.Provident fund:

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 31st March 2018 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 recognized in the Statement of Profit and Loss of ₹ Nil crores (for the year ended 31st March 2017: ₹ Nil crores)

Actuarial assumptions made to determine interest rate guarantee on exempt provident fund liabilities are as follows:

Particulars	As at 31st March, 2018	As at 31st March, 2017
Discount Rate	7.85%	7.52%
Rate of return on assets	8.88%	8.70%
Guaranteed rate of return	8.55%	8.65%

B.Gratiuity:

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. The amount of gratuity shall be payable to an 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

JSW Energy (Raigarh) Limited
Notes to Financial Statements for the year ended March 31, 2018

Changes in the present value of the defined benefit obligation are, as follows:

	Rs.
Defined benefit obligation at April 1, 2016	68,740
Interest cost	5,893
Current service cost	12,731
Benefits paid	-
Actuarial (Gains)/Loss	25,628
Defined benefit obligation at March 31, 2017	1,12,992
Defined benefit obligation at March 31, 2018	-

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2017:

		Defined Benefit Obligation	Fair Value of Plan assets	Benefit Liability
	Opening Balance as on April 1, 2016	68,740	1,46,179	(77,439)
Gratuity cost charged to profit or loss	Service cost	12,731	-	12,731
	Net interest expense	5,893	11,883	(5,990)
	Sub-total	18,624	11,883	6,741
	Benefits paid	-	-	-
Remeasurement gains/(losses) in other comprehensive income	Return on plan assets (excluding amounts included in net interest expense)	-	(2,226)	2,226
	Actuarial changes arising from changes in demographic assumptions	-	-	-
	Actuarial changes arising from changes in financial assumptions	12,354	-	12,354
	Experience adjustments	13,274	-	13,274
	Sub-total included in OCI	25,628	(2,226)	27,854
	Contributions by employer	-	-	-
	Closing Balance as on 31st March 2017	1,12,992	1,55,836	(42,844)

JSW Energy (Raigarh) Limited

Notes to Financial Statements for the year ended March 31, 2018

The major categories of plan assets of the fair value of the total plan assets are as follows:

	March 31, 2018	March 31, 2017
Insurer Managed Funds	-	100%

The principal assumptions used in determining gratuity for the Company's plans are shown below:

	March 31, 2018	March 31, 2017
Discount rate:	-	7.34%
Future salary increases:	-	6%
Rate of Employee Turnover	-	2%
Mortality Rate During Employment	-	Indian Assured Lives Mortality (2006-08)

A quantitative sensitivity analysis for significant assumption is as shown below:

Projected Benefit Obligation on Current Assumptions	March 31, 2018	March 31, 2017
Delta Effect of +1% Change in Rate of Discounting	-	(15,242)
Delta Effect of -1% Change in Rate of Discounting	-	18,457
Delta Effect of +1% Change in Rate of Salary Increase	-	18,522
Delta Effect of -1% Change in Rate of Salary Increase	-	(15,550)
Delta Effect of +1% Change in Rate of Employee Turnover	-	2,435
Delta Effect of -1% Change in Rate of Employee Turnover	-	(2,780)

The following payments are expected contributions to the defined benefit plan in future years:

	March 31, 2018	31-Mar-17
Within the next 12 months (next annual reporting period)	-	2,979
Between 2 and 5 years	-	13,262
Between 5 and 10 years	-	20,333
Beyond 10 years	-	-
Total expected payments	-	36,574

JSW Energy (Raigarh) Limited
Notes to Financial Statements for the year ended March 31, 2018

29 Approval of financial statements:

The financial statements were approved for issue by the Board of Directors on April 30, 2018.

For and on behalf of the Board of Directors

Akash Sharma
Whole-time Director
[DIN: 03135322]

Jayaprakash Nair
Director
[DIN : 07816567]

Place : Mumbai
Date : April 30, 2018

Rakesh Punamiya
Company Secretary

Sudarsan Maddi
Chief Financial Officer