

JAIGAD POWERTRANSCO LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars	Note	As at	As at
		31st March, 2018	31st March, 2017
I ASSETS			
(1) Non-current assets:			
(a) Property, plant and equipment	5	3,54,26,39,844	3,82,67,64,514
(b) Capital work in progress		9,76,300	-
(c) Financial assets			
(i) Investments	6	9,46,60,146	7,93,14,867
(ii) Other financial assets	7	12,08,984	11,28,234
(d) Income tax assets (net)		-	30,46,564
(e) Other non-current assets	11	31,81,817	33,57,500
		3,64,26,67,091	3,91,36,11,679
(2) Current assets:			
(a) Inventories	8	48,00,807	37,76,553
(b) Financial assets			
(i) Investments	6	16,99,68,428	64,79,31,796
(ii) Trade receivables	9	14,58,17,764	28,55,89,415
(iii) Cash and cash equivalents	10	21,72,357	6,74,535
(iv) Other financial assets	7	10,05,524	8,57,404
(c) Other current assets	11	5,93,490	72,21,156
		32,43,58,370	94,60,50,859
TOTAL ASSETS		3,96,70,25,461	4,85,96,62,538
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12A	1,37,50,00,000	1,37,50,00,000
(b) Other equity	12B	42,32,12,385	89,97,17,872
		1,79,82,12,385	2,27,47,17,872
Liabilities			
(1) Non-current liabilities:			
(a) Financial liabilities			
- Borrowings	13	1,82,46,30,112	2,16,28,70,158
(b) Provisions	14	8,64,087	5,27,789
		1,82,54,94,199	2,16,33,97,947
(2) Current liabilities:			
(a) Financial liabilities			
(i) Trade payables	15	2,15,69,748	1,06,26,177
(ii) Other financial liabilities	16	20,69,56,414	29,88,75,568
(b) Other current liabilities	17	11,25,14,126	11,01,81,994
(c) Provisions	14	21,71,670	18,62,980
(d) Current tax liabilities (net)		1,06,919	-
		34,33,18,877	42,15,46,719
TOTAL EQUITY AND LIABILITIES		3,96,70,25,461	4,85,96,62,538
See Accompanying Notes To The Financial Statements	1-41		

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

Vinayak Sathe
Director
DIN: 07507235

Yatish Kumar Chabbra
Managing Director
DIN: 07971204

Place: Mumbai
Date: 2nd May, 2018

Narendra Rahalkar
Company Secretary

Chandra Prakash Tated
Chief Financial Officer

JAIGAD POWERTRANSCO LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

		₹	
Particulars	Note	For the year ended 31st March, 2018	For the year ended 31st March, 2017
I Revenue from operations	18	88,70,14,172	89,94,15,254
II Other income	19	2,86,58,596	8,71,27,046
Total income (I+II)		91,56,72,768	98,65,42,300
III Expenses:			
Employee benefits expense	20	1,10,92,994	1,01,92,840
Finance costs	21	23,13,74,865	28,62,70,276
Depreciation and amortisation expense	22	29,10,28,344	29,25,25,832
Other expenses	23	4,05,47,263	4,00,69,079
Total Expenses (III)		57,40,43,466	62,90,58,027
IV Profit before tax (I+II-III)		34,16,29,302	35,74,84,273
V Tax Expenses:	24	7,34,27,597	7,68,11,302
VI Profit after tax for the year (IV - V)		26,82,01,705	28,06,72,971
VII Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit liabilities / (asset)		(5,751)	91,054
VIII Total comprehensive income for the year (VI - VII)		26,82,07,456	28,05,81,917
IX Earnings per share of ₹ 10 each (Refer Note No 29)			
Basic		1.95	2.04
Diluted		1.95	2.04
See Accompanying Notes To The Financial Statements	1-41		

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
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Vinayak Sathe
Director
DIN: 07507235

Yatish Kumar Chhabra
Managing Director
DIN: 07971204

Place: Mumbai
Date: 2nd May, 2018

Narendra Rahalkar
Company Secretary

Chandra Prakash Tated
Chief Financial Officer

JAIGAD POWERTRANSCO LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2018

₹

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	34,16,29,302	35,74,84,273
Adjustment for		
Depreciation and amortisation expense	29,10,28,344	29,25,25,832
Interest income & gain on sale of current investments	(2,86,58,596)	(4,76,65,324)
Loss on write off of property, plant and equipment	-	33,779
Finance costs	23,13,74,865	28,30,20,149
Operating profit before working capital changes	83,53,73,915	88,53,98,709
Adjustment for		
Trade & other receivables	14,69,15,387	12,34,72,984
Trade payables	1,42,05,896	34,20,415
Inventories	(10,24,254)	(7,70,664)
Tax paid	(7,12,22,304)	(7,76,92,509)
NET CASH FLOW FROM OPERATING ACTIVITIES	92,42,48,640	93,38,28,935
B. CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment, CWIP (net of capital expenditure)	(78,79,974)	(2,04,23,160)
Interest income & gain on sale of current investments	2,86,58,596	4,76,65,324
Long term investments	(1,53,45,279)	(1,81,96,367)
Current investments	47,79,63,368	(19,45,01,529)
Other assets	99,479	18,96,017
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES	48,34,96,190	(18,35,59,715)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Borrowings (Repayments) (net)	(43,01,59,200)	(30,14,08,428)
Finance costs paid	(23,13,74,865)	(29,63,99,982)
Dividend (includes tax on dividend)	(74,47,12,943)	(16,54,91,765)
NET CASH FLOW USED IN FINANCING ACTIVITIES	(1,40,62,47,008)	(76,33,00,175)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	14,97,822	(1,30,30,954)
CASH AND CASH EQUIVALENTS - AT BEGINNING OF THE YEAR	6,74,535	1,37,05,489
CASH AND CASH EQUIVALENTS - AT END OF THE YEAR	21,72,357	6,74,535
See Accompanying Notes To The Financial Statements		

Notes :

- 1) The above cash flow statement has been prepared by using the indirect method as per IND AS 7- " Statement of Cash Flows"
- 2) Previous year's figures have been regrouped/rearranged wherever necessary to confirm to current year classification.

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

Vinayak Sathe

Director

DIN: 07507235

Yatish Kumar Chhabra

Managing Director

DIN:06550745

Place: Mumbai

Date: 2nd May, 2018

Narendra Rahalkar

Company Secretary

Chandra Prakash Tated

Chief Financial Officer

JAIGAD POWERTRANSCO LIMITED				
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018				
A: EQUITY SHARE CAPITAL				₹
Balance as at 1st April, 2016				1,37,50,00,000
Changes in equity share capital during the year				-
Balance as at 31st March 2017				1,37,50,00,000
Changes in equity share capital during the year				-
Balance as at 31st March 2018				1,37,50,00,000
B: OTHER EQUITY				₹
Particulars	Retained Earnings	Contingency Reserve	Other comprehensive Income	Total Other Equity
Balance as at 1st April, 2016	71,04,01,159	7,42,55,151	(28,590)	78,46,27,720
Profit for the year	28,06,72,971	-	-	28,06,72,971
Transferred to Contingency Reserve as per MERC MYT Regulation 2015	(1,37,79,817)	1,37,79,817	-	-
Interim Dividend	(13,75,00,000)	-	-	(13,75,00,000)
Dividend Distribution Tax on Interim Dividend	(2,79,91,765)	-	-	(2,79,91,765)
Remeasurements of the defined benefit liabilities / (asset)	-	-	(91,054)	(91,054)
Balance as at 31st March, 2017	81,18,02,548	8,80,34,968	(1,19,644)	89,97,17,872
Balance as at 1st April, 2017	81,18,02,548	8,80,34,968	(1,19,644)	89,97,17,872
Profit for the year	26,82,01,705	-	-	26,82,01,705
Transferred to Contingency Reserve as per MERC MYT Regulation 2015	(1,37,97,077)	1,37,97,077	-	-
Interim Dividend	(61,87,50,000)	-	-	(61,87,50,000)
Dividend Distribution Tax on Interim Dividend	(12,59,62,943)	-	-	(12,59,62,943)
Remeasurements of the defined benefit liabilities / (asset)	-	-	5,751	5,751
Balance as at 31st March, 2018	32,14,94,233	10,18,32,045	(1,13,893)	42,32,12,385
See Accompanying Notes To The Financial Statements				
As per our attached report of even date				
For Lodha & Co.		For and on behalf of the Board of Directors		
Chartered Accountants				
Firm Registration No.301051E				
A. M. Hariharan		Vinayak Sathe		Yatish Kumar Chhabra
Partner		Director		Managing Director
Membership No.38323		DIN: 07507235		DIN: 07971204
Place: Mumbai		Narendra Rahalkar		Chandra Prakash Tated
Date: 2nd May 2018		Company Secretary		Chief Financial Officer

JAIGAD POWERTRANSCO LIMITED

Notes forming part of the financial statements for the year ended 31 March, 2018

1 General information

Background

Jaigad PowerTransco Limited (the Company), which is the joint venture of JSW Energy Limited and Maharashtra State Electricity Transmission Company Limited with 74% and 26% share holding respectively has been set up to construct, operate and maintain 55 Kilo meters of one Jaigad–New Koyna 400 KV double circuit (Quad) transmission line and 110 kilo meters of one Jaigad-karad 400 KV double circuit (Quad) transmission line.

The construction of 55 Kilo meters Jaigad-New –New Koyna &110 kilo meters of Jaigad-karad 400 KV double circuit (Quad) transmission line has been completed and has been declared for commercial operations with effect from 7th July, 2010 & 2nd December 2011 respectively.

2 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (hereinafter referred to as the '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 the Companies (Indian Accounting standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The figures for the previous year ended March 31, 2017 have also been reinstated by the Management as per the requirements of Ind AS.

The financial statements of the Company are prepared on the accrual basis of accounting and historical cost convention except for the 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 Rupees ('INR')

3.2 Use of estimates & Judgements:

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.

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 4.

3.3 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold or Leasehold land is stated at historical cost. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Transmission system assets are considered "ready for their intended use", for the purpose of capitalization, after test charging/ successful commissioning of the system/ assets and on completion of stabilization period wherever technically required.

The cost of an addition or extension to an existing asset which is of a capital nature and which becomes an integral part of the existing asset is usually added to its gross book value. Any addition or extension, which has a separate identity and is capable of being used after the existing asset is disposed of, is accounted for separately.

JAIGAD POWERTRANSCO LIMITED

Notes forming part of the financial statements for the year ended 31 March, 2018

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

In case of commissioned assets, work against deposits/works contracts where final settlement of bills with contractors is yet to be effected; capitalization is done on provisional basis subject to necessary adjustments in the year of final settlements.

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.

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 estimate 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.

Cost of regular comprehensive maintenance work (such as major overhaul) are capitalized as a separate component if they satisfy the recognition criteria.

3.4 *Other 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 on tangible assets is provided, pro-rata for the period of use, by the Straight Line Method (SLM) as per the provisions of Part B of Schedule II of the Companies Act, 2013.

Leasehold land is amortized over the period of the lease.

Software is depreciated over an estimated useful life of 3 years.

When the historical cost of an asset has undergone a change due to price adjustment, exchange fluctuation or similar factors the depreciation on the revised unamortised depreciable amount is provided prospectively over the residual useful life of the asset.

"Useful Life" in relation to a transmission system is 35 Years as defined in Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulation 2015

Capital Work-in-progress and Pre-operative Expenses during Construction Period

Capital Work-in-Progress includes expenditure during construction period incurred on projects under implementation treated as pre-operative expenses pending allocation to the assets. These expenses are apportioned to the respective fixed assets on their completion / commencement of commercial production.

3.6 *Impairment of tangible and intangible assets other than goodwill:*

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.

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.

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.

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.

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.

JAIGAD POWERTRANSCO LIMITED

Notes forming part of the financial statements for the year ended 31 March, 2018

3.7 *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 profit or loss in the period in which they are incurred.

3.8 *Cash and cash equivalents:*

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and demand deposits which are short term 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 *Inventories:*

Cost of inventories includes cost of purchase price, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Inventories of stores, spare parts and loose tools are stated at the lower of weighted average cost or net realizable value. Net realisable value represents the estimated selling price for inventories less all estimated cost of completion and costs necessary to make the sale.

3.10 *Revenue recognition:*

Transmission Income is accounted for on accrual basis for the period of operation of the transmission line computed based on the approved Annual Revenue Requirement (ARR) or where the ARR is not approved, on the basis of the tariff order.

Where neither the ARR nor the tariff order are approved, transmission income is accounted as per Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations 2015(MERC Regulations) where under, transmission income is computed by taking the total costs, contingency provision and Return on Equity (ROE) @ 15.5% on post-tax basis and after grossing up with the applicable income taxes for the purpose of revenue.

Any difference between the total annual revenue recognised as aforesaid and the annual revenue as approved by MERC in respect of ARR / Truing up Petition filed is adjusted / recognised during the accounting period in which approval of the ARR / Truing up Petition, as the case may be, is received from MERC.

Interest income:

Surcharge receivable towards delayed receipt of payment for Transmission services rendered by the company is accounted in the period during which such surcharge is approved by MERC.

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.

3.11 *Foreign currency transactions:*

In preparing the financial statements of Company, 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.

JAIGAD POWERTRANSCO LIMITED

Notes forming part of the financial statements for the year ended 31 March, 2018

3.12 *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

3.13 *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.

JAIGAD POWERTRANSCO LIMITED

Notes forming part of the financial statements for the year ended 31 March, 2018

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. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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 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, 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 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 possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

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.

JAIGAD POWERTRANSCO LIMITED

Notes forming part of the financial statements for the year ended 31 March, 2018

3.16 *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 recognised 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 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 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 and points 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.

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.

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Notes forming part of the financial statements for the year ended 31 March, 2018

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 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

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.

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 profit or loss if such gain or loss would have otherwise been recognised in 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 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 a Company entity are recognised at the proceeds received, net of direct issue costs.

JAIGAD POWERTRANSCO LIMITED

Notes forming part of the financial statements for the year ended 31 March, 2018

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 subsequently measured at amortised cost using effective interest method or at fair value.

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 Company 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 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 and points 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 between 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.

JAIGAD POWERTRANSCO LIMITED

Notes forming part of the financial statements for the year ended 31 March, 2018

3.18 *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 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.
FVTOCI	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.

3.19 *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.

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.

Company as lessee

Rental expense from operating leases 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.

JAIGAD POWERTRANSCO LIMITED

Notes forming part of the financial statements for the year ended 31 March, 2018

3.20 *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 management is yet to assess the impact of the aforesaid amendments on the Company's financial information.

3.21 *Change in accounting estimates*

The effect of change in an accounting estimate shall be recognised prospectively by including it in profit or loss accounts except where estimates relates to assets and liabilities or an equity it shall be recognised by adjusting the carrying amount of the related asset, liability or equity.

JAIGAD POWERTRANSCO LIMITED

Notes forming part of the financial statements for the year ended 31 March, 2018

4 *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 transmission assets. In assessing the applicability, they have exercised significant judgment in relation to the underlying ownership of the assets, terms of Licence, ability to determine prices, useful lives of the assets. Based on detailed evaluation, transmission assets do not meet the criterion for recognition as service concession arrangements

Regulatory deferral accounts

The Company has not adopted Ind as 114 'Regulatory deferral accounts' since in previous GAAP, Guidance Note on Accounting for the Rate Regulated Activities, issued by the Institute of Chartered Accountants of India (ICAI) was not adopted.

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 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 crystallizing 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. All assets and liabilities for which fair value measured or disclosed in financial statements are categorized with in the fair value hierarchy described as Level 1, Level 2 and Level 3 as below:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

for the purpose of fair value disclosure, the company determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the assets and liabilities and the level of fair value hierarchy as explained above.

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.

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.

JAIGAD POWERTRANSCO LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE: 5 - Property, plant and equipment

Description of assets#	Land-freehold	Plant and equipment	Furniture and fixtures	Computers	Office equipment	Total
I. Gross carrying value ##						
Balance as at 1st April, 2017	46,30,131	4,40,63,80,839	10,93,814	2,48,603	3,88,110	4,41,27,41,497
Additions	23,48,000	44,53,875	-	77,599	24,200	69,03,674
Adjustments / Deductions	-	-	-	-	-	-
Balance as at 31st March, 2018	69,78,131	4,41,08,34,714	10,93,814	3,26,202	4,12,310	4,41,96,45,171
II. Accumulated depreciation						
Balance as at 1st April, 2017	-	58,57,32,846	1,35,835	56,637	51,665	58,59,76,983
Depreciation and amortisation expense for the year	-	29,08,83,249	74,691	39,844	30,560	29,10,28,344
Adjustments / Deductions	-	-	-	-	-	-
Balance as at 31st March, 2018	-	87,66,16,095	2,10,526	96,481	82,225	87,70,05,327
Net carrying value (I-II)						
Balance as on 31st March 2018	69,78,131	3,53,42,18,619	8,83,288	2,29,721	3,30,085	3,54,26,39,844

Assets pledged as security : Plant and Machinery, Furniture and Fixture, Computer, Office Equipment with a carrying amount as mentioned above have been pledged to secure borrowings of the Company (refer note 13).

Gross Block is after netting off accumulated depreciation as on 1st April, 2015. Accumulated depreciation amount as on 1st April, 2015 is as under:

Description of Assets	Land-Freehold	Plant and Equipment	Furniture and Fixtures	Computers	Office Equipment	Total
Accumulated depreciation till 1st April, 2015	-	1,09,87,45,206	2,01,745	1,66,109	72,399	1,09,91,85,459

Description of Assets	Land-Freehold	Plant and Equipment @	Furniture and Fixtures	Computers	Office Equipment	Total
I. Gross carrying value						
Balance as at 1st April, 2016	-	4,45,70,62,232	10,93,814	1,90,591	4,06,622	4,45,87,53,259
Additions	46,30,131	-	-	74,562	21,173	47,25,866
Adjustments / Deductions	-	(5,06,81,393)	-	(16,550)	(39,685)	(5,07,37,628)
Balance as at 31st March, 2017	46,30,131	4,40,63,80,839	10,93,814	2,48,603	3,88,110	4,41,27,41,497
II. Accumulated depreciation						
Balance as at 1st April, 2016	-	29,33,46,633	61,144	35,507	30,322	29,34,73,606
Depreciation / amortisation expense for the year	-	29,23,86,213	74,691	36,025	28,903	29,25,25,832
Adjustments / Deductions	-	-	-	(14,895)	(7,560)	(22,455)
Balance as at 31st March, 2017	-	58,57,32,846	1,35,835	56,637	51,665	58,59,76,983
Net carrying value (I-II)						
Balance as on 31st March 2017	46,30,131	3,82,06,47,993	9,57,979	1,91,966	3,36,445	3,82,67,64,514
Balance as on 31st March 2016	-	4,16,37,15,599	10,32,670	1,55,084	3,76,300	4,16,52,79,653

@ Outstanding liability in respect of certain capital expenditure stood reduced by a sum of ₹ 5,06,81,394, the effect of which has been given in the accounts by reduction in the liability for the said amount and corresponding reduction in the cost of relevant Plant and Equipment.

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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NOTE: 6		As at 31st March, 2018		As at 31st March, 2017	
Financial assets - Investments		Current	Non Current	Current	Non Current
Investments carried at:					
A. Designated as fair value through profit and loss					
I. Quoted Investments					
(a) Investments in Mutual Funds		16,99,68,428	-	64,79,31,796	-
Mutual Fund Name	₹				
SBI Mutual Fund (lien marked to Aditya Birla Finance Company Limited)	1,07,63,663				
UTI Mutual Fund	15,92,04,765				
B. Investments carried at amortised cost					
I. Unquoted Investments					
(a) Investments in government securities		-	9,46,60,146	-	7,93,14,867
		16,99,68,428	9,46,60,146	64,79,31,796	7,93,14,867
Note					
Quoted Investments					
Book value		16,99,68,428	-	64,79,31,796	-
Market value		16,99,68,428	-	64,79,31,796	-
Unquoted Investments					
Book value		-	9,46,60,146	-	7,93,14,867
Market value		-	9,62,82,213	-	8,37,30,700
NOTE: 7		As at 31st March, 2018		As at 31st Mar, 2017	
Other financial assets (Carried at amortised cost)		Current	Non Current	Current	Non Current
(a) Security deposits with others					
- Unsecured, considered good					
Deposits towards Lease of Land from JSW Energy Ltd.		-	12,08,984	-	11,28,234
b) Interest receivable					
Interest accrued on investments		10,05,524	-	8,57,404	-
		10,05,524	12,08,984	8,57,404	11,28,234
NOTE: 8		As at 31st March, 2018		As at 31st Mar, 2017	
Inventories		Current	Non Current	Current	Non Current
Stores and spares		48,00,807	-	37,76,553	-
(valued at cost and certified by the management)					
		48,00,807	-	37,76,553	-
NOTE: 9		As at 31st March, 2018		As at 31st Mar, 2017	
Financial assets - Trade receivables (Unsecured considered good)		Current	Non Current	Current	Non Current
Receivables outstanding for a period of more than 6 months		6,77,24,183	-	20,22,08,888	-
Other Trade receivables (less than 6 months)		7,80,93,581	-	8,33,80,527	-
		14,58,17,764	-	28,55,89,415	-
NOTE: 10		As at 31st March, 2018		As at 31st Mar, 2017	
Financial assets - Cash and cash equivalents		Current	Non Current	Current	Non Current
Cash and cash equivalents					
Balance with banks		21,72,357	-	6,74,535	-
In Current accounts		21,72,357	-	6,74,535	-
NOTE: 11		As at 31st March, 2018		As at 31st Mar, 2017	
Other assets		Current	Non Current	Current	Non Current
Advances to vendors		20,550	-	1,75,812	-
Prepayments		5,72,940	31,81,817	5,70,344	33,57,500
Revenue Receivable					
Amount Recoverable towards unbilled revenue (pending Tariff from MERC)		-	-	64,75,000	-
		5,93,490	31,81,817	72,21,156	33,57,500

JAIGAD POWERTRANSCO LIMITED
NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS

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NOTE: 12A	As at 31st March, 2018	As at 31st March, 2017
Equity share capital		
Authorised:		
150,000,000 Equity Shares of ₹10 each	1,50,00,00,000	1,50,00,00,000
(Previous year 150,000,000 equity shares of ₹ 10 each)		
Issued, subscribed and paid-up:		
137,500,000 Equity Shares of ₹10 each	1,37,50,00,000	1,37,50,00,000
(Previous year 137,500,000 equity shares of ₹ 10 each)	1,37,50,00,000	1,37,50,00,000

Details of shareholding	As at 31st March, 2018	As at 31st March, 2017
a) Details of shareholding by Holding, Subsidiary or Associate Company	No. of Shares	No. of Shares
JSW Energy Limited (Holding Company)	10,17,50,000	10,17,50,000
b) Details of shareholding more than 5%		
JSW Energy Limited (Holding Company)	10,17,50,000	10,17,50,000
	74%	74%
Maharashtra State Electricity Transmission Company Limited	3,57,50,000	3,57,50,000
	26%	26%

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. The Company declares and pay dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the Shareholders in the ensuing Annual General Meeting.

(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.

d) The reconciliation of the number of shares outstanding and the amount of share capital is set out below:

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
	No. of Shares	No. of Shares	No. of Shares	No. of Shares
Balance as at the beginning of the year	13,75,00,000	13,75,00,000	1,37,50,00,000	1,37,50,00,000
Issued during the year	-	-	-	-
Balance as at the end of the year	13,75,00,000	13,75,00,000	1,37,50,00,000	1,37,50,00,000

NOTE: 12B - Other equity

Particulars	Retained Earnings	Contingency Reserve	Other comprehensive income	Total Other Equity
Balance as at 1st April, 2017	81,18,02,548	8,80,34,968	(1,19,644)	89,97,17,872
Profit for the year	26,82,01,705	-	-	26,82,01,705
Transferred to Contingency Reserve as per MERC MYT Regulation 2015	(1,37,97,077)	1,37,97,077	-	-
Interim Dividend	(61,87,50,000)	-	-	(61,87,50,000)
Dividend Distribution Tax on Interim Dividend	(12,59,62,943)	-	-	(12,59,62,943)
Remeasurements of the defined benefit liabilities / (asset)	-	-	5,751	5,751
Balance as at 31st March, 2018	32,14,94,233	10,18,32,045	(1,13,893)	42,32,12,385

JAIGAD POWERTRANSCO LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE: 13	As at 31st March, 2018	As at 31st March, 2017
Financial liabilities - Borrowings	₹	₹
Secured Borrowing		
Term Loans:		
From Banks		2,16,28,70,158
From financial institutions	1,82,46,30,112	-
	1,82,46,30,112	2,16,28,70,158

Details of Security for Term Loans:
First ranking charge on
(a) moveable assets
(b) on operating cash flows, commissions, revenue, receivables and interest in all the bank accounts including the trust and retention accounts and intangible assets,
(c) all rights, title, interest benefits, claims, demands etc., in the Company's project documents, insurance contracts, letter of credit etc.

Terms of Repayment: ₹220 Crores Term Loan repayable in 52 Structured Quarterly Instalment commencing from 30th Sept, 2017

Period of Repayment	As at 31st March, 2018	As at 31st March, 2017
2-3 Years	41,80,00,000	61,83,20,000
4-5 Years	41,80,00,000	1,55,01,41,444
> 5 years	98,86,30,112	-

JAIGAD POWERTRANSCO LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE: 14	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non Current	Current	Non Current
Provisions				
Provisions for employee benefits	21,71,670	8,64,087	18,62,980	5,27,789
	21,71,670	8,64,087	18,62,980	5,27,789

NOTE: 15	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non Current	Current	Non Current
Financial liabilities - Trade Payables				
Total outstanding dues of Micro, small and medium enterprises #	-	-	-	-
Total outstanding dues of creditors other than Micro, small and medium enterprises	2,15,69,748	-	1,06,26,177	-
	2,15,69,748	-	1,06,26,177	-

Refer Note 39 for dues to Micro, small and medium enterprises

NOTE: 16	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non Current	Current	Non Current
Other financial liabilities (Measured at amortised cost)				
Current maturities of long term borrowings	20,69,56,414	-	29,88,75,568	-
	20,69,56,414	-	29,88,75,568	-

NOTE: 17	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non Current	Current	Non Current
Other liabilities				
Advance received from customers	4,90,00,000	-	5,54,75,000	-
Liability towards reversal of excess revenue recognised	6,12,78,011	-	5,41,40,026	-
Statutory dues	22,36,115	-	5,66,968	-
	11,25,14,126	-	11,01,81,994	-

JAIGAD POWERTRANSCO LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	For the year ended 31st March,2018	For the year ended 31st March, 2017
NOTE: 18		
Revenue from operations		
Revenue from transmission operations	88,70,14,172	94,61,24,335
Less: Reversal of excess revenue recognised in earlier years	-	4,67,09,081
	88,70,14,172	89,94,15,254
NOTE: 19	For the year ended 31st March,2018	For the year ended 31st March, 2017
Other income		
1. Interest income		
Delayed payment surcharge	2,36,239	3,49,08,888
Financial assets	70,46,028	68,57,687
2. Others		
Gain on sale of current investments	2,11,13,572	4,00,54,477
Net gain arising on financial assets designated as at FVTPL	2,62,757	53,05,994
	2,86,58,596	8,71,27,046
NOTE: 20	For the year ended 31st March,2018	For the year ended 31st March, 2017
Employee benefits expense		
Salaries and wages	1,05,42,998	96,82,678
Contribution to provident and other funds	3,77,876	3,33,831
Staff welfare expenses	1,72,120	1,76,331
	1,10,92,994	1,01,92,840
NOTE: 21	For the year ended 31st March,2018	For the year ended 31st March, 2017
Finance costs		
Interest expenses		
i) Term loan	23,12,06,294	28,62,57,187
ii) Other interest expense	77,574	-
Other borrowing costs	90,997	13,089
	23,13,74,865	28,62,70,276
NOTE: 22	For the year ended 31st March,2018	For the year ended 31st March, 2017
Depreciation on property, plant and equipment		
Depreciation	29,10,28,344	29,25,25,832
	29,10,28,344	29,25,25,832

NOTE: 23	For the year ended 31st March,2018	For the year ended 31st March, 2017
Other expenses		
Rent	7,73,651	7,27,213
Rates & taxes	11,73,630	2,44,303
Repairs and maintenance	1,28,00,304	2,10,06,403
Legal & other professional charges	46,66,266	21,24,178
Travelling expenses	22,93,885	21,71,713
Loss on property, plant and equipment written off	-	33,779
Advertisement expenses	34,53,338	-
Power	1,01,460	1,24,240
Insurance charges	3,59,409	2,37,347
Auditors remuneration #	7,08,000	7,04,375
Postage & telephone expenses	81,334	93,322
License fees	10,02,000	12,00,000
Safety & security expense	6,52,375	6,21,107
Corporate social responsibility expenses @	88,36,100	87,92,204
Other general expenses	36,45,511	19,88,895
	4,05,47,263	4,00,69,079
# Refer Note no 30		
@ Refer Note no 32		
NOTE: 24	For the year ended 31st March,2018	For the year ended 31st March, 2017
Tax expense#		
Current Tax	7,34,27,597	7,68,11,302
Deferred Tax		
In respect of current year origination and reversal of temporary differences	3,74,32,275	2,49,85,948
Recoverable in Future Tariff determination	(3,74,32,275)	(2,49,85,948)
	7,34,27,597	7,68,11,302
# Refer Note 31A and 31B		
NOTE: 25	As at 31st March,2018	As at 31st Mar, 2017
Contingent liabilities and commitments		
Commitments		
Estimated amount of contract remaining on capital account (net of advances)	-	44,26,500
	-	44,26,500

JAIGAD POWERTRANSCO LIMITED

Notes forming part of the financial statements for the year ended 31 March, 2018

26 *Financial Instruments:*

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

Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities approximate their carrying amounts largely due to short term maturities of these instruments.

Fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

As at 31st March, 2018	Carrying Amount in ₹	Fair Value	Level 1	Level 2	Level 3
Financial assets at amortised cost::					
Investment in Government Securities	946,60,146	962,82,213		962,82,213	
Security Deposit	12,08,984	12,08,984			12,08,984
Trade receivables	1458,17,764	-			
Cash and cash equivalents	21,72,357	-			
Interest Accrue on Investment	10,05,524	-			
Total	2448,64,775	974,91,197	-	962,82,213	12,08,984
Financial assets at Fair Value through P&L					
Investment in Mutual Fund	1699,68,428	1699,68,428		1699,68,428	
Total	1699,68,428	1699,68,428	-	1699,68,428	-
Financial liabilities held at amortised cost:					
Borrowing	18246,30,112				
Current maturities of long-term debt	2069,56,414				
Trade Payable	215,69,748				
Total	20531,56,274	-	-	-	-
As at 31st March, 2017	Carrying Amount	Fair Value	Level 1	Level 2	Level 3
Financial assets at amortised cost::					
Investment in Government Securities	793,14,867	837,30,700		837,30,700	
Security Deposit	11,28,234	11,28,234			11,28,234
Trade receivables	2855,89,415				
Cash and cash equivalents	6,74,535				
Interest Accrue on Investment	8,57,404				
Total	3675,64,455	848,58,934	-	837,30,700	11,28,234
Financial assets at Fair Value through P&L					
Investment in Mutual Fund	6479,31,796	6479,31,796		6479,31,796	
Total	6479,31,796	6479,31,796	-	6479,31,796	-
Financial liabilities held at amortised cost:					
Borrowing	21628,70,158				
Current maturities of long-term debt	2988,75,568				
Trade Payable	106,26,177				
Total	24723,71,903	-	-	-	-

JAIGAD POWERTRANSCO LIMITED

Notes forming part of the financial statements for the year ended 31 March, 2018

27 Financial Risk Management Objectives & Policies

Capital management

The Company manages its capital with the primary objective of maximising the return to stakeholders. The Company operates in a regulated environment, the capital gearing/structuring in relation to the Company's electricity transmission business has been approved under MERC regulations. Following commencement of the Company's transmission business and generation of revenues determined as per approved MERC tariff regulations (the said revenues inclusive of debt servicing), the net debt of the Company has been reducing following repayment of debt.

The gearing ratio at end of the reporting period was as follows:

	As at 31st March, 2018	As at 31st March, 2017
Debt (i)	20315,86,526	24617,45,726
Cash and bank balances	21,72,357	6,74,535
Net debt	20294,14,169	24610,71,191
Total equity	17982,12,385	22747,17,873
Net debt to equity ratio	1.13	1.08

(i) Debt is defined as long-term and short-term borrowings (excluding derivative and contingent consideration).

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.

Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of financial instrument as a result of change in interest rates, exchange rates and other market changes that affect market risk sensitive instruments. As regards the future earnings from the Company's business of providing transmission services, the same is as determined pursuant to the MERC tariff regulations based on the cost of providing the transmission services plus a fixed post tax return on equity of 15.5% upon the Company maintaining the contracted availability of transmission line services. The Company is not exposed to significant market risks as regards the risk of loss of future earnings from its business of transmission services. As regards market risks attributable to all market risks sensitive financial instruments, the same is closely monitored by the Risk Management Committee to determine appropriate mitigation plan as appropriate from time to time.

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.

Company revenue is regulated by MERC Regulation where in company's revenue includes Interest on loan. The rate of interest considered by regulation is the weighted average rate of interest computed on the basis of the actual loan portfolio.

The following table provides a break-up of the Company's fixed and floating rate loan portfolio:

Particulars	As at 31st March, 2018	As at 31st March, 2017
Fixed rate borrowings	-	-
Floating rate borrowings	20315,86,526	24617,45,726
Total borrowings	20315,86,526	24617,45,726

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.

Credit risk is minimal due to the fact that the customer base largely consists of Distribution companies, the amount recoverable from whom are as determined as per MERC order.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with senior 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 detail regarding the remaining contractual maturities of financial liabilities at the reporting date

Particulars	< 1 year	1-5 years	> 5 years	Total Amount in ₹
Non-current liabilities				
Long term borrowings		8360,00,000	9886,30,112	18246,30,112
Trade and other payables	215,69,748			215,69,748
Current maturities of long-term debt	2069,56,414			2069,56,414
Total Financial Liabilities	2285,26,163	8360,00,000	9886,30,112	20531,56,274

JAIGAD POWERTRANSCO LIMITED

Notes forming part of the financial statements for the year ended 31 March, 2018

28 Trade Receivables

The average credit period of Transmission Income is 30 days. Surcharge receivable towards delayed receipt of payment for Transmission services rendered by the company is accounted in the period during which such surcharge is approved by MERC.

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. The Company does not generally hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Company to the counterparty.

Age of receivables:

(Amount in ₹)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Within the credit period	729,07,164	777,32,714
1-30 days past due	51,86,417	56,47,813
31-60 days past due		
61-90 days past due		
91-180 days past due		
181-365 days past due	-	349,08,888
More than one year	677,24,183	1673,00,000
Total	1458,17,764	2855,89,415

29 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 average number of Equity shares outstanding during the year.

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

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	31st March, 2018	31st March, 2017
Profit attributable to equity holders of the Company (₹)	2682,07,456	2805,81,917
Weighted average number of Equity shares for basic & diluted EPS	1375,00,000	1375,00,000
Earning per share-Basic	1.95	2.04
Earning per share-Diluted	1.95	2.04

30 Remuneration to Auditors (inclusive of tax):

(Amount in ₹)

Particulars	31st March, 2018	31st March, 2017
As Auditor	4,72,000	4,60,000
For Taxation Matters	94,400	92,000
For Certification Service	1,41,600	1,52,375
Total	7,08,000	7,04,375

JAIGAD POWERTRANSCO LIMITED

Notes forming part of the financial statements for the year ended 31 March, 2018

31A *Deferred tax balances:*

The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet: (Amount in ₹)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Deferred tax liabilities net of recoverable in future tariff	-	-
Deferred tax assets net of recoverable in future tariff	-	-
Total	-	-

2017-18	Opening balance	Recognised in profit or loss	Closing balance
Deferred tax (liabilities)/assets in relation to:			
Property, plant and equipment	(3276,84,508)	372,89,990	(2903,94,519)
FVTPL financial assets	35,114	1,42,285	1,77,399
Recoverable in Future Tariff	3276,49,394	(374,32,275)	2902,17,120
Total	-	-	-

2016-17	Opening balance	Recognised in profit or loss	Closing balance
Deferred tax (liabilities)/assets in relation to:			
Property, plant and equipment	(3028,18,186)	(248,66,322)	(3276,84,508)
FVTPL financial assets	1,54,740	(1,19,626)	35,114
Recoverable in Future Tariff	3026,63,446	249,85,948	3276,49,394
Total	-	-	-

31B *Income tax:*

The income tax expense for the year can be reconciled to the accounting profit as follows:

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Profit before tax	3416,29,302	3574,84,273
Enacted tax rate	34.944%	34.608%
Income tax expense	1193,78,943	1237,18,157
Tax effect due to exempt income		
Effect of non deductible expenses	78,79,645	35,64,198
Tax effect due to tax holiday	(1058,72,843)	(705,37,555)
Recoverable in Future Tariff	520,41,853	200,66,502
	(459,51,345)	(469,06,855)
Income tax expenses recognised in profit & loss account	734,27,598	768,11,302

32 **Details of Corporate Social Responsibility (CSR) Expenditure:**

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Amount required to be spent as per Section 135 of the Companies Act, 2013	88,29,803	87,96,493
Amount spent during the year on :		
(i) Construction / acquisition of an asset	81,08,523	65,42,409
(ii) On purchase other than (i) above	7,27,577	22,49,795
Total	88,36,100	87,92,204

33 *Operating segment:*

The managing director 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 only for one segment viz. "Transmission Services". Hence the Company does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments".

34 *Contingency Reserve:*

The company has set aside an amount of ₹13,797,077 (Previous year ₹13,779,817) as 'Contingency Reserve' to be used for the purpose of future losses, which may arise from uninsured risks, or as determined by the board as per Clause 50.7.1 of MERC (Terms and Conditions of Tariff) Regulations, 2005.

JAIGAD POWERTRANSCO LIMITED

Notes forming part of the financial statements for the year ended 31 March, 2018

35 Employee 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 ₹ 0.04 crores (for the year ended 31st March 2017: ₹ 0.03 crores) (included in note no. 20)

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. Gratuity :

Under the Gratuity plan, the eligible employees are entitled to post-retirement benefit at the rate of 15 days salary for each year of service until the retirement age of 58, 60 and 62, without any payment ceiling. The vesting period for Gratuity as payable under The Payment of Gratuity Act is 5 years.

Under the Compensated absences plan, leave encashment is payable to all eligible employees on separation from the Company due to death, retirement, superannuation or resignation, at the rate of daily salary, as per current accumulation of leave days.

The defined benefit pension plans requires contributions from employees. Contributions are in the following two forms; one is based on the number of years of service and the other one is based on a fixed percentage of salary of the employees.

The plans in India 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 risk relating to benefits to be paid to the dependents of plan members (widow and orphan benefits) is re-insured by an external insurance company. No other post-retirement benefits are provided to these employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 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:

	Amount in ₹
Defined benefit obligation at 1 April 2016	3,05,878
Interest cost	24,654
Current service cost	89,969
Benefits paid/Transferred	
Actuarial (Gains)/Loss	90,147
Defined benefit obligation at 31st March, 2017	5,10,648
Interest cost	36,767
Current service cost	1,10,987

JAIGAD POWERTRANSCO LIMITED

Notes forming part of the financial statements for the year ended 31 March, 2018

Benefits paid/Transferred	67,099
Actuarial (Gains)/Loss	(5,930)
Defined benefit obligation at 31st March, 2018	7,19,571

Changes in the defined benefit obligation and fair value of plan assets as at 31st March, 2018:

(Amount in ₹)

		Defined Benefit Obligation	Fair Value of Plan assets	Benefit Liability
Gratuity cost charged to profit or loss	Opening Balance as on 01st April 2017	5,10,648	1,54,795	3,55,853
	Service cost	1,10,987		1,10,987
	Net interest expense	36,767	11,145	25,622
	Sub-total included in profit or loss	1,47,754	11,145	1,36,609
Remeasurement gains/(losses) in other comprehensive income	Benefits paid/Transferred	67,099		67,099
	Return on plan assets (excluding amounts included in net interest expense)		(179)	179
	Actuarial changes arising from changes in demographic assumptions			-
	Actuarial changes arising from changes in financial assumptions	(51,866)		(51,866)
	Experience adjustments	45,936		45,936
	Sub-total included in OCI	(5,930)	-	(5,930)
	Contributions by employer			-
	Closing Balance as on 31st March 2018	7,19,571	1,65,761	5,53,810

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

		Defined Benefit Obligation	Fair Value of Plan assets	Benefit Liability
Gratuity cost charged to profit or loss	Opening Balance as on 1st April 2016	3,05,878	90,359	2,15,519
	Service cost	89,969		89,969
	Net interest expense	24,654	7,283	17,371
	Sub-total included in profit or loss	1,14,623	7,283	1,07,340
Remeasurement gains/(losses) in other comprehensive income	Benefits paid			
	Return on plan assets (excluding amounts included in net interest expense)		(907)	907
	Actuarial changes arising from changes in demographic assumptions			-
	Actuarial changes arising from changes in financial assumptions	48,716		48,716
	Experience adjustments	41,431		41,431
	Sub-total included in OCI	90,147	(907)	91,054
	Contributions by employer		58,060	(58,060)
	Closing Balance as on 31st March 2017	5,10,648	1,54,795	3,55,853

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

	31st March, 2018	31st March, 2017
	%	%
Discount rate:		
India gratuity plan	7.83	7.2
Future salary increases:		
India gratuity plan	6.00	6.00

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

	31st March, 2018	31st March, 2018	31st March, 2018	31st March, 2018
Assumptions	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(70,808)	85,362	86,090	(72,544)

JAIGAD POWERTRANSCO LIMITED

Notes forming part of the financial statements for the year ended 31 March, 2018

36 Related party disclosure

A) List of Related Parties

Related parties with whom the Company has entered into transactions during the year:

I Enterprises over which key management personnel and relatives of such personnel exercise significant influence

- 1 JSW Energy Limited
- 2 Maharashtra State Electricity Transmission Company Limited
- 3 JSW Global Business Solutions Limited

(Amount in ₹)

B)	Transaction during the year	Year ended 31st March, 2018	Year ended 31st March, 2017
1	Service Received		
	Maharashtra State Electricity Transmission Company Limited	43,14,257	33,17,690
2	Rent Paid/(received)		
	JSW Energy Limited	1,000	1,000
3	Business Support Services Paid/(Received)		
	JSW Global Business Solutions Limited	13,87,658	5,54,392
4	Reimbursement received from / (paid to)		
	JSW Energy Limited	4,31,756	6,84,621

(Amount in ₹)

C)	Closing Balances	31st March, 2018	31st March, 2017
1	Trade (Payables) / Receivables		
	Maharashtra State Electricity Transmission Company Limited	15,94,312	8,31,482
	JSW Energy Limited	1,90,765	1,61,320
	JSW Global Business Solution Limited	3,22,597	5,54,392
2	Deposit With		
	JSW Energy Limited	50,00,000	50,00,000

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.

37 Events after the reporting period:

In respect of the financial year ending March 31, 2018, the directors proposed that a dividend of Re. 1 per equity share (total dividend of Rs. 13.75 crores excluding DDT). This dividend is subject to approval by shareholders at the ensuing Annual General Meeting and has therefore not been included as a liability in these financial statements.

38 Approval of financial statements:

The financial statements were approved for issue by the Board of Directors on 2nd May 2018.

39 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	31st March, 2018	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	-	-

40 The Company is yet to receive balance confirmations in respect of certain financial assets and financial liabilities. The Management does not expect any material difference affecting the current year's financial statements due to the same.

JAIGAD POWERTRANSCO LIMITED

Notes forming part of the financial statements for the year ended 31 March, 2018

- 41 Previous year's figure has been re-grouped/ re-arranged, wherever necessary to conform to current year's classification.

For and on behalf of the Board of Directors

Vinayak Sathe
Director
DIN: 07507235

Yatish Kumar Chhabra
Managing Director
DIN: 07971204

Place : Mumbai
Date : 02nd May, 2018

Narendra Rahalkar
Company Secretary

Chandra Prakash Tated
Chief Financial Officer