

**Raj WestPower Limited**  
Consolidated Balance Sheet as at March 31, 2018

(₹ Crore)

Particulars		Note No.	As at March 31, 2018	As at March 31, 2017
A	<b>ASSETS</b>			
	<b>1 Non-current assets</b>			
	(a) Property, plant and equipment	4	4,902.27	5,245.89
	(b) Capital work-in-progress	5	4.66	5.15
	(c) Other Intangible assets	6	0.07	0.61
	(d) Investment in joint venture	7(A)	-	0.05
	(e) Financial assets			
	(i) Investments	7(B)	0.00	0.00
	(ii) Loans	8	567.64	546.44
	(iii) Others financial assets	9	352.86	301.92
	(f) Income tax assets (net)	10	17.49	14.63
	(g) Other non-current assets	11	0.65	0.72
	<b>Total Non - Current Assets</b>		<b>5,845.64</b>	<b>6,115.41</b>
	<b>2 Current assets</b>			
	(a) Inventories	12	73.65	74.09
	(b) Financial assets			
	(i) Investments	7(B)	164.10	-
	(ii) Trade receivables	13	381.44	316.32
	(iii) Cash and cash equivalents	14	32.66	505.18
	(iv) Bank balances other than (iii) above	15	-	107.30
	(v) Loans	8	-	10.48
	(vi) Others financial assets	9	0.01	2.34
	(c) Other current assets	11	6.29	9.23
	<b>Total Current Assets</b>		<b>658.15</b>	<b>1,024.94</b>
	<b>Total Assets</b>		<b>6,503.79</b>	<b>7,140.35</b>
B	<b>EQUITY AND LIABILITIES</b>			
	<b>EQUITY</b>			
	(a) Equity share capital	16(A)	1,726.05	1,726.05
	(b) Other equity	16(B)	1,219.17	1,133.96
	<b>Total Equity</b>		<b>2,945.22</b>	<b>2,860.01</b>
	<b>LIABILITIES</b>			
	<b>1 Non-current liabilities</b>			
	(a) Financial Liabilities			
	Borrowings	17	2,818.95	3,506.10
	(b) Provisions	19	55.96	4.22
	<b>Total Non - Current Liabilities</b>		<b>2,874.91</b>	<b>3,510.32</b>
	<b>2 Current liabilities</b>			
	(a) Financial Liabilities			
	(i) Trade payables	20	171.36	105.17
	(ii) Other financial liabilities	18	506.25	660.17
	(b) Other current liabilities	21	3.99	3.28
	(c) Provisions	19	2.06	1.41
	<b>Total Current Liabilities</b>		<b>683.66</b>	<b>770.03</b>
	<b>Total Equity and Liabilities</b>		<b>6,503.79</b>	<b>7,140.35</b>
	<b>See accompanying notes to the financial statements</b>			

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

**Aditya Agarwal**  
Whole Time Director  
[DIN 07298742]

**Nirmal Kumar Jain**  
Chairman  
[DIN 00019442]

Place: Mumbai  
Date: May 02, 2018

**Raj Kumar Sharma**  
Company Secretary &  
Chief Financial Officer

**Raj WestPower Limited**  
**Statement of Consolidated Profit and Loss for the year ended March 31, 2018**

(₹ Crore)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I Revenue from operations	20	2,210.97	2,498.54
II Other income	21	77.89	68.04
<b>III Total income</b>		<b>2,288.86</b>	<b>2,566.58</b>
<b>IV EXPENSES</b>			
(a) Fuel costs	22	1,189.56	1,186.01
(b) Employee benefits expense	23	63.41	47.75
(c) Finance costs	24	362.80	442.67
(d) Depreciation and amortisation expense	4 & 6	354.22	352.98
(e) Other expenses	25	147.72	169.24
<b>Total Expenses</b>		<b>2,117.71</b>	<b>2,198.65</b>
<b>V Share of profit / (loss) of a joint venture</b>			
(1) Share of profit / (loss) of a joint venture		(49.49)	4.06
<b>VI Profit before tax</b>		<b>121.66</b>	<b>371.99</b>
<b>VII Tax Expense</b>	26	36.80	78.79
<b>VIII Profit for the year</b>		<b>84.86</b>	<b>293.20</b>
<b>VIII Other Comprehensive income</b>		<b>0.06</b>	<b>(0.49)</b>
(i) Items that will not be reclassified to profit or loss			
-Remeasurements of the defined benefit liabilities/assets		0.08	(0.62)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.02)	0.13
<b>IX Total comprehensive income for the year</b>		<b>84.92</b>	<b>292.71</b>
<b>X Earnings per equity share of ₹ 10 each</b>			
Basic (₹)		<b>0.49</b>	<b>1.70</b>
Diluted (₹)		<b>0.49</b>	<b>1.70</b>
<b>See accompanying notes to the financial statements</b>			

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Company Secretary &

Chief Financial Officer

# Raj WestPower Limited

## Statement of changes in equity For the year ended March 31, 2018

### A. EQUITY SHARE CAPITAL

(₹ Crore)

Particular	Total
Balance at April 1, 2016	1,726.05
Changes in equity share capital during the year	-
Balance at March 31, 2017	1,726.05
Changes in equity share capital during the year	-
Balance at March 31, 2018	1,726.05

(₹ Crore)

### B. OTHER EQUITY

Particulars	Reserves and Surplus			Items of other comprehensive income	Total Other Equity
	General reserve	Equity settled share based payment reserve	Retained earnings	Actuarial Gain / (Loss) on defined liabilities/(assets)	
Balance at April 1, 2016	0.09	1.87	839.05	0.12	841.13
Profit for the year	-	-	293.20	-	293.20
Other comprehensive income	-	-	-	(0.49)	(0.49)
Total comprehensive income for the year	-	-	293.20	(0.49)	292.71
Share based payments	-	0.12	-	-	0.12
Balance at March 31, 2017	0.09	1.99	1,132.25	(0.37)	1,133.96

(₹ Crore)

Particulars	Reserves and Surplus			Items of other comprehensive income	Total Other Equity
	General reserve	Equity settled share based payment reserve	Retained earnings	Actuarial Gain / (Loss) on defined liabilities/(assets)	
Balance at April 1, 2017	0.09	1.99	1,132.25	(0.37)	1,133.96
Profit for the year	-	-	84.86	-	84.86
Other comprehensive income	-	-	-	0.06	0.06
Total comprehensive income for the year	-	-	84.86	0.06	84.92
Share based payments	-	0.29	-	-	0.29
Balance at March 31, 2018	0.09	2.28	1,217.11	(0.30)	1,219.17

See accompanying notes to the financial statements

As per our attached report of even date

For Lodha & Co.

Chartered Accountants

Firm Registration No. 301051E

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Place: Mumbai  
Date: May 02, 2018

Raj Kumar Sharma  
Company Secretary &  
Chief Financial Officer

**Raj WestPower Limited**  
Consolidated Cash Flow Statement for the year ended March 31, 2018

(₹ crore)

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
<b>I. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before tax		121.65		371.99
<b>Adjusted for:</b>				
Depreciation and amortisation expense	354.22		352.98	
Interest income	(67.37)		(63.12)	
Income from current investments	(7.16)			
Loss on sale / discard of property, plant and equipment	0.01		0.02	
Unrealised foreign exchange (gain) / loss	(0.00)		0.01	
Share of Profit /Loss of Joint Venture	(49.49)		4.06	
Finance costs	362.81		442.67	
		593.02		736.62
Operating profit before working capital changes		714.67		1,108.61
<b>Adjustments for:</b>				
Trade receivables	(65.11)		390.11	
Trade & Other payables	88.12		34.44	
Loans, advances & other receivables	63.24		(1.65)	
Inventories	0.43		3.02	
		86.68		425.92
<b>Cash generated from operations</b>		<b>801.35</b>		<b>1,534.53</b>
<b>Direct taxes paid (net)</b>		<b>(39.66)</b>		<b>(104.37)</b>
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>		<b>761.69</b>		<b>1,430.16</b>
<b>II. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Property, plant and equipment including CWIP, capital advances and pre-operative expenses		(19.83)		(13.47)
Loan to Joint venture-Subordinate Debt		(21.20)		(55.50)
Sale/Adjustment of Property, plant and equipment		5.64		0.14
Interest income		18.17		13.71
Income from sale of current investments		7.16		
Bank deposits not considered as cash & cash equivalents		107.30		(106.41)
<b>NET CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES</b>		<b>97.24</b>		<b>(161.53)</b>
<b>III. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Repayment of Borrowings (Net)		(824.25)		(462.44)
Proceed from Long Term Borrowing -Subordinate Debt		21.20		55.50
Finance costs		(364.30)		(438.05)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(1,167.35)</b>		<b>(844.99)</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (I+II+III)</b>		<b>(308.42)</b>		<b>423.64</b>
<b>CASH AND CASH EQUIVALENTS - AT THE BEGINNING OF THE YEAR (Refer Note 7 and 14)</b>		<b>505.18</b>		<b>81.54</b>
<b>CASH AND CASH EQUIVALENTS - AT THE END OF THE YEAR (Refer Note 7 and 14)</b>		<b>196.76</b>		<b>505.18</b>
See accompanying notes to the financial statements				

**Notes :**

- The above cash flow statement has been prepared by using the indirect method as per Indian Accounting Standard -7.
- Previous year's figures have been re-grouped / re-arranged wherever necessary to conform to current year's classification.
- Cash and cash equivalents includes Cash and cash equivalents of ₹ 32.66 Crore (Previous year ₹ 505.18 Crore ) and Current investment in mutual fund of ₹ 164.10 Crores (Previous year NIL).

As per our attached report of even date  
**For Lodha & Co.**  
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**For and on behalf of the Board of Directors**

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Chairman  
[DIN 00019442]

Place: Mumbai  
Date: May 02, 2018

**Raj Kumar Sharma**  
Company Secretary &  
Chief Financial Officer

**Note Particulars****1 General information**

The financial statements comprise financial statements of Raj WestPower Limited (hereinafter referred to as ("the Company")) for the year ended March 31, 2018.

The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at JSW Centre Bandra Kurla Complex, Bandra East, Mumbai - 400 051.

The Company is primarily engaged in the business of generation of power. The Company has set up a lignite based power plant at Barmer, Rajasthan comprising of 8 units of 135 MW each.

**The Company has the following Joint Venture Company:**

<b>Name of the Company</b>	<b>Proportion of Ownership Interest</b>	<b>Nature of Business</b>
Barmer Lignite Mining Company Limited (BLMCL)	49%	Development, operation and extraction of lignite from the mines.

**2 Statement of compliance**

The financial statements have been prepared in accordance with Ind ASs 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 Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 4 of the Companies (Indian Accounting standards) Rules, 2015 as amended.

The financial statements of the Company are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) on the accrual basis of accounting and historical cost convention except for 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') which is the functional currency and all values are rounded to the nearest crore, except otherwise indicated.

### **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 29.

### **3.3 Basis of consolidation:**

The consolidated financial statements comprise the financial statements of the Company and its joint venture company as at 31<sup>st</sup> March 2018.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Company uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Company's financial statements in preparing the consolidated financial statements to ensure conformity with the Company's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

#### **Consolidation procedure for Investments in joint ventures:**

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint venture are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105 – Non-current Assets Held for Sale and Discontinued Operations.

Under the equity method, an investment in a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Company's share of the profit or loss and other comprehensive income of the joint venture. When the Company's share of losses of a joint venture exceeds the Company's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Company's net investment in the joint venture), the Company discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of or joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Company determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Company's investment in a joint venture.

The Company discontinues the use of the equity method from the date when the investment ceases to be a joint venture, or when the investment is classified as held for sale.

Distributions received from a joint venture reduce the carrying amount of the investment. Unrealised gains on transactions between the company and joint ventures are eliminated to the extent of the Company's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred.

### **3.4 Property, plant and equipment**

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to Statement of Profit and Loss in the period in which the costs are incurred. Major shutdown or overhaul expenditure is capitalised as the activities are undertaken improves the economic benefits expected to arise from the asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Assets in the course of construction are capitalised in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriated category of property, plant and equipment and depreciation commences. Where an obligation (legal or constructive) exists to dismantle or remove an asset or restore a site to its former condition at the end of its useful life, the present value of the 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. Revenue generated from production during the trial period is capitalised

Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold or Leasehold land is stated at historical cost. Leasehold Land acquired by the company, with an option in the lease deed, entitling the Company to purchase on outright basis after a certain period at no additional cost is not amortized.

### **3.5 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.

### **3.6 Depreciation & amortisation:**

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method.

Amortisation of intangible assets is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Depreciation on tangible assets is provided as per the provisions of Part B of Schedule II of the Companies Act, 2013 based on useful life and residual value notified for accounting purposes by Electricity Regulatory Authorities.

Assets not owned by the Company is amortised over a period of 10 years.

Specialised Software is amortised over an estimated useful life of 3 years.

Surface Rights on Land and Rights under the Implementation and Joint venture agreement are amortized on the basis of lignite actually extracted during the period as a proportion to the estimated quantity of extractable mineral reserves.



Estimated useful lives of the assets are as follows:

Class of assets	Useful life (In Years)
Buildings	25
Plant and Machinery	25
Furniture and fixtures	15 – 25
Office equipment	6 – 25
Vehicles	10

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

### **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.

### **3.7 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. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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 Statement of Profit and 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 Statement of Profit or Loss.

### **3.8 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.

All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

The Company suspends capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

### **3.9 Cash and cash equivalents:**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and demand deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value net of outstanding bank overdrafts as they are considered an integral part of the Company cash management.

### **3.10 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, coal, fuel 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.

### **3.11 Revenue recognition:**

#### **Sale of Power:**

Revenue is recognised to the extent that it is probable that economic benefit will flow to the Company and that the revenue can be reliably measured. Revenue is measured at the fair value of the

consideration received or receivable. Revenue is reduced for estimated rebates and other similar allowances.

Revenue from sale of power/ other items is recognised when substantial risks and rewards of ownership is transferred to the buyer under the terms of the contract.

Surcharge on delay payment/overdue sundry debtors for sale of energy is recognized when no significant uncertainty as to measurability or collectability exists.

#### **Interest income:**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### **3.12 Foreign currency transactions :**

In preparing the financial statements of each individual Company entity, 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;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items; and
- exchange difference arising on settlement / restatement of long-term foreign currency monetary items recognized in the financial statements for the year ended 31st March, 2016 prepared under previous GAAP, are capitalized as a part of the depreciable PPE to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable PPE, the exchange difference is amortised over the maturity period / up to the date of settlement of such monetary item, whichever is earlier and charged to the Statement of Profit and Loss. The un-amortised exchange difference is carried under other equity as "Foreign currency monetary item translation difference account" net of tax effect thereon, where applicable. All exchange differences on foreign currency monetary items originating after March, 2016 including those relating to PPE are charged off to statement of profit and loss

### 3.13 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.

### 3.14 Share-based payment arrangements:

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments

expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

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

### **3.15 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:**

Current tax is the amount of tax payable based on the 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.

#### **Minimum Alternative Tax:**

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 and included in deferred tax assets. 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:**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets relate to the same taxable entity and same taxation authority.

#### **Current and deferred tax for the year:**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

### **3.16 Earnings per share:**

Basic earnings per share is computed by dividing the profit/ (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/ (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

### **3.17 Provisions , Contingencies and Commitments:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A disclosure for contingent liabilities is made where there is :

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- (b) a present obligation that arises from past events but is not recognized because:
  - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

### **3.18 Financial instruments:**

Financial assets and financial liabilities are recognised when a company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss(FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit or Loss.

### **Financial assets**

Financial assets are recognised when the company becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Profit and Loss.

### **Subsequent measurement**

Financial assets, other than equity instruments, are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- (a) the entity's business model for managing the financial assets and
- (b) the contractual cash flow characteristics of the financial asset.

### **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 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.

### **Investment in Joint venture Company**

Investment in Joint Venture Company is carried at cost in the financial statements.

### **Investments in equity instruments at FVTOCI**

On initial recognition, the company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in profit or loss when the company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

### **Financial assets at fair value through profit or loss (FVTPL)**

Investments in equity instruments are classified as at FVTPL, unless the company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on 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.

**3.19 Financial liabilities and equity instruments****Classification as debt or equity**

Debt and equity instruments issued by a company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

### **Financial liabilities**

All Financial liabilities are measured at amortized cost using effective interest method or fair value through profit and loss.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the company, and commitments issued by the company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

### **Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the company's documented risk management or investment strategy, and information about the companying is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the company that are designated by the company as at fair value through profit or loss are recognised in profit or loss.

### **Financial liabilities subsequently measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### **Derecognition of financial liabilities**

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

## **3.20 Derivative financial instruments:**

The company uses derivative financial instruments, such as forward foreign exchange contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value, with changes in fair value recognised in Statement of Profit and Loss.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**Fair Value measurement:**

The company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ✓ In the principal market for the asset or liability, or
  - ✓ In the absence of a principal market, in the most advantageous market for the asset or liability
- The principal or the most advantageous market must be accessible by the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ✓ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ✓ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ✓ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

**3.21 Reclassification of financial assets and liabilities**

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such change are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in the business model. The company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

**The following table shows various reclassification and the how they are accounted for:**

Original Classification	Revised Classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in statement of profit and loss.
FVPTL	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new gross carrying amount. No other adjustment is required.
FCTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to statement of profit and loss at the reclassification date.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### **3.22 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.

#### **The company as lessor:**

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

#### **The company as lessee:**

Assets held under finance leases are initially recognised as assets of the company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments (discounted at the interest rate implicit in the lease or at the entity's incremental borrowing rate). The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Lease payments under an operating lease shall be 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.



**Accounting for arrangements in the nature of lease:**

Under Appendix C to Ind AS17, an entity may enter into an arrangement comprising a transaction or a series of related transactions that do not take the legal form of lease but conveys a right to use an asset in return for a payment or series of payments. Arrangements meeting these criteria should be identified as either operating leases or finance leases.

For determining whether an arrangement is, or contains, a lease shall be based on the substance of the arrangement and requires an assessment of whether:

- a) Fulfilment of the arrangement is dependent on the use of specific asset or assets and
- b) The arrangement conveys a right to use the asset

The company enters into agreements, comprising a transaction or series of related transactions that does not take the legal form of a lease but conveys the right to use the asset in return for a payment or series of payments. In case of such arrangements, the company applies the requirements of Ind AS 17 – Leases to the lease element of the arrangement. For the purpose of applying the requirements under Ind AS 17 – Leases, payments and other consideration required by the arrangement are separated at the inception of the arrangement into those for lease and those for other elements.

**3.23 Recent accounting pronouncements**

**IND AS 115 - Revenue from Contracts with Customers**

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers effective from April 1, 2018. The core principle of the new standard is that an entity should recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (ie an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

Control of an asset refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. Control includes the ability to prevent other entities from directing the use of, and obtaining the benefits from, an asset.

**Ind AS 21, Foreign currency transactions and advance consideration:**

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 effective from April 1, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

**Amendments to Ind AS 12, Income Taxes** clarifying the requirements for recognising deferred tax assets on unrealised losses. The amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. They also clarify certain other aspects of accounting for deferred tax assets. These amendments only clarify the existence

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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.

# Raj WestPower Limited

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

## Note No. 4 - Property, plant and equipment

Particulars	Land - Freehold	Buildings	Plant and Equipment	Plant and Equipment (Capital Overhauling)	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross carrying value								
Balance as at April 01, 2017	25.93	837.40	5,067.30	9.45	2.65	5.55	0.38	5,948.66
Additions	-	9.06	1.11	4.10	-	0.64	0.73	15.64
Other -Deductions/Adjustments	-	(0.05)	(5.50)	-	(0.02)	-	(0.08)	(5.65)
Balance as at March 31, 2018	25.93	846.42	5,062.90	13.55	2.63	6.18	1.03	5,958.65
II. Accumulated depreciation and impairment								
Balance as at April 01, 2017	-	61.45	636.69	3.36	0.38	0.81	0.08	702.77
Depreciation expense for the year	-	31.04	318.52	3.35	0.21	0.45	0.12	353.69
Eliminated on disposal	-	-	-	-	(0.01)	-	(0.07)	(0.08)
Balance as at March 31, 2018	-	92.49	955.20	6.72	0.57	1.26	0.13	1,056.38
III. Net carrying value (I-II)								
Balance as at March 31, 2018	25.93	753.93	4,107.70	6.84	2.06	4.93	0.90	4,902.27

a) Plant & Equipment includes foreign exchange Loss of ₹ 0.03 Crore (Previous Year gain ₹ 0.80 Crore) capitalised during the year.

b) Assets not owned by the group included in Building, Gross block ₹ 1.74 Crore (Previous Year ₹ 1.11 Crore) and Plant & Equipment, Gross block ₹ 32.74 Crore (Previous Year ₹ 32.74 Crore).

c) Refer Note 17 for the details in respect of certain property, plant and equipment hypothecated/mortgaged as security for borrowings.

Particulars	Land - Freehold	Buildings	Plant and Equipment	Plant and Equipment (Capital Overhauling)	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Carrying Value								
Balance as at April 01, 2016	25.86	833.56	5,061.50	6.75	2.36	5.17	0.39	5,935.59
Additions	0.07	3.85	5.95	2.70	0.29	0.37	-	13.23
Other -Deductions/Adjustments	-	-	(0.16)	-	-	-	-	(0.16)
Balance as at March 31, 2017	25.93	837.40	5,067.30	9.45	2.65	5.55	0.38	5,948.66
II. Accumulated depreciation and impairment								
Balance as at April 01, 2016	-	30.62	318.12	1.14	0.18	0.39	(0.02)	350.43
Depreciation expense for the year	-	30.83	318.57	2.22	0.20	0.42	0.10	352.34
Balance as at March 31, 2017	-	61.45	636.69	3.36	0.38	0.81	0.08	702.77
III. Net carrying value (I-II)								
Balance as at March 31, 2017	25.93	775.96	4,430.61	6.09	2.27	4.73	0.30	5,245.89

## Raj WestPower Limited

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

### Note No. 5 Capital work-in- progress

(₹ Crore)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Plant and Equipment and Civil Works</b>		
Plant and Equipment and Civil Works	10.33	10.21
Capital Overhauling	3.39	3.03
	13.72	13.24
Less : Amount transferred to Property, plant and equipment	9.06	9.35
<b>Sub total (A)</b>	4.66	3.89
<b>PRE-OPERATIVE EXPENDITURE</b>		
Opening balance	1.26	1.25
Net gain or loss on foreign currency transactions and translation	0.03	(0.80)
Other expenses	-	0.01
Less:		
Amount transferred to Property, plant and equipment	0.03	(0.80)
Amount Transferred to Statement of Profit & Loss	1.26	-
<b>Sub total (B)</b>	-	1.26
<b>TOTAL</b>	4.66	5.15

## Raj WestPower Limited

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

Note No. 6 Other intangible assets

(₹ Crore)

Particulars	Computer Software
<b>I. Gross carrying value</b>	
Balance as at April 01, 2017	1.81
Additions	-
<b>Balance as at March 31, 2018</b>	<b>1.81</b>
<b>II. Accumulated amortisation for the year 2017-18</b>	
Balance as at April 01, 2017	1.20
Amortisation expense for the year	0.54
Other adjustments	
<b>Balance as at March 31, 2018</b>	<b>1.74</b>
<b>III. Net carrying value (I-II)</b>	
Balance as at March 31, 2018	<b>0.07</b>

(₹ Crore)

Particulars	Computer Software
<b>Intangible Assets</b>	
<b>I. Gross Carrying Value</b>	
Balance as at April 01, 2016	1.81
Additions	-
<b>Balance as at March 31, 2017</b>	<b>1.81</b>
<b>II. Accumulated amortisation for the year 2016-17</b>	
Balance as at April, 01, 2016	0.56
Amortisation expense for the year	0.64
<b>Balance as at March 31, 2017</b>	<b>1.20</b>
<b>III. Net carrying value (I-II)</b>	
Balance as at March 31, 2017	<b>0.61</b>

# Raj WestPower Limited

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

Note No. -7 (A) Investment in joint venture

(₹ Crore)

Particulars	As at March 31, 2018			As at March 31, 2017		
	No of Shares/Units	Current	Non Current	No of Shares/Units	Current	Non Current
<b>Unquoted Investments</b>						
(a) Investments in Equity Instruments of Joint Venture						
Equity Share of ₹ 10 each fully paid up of Barmer Lignite Mining Company Limited (BLMCL)	98,00,000	-	9.80	98,00,000	-	9.80
Less : Share of loss of a joint venture			(9.80)			(9.75)
<b>TOTAL</b>			-			<b>0.05</b>
Aggregate amount of Unquoted Investments			-			0.05

Note No. -7 (B) Investments

(₹ Crore)

Particulars	As at March 31, 2018			As at March 31, 2017		
	No of Shares/Units	Current	Non Current	No of Shares/Units	Current	Non Current
<b>I. Quoted Investments</b>						
<b>a) Designated as Fair Value Through Profit and Loss Investments in Mutual Funds</b>						
1) Aditya Birla Sunlife FRF STP Growth	55,09,952	127.32	-	-	-	-
2) SBI premier Liquid fund- Regular plan - Growth	1,35,421	36.78	-	-	-	-
<b>Total Aggregate Quoted Investments at Carrying value</b>		<b>164.10</b>	-	-	-	-
<b>II. Unquoted Investments</b>						
<b>B. Investments</b>						
(a) Investments in Government or trust securities :						
6-Year National Savings Certificate ₹ 14,000 (Previous Year ₹ 14,000)	-	-	0.00	-	-	0.00
<b>TOTAL</b>		<b>164.10</b>	<b>0.00</b>		-	<b>0.00</b>
Aggregate amount of Quoted Investments		164.10				-
Aggregate amount of Unquoted Investments			0.00			0.00

Refer Note 17 for Investments in Mutual Funds hypothecated as security for borrowings.

## Raj WestPower Limited

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

### Note No. - 8 Loans

(₹ Crore)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Current	Non- Current	Current	Non- Current
Unsecured, considered good - Loans to related parties	-	567.64	10.48	546.44
<b>TOTAL</b>	-	<b>567.64</b>	<b>10.48</b>	<b>546.44</b>

(₹ Crore)

Name of the Party	As at March 31, 2018	As at March 31, 2017
<b>Loans and advances in the nature of Loans :</b>		
a) Barmer Lignite Mining Company Limited  (Maximum Amount outstanding during the year ₹ 567.64Crore (PY ₹ 546.44 Crore)	567.64	546.44
b) JSW Energy Employees Welfare Trust (Maximum Amount outstanding during the year ₹ 10.48 Crore (PY ₹ 11.62 Crore)	-	10.48

**All the above loans and advances have been given for business purposes.**

## Raj WestPower Limited

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

### Note No. - 9 Others Financial Assets

(₹ Crore)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Current	Non- Current	Current	Non- Current
<b>a) Security deposits</b>				
- Unsecured, considered good				
(i) Government/Semi-Government Authorities	-	4.60	-	4.59
(ii) Related Party	-	0.45	-	0.45
<b>b) Interest receivable</b>				
(i) Interest accrued on loans to related parties	-	347.81	-	296.88
(Refer Note 31 (b))				
(ii) Interest accrued on deposits	0.01	-	2.34	-
<b>TOTAL</b>	<b>0.01</b>	<b>352.86</b>	<b>2.34</b>	<b>301.92</b>

### Note No : 10 - Income tax assets (net)

(₹ Crore)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Current	Non- Current	Current	Non- Current
Advance Tax and Tax deducted at sources (Net )	-	17.49	-	14.63
(Net of Provision as at 31.03.2018 ₹ 329.83 Crore, as at 31.03.2017 ₹ 293.03 Crore )				
<b>TOTAL</b>	<b>-</b>	<b>17.49</b>	<b>-</b>	<b>14.63</b>

### Note No : 11 - Other non-current and current assets

(₹ Crore)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Current	Non- Current	Current	Non- Current
(a) Capital Advances	-	0.08	-	0.72
(b) Prepayments	5.25	0.57	8.79	-
(c) Balances with government authorities - Cenvat credit receivable	-	-	0.00	-
(d) Receivable from the Joint Venture company	0.48	-	0.44	-
(e) Others receivables	0.56	-	-	-
<b>TOTAL</b>	<b>6.29</b>	<b>0.65</b>	<b>9.23</b>	<b>0.72</b>



## Raj WestPower Limited

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

### Note No. - 12 Inventories

(₹ Crore)

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Raw materials-Stock of fuel	44.73	41.23
(b) Stores and spares	28.92	32.86
<b>TOTAL</b>	<b>73.65</b>	<b>74.09</b>

The Inventories recognised as an expense during the year in respect of Raw material ₹ 1,189.56 Crore (Previous Year ₹ 1,186.01 Crore ) and Stores and Spares ₹ 32.46 crore (Previous Year ₹ 39.33 Crore)

Basis of Valuation : Refer Note 3.9

Refer Note-17 for Inventories hypothecated as security against certain bank borrowings.

### Note No. : 13 Trade receivables

(₹ Crore)

Particulars	As at March 31, 2018	As at March 31, 2017
- Unsecured, considered good	381.44	316.32
<b>TOTAL</b>	<b>381.44</b>	<b>316.32</b>

Refer Note 17 for trade receivables hypothecated as security for borrowings.

Refer Note 33 for credit terms, ageing analysis and other relevant details related to trade receivables.

### Note No. 14 Cash and cash equivalents

(₹ Crore)

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Balances with banks		
(i) In Current Accounts	5.64	0.36
(ii) In Deposit accounts	27.00	504.80
(b) Cash on hand	0.02	0.02
<b>TOTAL</b>	<b>32.66</b>	<b>505.18</b>

### Note No - 15: Bank balances other than Cash and cash equivalents

(₹ Crore)

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Balances with banks		
(i) In Deposit Accounts	-	107.30
<b>TOTAL</b>	<b>-</b>	<b>107.30</b>

## Raj WestPower Limited

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

Note No. - 16 (A): Equity Share Capital

(₹ Crore)

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised:</b>				
Equity shares of ₹ 10 each	30000,00,000	3,000.00	30000,00,000	3,000.00
<b>Issued, Subscribed and Fully Paid:</b>				
1,726,050,000 Equity Shares of ₹ 10 each	17260,50,000	1,726.05	17260,50,000	1,726.05
<b>TOTAL</b>	<b>17260,50,000</b>	<b>1,726.05</b>	<b>17260,50,000</b>	<b>1,726.05</b>

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

Particulars	Opening Balance April 1, 2017	Fresh Issue	Closing Balance March 31, 2018
(a) Equity Shares with Voting rights			
No. of Shares	17260,50,000	-	17260,50,000
<b>TOTAL</b>	<b>17260,50,000</b>	<b>-</b>	<b>17260,50,000</b>

(ii) Details of aggregate shareholding by Holding Company

Particulars	As at March 31, 2018	As at March 31, 2017
	No. of shares	No. of shares
JSW Energy Limited- Holding Company and its nominees	17260,50,000	17260,50,000

(iii) Rights, Restrictions and preferences attached to equity shares

The Company has only one class of equity shares having a par value of ₹10/share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the shareholder of equity share will be entitled to receive remaining assets of the Company after distribution of all the preferential amount. Distribution will be in proportion to number of equity shares held by each shareholder.

(iv) Details of shareholding more than 5% of aggregate shares in the Company

Particulars	As at March 31, 2018	As at March 31, 2017
	No. of shares	No. of shares
JSW Energy Limited	17260,50,000	17260,50,000
% of Holding	100%	100%

## Raj WestPower Limited

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

Note No. - 16 (B) : Other equity

(₹ Crore)

Particulars	<u>Reserves and Surplus</u>			Items of other comprehensive income	Total Other Equity
	General reserve	Equity settled share based payment reserve	Retained earnings	Actuarial Gain / (Loss) on defined liabilities/ (assets)	
Balance at April 1, 2016	0.09	1.87	839.05	0.12	841.13
Profit for the year	-	-	293.20	-	293.20
Other comprehensive income	-	-	-	(0.49)	(0.49)
<b>Total comprehensive income for the year</b>	-	-	<b>293.20</b>	<b>(0.49)</b>	<b>292.71</b>
Share based payments	-	0.12	-	-	0.12
<b>Balance at March 31, 2017</b>	<b>0.09</b>	<b>1.99</b>	<b>1,132.25</b>	<b>(0.37)</b>	<b>1,133.96</b>
Profit for the year	-	-	84.86	-	84.86
Other comprehensive income	-	-	-	0.06	0.06
<b>Total comprehensive income for the year</b>	-	-	<b>84.86</b>	<b>0.06</b>	<b>84.92</b>
Share based payments	-	0.29	-	-	0.29
<b>Balance at March 31, 2018</b>	<b>0.09</b>	<b>2.28</b>	<b>1,217.10</b>	<b>(0.30)</b>	<b>1,219.17</b>

## Raj WestPower Limited

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

### Note No. - 17: Borrowings

(₹ Crore)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Measured at amortised cost</b>		
<b>A. Secured Borrowings:</b>		
Term Loans		
(i) From banks	2,161.02	2,577.36
(ii) From financial institutions	90.29	382.29
<b>Total Secured Borrowings</b>	<b>2,251.31</b>	<b>2,959.65</b>
<b>B. Unsecured Borrowings</b>		
Loan from holding company	567.64	546.44
<b>Total Unsecured Borrowings</b>	<b>567.64</b>	<b>546.44</b>
<b>TOTAL</b>	<b>2,818.95</b>	<b>3,506.10</b>

(i) Aggregate amount of instalments due for payments within one year ₹ 294.95 crore (as at 31st March, 2017 - ₹ 412.32 crore) have been grouped under "Current maturities of long-term debt" (Refer note 18)

(ii) The secured borrowings are net of amortised cost of ₹ 14.13 crore (as at 31st March, 2017 - ₹ 13.58 crore)

#### (iii) Details of Security:

**Rupee Term Loans mentioned in (1) and (2) are secured on a pari passu basis by**

Rupee Term Loan included in above aggregating of ₹ 2,251.31 crore (Previous Year ₹ 2,959.65 crore) are secured by a first ranking mortgage and charge over the following assets.

a) all the tangible, intangible, immovable and movable assets both present and future, b) all revenues and receivables, c) all the rights, title and interest under each of the Project Documents and d) all the Insurance Contracts.

b) Rupee Term Loan Mentioned in a-i, amounting to ₹ 2147.91 crore are secured by Debt Service Reserve created through marking of lien on Liquid Mutual Funds worth ₹ 36.78 crore

#### (iv) Terms of Payment:

##### Term of Repayment of Rupee Terms Loans :

Particulars	As at 31st March, 2018 ₹ crore	As at 31st March, 2017 ₹ crore
<b>From Banks :</b>		
2 - 3 Years	560.99	698.91
4 - 5 Years	560.99	698.91
6 - 10 Years	1,053.01	1,192.34
<b>Total Borrowings from Banks</b>	<b>2,174.99</b>	<b>2,590.16</b>
<b>From Financial Institutions :</b>		
2 - 3 Years	38.00	133.00
4 - 5 Years	38.00	133.00
6 - 10 Years	14.45	117.08
<b>Total Borrowings from Financial Institutions</b>	<b>90.45</b>	<b>383.08</b>

a) Rupee Term loan mentioned in (A)-(i) amounting to ₹ 2147.91 Crores is repayable in 39 structured quarterly instalments from December 2017 to June 2027

b) Rupee Term loan mentioned in (A)-(ii) amounting to ₹ 90.45 Crores is repayable in 48 structured quarterly instalments from March 2012 to December 2023.

c) Foreign currency loan included in (A) (i) amounting to ₹ 27.08 Crores is repayable in 22 Equal half yearly instalments from July 2012 to January 2023.

d) Loan from Holding Company mentioned in (B) above comprises of :

₹ 567.64 Crore repayable from the proceed of repayment made by Barmer Lignite Mining Company Limited (BLMCL) to the company which is pursuant to the repayment of entire existing senior debt at BLMCL.

e) Cash Credit Facilities are secured on a pari passu basis by a first ranking mortgage and charge over : a) all the tangible, intangible, immovable and movable assets of the Company b) all revenues and receivables, c) all the rights, title and interest under each of the Project Documents.

**Raj WestPower Limited**

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

**Note No.- 18 Other Financial Liabilities (Current)**

(₹ Crore)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Other Financial Liabilities Measured at Amortised Cost</b>		
(a) Current maturities of long-term debt <sup>#</sup>	294.95	412.32
(b) Liability towards sharing of truing up & Fuel price adjustment	190.65	87.58
(c) Revenue adjustment towards Capital Cost reduction/RERC Order	-	134.26
(d) Interest accrued but not due on borrowings	0.39	0.42
(e) Security Deposits	0.12	0.12
(f) Payable towards capital expenditure	20.14	25.47
<b>TOTAL</b>	<b>506.25</b>	<b>660.17</b>

# Refer note 17 for the details of borrowings repayment terms and security charge.

## Raj WestPower Limited

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

### Note No. - 19 Provisions

(₹ Crore)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Current	Non- Current	Current	Non- Current
(a) Provision for employee benefits	2.06	6.52	1.41	4.22
(b) Other Provisions	-	49.44	-	-
<b>TOTAL</b>	<b>2.06</b>	<b>55.96</b>	<b>1.41</b>	<b>4.22</b>

### Note No. - 20 Trade Payables

(₹ Crore)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Current	Non Current	Current	Non Current
(a) Total outstanding dues of micro, small & medium enterprises	4.02	-	1.71	-
(b) Total outstanding dues of creditors other than micro, small & medium enterprises	167.34	-	103.46	-
<b>TOTAL</b>	<b>171.36</b>	<b>-</b>	<b>105.17</b>	<b>-</b>

#### Note

a) Refer Note 45 for disclosure under Micro, Small and Medium Enterprises Development Act.

### Note No.- 21 Other non current and current Liabilities

(₹ Crore)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Current	Non- Current	Current	Non- Current
(a) Advance received from customers	1.37	-	0.41	-
(b) Statutory dues	2.62	-	2.87	-
<b>TOTAL</b>	<b>3.99</b>	<b>-</b>	<b>3.28</b>	<b>-</b>

Raj WestPower Limited

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

Note No. -22 Revenue from Operations

(₹ Crore)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Revenue from sale of power	2,567.04	2,544.07
(b) Revenue from Deviation Settlement Mechanism (DSM/UI)	6.03	-
<b>Less :</b>		
(i) Revenue adjustment towards sharing of truing up & fuel price adjustment	(91.69)	(42.56)
(ii) Revenue adjustment towards Fuel price adjustment on account of RERC Order dated June 19, 2017	(23.47)	-
(iii) Revenue adjustment towards Capital Cost reduction	(224.27)	(134.26)
(iv) Cash Discount /Rebate	(25.69)	(3.60)
<b>Revenue from sale of power</b>	<b>2,207.95</b>	<b>2,363.64</b>
(c) Late Payment Surcharge received from beneficiaries	3.02	134.89
<b>TOTAL</b>	<b>2,210.97</b>	<b>2,498.54</b>

Note No. -23 Other Income

(₹ Crore)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>(a) Interest Income</b>		
(i) On Loans given	56.60	50.98
(ii) Bank deposits	10.17	10.94
(iii) Interest on income tax refund	0.01	0.00
<b>(b) Other Income</b>		
(i) Net gain on sale of Current investments	7.16	-
(ii) Net gain on fair valuation of Current investments through profit or loss	0.38	-
(iii) Net gain/(loss) arising on financial assets through profit or loss	0.59	1.18
(vi) Miscellaneous income	2.98	4.94
<b>TOTAL</b>	<b>77.89</b>	<b>68.04</b>

## Raj WestPower Limited

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

### Note No.- 24 Fuel Costs

(₹ Crore)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Opening stock	41.23	42.96
(b) Add: Purchases	1,193.06	1,184.28
	1,234.29	1,227.24
(c) Less: Closing stock	44.73	41.23
<b>Cost of Fuel Consumed</b>	<b>1,189.56</b>	<b>1,186.01</b>

### Note No. -25 Employee Benefits Expense

(₹ Crore)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Salaries and wages	57.20	44.22
(b) Contribution to provident and other funds	2.72	1.69
(c) Share-based payments	0.29	0.12
(d) Staff welfare expenses	3.20	1.72
<b>TOTAL</b>	<b>63.41</b>	<b>47.75</b>
a) Refer note 38 for the details of defined benefit plan and defined contribution plan of the Company. b) Refer note 39 for the details of disclosure of employee stock options plans of the Company.		

### Note No. -26 Finance Costs

(₹ Crore)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2018
<b>(a) Interest expense</b>		
(i) Interest on Rupee term loan	305.80	387.53
(ii) Interest on loans from related party	53.61	50.83
(iii) Interest on working capital loan	0.05	1.82
(b) Other borrowing costs	3.34	2.49
<b>TOTAL</b>	<b>362.80</b>	<b>442.67</b>



## Raj WestPower Limited

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

### Note No. -27 Other Expenses

(₹ Crore)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Stores and spares consumed	32.46	39.33
(b) Power & water	30.91	29.14
(c) Rent	0.38	0.07
(d) Repairs and maintenance	46.60	64.05
(e) Shared services expenses	3.59	0.95
(f) Rates and taxes	1.67	1.38
(g) Insurance charges	4.35	5.04
(h) Net loss on foreign currency transactions	(0.00)	0.01
(i) Auditor's Remuneration	0.44	0.39
(j) Legal and other professional costs	2.68	1.45
(k) Travelling expenses	2.79	2.76
(l) Loss on sale of property, plant and equipment	0.01	0.02
(m) Contribution to a political party	-	5.00
(n) Corporate social responsibility expenses	9.20	8.19
(o) Safety & security expenses	4.01	3.93
(p) Branding expenses	3.19	2.21
(q) Other general expenses	5.44	5.32
<b>TOTAL</b>	<b>147.72</b>	<b>169.24</b>

a) Refer note 44 for details of corporate social responsibility expenditure incurred by the Company.  
b) Refer note 45 for Auditors' Remuneration  
c) Contribution to a political party represents ₹ NIL (Previous Year ₹ 5 Crore paid to Indian National Congress).

### Note No.-28 Tax Expense

(₹ Crore)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Current Tax	36.80	78.79
<b>TOTAL</b>	<b>36.80</b>	<b>78.79</b>

**29 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 on-going 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****Regulatory deferral accounts**

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

**Revenue recognition**

The Company has evaluated the provisions of Ind AS 18 for recognition of revenue and considered reasonably certain to recognise revenue based on its tariff petition filed with the regulator despite of ongoing dispute at Appellate Tribunal for Electricity (APTEL) level.

**Classification of BLMCL as a Joint Venture**

BLMCL is a limited liability company whose legal form confers separation between the parties to the joint arrangement and BLMCL itself. The company holds 49 % equity in BLMCL. In terms of minimum quorum in board meetings and for passing any resolution in board meetings, consent of both the parties is required. Further, there are no other circumstances that indicate that the parties to the joint arrangement have rights to the assets and obligations for the liabilities of the joint arrangement. Accordingly, BLMCL is classified as a joint venture of the Company.

**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 crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

### **Shared based payments**

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. This requires a reassessment of the estimates used at the end of each reporting period.

### **Tax**

The Company is subject to tax, principally in India. The amount of tax payable in respect of any period is dependent upon the interpretation of the relevant tax rules. Whilst an assessment must be made of deferred tax position of each entity within the Company, these matters are inherently uncertain until the position of each entity is agreed with the relevant tax authorities.

## **30 Revenue recognition:**

- (a) During the year, the Company has recognised the revenue from sale of power based on the adhoc interim tariff allowed by Rajasthan Electricity Regulatory Commission (RERC) vide Order dated April 27, 2017. The Company has provided impact of truing up and provision for fuel price adjustment amounting to ₹ 91.69 Crore (previous year ₹ 42.56 Crore) based on RERC Regulation.

The above is subject to adjustment as per final tariff determination by RERC.

- (b) During the year, RERC has passed Order dated June 19, 2017 determining the Annual Revenue Requirement (ARR) and Tariff for the Financial years 2014-15 to 2016-17.
  - (i) Based on the RERC Orders, the Company has made provisions against revenue recognized of ₹. 224.27 Crore (previous year ₹ 134.26 Crore) on account of capital cost reduction and ₹. 23.47 Crore (Previous year NIL) on account of variable cost.
  - (ii) The above tariff is further subject to adjustment on account of final determination of transfer price of lignite.
- (c) (i) The Company's appeal is pending before Supreme Court for FY 2012-13 against APTEL Order dated November 20, 2015 against certain capital expenditure.

- (ii) The Company's appeals are also pending before Appellate Tribunal of Electricity, New Delhi (APTEL) against the RERC Orders for FY 2009-2010 to 2013-14 & For FY 2014-15 to FY 2016-17 against certain capital expenditure and other aspects not considered by them.
- (iii) The adjustment, if any required, will be made as and when the matters are finally settled.
- (d) Against RERC Order on First Year's tariff, the Company had filed an appeal before the APTEL. APTEL had allowed the appeal in favor of the Company. Rajasthan Discoms had filed a review petition, which was dismissed by the APTEL. Against APTEL Order, Rajasthan Discoms had filed a second appeal before Supreme Court and the same is pending. The adjustment, if any required, will be made as and when the matter is finally settled.

**31 Investment in Joint Venture:**

31(a) Details and financial information of material joint venture

Name of joint venture	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest / voting rights held by the company	
			As at March 31, 2018	As at March 31, 2017
Barmer Lignite Mining Company Limited	Lignite Mining	India	49.00%	49.00%

The above joint venture is accounted for using the equity method in these consolidated financial statements.

**Summarised financial information of material joint venture**

Summarised financial information in respect of each of the Company's material joint ventures is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with Ind AS adjusted by the company for equity accounting purposes.

	(₹ Crore)	
<b>Barmer Lignite Mining Company Limited</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
Non-current assets	2,250.36	2,193.95
Current assets	371.33	163.91
Non-current liabilities	2,305.67	2,104.16
Current liabilities	364.59	251.82
<b>Assets and liabilities include the following:</b>		
Cash and cash equivalents	29.20	0.03
Current financial liabilities (excluding trade payables and provisions)	24.68	78.42
Non-current financial liabilities (excluding trade payables and provisions)	2,305.67	2,104.16

	(₹ Crore)	
<b>Particulars</b>	<b>Year ended March 31, 2018</b>	<b>Year ended March 31, 2017</b>
Revenue	783.67	763.44
Profit (loss) for the year	(50.45)	10.07
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(50.45)	10.07
<b>The above profit (loss) for the year include the following:</b>		
Depreciation and amortisation	32.42	27.54
Interest income	5.26	3.63
Interest expense	107.90	49.68
Income tax expense (income)	(19.14)	(0.68)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Barmer Lignite Mining Company Limited recognised in the consolidated financial statements:

	₹ Crore	
<b>Particular</b>	<b>As at 31/03/18</b>	<b>As at 31/03/17</b>
Net assets of the Joint Venture	(48.57)	1.88
Proportion of the Company's ownership interest in Barmer Lignite Mining Company Limited	0.49	0.49
Share of Loss and stock margin adjusted	9.80	9.75
Carrying amount of the Company's interest in Barmer Lignite Mining Company Limited	-	0.05
Provision provided for Company's interest in Barmer Lignite Mining Company Limited	(49.44)	-

- 31 (b)** Financial Assets in Note No. 8 and 9 respectively includes, Loan (subordinated debt) of ` 567.64 crores (Previous Year: ` 546.44 crores) given to Barmer Lignite Mining Company Limited (BLMCL), Joint Venture Company and interest accrued thereon. ` 347.81 crores (net of tax deducted at source) for the period from 27.02.2007 to 31.03.2018 (Previous Year: ` 296.88 crores). As per the agreement, the said loan being a subordinated debt is repayable by BLMCL only after the repayment of Rupee Term Loans taken from other lenders. The loan amount and interest accrued has been confirmed by BLMCL and reflected as liability in their unaudited/audited financial statements. The Advocate General of the State of Rajasthan as well as the Mines and Finance Departments of Government of Rajasthan (GOR) have clarified the queries raised by CAG with respect to the payment of interest and CAG has sought for further clarifications from Finance Department, GOR. The management is confident that the GOR will clarify the issue to CAG and the interest amount will be received in full in due course.

**32 Financial Instruments: Classifications and fair value measurements**

This note provides information about how the Company determines fair values of various financial assets and financial liabilities (which are measured at fair value through profit or loss).

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

**Fair value of financial assets and financial liabilities**

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

(₹ Crore)

Particular	As at March 31, 2018				
	Carrying amount	Fair value	Level 1	Level 2	Level 3
<b>Financial assets</b>					
<b>Financial assets carried at amortised cost</b>					
Investment in Mutual Fund	164.10	164.10		164.10	
Loans & advances	567.64	567.64			567.64
Security deposits	5.05	5.05			
Interest Receivable on Sub-Ordinate Debt	347.81	347.81			
Interest accrued on deposits, loans and advances	0.01	0.01			
Trade receivables	381.44	381.44			
Cash and cash equivalents	32.66	32.66			
<b>Financial assets carried at Cost</b>					

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Investment in Equity Shares	-	-			
<b>Total Financial assets</b>	<b>1498.70</b>	<b>1498.70</b>			
<b>Financial liabilities</b>					
<b>Financial Liabilities carried at amortised cost</b>					
Non-current liabilities- Borrowings	3,113.90	3,119.10			3,119.10
<b>Current liabilities</b>		-			
Trade Payables	171.36	171.36			
Liability towards sharing of truing up (gain)/Loss & Fuel price adjustment	190.65	190.65			
Creditors Capex	20.15	20.15			
Short term Deposits	0.12	0.12			
Interest accrued but not due on borrowings	0.39	0.39			
<b>Total Financial liabilities</b>	<b>3,496.56</b>	<b>3,501.76</b>			

(₹ Crore)

Particular	As at March 31, 2017				
	Carrying amount	Fair value	Level 1	Level 2	Level 3
<b>Financial assets</b>					
<b>Financial assets carried at amortised cost</b>					
Loans & advances	556.92	556.92			556.92
Security deposits	5.04	5.04			
Interest Receivable on Sub-Ordinate Debt	296.88	296.88			
Interest accrued on deposits, loans and advances	2.34	2.34			
Trade receivables	316.32	316.32			
Cash and cash equivalents	505.18	505.18			
Bank balances other than Cash and cash equivalents	107.30	107.30			
<b>Financial assets carried at Cost</b>					
Investment in Equity Shares	0.05	0.05			
<b>Total Financial assets</b>	<b>1790.03</b>	<b>1790.03</b>			
<b>Financial Liabilities carried at amortised cost</b>					
<b>Non-current liabilities</b>					
Borrowings	3,918.42	3,920.58			3,920.58
<b>Current liabilities</b>		-			
Trade Payables	105.15	105.15			
Liability towards sharing of truing up (gain)/Loss & Fuel price adjustment	87.58	87.58			
Revenue adjustment towards Capital Cost reduction	134.26	134.26			
Creditors Capex	25.47	25.47			

Short term Deposits	0.12	0.12			
Interest accrued but not due on borrowings	0.42	0.42			
<b>Total Financial liabilities</b>	<b>4,271.41</b>	<b>4,273.58</b>			

The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

#### **Capital management**

The Company being in a capital intensive industry, its objective is to maintain a strong credit rating healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

The Company's capital requirement is mainly to fund its capacity expansion, repayment of principal and interest on its borrowings and strategic acquisitions. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings and the capital markets. The Company is not subject to any externally imposed capital requirements.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and elongate the maturity of its debt portfolio, and closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

The Company monitors its capital using gearing ratio, which is net debt divided to total equity as given below:

**Gearing ratio** : The gearing ratio at end of the reporting period is as follows:

(₹ Crore)

<b>Particular</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
Debt (i)	3,113.90	3,918.42
Cash and bank balances	32.66	612.48
Net debt	<b>3,081.25</b>	<b>3,305.94</b>
Total equity	3,004.48	2,869.76
Net debt to equity ratio	<b>1.03</b>	<b>1.15</b>
(i)Debt is defined as long-term and short-term borrowings		

#### **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. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.



The company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures, wherever required. The use of financial derivatives is governed by the company's policies approved by the board of directors, which provide written principles on foreign exchange and commodity price risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

**As at March 31, 2018:**

<b>Financial Liabilities</b>	<b>USD</b>	<b>EURO</b>	<b>₹ Crore</b>
<b><u>Non-current liabilities</u></b>			
Long term borrowings	41,62,912		27.08
<b><u>Trade and other payables and acceptances</u></b>			
Trade payables - Other than acceptances	-		-
<b><u>Other current financial liabilities</u></b>			
Current maturities of long-term debt	10,40,728		6.77
Interest accrued but not due on borrowings	59,598		0.39
Others			
<b>Total financial liabilities (A)</b>	<b>52,63,238</b>	<b>-</b>	<b>34.23</b>
<b>Financial Assets</b>	<b>USD</b>	<b>EURO</b>	<b>₹ Crore</b>
<b><u>Current assets</u></b>			
Other advances	350	16,780.00	0.14
<b>Total financial assets (B)</b>	<b>350</b>	<b>16,780</b>	<b>0.14</b>
<b>Excess of financial liabilities over financial assets (A-B)</b>	<b>52,62,888</b>	<b>(16,780)</b>	<b>34.10</b>

**As at March 31, 2017:**

<b>Financial Liabilities</b>	<b>USD</b>	<b>EURO</b>	<b>₹ Crore</b>
<b><u>Non-current liabilities</u></b>			
Long term borrowings	52,03,640		33.74
<b><u>Trade and other payables and acceptances</u></b>			
Trade payables - Other than acceptances	5,815		0.04
<b><u>Other current financial liabilities</u></b>			
Current maturities of long-term debt	10,40,728		6.75
Interest accrued but not due on borrowings	63,711		0.41
<b>Total financial liabilities (A)</b>	<b>63,13,894</b>	<b>-</b>	<b>40.94</b>
<b>Financial Assets</b>	<b>USD</b>	<b>EURO</b>	<b>₹ Crore</b>
<b><u>Current assets</u></b>			
Other advances			
<b>Total financial assets (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>Excess of financial liabilities over financial assets (A-B)</b>	<b>63,13,894</b>	<b>-</b>	<b>40.94</b>
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**Interest rate risk management**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

**Interest rate sensitivity analysis**

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

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

<b>Particulars</b>	<b>(₹ Crore)</b>	
	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
Fixed rate borrowings-LIC	109.45	128.45
Fixed rate borrowings-Sub Debt	567.64	546.44
Floating rate borrowings	2,436.81	3,243.53
<b>Total borrowings</b>	<b>3,113.90</b>	<b>3,918.42</b>

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended March 31, 2018 would decrease/increase by ₹ 14.35 Crores (for the year ended March 31, 2017: decrease/increase by ₹17.46 Crores ). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

**Credit risk management**

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on. No amount has been recognised in the financial position as financial liabilities

**Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The table below provides details regarding the remaining contractual maturities of financial liabilities as on reporting date.

(₹ Crore)

Particulars	< 1 year	1-5 years	> 5 years	Total
<b>Non-current liabilities</b>				
Long term borrowings	-	1,186.50	1,632.45	2,818.95
<b>Current Liabilities</b>				
Trade and other payables and acceptances:	171.36	-	-	171.36
<b>Other current financial liabilities</b>				
Current maturities of long-term debt	294.95			294.95
Liability towards sharing of truing up (gain)/Loss & Fuel price adjustment	190.65			190.65
Interest accrued but not due on borrowings	0.39			0.39
Rent and other Deposits	0.12			0.12
Creditors Capex	20.14			20.15
<b>Total current liabilities</b>	<b>506.25</b>	<b>-</b>	<b>-</b>	<b>506.25</b>
<b>Total Financial Liabilities</b>	<b>677.61</b>	<b>1,186.50</b>	<b>1,632.45</b>	<b>3,496.56</b>
<b>Assets</b>				
Non-current investment	-	-	0.00	0.00
Long term loans and advances	-		567.64	567.64
Other advances	-	352.86		352.86
<b>Total Non-current Assets</b>	<b>-</b>	<b>352.86</b>	<b>567.64</b>	<b>920.50</b>
<b>Current assets</b>				
Investments in Mutual Funds	164.10			164.10
Trade receivables	381.44			381.44
Cash and cash equivalents	32.66			32.66
Interest accrued on deposits, loans and advances	0.01			0.01
<b>Total current assets</b>	<b>578.21</b>	<b>-</b>	<b>-</b>	<b>578.21</b>
<b>Total Financial Assets</b>	<b>578.21</b>	<b>352.85</b>	<b>567.64</b>	<b>1498.70</b>

**Regulatory risk management****Fuel Prices risk management**

Lignite has been considered as main fuel for the company. Company has entered into Fuel Supply Agreement with BLMCL for Lignite supply from the captive lignite mines of Kapurdi and Jalipa Mines. The interruption in the supply of Lignite due to regulatory changes, weather conditions, strike by mine workers and closure of mines due to force majeure can impact the availability and/or cost of Lignite.

The Company regularly broadens the sources (vendors) and maintains optimum fuel and stock level.

**Power Offtake risk management**

Company has signed Power Purchase Agreement (PPA) with Jaipur Vidyut Vitaran Nigam (Procuree 1), Ajmer Vidyut Vitaran Nigam (Procuree 2) and Jodhpur Vidyut Vitaran Nigam (Procuree 3) for sale of entire electrical output for the period of 30 years.

**33 Trade Receivables**

The average credit period allowed to customers is in the range of 30-45 days.

Major customers of the company are government bodies (DISCOMM). Concentration of credit risk is minimal due to the fact that the customer base largely consists of Government bodies (DISCOMM).

Trade receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period for which the company has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Allowances, if any, for doubtful debts are recognised against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position. In determining the allowances for doubtful trade receivables, the company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

**Age of receivables:**

(₹ Crore)

Particular	As at March 31, 2018	As at March 31, 2017
Within the credit period (30 Days )	274.04	193.03
1-30 days past due	-	-
31-60 days past due	0.89	-
61-90 days past due	-	-
91-180 days past due	68.22	23.97
181-365 days past due	-	-
<b>More than one year</b>		
>1 year to 2 years	23.97	60.08
More than 2 years to 3 years	14.32	
More than 3 years	-	39.23
<b>Total Trade Receivables</b>	<b>381.44</b>	<b>316.31</b>

Trade Receivables, unsecured and considered good and recoverable includes

- (i) ₹ 68.22 Crore (Previous year NIL) towards interest and rebate adjusted by Discoms but not accepted by the Company.
- (ii) ₹ 38.28 Crore (Previous year ₹ 71.95 Crore) towards certain statutory levies claimed due to change in law.

The Company has filed petition before RERC for recovery of the above dues.

### 34 Deferred tax balances:

The Company is supplying power to Rajasthan DISCOMS on Cost Plus formula basis (cost plus ROI) pursuant to Power Purchase Agreement (PPA) entered into with Rajasthan DISCOMS.

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

(₹ Crore)		
Particular	As at March 31, 2018	As at March 31, 2017
Deferred tax assets	-	-
Deferred tax liabilities	(327.70)	(268.77)
Less: Recoverable in future tariff	327.70	268.77
<b>TOTAL</b>	<b>-</b>	<b>-</b>

### Unrecognised deductible temporary differences, unused tax losses and unused tax credits

(₹ Crore)		
Particular	As at March 31, 2018	As at March 31, 2017
Deductible temporary differences, unused tax losses and been recognised are attributable to the following:		
Property plant & equipment	327.70	268.77
Less: Recoverable in future tariff	(327.70)	(268.77)
<b>TOTAL</b>	<b>-</b>	<b>-</b>

### 35 Income tax:

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

(₹ Crore)		
Particular	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit before Tax (Excluding share of gain (loss) of a joint venture)	171.15	367.93
Enacted tax rate	34.61	34.61
<b>Computed Expected tax expense</b>	<b>59.23</b>	<b>127.34</b>
Tax effect due to exempt income		
Tax effect due to tax holiday		(34.02)
Effect of non-deductible expenses	2.88	3.93
Effect of tax payable under MAT	(25.31)	(18.59)

<b>Income Tax Expense</b>	<b>36.78</b>	<b>78.66</b>
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**36 Operating segment:**

The Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators, however only for one segment viz. "Generation and Sale of power". Hence the Company does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments".

**37 Earnings per share:**

<b>Particulars</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
Profit attributable to equity holders of the parent company [₹ crore] [A]	84.86	293.20
Weighted average number of Equity shares for basic & diluted EPS [B]	1,72,60,50,000	1,72,60,50,000
Earnings Per Share - Basic & Diluted [₹] - [A/B]	0.49	1.70
Nominal value of an equity share [₹]	10	10

**38 Employee benefit expense :****Defined benefit plans: -****A. Provident fund:**

As per Ind AS 19 on "Employee Benefits", employer established provident fund trusts are treated as defined benefit plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. According to the defined benefit obligation of interest rate guarantee on exempted provident fund in respect of employees of the Company as at 31st March 2018 is 8.55% and hence no provision is required to be provided for in the books of accounts towards the guarantee given for notified interest rates

Company's contribution to provident fund recognized in the Statement of Profit and Loss of ₹ 2.72 crores (for the year ended 31st March 2017: ₹ 1.69 crores) (included in note no. 25)

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

<b>Particulars</b>	<b>As at 31st March, 2018</b>	<b>As at 31st March, 2017</b>
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**

The company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. The amount of gratuity shall be payable to an on the termination of his employment after he has rendered continuous service for not less than five years, or on their superannuation or resignation. However, in case of death of an employee, the minimum period of five years shall not be required. The amount of gratuity payable on retirement / termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years' service completed. The gratuity plan is a funded plan administered by a separate Fund that is legally separated from the entity and the company makes contributions to the insurer (LIC). The company does not fully fund the liability and maintains a target level of funding to be maintained over period of time based on estimations of expected gratuity payments.

The company has a policy on compensated absences with provisions on accumulation and encashment by the employees during employment or on separation from the company due to death, retirement or resignation. The expected cost of compensated absences is determined by actuarial valuation performed by an independent actuary at the balance sheet date using projected unit credit method.

The plans 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:

Particular	₹ in Crores
<b>Defined benefit obligation at 1 April 2016</b>	<b>2.78</b>
Interest cost	0.22
Current service cost	0.44
Benefits paid	(0.25)
Actuarial (Gains)/Loss	0.63
<b>Defined benefit obligation at 31 March 2017</b>	<b>3.82</b>
Interest cost	0.29
Current service cost	0.52
Liability Transferred In/Out (Net) from Company	1.35
Benefits paid	(0.20)
Actuarial (Gains)/Loss	(0.07)
<b>Defined benefit obligation at 31 March 2018</b>	<b>5.71</b>

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

(₹ Crore)

Particular		Defined Benefit Obligation	Fair Value of Plan assets	Benefit Liability
<b>Gratuity cost charged to profit or loss</b>	<b>Opening Balance as on 01st April 2017</b>	3.82	0.70	3.11
	Net Liability/(Asset) Transfer In (out)	1.35		1.35
	Service cost	0.52		0.52
	Net interest expense	0.29	0.05	0.23
	<b>Sub-total included in profit or loss</b>	<b>5.98</b>	<b>0.75</b>	<b>5.21</b>
<b>Remeasurement gains/(losses) in other comprehensive income</b>	Benefits paid	(0.20)	(0.20)	-
	Return on plan assets (excluding amounts included in net interest expense)		0.02	-0.02
	Actuarial changes arising from changes in demographic assumptions			-
	Actuarial changes arising from changes in financial assumptions	-0.22		-0.22
	Experience adjustments	0.16		0.16
	<b>Sub-total included in OCI</b>	<b>(0.26)</b>	<b>(0.18)</b>	<b>(0.08)</b>
	<b>Contributions by employer</b>		<b>0.71</b>	<b>-0.71</b>
	<b>Closing Balance as on 31st March 2018</b>	<b>5.72</b>	<b>1.28</b>	<b>4.42</b>



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

Particular	India Plan	
	March 31, 2018	March 31, 2017
Insurer Managed Funds	100%	100%

Since investment is with insurance company, Assets are considered to be secured.

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

Particular	March 31, 2018	March 31, 2017
	%	%
Discount rate:	7.85%	7.52%
Future salary increases:	6.00%	6.00%
Rate of Employee Turnover	2%	2%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

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

Particular	March 31, 2018	March 31, 2017
Delta Effect of +1% Change in Rate of Discounting	(0.61)	(0.44)
Delta Effect of -1% Change in Rate of Discounting	0.72	0.53
Delta Effect of +1% Change in Rate of Salary Increase	0.72	0.53
Delta Effect of -1% Change in Rate of Salary Increase	(0.62)	(0.45)
Delta Effect of +1% Change in Rate of Employee Turnover	0.12	0.07
Delta Effect of -1% Change in Rate of Employee Turnover	(0.13)	(0.09)

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

#### Maturity Analysis of Projected Benefit Obligation: From the Fund

Particular	March 31, 2018	March 31, 2017
1st Following year	0.25	0.16
2nd Following year	0.23	0.12
3rd Following year	0.23	0.18
4th Following year	0.18	0.17
5th Following year	0.41	0.14
Sum of years 6 to 10	1.84	1.26
<b>TOTAL</b>	<b>3.14</b>	<b>2.04</b>

The average duration of the defined benefit plan obligation at the end of the reporting period is 15 years (31 March 2017: 15 years).

#### 39. Share-based payments

The Company has the share option plan schemes for permanent employees of the company in the identified grades of employees for respective plans / schemes including any director except promoter or independent directors, nominee directors and non-executive directors or a director who either himself or through relatives or through anybody directly or indirectly holds more than 10% of the outstanding equity shares of the parent company.

- A. For Normal Options - 'JSWEL EMPLOYEES STOCK OWNERSHIP PLAN – 2010' (ESOP Plan)
- B. For Mega Options - 'JSWEL EMPLOYEES MEGA STOCK OWNERSHIP SCHEME – 2012' (ESOS Plan)
- C. For Normal Options - 'JSWEL EMPLOYEES STOCK OWNERSHIP PLAN - 2016' (ESOP Plan)

The award value shall be determined as percentage of Total Fixed Pay. The grant shall be at such price as may be determined by the ESOP Committee and shall be specified in the Grant letter. The option shall not be transferable and can be exercised only by the employees of the Company.

The number of options to be granted to each eligible employee is determined by dividing the Award Value (amount equivalent to percentage of Annual Fix Pay) by the Fair Value of option provided. The Fair Value of option on the date of each grant is determined by using Black Scholes model.

#### Movements during the year

The following table illustrates the number movements in share options during the year:

<b>Normal Option (ESOP Plan) (Grant Date : 8th November 2011)</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Outstanding at 1 April	2,74,738	3,06,926
Granted during the year	-	-
Forfeited during the year	-	1,270
Transfer arising from transfer of employees from company	-	-
Exercised during the year	2,74,738	30,918
Expired during the year	-	-
Outstanding at 31 March	-	2,74,738
Exercisable at 31 March	-	2,74,738
Vesting Period	3 Years	
Method of Settlement	Equity	
Exercise Price (₹)	52.35	
Fair Value (₹)	20.39	
Dividend yield (%)	10.00%	
Expected volatility (%)	34.85%	
Risk-free interest rate (%)	8.86%	
Expected life of share options/SARs (years)	5	
Weighted average share price (INR )	52.35	
Model used	Black-Scholes Method	
<b>Normal Option (ESOP Plan) (Grant Date : 31st October, 2012)</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>

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Outstanding at 1 April	6,97,411	7,55,454
Granted during the year	-	-
Forfeited during the year	-	2,049
Exercised during the year	6,92,827	55,994
Expired during the year	4,584	-
Outstanding at 31 March	-	6,97,411
Exercisable at 31 March	-	6,97,411
Vesting Period	3 Years	
Method of Settlement	Equity	
Exercise Price (₹)	60.90	
Fair Value (₹)	24.17	
Dividend yield (%)	05.00%	
Expected volatility (%)	39.65%	
Risk-free interest rate (%)	8.09%	
Expected life of share options/SARs (years)	3	
Weighted average share price (INR )	60.90	
Model used	Black-Scholes Method	

<b>Mega Option (ESOS Plan) (Grant Date : 4th October, 2012)</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Outstanding at 1 April	8,02,387	8,15,729
Granted during the year	-	-
Forfeited during the year	-	6,401
Exercised during the year	8,02,387	6,941
Expired during the year	-	-
Outstanding at 31 March	-	8,02,387
Exercisable at 31 March	-	8,02,387
Vesting Period	1 Years	
Method of Settlement	Equity	
Exercise Price (₹)	65.00	
Fair Value (₹)	19.43	
Dividend yield (%)	5.00%	
Expected volatility (%)	39.98%	
Risk-free interest rate (%)	8.13%	
Expected life of share options/SARs (years)	3	
Weighted average share price (INR )	65.00	
Model used	Black-Scholes Method	

<b>Normal Option (ESOP Plan) (Grant Date : 03rd May, 2016)</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Outstanding at 1 April	1,48,326	-
Granted during the year	-	1,48,236

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Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at 31 March	1,48,236	1,48,236
Exercisable at 31 March	1,48,236	-
Vesting Period	3 & 4 Years	
Method of Settlement	Equity	
Exercise Price (₹)	53.68	
Fair Value (₹)	30.78	
Dividend yield (%)	20.00%	
Expected volatility (%)	46.32%/44.03%	
Risk-free interest rate (%)	7.40%/7.47%	
Expected life of share options/SARs (years)	5 & 6 Years	
Weighted average share price (INR )	63.68	
Model used	Black-Scholes Method	

<b>Normal Option (ESOP Plan) (Grant Date : 19<sup>th</sup> May, 2017)</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Outstanding at 1 April	-	-
Granted during the year	2,15,251	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at 31 March	2,15,251	-
Exercisable at 31 March	2,15,251	-
Vesting Period	3 & 4 Years	
Method of Settlement	Equity	
Exercise Price (₹)	51.80	
Fair Value (₹)	28.88	
Dividend yield (%)	20.00%	
Expected volatility (%)	44.50%/45.16%	
Risk-free interest rate (%)	6.90%/6.98%	
Expected life of share options/SARs (years)	5/6 years	
Weighted average share price (INR )	51.80	
Model used	Black-Scholes Method	

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

#### 40. Operating Lease:

The Company, as a lessee, has entered into operating leases on certain Office premises, Building, Guest House, The agreements are executed for the period of 6 to 24 Months with a renewable clause and also provide for termination at will by other party giving a prior notice period of 1 to 3 Months. The company has paid ₹0.39 Crores during the FY 2017-18 (Previous year ₹ 0.07 Crores) during the year towards minimum lease payment.

#### Future minimum rentals payable under non-cancellable operating leases as follows:

(₹ Crore)

Particular	As at March 31,2018	As at March 31,2017
Within one year	NIL	0.043
<b>Total</b>	<b>NIL</b>	<b>0.043</b>

#### 41. Commitments

(₹ Crore)

Particular	As at March 31,2018	As at March 31,2017
Commitments to contribute funds for the acquisition of property, plant and equipment -Capital Commitments (net of advances)	3.43	7.89
Capital Commitment arising from the interest in joint venture	0.27	0.12

#### 42. Contingent liabilities

(₹ Crore)

Particular	As at March 31,2018	As at March 31,2017
i) Disputed Income tax matters(including interest up to date of demand, if any)	-	0.01
ii) Other disputed taxes/duties (including penalty levied and interest up to the date of demand, if any)	1.46	1.46

#### Contingent liabilities incurred by the Company arising from its interests in joint ventures

Contingent liabilities	As at March 31,2018	As at March 31,2017
------------------------	------------------------	------------------------

Contingent liabilities of the joint venture	249.83	249.79
The Company's share in the contingent liability	122.42	122.40

The Joint Venture Company has paid a sum of ₹ 977.51 crore up to 31st March, 2017 (Previous Year ₹ 977.51 crore) to Rajasthan State Mines & Minerals Limited (RSMML) towards the compensation for land acquisition of 17,323.05 bighas of Kapurdi Mining Block and 22347.85 bighas of Jalipa Mining Block in accordance with the order of Land Acquisition Officer. While, the mutation process of Kapurdi Lignite Mining land has been completed and land has been transferred in the name of RSMML, the mutation process is underway for Jalipa Lignite Mining Land. RSMML has intimated that the transfer of land from RSMML to the Company has been rejected by Government of Rajasthan, even though the opinion of Advocate General states that the transfer of land from RSMML to the company is contemplated within the provision of the Implementation Agreement and Joint Venture Agreement. JV partner has represented Government of Rajasthan for reconsideration of the issue and response is awaited. Till the issue attains finality and based on present position taken by GOR, the amount of ₹ 269.26 crore paid towards the acquisition of Kapurdi land and ₹ 708.25 crore paid for acquisition of Jalipa land reflected as Surface Rights for both the mines.

#### 43. 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.	JSW Power Trading Company Limited
3.	JSW Steel Limited
4.	South West Mining Limited
5.	JSW Infrastructure Limited
6.	JSW Foundation
7.	JSW IP Holdings Private Limited
8.	JSW Global Business Solutions Limited
9.	Jindal Steel and Power Limited
10.	Jindal Saw Limited (Jindal SL)
11.	Jindal Stainless Limited (JSL)
12.	Jindal Stainless (Hisar) Limited
13.	JSW Energy Employees Welfare Trust
II	<b>Joint Venture Company</b>
1	Barmer Lignite Mining Company Limited (JV)
II	<b>Joint Venture-Partner</b>
1	Rajasthan State Mines & Minerals Limited (RSMML)
III	<b>Key Managerial Personnel</b>
1	Mr. Nirmal Kumar Jain-Chairman
2	Mr. Prashant Jain -Vice Chairman (w.e.f June 16,2017)
3	Mr. Sanjay Sagar -Vice Chairman (upto June 15, 2017)

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4	Mr. Jyotikumar Agarwal -Director (w.e.f. April 27,2017)
5	Mr. Girish Deshpande -Director
6	Mr. Aditya Agarwal-Director
7	Ms. Sheila Sangwan-Independent Director
8	Mr. Sunil Dutt Vyas -Independent Director
9	Mr. Buddhadev Dasgupta -Nominee Director
10	Mr. Uday Chitale, Independent Director (w.e.f. March 26,2018)
11	Ms. Shailaja Chandra, Independent director ((w.e.f. March 26,2018)
12	Mr. Rakesh Nath, Independent Director
13	Mr. Raj Kumar Sharma-Company Secretary & Chief Financial Officer

(₹ Crore)

A	Transaction during the year	Current Year	Previous Year
<b>1</b>	<b>Purchase of Lignite (Fuel )</b>		
	Barmer Lignite Mining Company Limited	1,164.98	1,158.47
<b>2</b>	<b>Purchase of Limestone (Fuel )</b>		
	Rajasthan State Mines & minerals Limited	10.92	11.37
<b>3</b>	<b>Purchase of Goods</b>		
	JSW Steel Limited	0.15	0.98
	Jindal Steel and Power Limited	-	0.33
	Jindal Saw Limited (Jindal SL)	1.20	0.44
	Jindal Stainless Limited (JSL)	-	0.08
	Jindal Stainless (Hisar) Limited	0.51	0.72
<b>4</b>	<b>Service Received</b>		
	South West Mining limited	0.06	1.23
	JSW Steel Limited	0.32	-
	JSW Global Business Solutions Limited	3.63	0.65
<b>5</b>	<b>Purchase of Power</b>		
	JSW Power Trading Company Limited	-	0.08
<b>6</b>	<b>Branding expense</b>		
	JSW IP Holdings Private Limited	3.19	2.21
<b>7</b>	<b>Security Deposit paid/(refund)</b>		
	JSW IP Holdings Private Limited	-	0.45
<b>8</b>	<b>Amounts paid/(received) on behalf of RWPL by Holding Company /Other Related Party</b>		
	JSW Energy Limited (Net)	3.23	3.67
	South West Mining Limited (Net)	0.04	(0.02)
	JSW Steel Limited	0.07	-
	JSW Infrastructure Limited	0.05	
	JSW Global Business Solutions Limited (Net)	0.01	0.41
<b>9</b>	<b>Amounts paid on behalf of Joint Venture/Other Related Party by RWPL</b>		

	Barmer Lignite Mining Company Limited	1.89	1.80
<b>10</b>	<b>CSR Expenses</b>		
	JSW Foundation	0.84	0.48
<b>11</b>	<b>Sale of Scrap</b>		
	JSW Steel	-	0.30
<b>12</b>	<b>Loan given (repaid)</b>		
	Barmer Lignite Mining Company Limited	21.20	55.50
	JSW Energy Employees Welfare Trust	(11.07)	(0.55)
<b>13</b>	<b>Interest Income subordinate loan given</b>		
	Barmer Lignite Mining Company Limited	56.59	50.98
<b>14</b>	<b>Unsecured Loan</b>		
	JSW Energy Limited (Long Term Loan)	21.20	55.50
<b>15</b>	<b>Interest Expenses on Loan</b>		
	JSW Energy Limited	53.61	50.83

(₹ Crore)

<b>B</b>	<b>Closing Balances</b>	<b>As at March 31,2018</b>	<b>As at March 31,2017</b>
<b>1</b>	<b>Trade (Payables) / Receivables</b>		
	JSW Energy Limited	(1.68)	(0.00)
	JSW Steel Limited	(0.36)	0.01
	JSW Power Trading Company Limited	-	0.01
	Barmer Lignite Mining Company Limited	(125.13)	(71.50)
	Rajasthan State Mines & minerals Limited	0.02	0.06
	South West Mining Limited	(0.05)	(0.13)
	JSW Foundation	(0.43)	-
	JSW Global Business Solutions Limited	(0.41)	(0.57)
	JSW IP Holdings Private Limited	0.21	1.32
	JSW Infrastructure Limited	(0.05)	-
	Jindal Steel and Power Limited	0.03	0.03
	Jindal Saw Limited (Jindal SL)	(0.00)	-
	Jindal Stainless (Hisar) Limited	0.00	-
<b>2</b>	<b>Deposit With</b>		
	JSW IP Holdings Private Limited	0.45	0.45
<b>3</b>	<b>Loans / Advances to</b>		
	Barmer Lignite Mining Company Limited	0.48	0.43
<b>4</b>	<b>Equity Share Capital</b>		
	JSW Energy Limited	1,726.05	1,726.05
<b>5</b>	<b>Investment in Equity Shares</b>		
	Barmer Lignite Mining Company Limited	9.80	9.80
<b>6</b>	<b>Loan Given</b>		
	Barmer Lignite Mining Company Limited	567.64	546.44



	JSW Energy Employees Welfare Trust	-	11.07
<b>7</b>	<b>Interest Receivable on Subordinate Loan</b>		
	Barmer Lignite Mining Company Limited	347.81	296.88
<b>8</b>	<b>Unsecured Loan</b>		
	JSW Energy Limited	567.64	546.44
<b>9</b>	<b>Interest payable on Unsecured Loan</b>		
	JSW Energy Limited	-	0.00

The remuneration of directors and other members of key management personnel during the year was as follows: (₹ Crore)

Sr. no	Transaction during the year	Current Year	Previous Year
1	Short-term benefits	1.68	1.61
2	Post-employment benefits	0.06	0.06
3	Sitting Fees	0.17	0.11
	<b>Total</b>	<b>1.91</b>	<b>1.79</b>

The above figures do not include provisions for gratuity and leave encashment as the same is not determinable.

**Note:**

- 1 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.
- 2 Related party relationships have been identified by the management and relied upon by the Auditors.
- 3 Related party transactions have been disclosed on basis of value of transactions in terms of the respective contracts.
- 4 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.

**44. Details of Corporate Social Responsibility (CSR) Expenditure:**

(₹ Crore)

Particular	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Amount required to be spent as per Section 135 of the Act	9.20	8.19
Amount spent during the year on :		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	9.20	8.19

**45 Remuneration to Auditors (Including Taxes)**

(₹ Crore)

Particulars	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Audit Fees	0.32	0.24
Tax Audit Fees	0.05	0.04
Certification Fees	0.01	0.01
Reimbursement of Expenses	0.01	0.01

**46. Disclosure under Micro, Small and Medium Enterprises Development Act:**

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

(₹ Crore)

SI No	Particulars	As at March 31,2018	As at March 31,2017
1	Principal amount outstanding	4.02	1.71
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	-	-

47. 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.

**48. Disclosure of additional information as required by Division II of Schedule III to the Companies Act, 2013:**

Name of the entity in the Company	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	INR crore	As % of consolidated profit and loss	INR crore	As % of consolidated other comprehensive income	INR crore	As % of total comprehensive income	INR crore
<b>Parent Company</b>								
Raj WestPower Limited								
Balance as at 31 March, 2018	102.01	3,004.46	158.32	134.35	100.00	0.06	158.28	134.41
<b>Joint ventures (Investment as per the equity method) –Indian</b>								
Barmer Lignite Mining Company Limited								
Balance as at 31 March, 2018	(1.65)	(48.57)	(58.32)	(49.49)	-	-	(58.28)	(49.49)
<b>Balance as at 31 March, 2018</b>	<b>100.00</b>	<b>2,945.22</b>	<b>100.00</b>	<b>84.86</b>	<b>100.00</b>	<b>0.06</b>	<b>100.00</b>	<b>84.92</b>

RAJ WESTPOWER LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

**49. Approval of financial statements:**

The financial statements were approved for issue by the Board of Directors on May 02, 2018.

**For and on behalf of the Board of Directors**

**Aditya Agarwal**  
Whole Time Director  
[DIN 07298742]

**Nirmal Kumar Jain**  
Chairman  
[DIN 00019442]

**Place : Mumbai**  
**Date : May 02,2018**

**Raj Kumar Sharma**  
Company Secretary &  
Chief Financial Officer