Notes

to the Consolidated Financial Statements for the year ended 31st March, 2019

Note No. 1 - General information:

JSW Energy Limited ("the Company or the Parent") is a public company incorporated on 10th March 1994 under the Companies Act, 1956 and listed on Bombay Stock Exchange and National Stock Exchange. The registered office of the Company is located at JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai, Maharashtra. The Company and its subsidiaries (together referred to as "the Group") are primarily engaged in the business of generation of power with principal places located at Vijayanagar (Karnataka), Ratnagiri (Maharashtra), Barmer (Rajasthan) and Kinnaur (Himachal Pradesh). Information on the Group structure is provided in Note 30. Information on other related party relationships of the Group is provided in Note 44.

Note No. 2.1 - Applicability of new and revised Ind AS:

The Group applied Ind AS 115 'Revenue from Contracts with Customers' for the first time. Ind AS 115 supersedes Ind AS 11 'Construction Contracts' and Ind AS 18 'Revenue' and it applies, with limited exceptions, to all revenue arising from contracts with customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures. The Group adopted Ind AS 115 using the cumulative effect method on transition, applied to contracts that were not completed contracts as at 1st April, 2018. Therefore, the comparative information was not restated and continues to be reported under Ind AS 11 and Ind AS 18. There was no impact on transition on the opening balance sheet as at 1st April, 2018. The new standard has no material impact on the revenue recognised during the year.

New material accounting pronouncements, which are not yet effective

Ind AS 116 – Leases

Ind AS 116 Leases was notified on 30th March, 2019 by the Ministry of Corporate Affairs. It replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1st April, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases (i.e. leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right to use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right to use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right to use asset. The standard permits two possible methods of transition i.e. Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, and Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application. The Group is analysing the lease contracts and in the process of assessing the impact of this new standard on the Consolidated Financial Statements.

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments):

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement.

Ind AS 109 – Financial instruments (amendments relating to prepayment features with negative compensation):

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Group does not expect this amendment to have any impact on its Consolidated Financial Statements.

Ind AS 19 – Employee benefits (amendments relating to plan amendment, curtailment or settlement):

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the remeasurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group

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does not expect this amendment to have any significant impact on its Consolidated Financial Statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect any impact from this amendment.

Ind AS 28 – Investments in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Group does not currently have any such long-term interests in associates and joint ventures.

Ind AS 103 – Business Combinations and Ind AS 111 - Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Group will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

2.2 - Statement of compliance:

The Consolidated Financial Statements of the Group which comprise the Consolidated Balance Sheet as at 31st March, 2019, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended 31st March, 2019, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Consolidated Financial Statements") have been prepared in accordance with Indian Accounting Standards notified under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter ("Ind AS"), the provisions of the Companies Act, 2013 ("the Act") (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Consolidated Financial Statements have been approved by the Board of Directors in its meeting held on 16th May, 2019.

2.3 - Basis of preparation of consolidated financial statements:

The Consolidated Financial Statements are prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Presentation requirements of Division II of Schedule III to the Companies Act, 2013, as applicable to the Consolidated Financial Statements have been followed. The Consolidated Financial Statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest crore, except otherwise indicated.

2.4 - Basis of consolidation

The Consolidated Financial Statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company and its subsidiaries. Control is achieved where the Company:

I has power over the investee

II is exposed to, or has rights, to variable returns from its involvement with the investee; and

III has the ability to use its power to affect its returns

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including;

I the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

II potential voting rights held by the Company, other vote holders or other parties;

III rights arising from other contractual arrangements; and

IV any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

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Profit and loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.5 - Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in Consolidated Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

I deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;

II liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date; and

III assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its settlement is accounted for within equity.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of bargain purchase, before recognizing gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognizes any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognizes it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing, directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in the Consolidated Statement of Profit and Loss.

Business combinations involving entities or businesses under common control shall be accounted for using the pooling of interest method.

2.6 - Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

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For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the Consolidated Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described in notes below.

2.7 - Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group'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 Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in consolidated statement of profit and loss in the period in which the investment is acquired.

After application of the equity method of accounting, the Group 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 an associate or 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 such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

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

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

2.8 - Significant accounting policies

I. Revenue recognition:

Revenue from contracts with customers is recognised when control of the goods (power) or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services having regard to the terms of the Power Purchase Agreements, relevant tariff regulations and the tariff orders by the regulator, as applicable, and contracts for services. Where the final tariff rates are yet to be approved by the regulator, revenue is recognised based on the provisional rates as provided by the regulator adjusted by the truing up adjustments under the relevant

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tariff regulations. Any surplus or deficit is recognised when the final order is passed by the regulator. If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated having regard to various relevant factors including historical trend, and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Delayed payment charges and compensation towards shortfall in offtake are recognised when there is reasonable certainty to expect ultimate collection.

II. Leases :

Arrangements in the nature of lease:

An arrangement 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 is evaluated at its inception to assess whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and whether it also conveys the right to use such asset or assets. In case of the arrangement which is identified to be in the nature of lease, the payments and other consideration under the arrangement are separated at the inception of the arrangement into those for lease and those for other elements. Contingent rentals are recognised as expenses or income in the periods in which they are incurred or earned.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor:

Amount due from the lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Lease receipts are apportioned between finance income and reduction of the revenue so as to achieve a constant rate of interest on the remaining balance of the finance lease receivable. Finance lease income is allocated to the accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

The Group as lessee:

Assets held under finance leases are initially recognised as assets of the Group 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 consolidated 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 Consolidated Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

III. Service concession arrangements:

The Group recognises intangible assets and/or financial assets in accordance with the terms of concession arrangements.

Intangible asset:

The right to charge users of the services under the arrangement is recognised and classified as intangible asset. The intangible asset, so recognised, is amortised over the period of service concession arrangement.

Financial assets:

The Group's right to receive specified determinable amounts under the agreement are recognised and classified as financial assets.

Finance income is recognised using effective interest rate method.

IV. Foreign currency transactions and foreign operations:

The Group's consolidated financial statements are presented in Indian Rupee, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

The 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.

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Exchange differences on monetary items are recognised in Consolidated Statement of Profit and Loss in the period in which they arise except for:

I exchange differences on transactions entered into in order to hedge certain foreign currency risks (see below the policy on hedge accounting in 2 (XVI) (g); and

II exchange difference arising on settlement / restatement of long-term foreign currency monetary items recognized in the consolidated financial statements for the year ended 31st March, 2016 prepared under previous GAAP, are capitalized as a part of the depreciable fixed assets 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 fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary item, whichever is earlier and charged to the Consolidated 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.

V. 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 Consolidated Statement of Profit and Loss in the period in which they are incurred.

The Group 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 Group 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 expenditure on that asset.

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

VI. 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 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 Group pays gratuity to the employees whoever has completed five years of service with the Group 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 Group makes monthly contributions to provident fund managed by trust for qualifying employees. Under the scheme, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits and the Group is obliged to meet interest shortfall, if any.

d) 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.

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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 Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group 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 Consolidated 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 Group has created an Employee Welfare Trust for providing share-based payment to its employees. The Group uses the Trust 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 Group treats Trust as its extension and shares held by the Trust are treated as treasury shares.

VII. Taxation:

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax:

Current tax is the amount of tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance Sheet date.

Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group 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.

A deferred tax asset arising from unused tax losses or tax credits is recognised only to the extent that the Group has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the Group.

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For operations carried out under tax holiday period (80IA benefits of Income Tax Act, 1961), deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

In operations where tariff is determined under regulations ("Regulated business") and tax is a pass-through cost, deferred tax recoverable from / payable to the customers in future tariff when the same becomes current tax, is recognised and presented as a separate adjustment under Deferred Taxes. Current and deferred tax are recognised in consolidated statement of profit and loss, except when they relate

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to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

VIII. 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.

Cost of major inspection/overhauling is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection/overhauling (as distinct from physical parts) is de-recognised.

Properties in the course of construction are carried at cost, less any recognised impairment loss, as capital work in progress. Upon completion, such properties are transferred to the appropriate categories of property, plant and equipment and the depreciation commences.

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

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 Consolidated Statement of Profit and Loss.

IX. Other intangible assets:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no further economic benefits are expected from use or disposal. Gain/loss on de-recognition are recognised in Consolidated Statement of Profit and Loss.

X. Depreciation and amortisation:

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Regulatory business:

Depreciation on Property, plant and equipment in respect of electricity business of the Group covered under Part B of Schedule II of the Companies Act, 2013, has been provided on the straight line method at the rates using the methodology as notified by the respective regulators.

Non-Regulatory business:

Depreciation is recognized 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 straight-line method as per the useful lives and residual value prescribed in Schedule II to the Act except in case of the following class of assets wherein useful lives are determined based on technical assessment made by a technical expert engaged by the management taking into account the nature of assets, the estimated usage of assets, the operating conditions of the assets, anticipated technological changes, in order to reflect the actual usage:

Estimated useful lives of the assets are as follows:

Class of Property, plant and equipment	Useful life in Years
Buildings (factory buildings and civil structure)	12-35
Plant and equipment	2-35
Furniture and fixtures	6-10
Vehicles	5-10
Office equipment	3-5

When significant parts of property, plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

Freehold land is not depreciated. Leasehold land is amortized over the period of the lease, except where Leasehold land is acquired by the Group, with an option in the lease deed, entitling the Group to purchase on outright basis after a certain period at no additional cost is not amortized.

Major overhaul costs are depreciated over the estimated life of the economic benefit derived from the overhaul.

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The carrying amount of the remaining previous overhaul cost is charged to the Consolidated Statement of Profit and Loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

Computer software is amortised over an estimated useful life of 3 years.

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.

XI. Impairment of tangible and intangible assets other than goodwill:

At the end of each reporting period, the Group 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). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where 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 group 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 to sell 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 the Consolidated Statement of Profit and Loss.

Any reversal of the previously recognised impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

XII. Inventories:

Inventories are stated at the lower of weighted average cost or net realizable value. Costs of inventories are determined on weighted average basis.

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

Net realisable value represents the estimated selling price for inventories less all estimated cost of completion and cost necessary to make the sale.

XIII. Earnings per share:

Basic earnings per share is computed by dividing the profit/(loss) for the year by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit/(loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) 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.

XIV. Provisions , contingencies and commitments:

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group 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

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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 Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

XV. Financial guarantee contracts:

The Group on a case to case basis elects to account for financial guarantee contracts as a financial instrument or as an insurance contract, as specified in Ind AS 109 on Financial Instruments and Ind AS 104 on Insurance Contracts. At the end of each reporting period the Group performs a liability adequacy test, (i.e. it assesses the likelihood of a pay-out based on current undiscounted estimates of future cash flows), and any deficiency is recognized in Consolidated Statement of Profit and Loss.

XVI. Financial instruments:

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

(a) Equity Investments

All equity investments are measured at fair value, with value changes recognised in Consolidated Statement of Profit and Loss, except for those equity investments for which the Group has elected to present the value changes in 'Other Comprehensive Income'

(b) Financial assets:

(i) Initial recognition and measurement:

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

(ii) Subsequent measurement:

Financial assets carried at amortised cost - A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVTOCI) - A financial asset is measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss (FVTPL) - A financial asset which is not classified in any of the above categories are fair valued through profit or loss.

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

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(b) the contractual cash flow characteristics of the financial asset.

(iii) Impairment:

The Group recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVTOCI. 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 information including that which is forward-looking.

The Group'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 Group 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 Group 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 Group recognises 12-months ECL 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 ECL are measured as lifetime ECL 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 Group reverts to recognizing impairment loss allowance based on 12 months ECL. The impairment losses and reversals are recognised in Consolidated Statement of Profit and Loss. For equity instruments and financial assets measured at FVTPL, there is no requirement for impairment testing.

(iv) Derecognition:

The Group 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 Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group 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 Consolidated Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Consolidated Statement of Profit and Loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group 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 Consolidated Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Consolidated Statement of Profit and 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.

(v) Income from Financial Assets

Dividend and interest income:

Dividend income from investments is recognised when the shareholder's right

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to receive payment has been established. 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.

(c) Financial liabilities and equity instruments:

(i) Classification as debt or equity:

Debt and equity instruments issued by a group 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.

(ii) 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 Group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Parent Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Consolidated Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Parent Company's own equity instruments.

(iii) Initial recognition and measurement:

All financial liabilities are recognized initially at fair value and in case of loans net of directly attributable cost. Fees of recurring nature are directly recognised in profit or loss as finance cost.

(Iv) Subsequent measurement:

Financial liabilities are carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(v) Derecognition:

The Group derecognises financial liabilities when, and only when, the Group'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 Consolidated Statement of Profit and Loss.

(d) Derivative financial instruments:

The Group 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 Consolidated 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 consolidated statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Consolidated Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item.

(e) 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.

(f) Fair Value measurement:

The Group 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:

i) In the principal market for the asset or liability, or

ii) 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 Group.

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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 Group 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

For the purpose of fair value disclosures, the Group 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.

(g) Hedge accounting:

The Group designates certain hedging instruments, which include derivatives in respect of foreign currency, as either cash flow hedge or fair value hedge. Hedges of foreign currency risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Group entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to hedged risk.

(i) Fair value hedges:

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognized in Consolidated Statement of Profit and Loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to hedged risk are recognized in Consolidated Statement of Profit and Loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

(ii) Cash flow hedges:

The effective portion of changes in fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in consolidated statement of profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to consolidated statement of profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains or losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in consolidated statement of profit

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or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in Consolidated Statement of Profit and Loss.

Note No. 3 - Key sources of estimation uncertainty and critical accounting judgements:

The preparation of Consolidated Financial Statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of these Consolidated Financial Statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Key sources of estimation uncertainties

Useful lives and residual value of property, plant and equipment

Management reviews the useful lives 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, the estimated usage of the asset, the operating condition of the asset, anticipated technological changes, historical trend of plant load factor, historical planned and scheduled maintenance etc. It is possible that the estimates made based on existing experience are different to the actual outcomes within the next financial periods and could cause a material adjustment to the carrying amount of property, plant and equipment.

Provisions and 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. Potential liabilities that are remote are neither recognized nor disclosed as contingent liability. The management decides whether the matters needs to be classified as 'remote,' 'possible' or 'probable' based on expert advice, past judgements, terms of the contract, regulatory provisions etc.

Fair value measurements

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.

Income Taxes

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. In assessing the realizability of deferred tax assets arising from unused tax credits, the management considers convincing evidence about availability of sufficient taxable income against which such unused tax credits can be utilized. The amount of the deferred income tax assets considered realizable, however, could be reduced if estimates of future taxable income during the carry forward period are reduced.

Contingent consideration

Contingent consideration is recognised based on the Management's best estimates about fructification of certain future events (e.g. approval of plant project cost by the regulator and timing thereof, recoverability of dues from government authorities/customers, etc.) pertaining to past acquisition of Hydro Power business. The amount of contingent consideration may vary in future depending on outcome of uncertain events and timing thereof.

Defined benefit plans

The present value of defined benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary escalations and mortality rates etc. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. In considering the value in use, the Management has made assumption relating to plant availability, plant load factor, useful life of the assets, additional capacity and capital cost approval from the regulators, input cost escalations, operational margins etc. for arriving at the future cash flows expected to arise from the cash-generating units, and discount rates in order to calculate the present value of such cash flows. Any subsequent changes to the cash flows due to changes in the above mentioned factors could impact the carrying value of the goodwill.

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Impairment assessment of intangible assets:

Impairment assessment of intangible assets (mining rights related coal mines at South Africa) involves assumptions relating to timing of resumption of commercial operations, mineable reserves / resources, annual production, yield, future prices of coal, renewal of mining licenses, operational margins, and discount rate. Any subsequent changes in the assumptions could impact the carrying value of the assets.

Loss allowance assessment for a loan/guarantee given to a related party:

Recoverability of loans given to and non-devolvement of financial guarantee given on behalf of, a related party serving as a mine development operator for lignite mine of a joint venture entity is assessed on the basis of its net worth as on 31st March, 2019 and projected cash flows considering it will continue as the operator having regard to the process for selection of mine development operator being carried out through fresh competitive bidding based on the regulator's direction and the right to nominate such mine development operator is being contested by a subsidiary.

Expected credit loss

The policy for expected credit loss allowances for bad and doubtful debts of the Group is based on the evaluation of collectability and the management's judgement. A considerable amount of judgement is required in assessing the ultimate realization of the loans, the past collection history of each party and ongoing dealings with these parties.

Onerous contract:

While ascertaining the unavoidable costs of meeting the obligations under a power purchase contract, the Group has exercised it's significant judgement in terms of anticipating the future coal prices, plant load factor, component of unavoidable cost and it's escalations to conclude that economic benefits expected to receive under the said contract exceeds the unavoidable cost of fulfilling such contract.

Critical judgements in applying accounting policies

Evaluation of "Lease arrangements" to determine whether it contains lease arrangements:

a) In respect of power plant unit at Ratnagiri, Maharashtra, while assessing the applicability of the principles relating to arrangements in the nature of lease prescribed under Appendix C to Ind AS 17, the management has exercised judgements in evaluating the customer's right to use the underlying asset and pricing terms of the arrangement to reach a conclusion that the arrangement for supply of power through aforesaid power plant unit is in the nature of lease.

(b) The management has critically evaluated the terms of the contract (including by obtaining independent legal advice) with respect to Karcham Hydro Plant to determine whether the contract is, in substance, with a customer or with multiple state electricity utility companies, and the customer is merely acting as an intermediator/facilitator. Based on such evaluation, it was concluded that the arrangement is not in the nature of lease in terms of Appendix "C" of Ind AS 17 "Determining whether an Arrangement contains a Lease".

Service concession arrangements:

In assessing the applicability of Appendix D of Ind AS 115: 'Service Concession Arrangements', the management has exercised significant judgments in evaluating the useful lives of the assets and the terms of power purchase agreements / transmission license arrangements / other similar implementation arrangements/provisions of the Electricity Act, 2003 towards, the ability to enter into power purchase arrangements with any customer, power supply and pricing terms and related rights beneficial entitlement in the related infrastructure, useful lives of the assets and obligation to transfer the asset at the end of arrangement etc. Based on such evaluation, the management has determined that only arrangement in respect of a Hydro power plant at Himachal Pradesh of the Group meets the criterion for recognition as service concession arrangement.

Classification of Barmer Lignite Mining Company Limited ("BLMCL") as joint venture:

BLMCL is a limited liability company whose legal form confers separation between the parties to the joint arrangement and BLMCL itself. For passing any resolution in board meetings, unanimous consent with quorum of directors representing both the parties is required. Further, there are no other circumstances that substantiates that the parties to the joint arrangement have rights to the assets and obligations for the liabilities of the joint arrangement. Hence, BLMCL is classified as a joint venture of the Group.

Revenue recognition:

Significant judgements are involved in determination of tariff entitlement as per relevant contractual terms/governing tariff regulations due to ongoing disputes with customers. The final outcome of such disputes may have impact on the revenue recognised by the Group

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Note No. 4A - Property, plant and equipment

₹ crore

Particulars	Land - freehold [a,h]	Land - leasehold [h,i]	Buildings [b,e]	Plant and equipment [c,d,f,g]	Office equipment	Furniture and fixtures	Vehicles	Leasehold improvements	Total
At cost / deemed cost									
I. Gross carrying value									
Balance as at 1st April, 2017	**243.30**	**25.38**	**1,778.88**	**17,452.23**	**48.89**	**66.90**	**16.97**	**0.01**	**19,632.56**
Additions	2.75	-	20.49	324.29	1.53	1.64	4.07	-	354.77
Disposals / discards	-	-	(1.29)	(5.50)	(0.05)	(0.08)	(2.60)	-	(9.52)
Effect of foreign currency exchange differences	0.97	-	6.27	5.84	*	0.22	0.08	-	13.38
Balance as at 31st March, 2018	**247.02**	**25.38**	**1,804.35**	**17,776.86**	**50.37**	**68.68**	**18.52**	**0.01**	**19,991.19**
Additions	0.07	-	1.57	138.20	1.30	0.54	1.56	-	143.24
Disposals / discards	-	(14.32)	(0.06)	(5.29)	(0.80)	(0.22)	(1.35)	-	(22.04)
Effect of foreign currency exchange differences	(1.03)	-	(6.73)	(6.25)	-	(0.23)	(0.09)	-	(14.33)
Balance as at 31st March, 2019	**246.06**	**11.06**	**1,799.13**	**17,903.52**	**50.87**	**68.77**	**18.64**	**0.01**	**20,098.06**
II. Accumulated depreciation and impairment									
Balance as at 1st April, 2017	**-**	**0.71**	**126.12**	**1,609.47**	**8.37**	**8.73**	**2.66**	**-**	**1,756.06**
Depreciation expense for the year	-	0.31	68.05	832.93	16.99	8.34	3.28	-	929.90
Eliminated on disposals / discards	-	-	-	-	(0.04)	(0.05)	(1.44)	-	(1.53)
Effect of foreign currency exchange differences	-	-	3.61	5.95	*	0.16	0.06	-	9.78
Balance as at 31st March, 2018	**-**	**1.02**	**197.78**	**2,448.35**	**25.32**	**17.18**	**4.56**	**-**	**2,694.21**
Depreciation expense for the year	-	0.32	64.64	1,044.97	9.40	7.63	2.37	-	1,129.33
Eliminated on disposals / discards	-	-	(0.02)	(2.58)	(0.77)	(0.20)	(1.13)	-	(4.70)
Effect of foreign currency exchange differences	-	-	(4.23)	(6.25)	-	(0.19)	(0.07)	-	(10.74)
Balance as at 31st March, 2019	**-**	**1.34**	**258.17**	**3,484.49**	**33.95**	**24.42**	**5.73**	**-**	**3,808.10**
III. Net carrying value as at 31st March, 2018	**247.02**	**24.36**	**1,606.57**	**15,328.51**	**25.05**	**51.50**	**13.96**	**0.01**	**17,296.98**
IV. Net carrying value as at 31st March, 2019	**246.06**	**9.72**	**1,540.96**	**14,419.03**	**16.92**	**44.35**	**12.91**	**0.01**	**16,289.96**

*Less than ₹ 50,000

Notes:

a. The Group has leased certain land admeasuring to 122.86 acres (as at 31st March, 2018 - 122.86 acres) with carrying value aggregating to ₹ 7.08 crore (as at 31st March, 2018 - ₹ 7.08 crore) to certain related parties for a period ranging from 25 to 99 years.

b. Includes net carrying value of ₹ 446.74 crore (as at 31st March, 2018 - ₹ 463.59 crore) being cost of office premises located at Mumbai, jointly owned (50%) with a related party.

c. Includes net carrying value ₹ 100 (as at 31st March, 2018 - ₹ 100) towards Group's share of water supply system, jointly owned (50%) with a related party, constructed on land not owned by the Group.

d. Includes net carrying value ₹ 221.28 crore (as at 31st March, 2018 - ₹ 227.41 crore) being cost of pooling station and transmission line constructed on land not owned by the Group.

e. Includes net carrying value ₹ 0.76 crore (as at 31st March, 2018 - ₹ 0.93 crore) towards alternate road build on land not owned by the Group.

f. Includes net carrying value ₹ 19.55 crore (as at 31st March, 2018 - ₹ 22.83 crore) towards transmission line not owned by the Group.

g. Additions include borrowing costs of ₹ Nil (as at 31st March, 2018 - ₹ 15.28 crore) and foreign exchange loss of ₹ 3.15 crore (as at 31st March, 2018 - ₹ 0.03 crore). The average rate of interest on such borrowing is 9.75% per annum.

h. Transfer of title/deeds in case of freehold and leasehold land in the name of subsidiary company, JSWHEL, is in process.

i. Reclassified to prepayments upon lapse of the option to purchase the leasehold land on an outright basis after 10 years from the date of the lease deed (Refer note 11).

j. Refer note 26 for effect of change in estimates of lives of property, plant and equipment.

k. Refer note 16 for the details in respect of certain property, plant and equipment hypothecated / mortgaged as security against borrowings.

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2019

Note No. 4B - Capital work-in-progress

Capital work in progress and pre operative expenditure during construction period (pending allocation) relating to property, plant and equipment

₹ crore

At cost	
Balance as at 31st March, 2018	293.53
Balance as at 31st March, 2019	399.97

Notes:

1) Includes ₹ 259.53 crore (as at 31st March, 2018 ₹ 259.46 crore) cost incurred for Kutehr hydro project in Himachal Pradesh. (Refer note 40)
2) Amount transferred to property, plant and equipment during the year ₹ 127.38 crore (Previous year ₹ 297.59 crore)
3) Amount transferred to Consolidated Statement of Profit and Loss during the year ₹ Nil (Previous year ₹ 24.85 crore)
4) Refer note 16 for the details in respect of capital work-in-progress hypothecated / mortgaged as security against borrowings.

Note No. 5 - Goodwill

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
I. **Cost / deemed cost**		
Balance at the beginning of the year	**645.03**	**644.86**
Effect of foreign currency exchange differences	(0.24)	0.17
Balance at the end of the year (a)	**644.79**	**645.03**
II. **Accumulated impairment**		
Balance at the beginning of the year	**5.21**	**-**
Allowance for impairment	-	5.21
Effect of foreign currency exchange differences	(0.24)	-
Balance at the end of the year (b)	**4.97**	**5.21**
Carrying amount (a-b)	**639.82**	**639.82**

Allocation of goodwill to cash generating units (CGU's)

For the purpose of impairment testing, goodwill is allocated to the Group's operating assets, which represents the lowest level within the Group at which goodwill is monitored for internal management purposes. Carrying amount of goodwill allocated to each CGUs is as follows:

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
I. Hydro Power plant at Karcham, Himachal Pradesh, India	526.34	526.34
II. Hydro Power plant at Baspa, Himachal Pradesh, India	113.48	113.48
Carrying amount	**639.82**	**639.82**

Estimates used to measure recoverable amounts of Hydro Power Plants

The recoverable amount of Karcham and Baspa hydro power plants have been determined following 'value in use' approach based on future projections for 53 years and 23 years, respectively, derived from their tenure (including expected renewals) of respective long term power purchase agreements (PPA).

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2019

The key assumptions used in the value-in-use calculations are as follows:

Key assumptions	Hydro Power Plant at Karcham	Hydro Power Plant at Baspa	Basis
Discount rate	13.49% (12.56%)	13.49% (12.56%)	Pre-tax discount rate has been derived based on current cost of borrowing and equity rate of return in line with the current market expectations.
Plant availability	100% (97.89%)	97.90% (97.89%)	Plant availability factor (PAF) is estimated based on past trend of PAF and expected PAF in future years.
Plant load factor	47.09% (51.37%)	50.99% (50.99%)	Plant load factor (PLF) is estimated based on past trend of PLF and expected PLF in future years.
Balance useful life	53 Years (27 Years)	-	Balance useful lives assessed by an independent expert.
Tariff	As per CERC tariff regulation 2019-24 (As per CERC tariff regulation 2014-19)	-	- Tariff basis continuity of existing notified tariff provisions/PPA - Economic benefits basis the expectation of approval of additional capacity of 91 MW in the year 2021-22 by Central Electricity Authority and Ministry of Environment and Forest for Karcham power plant.

(Figures in brackets relate to previous year)

Sensitivity to changes in assumptions:

The management has considered that any reasonable possible change in any one of the key assumptions would not result into carrying amount to exceed the recoverable amounts of the afore-mentioned hydro power plants.

Note No. 6 - Other intangible assets

₹ crore

Particulars	Computer software	Mineral rights	Rights under service concession arrangement	Total
At cost / deemed cost				
I. Gross carrying value				
Balance as at 1st April, 2017	**12.46**	**86.67**	**930.77**	**1,029.90**
Additions	0.78	-	0.64	1.42
Effect of foreign currency exchange differences	-	12.71	-	12.71
Balance as at 31st March, 2018	**13.24**	**99.38**	**931.41**	**1,044.03**
Additions	0.56	-	1.32	1.88
Effect of foreign currency exchange differences	-	(13.65)	-	(13.65)
Balance as at 31st March, 2019 (I)	**13.80**	**85.73**	**932.73**	**1,032.26**
II. Accumulated amortisation and impairment				
Balance as at 1st April, 2017	**8.08**	**-**	**52.59**	**60.67**
Amortisation expense for the year	3.24	-	33.26	36.50
Allowance for impairment	-	6.27	-	6.27
Balance as at 31st March, 2018	**11.32**	**6.27**	**85.85**	**103.44**
Amortisation expense for the year	1.07	-	33.28	34.35
Effect of foreign currency exchange differences	-	(0.29)	-	(0.29)
Balance as at 31st March, 2019 (II)	**12.39**	**5.98**	**119.13**	**137.50**
III. Net carrying value as at 31st March, 2018	**1.92**	**93.11**	**845.56**	**940.59**
IV. Net carrying value as at 31st March, 2019	**1.41**	**79.75**	**813.60**	**894.76**

Refer note 16 for the details of certain intangible assets hypothecated / mortgaged as security against borrowings.

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2019

Note No. 7A - Investments in an associate and joint ventures

₹ crore

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	No of Shares	Current	Non Current	No of Shares	Current	Non- Current
Unquoted investments						
I. Investments at cost / deemed cost						
- Investments in equity instruments						
- of associate						
(a) Equity Shares of ₹ 10 each fully paid up of Toshiba JSW Power Systems Private Limited [a]	99,877,405	-	100.23	99,877,405	-	100.23
Less: Share of loss of an associate restricted upto the cost of investment		-	100.23		-	100.23
(i)		-	-			-
- of joint venture						
(a) Equity Share of ₹ 10 each fully paid up of Barmer Lignite Mining Company Limited [b]	9,800,000	-	9.80	9,800,000	-	9.80
Less: Share of loss of a joint venture		-	9.80		-	9.80
(For share of loss in excess of cost of investment refer note 18 and note 35)		-	-			-
(ii)		-	-		-	-
Total Investments at cost / deemed cost (i+ii)		-	-		-	-
Aggregate amount of unquoted investments		-	-		-	-

a) Refer note 32 for summarised financial information of associate, Toshiba JSW Power Systems Private Limited, an associate.

b) Refer note 33 for summarised financial information of Barmer Lignite Mining Company Limited, a joint venture.

Note No. 7B - Other investments

₹ crore

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	No of Shares / Units	Current	Non Current	No of Shares / Units	Current	Non- Current
A- Unquoted investments						
I. Investments at amortised cost						
- Investments in Government Securities [a]		-	10.86		-	9.47
Total Investments at amortised cost		**-**	**10.86**		**-**	**9.47**
II. Investments at fair value through profit or loss						
(a) Investments in equity instruments						
- of other entitity						
1) Equity Shares of ₹ 10 each fully paid up of MJSJ Coal Limited	10,461,000	-	6.52	10,461,000	-	6.52
2) Equity Shares of ₹ 10 each fully paid up of Power Exchange India Limited	1,250,000	-	1.25	1,250,000	-	1.25
3) Equity Shares of Rand 10,100 each fully paid up of Richard Bay Coal Terminal (Proprietary) Limited	5,000	-	34.88	5,000	-	40.73
Total		**-**	**42.65**	**-**	**-**	**48.50**
(b) Investments in preference shares						
- of other entity						
10% Redeemable Non - Cumulative Preference Shares of ₹ 100 each fully paid up of JSW Realty & Infrastructure Private Limited [b]	503,000	-	2.29	503,000	-	2.05
Total		**-**	**2.29**		**-**	**2.05**

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2019

₹ crore

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	No of Shares / Units	Current	Non Current	No of Shares / Units	Current	Non- Current
III. Investments at fair value through profit and loss						
(a) Investments in mutual funds						
1) Reliance Mutual Fund						
Reliance Liquid Fund TP IP Growth	-	-	-	250,267	105.67	-
2) SBI Mutual Fund						
SBI Premier Liquid Fund Growth	101,743	29.67	-	135,421	36.77	-
SBI Magnum Insta Cash Growth	-	-	-	2,813	1.08	-
3) Kotak Mutual Fund						
Kotak Liquid Fund Growth	198,961	75.06	-	176,021	50.07	-
4) UTI Mutual Fund						
UTI Liquid Cash Plan Growth	50,357	15.36	-	82,079	15.92	-
5) Aditya Mutual Fund						
Aditya Birla Sunlife FRF STP Growth	-	-	-	5,509,952	127.32	-
Aditya Birla Sunlife Cash Plus Growth	1,506,617	45.05	-	-	-	-
6) Franklin India Mutual Fund						
Franklin India TMA Growth	103,956	28.98	-	-	-	-
7) HDFC Mutual Fund						
HDFC Liquid Fund Growth	404,743	148.15	-	-	-	-
Total Investments at fair value through profit or loss		**342.27**	**44.94**		**336.83**	**50.55**
B- Quoted Investments						
I. Investments at fair value through other comprehensive income						
1) Equity shares of ₹ 1 each fully paid up of JSW Steel Limited	70,038,350	-	2,052.46	70,038,350	-	2,018.15
Total Investments at fair value through other comprehensive income		**-**	**2,052.46**		**-**	**2,018.15**
Total investments at carrying value		**342.27**	**2,108.26**		**336.83**	**2,078.17**
Aggregate amount of quoted investments		-	2,052.46		-	2,018.15
Aggregate market value of quoted investments		-	2,052.46		-	2,018.15
Aggregate amount of unquoted investments		342.27	55.80		336.83	60.02

a) Investment in government securites of ₹ 10.86 crore (as at 31st March, 2018 - ₹ 9.46 crore) is towards contingency reserve created by Jaigad PowerTransco Limited, a subsidiary.

b) Terms of preference shares are as follows:
10% Redeemable Non Cumulative Preference Shares of ₹ 10 each fully paid up invested in JSW Realty & Infrastructure Private Limited are redeemable after 15th year from the date of allotment in 5 annual installments.

c) Refer Note 16 for current investments hypothecated as security against borrowings.

Note No. 8 - Loans

₹ crore

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Loans to related parties (Refer note 44)	0.84	720.59	0.75	571.41
Other loans	177.58	-	177.59	-
	178.42	**720.59**	**178.34**	**571.41**
Unsecured, credit impaired				
Loans to others	574.19	-	574.19	-
Less : Loss allowance for doubtful loans	574.19	-	574.19	-
	-	**-**	**-**	**-**
	178.42	**720.59**	**178.34**	**571.41**

Notes
to the Consolidated Financial Statements for the year ended 31st March, 2019

₹ crore

Name of parties		Current	Non-current	Current	Non-current
1)	**Related parties**				
	a) Barmer Lignite Mining Company Limited	-	567.64	-	567.64
		-	(567.64)	-	(567.64)
	b) South West Mining Limited	-	150.00	-	-
		-	(150.00)	-	(275.57)
	c) JSW Global Business Solutions Limited	0.84	2.93	0.75	3.77
		(0.84)	(3.96)	(0.75)	(4.85)

(Figures in brackets relate to maximum amount outstanding during the year)

All the above loans have been given for business purpose only.

Movement in loss allowance

₹ crore

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Opening loss allowance	574.19	-
Loss allowance during the year	-	574.19
Closing loss allowance	**574.19**	**574.19**

Subordinated debt to Barmer Lignite Mining Company Limited:

JSW Energy (Barmer) Limited ("JSWEBL") has given a subordinated loan of ₹ 567.64 crore (as at 31st March, 2018 ₹ 567.64 crore) to Barmer Lignite Mining Company Limited, a joint venture ("BLMCL") of JSWEBL. Such loan carries an interest rate of 10% p.a. and is re-payable after the repayment of existing secured rupee term loan of BLMCL i.e in FY 2038-39. There have been certain delays in payment of interest of ₹ 378.90 crore (as at 31st March, 2018 ₹ 347.81 crore) by BLMCL as certain clarifications were sought by Comptroller and Auditor General of India (CAG) from Government of Rajasthan (GoR) which have since been provided by GoR, and BLMCL can make interest payment on the aforesaid loan. BLMCL is expecting approval by RERC on capital cost by September 2019 as per the petition submitted, and therefore, is expected to have adequate cashflows for payment of the aforesaid interest after approval of its lenders. JSWEBL also has right to convert the accrued interest into interest bearing subordinated loan at any point of time. Based on the aforesaid and expected timing of cash inflows/ conversion into loan, an expected credit loss allowance of ₹ 32.69 crore (Previous year ₹ Nil) has been recognised towards the accrued interest. (Refer note 9)

Note No. 9 - Other financial assets

₹ crore

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
(1) Finance lease receivable (Refer note 37)	37.19	906.18	47.42	934.34
(2) Service concession receivable (Refer note 38)	-	221.47	-	195.59
(3) Security deposits				
(i) Government/Semi-government authorities	0.01	18.16	0.05	43.06
(ii) Related parties (Refer note 44)	8.02	33.15	19.85	30.39
(iii) Others	30.11	0.94	30.08	0.80
	38.14	**52.25**	**49.98**	**74.25**
(4) Interest receivable				
(i) Interest accrued on loans to related parties (Refer note 8 and note 44)	379.95	-	1.24	347.81
Less : Allowance for expected credit loss	(32.69)	-	-	-
(ii) Interest accrued on loan to others	-	-	7.98	-
(iii) Interest accrued on deposits	0.58	-	1.90	-
(iv) Interest accrued on investments	0.12	-	0.10	-
	347.96	**-**	**11.22**	**347.81**
(5) Unbilled revenue	1.43	-	-	-
(6) Other bank balances				
(i) Margin money for security against the guarantees	-	7.16	-	0.43
(7) Others	-	-	11.44	56.79
	424.72	**1,187.06**	**120.06**	**1,609.21**

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2019

Note No. 10A - Income tax assets (net)

₹ crore

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Current	Non-current	Current	Non-current
Advance tax and tax deducted at sources [Net of provision for tax as at 31st March 2019 ₹ 1,168.14 crore, as at 31st March 2018 ₹ 1,270.76 crore]	-	64.15	-	38.09
	-	**64.15**	**-**	**38.09**

Note No. 10B - Current tax liabilities (net)

₹ crore

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Current	Non-current	Current	Non-current
Income tax liabilities [Net of advance tax as at 31st March 2019 ₹ 695.48 crore as at 31st March 2018 ₹ 616.80 crore]	40.05	-	35.28	-
	40.05	**-**	**35.28**	**-**

Note No. 11 - Other assets

₹ crore

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Current	Non-current	Current	Non-current
(1) Capital advances	0.79	68.76	-	76.16
(2) Prepayments	27.51	23.44	54.00	12.54
(3) Advance to a related party [Refer note 34(B)(2)]	0.67	331.13	-	381.13
(4) Balances with government authorities	45.01	89.97	21.44	72.78
(5) Others	2.77	-	2.06	-
	76.75	**513.30**	**77.50**	**542.61**

Note No. 12 - Inventories

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
(1) Raw materials - Stock of fuel	323.25	364.19
(2) Stores and spares	131.48	134.76
(3) Stock-in-trade	-	36.59
	454.73	**535.54**

Footnotes

1) Cost of inventory recognised as an expense

₹ crore

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(1) Raw materials - Stock of fuel	5,356.22	4,338.87
(2) Stores and spares	63.72	63.21
	5,419.94	**4,402.08**

2) Details of stock in transit included above

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
(1) Raw materials - Stock of fuel	67.63	123.39
(2) Stores and spares	0.22	0.17
	67.85	**123.56**

3) Basis of valuation: Refer note 2.8 (XII)

4) Refer note 16 for inventories hypothecated as security against certain bank borrowings.

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2019

Note No. 13 - Trade receivables

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
(1) Unsecured, considered good	1,427.75	1,151.22
(2) Unsecured, credit impaired	-	2.54
Less: Loss allowance for doubtful trade receivables	-	2.54
	-	-
	1,427.75	**1,151.22**

1] Ageing of trade receivables

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Within credit period	894.11	730.38
Past Due:		
1 - 30 days	58.54	145.24
31 - 60 days	86.15	5.85
61 - 90 days	72.17	0.30
91 - 180 days	72.58	63.37
> 180 days	244.20	206.08
	1,427.75	**1,151.22**

2] The average credit period allowed to customers is in the range of 30-45 days and interest on overdue receivable is generally levied at 8.15% to 15% per annum. There has been no significant change in the credit quality of past receivables.

3] The Group does not have history of defaults in trade receivables. Loss allowance is estimated for disputed receivables based on assessment of each case by obtaining legal advise, where considered necessary.

4] Trade receivables include ₹ 219.30 crore (as at 31st March 2018 ₹ 201.83 crore) withheld / unpaid by the customers because of tariff related disputes which are pending adjudication by the appropriate authority. The Group has, based on legal advice, and subsequent actions by the regulators in certain cases, assessed that there is a reasonable certainty about recoverability of these receivables and no provision is required. These matters are at advanced stage of hearing with the regulators/courts and the management is expecting to realise the amounts within a year.

5] Refer note 16 for trade receivables hypothecated as security against borrowings.

Note No. 14A - Cash and cash equivalents

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
(1) Balances with banks		
(i) In current accounts	59.12	29.29
(ii) In deposit accounts with maturity less than 3 months at inception	71.66	194.92
(2) Cheques on hand	1.32	-
(3) Cash on hand	0.06	0.06
	132.16	**224.27**

Note No. 14B - Bank balances other than cash and cash equivalents

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
(1) Balances with banks		
(i) In deposit accounts with maturity more than 3 months at inception	30.12	43.91
(2) Earmarked balances with banks		
(i) Unpaid dividends	1.11	0.95
(ii) Margin money for security	40.18	41.90
	71.41	**86.76**

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2019

Note No. 15A - Equity share capital

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No. of shares	₹ crore	No. of shares	₹ crore
Authorised:				
Equity shares of ₹ 10 each with voting rights	5,000,000,000	5,000.00	5,000,000,000	5,000.00
Issued, subscribed and fully paid: (A)				
Equity shares of ₹ 10 each with voting rights	1,641,037,587	1,641.04	1,640,054,795	1,640.05
Treasury shares held through ESOP trust (B)				
Equity shares of ₹ 10 each with voting rights	(170,075)	(0.17)	-	-
Equity shares [net of treasury shares] [A + B]	**1,640,867,512**	**1,640.87**	**1,640,054,795**	**1,640.05**

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

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	No. of shares	No. of shares
Balance as at the beginning of the year	1,640,054,795	1,640,054,795
Shares issued during the year	982,792	-
Balance as at the end of the year	1,641,037,587	1,640,054,795

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

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	No. of shares	No. of shares
Balance as at the beginning of the year	-	12,101,604
Shares issued during the year	982,792	-
Shares transferred upon exercise of options under ESOP scheme	(812,717)	(12,101,604)
Balance as at the end of the year	170,075	-

c) Rights, preferences and restrictions attached to equity shares:

(i) The Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of the Shareholders in the ensuing annual general meeting.

(ii) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to the shareholding.

d) Details of shareholders holding more than 5% shares in the company are set out below:

Name of the Companies	As at 31st March, 2019		As at 31st March, 2018	
	No. of shares	%	No. of shares	%
JSW Investments Private Limited	332,492,694	20.26%	332,762,694	20.29%
Indusglobe Multiventures Private Limited	256,786,044	15.65%	256,798,944	15.66%
JSL Limited	145,332,820	8.86%	145,332,820	8.86%
Glebe Trading Private Limited	145,332,820	8.86%	145,332,820	8.86%
JSW Steel Limited	85,363,090	5.20%	91,474,090	5.58%
Danta Enterprises Private Limited	85,599,613	5.22%	85,599,613	5.22%
Virtuous Tradecorp Private Limited	85,599,613	5.22%	85,599,613	5.22%

e) Dividend:

(i) The Board of Directors, in its meeting held on 3rd May, 2018, did not propose any final dividend on equity share for the year ended 31st March, 2018.

(ii) The Board of Directors, in its meeting held on 16th May 2019, has recommended dividend of 10% (₹ 1 per equity share of ₹ 10 each) for the year 2018-19 subject to the approval of shareholders in the Annual General Meeting.

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2019

Note No. 15B - Other equity

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
I. Reserves and surplus		
(1) General reserve	214.06	214.06
(2) Retained earnings	5,444.69	4,764.70
(3) Securities premium	2,384.96	2,380.80
(4) Equity settled employee benefits reserve	18.94	15.61
(5) Debenture redemption reserve	226.67	215.83
(6) Contigency reserve	11.56	10.18
	8,300.88	**7,601.18**
II. Items of other comprehensive income		
(1) Equity instrument through other comprehensive income	1,900.74	1,866.44
(2) Foreign currency translation reserve	(16.91)	6.35
(3) Effective portion of cash flow hedge	-	(2.59)
(4) Remeasurement of net defined benefit plans	(3.34)	(1.73)
	1,880.49	**1,868.47**
Total other equity	**10,181.37**	**9,469.65**

(i) **General reserve :** The Group created a general reserve in earlier years pursuant to the provisions of the Companies Act, wherein certain percentage of profits were required to be transferred to general reserve before declaring dividend. As per Companies Act 2013, the requirement to transfer profits to general reserve is not mandatory. General reserve is a free reserve available for distribution subject to compliance with the Companies (Declaration and Payment of Dividend) Rules, 2014.

(ii) **Retained earnings :** Retained earnings comprise balances of accumulated (undistributed) profit and loss at each year ended, less any transfers to general reserve.

(iii) **Securities premium :** Securities premium comprises premium received on issue of shares.

(iv) **Equity settled employee benefits reserve :** The Group offers ESOP under which options to subscribe for the Company's share have been granted to certain employees and senior management. The share based payment reserve is used to recognise the value of equity settled share based payments provided as part of the ESOP scheme.

(v) **Debenture redemption reserve :** The Indian Companies Act requires companies that issue debentures to create a debenture redemption reserve from annual profits until such debentures are redeemed. The companies are required to maintain 25% as a reserve of outstanding redeemable debentures. The amounts credited to the debenture redemption reserve may not be utilised except to redeem debentures.

(vi) **Contingency reserve :** The contingency reserve has been created out of profit of Jaigad PowerTransco Limited, a subsidiary company, as per MERC Regulations. The reserve can be utilised by the group for the purpose of future losses, which may arise from uninsured risks.

(vii) **Equity instrument through other comprehensive income :** The fair value change of the equity instruments measured at fair value through other comprehensive income is recognised in equity instruments through other comprehensive income.

(viii) **Foreign currency translation reserve :** This reserve contains the accumulated balance of foreign exchange differences arising on monetary items that, in substance, form part of the Group's net investment in a foreign operation whose functional currency is other than indian rupees. Exchange differences previously accumulated in this reserve are reclassified to profit or loss on disposal of the foreign operation.

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2019

₹ crore

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Balance as at the beginning of the year	**6.35**	**7.28**
Add : Foreign currency translation movement through OCI	(23.26)	(0.93)
Balance as at the end of the year	**(16.91)**	**6.35**

(ix) **Effective portion of cash flow hedge :** Effective portion of cash flow hedges represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges, which shall be reclassified to profit or loss only when the hedged transaction affects the profit or loss.

₹ crore

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Balance as at the beginning of the year	**(2.59)**	**-**
Add: Change in intrinsic value of foreign currency options	-	(0.87)
Add: Change in fair value of interest rate swaps	-	(1.72)
Less : Transferred to consolidated statement of profit and loss	2.59	-
Balance as at the end of the year	**-**	**(2.59)**

(x) **Remeasurement of the net defined benefit plans :** This reserve represents the impact of actuarial gains and losses on the funded obligation due to change in financial assumptions, change in demographic assumptions experienced adjustments etc. recognised through other comprehensive income.

Note No. 16 - Borrowings

₹ crore

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Current	Non-current	Current	Non-current
Measured at amortised cost				
I. Non-current borrowings (secured):				
(1) Debentures				
(i) Non-convertible debentures	200.00	1,100.00	200.00	1,300.00
(2) Term loans				
(i) From banks	1,083.46	7,961.42	825.68	9,307.94
(ii) From financial institutions	39.90	225.98	39.90	273.88
	1,323.36	**9,287.40**	**1,065.58**	**10,881.82**
Less: Unamortised borrowing cost	(8.83)	(47.05)	(11.51)	(60.82)
Less: Current maturities of long term debt (included in note 17)	(1,314.53)	-	(1,054.07)	-
	-	**9,240.35**	**-**	**10,821.00**
II. Current borrowings (unsecured):				
(i) Other loans	-	-	8.19	-
	-	**-**	**8.19**	**-**
	-	**9,240.35**	**8.19**	**10,821.00**

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2019

Reconciliation of the borrowings outstanding at the beginning and end of the year:

₹ crore

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
I. Non-current borrowings		
Balance as at the beginning of the year	**11,875.07**	**14,340.60**
Cash flows (repayment)/ proceeds	(1,350.27)	(2,490.64)
Non-cash changes:		
Foreign exchange movement	13.64	3.32
Amortised borrowing cost	16.44	21.79
Balance as at the end of the year	**10,554.88**	**11,875.07**
II. Current borrowings		
Balance as at the beginning of the year	**8.19**	**8.67**
Reversal of loan on sale of step-down subsidiary	(8.19)	-
Non-cash changes:		
Foreign exchange movement	-	(0.48)
Balance as at the end of the year	**-**	**8.19**

₹ crore

Terms of repayment	Security	As at 31st March, 2019		As at 31st March, 2018	
		Current	Non-current	Current	Non-current
I. Debentures (secured)					
5,000 nos @ 8.65% Secured Redeemable Non-Convertible Debentures of ₹ 10 lakh each are redeemable at par in 3 yearly installments, first installment ₹ 100 crore, second and third installment ₹ 200 crore each, starting from 30th December, 2020 till 30th December, 2022.	Pari passu first ranking charge by way of legal mortgage on the freehold land of the Company situated at village Chaferi, Ratnagiri, Maharashtra and first ranking charge by way of hypothecation of moveable fixed assets of the Company (SBU1 & SBU2) situated at Vijayanagar Works, Karnataka	-	500.00	-	500.00
5,000 nos @ 8.40% Secured Redeemable Non Convertible Debentures of ₹ 10 lakh each are redeemable at par in bullet repayment of ₹ 500 crore on 18th September,2020	Pari passu first ranking charge by way of legal mortgage on the freehold land of the Company situated at village Chaferi, Ratnagiri, Maharashtra and first ranking charge by way of hypothecation of moveable fixed assets of the Company (SBU3) situated at Ratnagiri Works, Maharashtra	-	500.00	-	500.00
10,000 nos @ 9.75% Secured Redeemable Non-Convertible Debentures of ₹ 3 lakh each are redeemable at par in 3 half yearly equal installments from 20th July / 30th July / 16th August, 2019 till 20th July / 30th July / 16th August, 2020.	Pari passu first ranking charge by way of legal mortgage on the freehold land of the Company situated at village Mouje Maharajpura, Mehsana, Gujarat and first ranking charge by way of mortgage on immovable assets of the Company (SBU1 & SBU2) and first ranking charge by way of hypothecation of moveable fixed assets of the Company (SBU1 & SBU2) situated at Vijayanagar Works, Karnataka	200.00	100.00	200.00	300.00
Total		**200.00**	**1,100.00**	**200.00**	**1,300.00**

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2019

₹ crore

Terms of repayment	Security	As at 31st March, 2019		As at 31st March, 2018	
		Current	Non-current	Current	Non-current
II. Term loans					
Rupee term loan from banks (secured)					
3 quarterly installments of ₹ 25.57 crore each from 30th June, 2019 to 31st December, 2019 and 1 quarterly instalment of ₹ 22.40 crore on 31st March, 2020	Pari passu first ranking charge by way of legal mortgage on a flat situated at Mumbai, Maharashtra, first charge by way of legal mortgage of Company (SBU3) immovable property both present and future and first ranking charge by way of hypothecation of moveable fixed assets of the Company (SBU3) situated at Ratnagiri Works, Maharashtra and second ranking charge on current assets of Company (SBU3) situated at Ratnagiri Works, Maharashtra	99.11	-	102.27	100.60
17 quarterly installments of ₹ 45.45 crore each from 30th June, 2019 to 30th June, 2023	Pari passu first ranking charge by way of legal mortgage on a flat situated at Mumbai, Maharashtra and first charge by way of legal mortgage of Company (SBU3) immovable property both present and future, and first ranking charge by way of hypothecation of moveable fixed assets of the Company (SBU3) situated at Ratnagiri Works, Maharashtra and second ranking charge on current assets of Company (SBU3) situated in Ratnagiri Works, Maharashtra	181.87	590.87	181.82	772.72
19 quarterly installments of ₹ 11.88 crore each from 30th June, 2019 to 31st December, 2023	Pari passu first ranking charge by way of legal mortgage on a flat situated at Mumbai, Maharashtra and first charge by way of legal mortgage of Company (SBU3) immovable property both present and future and first ranking charge by way of hypothecation of moveable fixed assets of the Company (SBU3) situated at Ratnagiri Works, Maharashtra and second ranking charge on current assets of Company (SBU3) situated in Ratnagiri Works, Maharashtra	47.50	178.12	47.50	225.62
1 quarterly installment of ₹ 1.25 crore on 30th June, 2019; 8 quarterly installments of ₹ 2.50 crore each from 30th September, 2019 to 30th June, 2021; 2 quarterly installments of ₹ 7.50 crore each from 30th September, 2021 to 31st December, 2021; 7 quarterly installments of ₹ 10 crore each from 31st March, 2022 to 30th September, 2023 and 6 quarterly installments of ₹ 15 crore each from 31st December, 2023 to 31st March, 2025	Pari passu first ranking charge by way of equitable mortgage of immovable assets and first ranking charge by way of hypothecation of moveable fixed assets of the Company (SBU1 & SBU2) situated at Vijayanagar Works, Karnataka	8.75	187.50	-	-
Repayable in 33 equal quarterly instalments from June 2019 to June 2027	First ranking charge by way of legal mortgage on immovable property and first ranking charge by way of hypothecation of moveable assets of Subsidiary's Barmer works (both present and future) situated at Barmer, Rajasthan.	261.86	1,543.03	273.73	2,147.91

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2019

₹ crore

Terms of repayment	Security	As at 31st March, 2019		As at 31st March, 2018	
		Current	Non-current	Current	Non-current
Structured monthly installments (during June to October every year), repayable up to March 2030.	First ranking charge by way of legal mortgage on immovable property and first ranking charge by way of hypothecation of movable assets of Subsidiary's Karcham-Wangtoo HEP (both present and future) situated at Kinnaur Dist., Himachal Pradesh	238.70	5,036.05	211.50	5,275.89
Structured monthly installments (during July to October every year), repayable up to March 2030.	First charge on immovable and movable assets of Subsidiary's Baspa II HEP (both present and future) project of the Group situated at Kinnaur Dist., Himachal Pradesh	17.40	425.85	2.09	543.47
Total		**855.19**	**7,961.42**	**818.91**	**9,066.21**
FCNR facility from a bank (secured)					
Repayable in one bullet payment on 16th March, 2020	First charge by way of pledge of JSW Steel Limited shares held by the Parent Company and second charge by way of hypothecation of movable fixed assets of the Company (SBU3)	228.27	-	-	214.65
Prepaid on 22nd January, 2019	First ranking charge by way of legal mortgage on immovable property and first ranking charge by way of hypothecation of moveable assets of Subsidiary's Barmer works (both present and future) situated in Barmer Dist., Rajasthan.	-	-	6.77	27.08
Total		**228.27**	**-**	**6.77**	**241.73**
Total term loans		**1,083.46**	**7,961.42**	**825.68**	**9,307.94**
III. Loan from financial institutions					
19 structured quarterly installments up to December 2023	First ranking charge by way of legal mortgage on immovable property of and first ranking charge by way of hypothecation of moveable assets of Subsidiary's Barmer works (both present and future) situated at Barmer Dist., Rajasthan.	19.00	71.45	19.00	90.45
Repayable in 43 Structured Quarterly Installment upto 31st December, 2029	First ranking charge by way of legal mortgage on immovable property and first ranking charge by way of hypothecation of moveable assets of Subsidiary's Koyna & Karad double circuit transmission lines (165 km), both present and future, situated in the state of Maharashtra	20.90	154.53	20.90	183.43
Total		**39.90**	**225.98**	**39.90**	**273.88**
Total secured borrowings		**1,323.36**	**9,287.40**	**1,065.58**	**10,881.82**
Unamortised upfront fees on borrowings		(8.83)	(47.05)	(11.51)	(60.82)
Grouped under "current maturities of long-term debt" (Refer Note 17)		(1,314.53)	-	(1,054.07)	-
Total secured borrowings measured at amortised cost		**-**	**9,240.35**	**-**	**10,821.00**

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2019

Note No. 17 - Other financial liabilities

₹ crore

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Current	Non-current	Current	Non-current
(1) Derivative instruments (Refer note 42)				
(i) Interest rate swaps	0.36	-	1.72	-
(ii) Foreign currency forward contracts / options	27.13	-	3.59	-
(2) Contingent consideration payable on business combination $ (Refer note 42)	177.48	-	177.48	-
(3) Deposits received from dealers	-	0.01	-	0.01
(4) Lease deposits	0.48	0.16	0.35	0.25
(5) Current maturities of long-term debt (Refer note 16)	1,314.53	-	1,054.07	-
(6) Interest accrued but not due on borrowings	89.85	-	51.07	-
(7) Unpaid dividends #	1.11	-	0.95	-
(8) Security deposits	0.11	-	0.12	-
(9) Revenue adjustments due to tariff Order	556.53	-	325.15	-
(10) Payable for capital supplies/services	198.61	-	187.91	-
	2,366.19	**0.17**	**1,802.41**	**0.26**

$ The Group has regarded the probability of receipt of approvals from the regulators for increase in capacity for one of its hydro plants before a specified date and consequential payment of an additional consideration of ₹ 300 crore towards business combination, as remote. Further, the Group also has the right to offset the said additional consideration against the receivable from the counter party.

No amount due to be credited to Investor Education and Protection Fund.

Note No. 18 - Provisions

₹ crore

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Current	Non-current	Current	Non-current
(1) Provision for gratuity (Refer note 39)	5.91	12.76	5.22	8.22
(2) Provision for compensated absences (Refer note 39)	1.99	14.28	2.03	12.44
(3) Provision for decommissioning and environmental rehabilitation (Refer note 35)	-	25.47	-	29.74
(4) Other provisions (Refer note 35)	23.43	17.51	24.19	49.44
	31.33	**70.02**	**31.44**	**99.84**

Note No. 19 - Deferred tax liabilities (net)

₹ crore

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Current	Non-current	Current	Non-current
(1) Deferred tax liabilities (net)	-	1,181.40	-	1,077.72
(2) Deferred tax recoverable / (adjustable) in future tariff	-	75.65	-	70.31
(3) Minimum alternate tax (MAT) credit entitlement	-	(800.96)	-	(720.07)
	-	**456.09**	**-**	**427.96**

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2019

Note No. 20 - Other liabilities

₹ crore

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Current	Non-current	Current	Non-current
(1) Advances received from customers	28.59	-	23.35	-
(2) Statutory dues	33.39	-	29.49	-
(3) Others	4.10	6.07	2.20	6.62
	66.08	**6.07**	**55.04**	**6.62**

Note No. 21 - Trade payables

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
(1) Trade payables #	471.94	565.18
(2) Acceptances *	1,367.58	1,761.95
	1,839.52	**2,327.13**

Payables other than acceptances are normally settled within 30 days
* Acceptances represents credit availed by the Group from banks for payment to suppliers for raw materials purchased by the Group. The arrangements are interest-bearing and are payable within one year.

Note No. 22 - Revenue from operations

₹ crore

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
I. Disaggregation of revenue from contracts with customers:		
(1) Sale of power:		
Own generation	8,729.45	7,636.06
Traded	64.71	75.03
(2) Income from transmission	80.78	88.70
(3) Sale of services:		
Operator fees	169.06	158.54
Other services	0.52	4.69
(4) Other operating revenue		
Sale of fly ash	3.05	2.75
Others	2.55	0.21
Total revenue from contracts with customers (A)	**9,050.12**	**7,965.98**
II. Interest income on assets under finance lease (Refer note 37) (B)	61.32	59.63
III. Income from service concession arrangement (Refer note 38) (C)	26.15	23.35
(A + B + C)	**9,137.59**	**8,048.96**

(a) Revenue from Contract with Customers:

The Group primarily generates revenue from contracts with customers for supply of power generated from power plants including from allocating the capacity of the plant under the long / medium term power purchase agreements, from sale of power on merchant basis including under short term contracts, for allocation of capacity of transmission lines, from power trading and for providing operations and maintenance services of third party power plants.

Revenue from capacity charges (other than from contracts classified as lease) under the long and medium term power supply agreements and under long term agreements for transmission lines, is recognised over a period of time as the capacity of the plant or transmission lines, as the case may be, is made available under the terms of the contracts. Incentives and penalties for variation in availability of the capacity are recognised based on the annual capacity expected to be made available under the agreements. Electricity charges are recognised on supply of power under such power supply agreements.

Revenue from sale of power on merchant basis and under short term contracts, and from power trading activity, is recognised when power is supplied to the customers.

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2019

Revenue from third party power plant operations and maintenance activity is recognised when services under the contracts are rendered.

(b) Significant changes in the contract liability balance and unbilled revenue during the year are as follows:

Contract liability - Advance from customer

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening Balance	**23.35**	**20.82**
Less: Revenue recognized during the year from balance at the beginning of the year	(23.35)	(20.82)
Add: Advance received during the year not recognized as revenue	28.59	23.35
Closing Balance	**28.59**	**23.35**

Contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customer in advance.

Unbilled revenue

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening Balance	**-**	**-**
Less: Billed during the year	-	-
Add: Unbilled during the year	1.43	-
Closing Balance	**1.43**	**-**

(c) Details of Revenue from Contract with Customers:

₹ crore

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Total revenue from contracts with customers as above	**9,050.12**	**7,965.98**
Add: Rebate on prompt payment	46.41	51.78
Less: Incentives	67.44	68.05
Total revenue from contracts with customers as per contracted price	**9,029.09**	**7,949.71**

(d) Performance obligations:

Customers are given average credit period of 30 to 45 days for payment. No delayed payment charges ('DPC') is charged for the initial 30 days from the date of receipt of invoice by customers. Thereafter, DPC is recoverable from the customers at the rates prescribed under the respective Power Purchase Agreement/Tariff regulations on the outstanding balance.

(e) Others:

i) During the year, RERC has passed an Order dated 18th May,2018 for determining the Aggregate Revenue Requirement (ARR) and Tariff for the Financial years 2017-18. Based on the said Order, the Group has provided for the impact of ₹ 91.66 crore (Previous year ₹ Nil) as revenue adjustment and ₹ 40.01 crore (Previous year ₹ Nil) has been reduced in fuel cost on account of reduction in price of Lignite for FY 2017-18. The aforesaid recognition is further subject to adjustment on account of final determination of transfer price of lignite.

ii) As per the implementation agreement between Government of Rajasthan and JSW Energy (Barmer) Limited ("JSWEBL"), the sale price of lignite by Barmer Lignite Mining Company Limited, a joint venture, to JSWEBL has to be approved by RERC. Pending determination of transfer price of lignite (as the capital cost of lignite mine and mine development operator of BLMCL is yet to be approved by RERC), RERC has allowed only adhoc/interim transfer prices for JSWEBL's tariff. Such adhoc/interim transfer prices (to the extent subsequently modified by APTEL, as the case may be) have been kept as a base for revenue recognition by JSWEBL and subject to adjustment, once the final tariff is determined by RERC.

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2019

Note No. 23 - Other income

₹ crore

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
I. Interest income earned on financial assets that are not designated as at FVTPL		
(1) On loans	77.48	155.99
(2) On bank deposits	5.37	16.62
(3) On other financial assets	98.10	106.39
	180.95	**279.00**
II. Interest income earned on other assets	**41.79**	**47.95**
III. Dividend income from investments designated as at FVTOCI	**22.41**	**15.76**
IV. Other non-operating income		
(1) Net gain on sale of current investments	20.84	38.08
(2) Net gain on foreign currency transactions	2.07	8.44
(3) Net gain arising on financial instruments designated as at fair value through profit or loss	0.92	9.99
(4) Income from operating lease	55.36	48.29
(5) Write back of provisions no longer required	35.76	5.89
(6) Miscellaneous income	7.87	11.62
	122.82	**122.31**
	367.97	**465.02**

Note No. 24 - Employee benefits expense

₹ crore

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(1) Salaries and wages	210.48	191.61
(2) Contribution to provident and other funds (Refer note 39)	15.27	11.68
(3) Share-based payments	5.23	2.78
(4) Staff welfare expenses	12.60	9.02
	243.58	**215.09**

Note No. 25 - Finance costs

₹ crore

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
I. Finance cost for financial liabilities not designated as at FVTPL:		
- Interest expense	1,083.65	1,346.32
II. Other Borrowing costs	108.75	109.59
	1,192.40	**1,455.91**

Note No. 26 - Depreciation and amortisation expense

₹ crore

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(1) Depreciation on property, plant and equipment	1,129.34	929.58
(2) Amortisation on intangible assets	34.35	36.50
	1,163.69	**966.08**

(1) Effective 1st April, 2018, the Group has tied up the entire saleable capacity of a Hydro power plant in Karcham, Sholtu (Himachal Pradesh) ("the power plant") with various State DISCOMS through PTC India Limited. Consequently, the Group has revised the manner of depreciation of the power plant as per the depreciation rates / method prescribed under Central Electricity Regulation Commission (CERC) tariff regulation resulting into an increase in the depreciation expense for the year ended 31st March, 2019 by ₹ 195.63 crore.

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2019

(2) The effect of changes in estimates during the previous year of useful lives, residual values and pattern of consumption of economic benefits of property, plant and equipment:

₹ crore

Financial Year	(Decrease) / Increase in depreciation expense
2019-20	(19.26)
2020-21	(27.62)
2021-22	5.27
Later years	543.33

Note No. 27 - Other expenses

₹ crore

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(1) Stores and spares consumed	63.72	63.21
(2) Power and water	61.46	58.94
(3) Rent including lease rentals	9.95	13.45
(4) Repairs and maintenance	149.70	132.93
(5) Rates and taxes	9.89	10.15
(6) Insurance	30.76	33.18
(7) Legal and other professional charges	22.40	18.14
(8) Travelling expenses	14.62	10.78
(9) Loss on disposal of property, plant and equipment	1.87	0.35
(10) Donation	0.31	0.03
(11) Corporate social responsibility expenses	25.17	32.53
(12) Safety and security	14.31	11.98
(13) Branding fee	12.23	12.21
(14) Shared service fee	9.16	7.95
(15) Open access charges	15.70	60.92
(16) Exchange commission	59.31	57.18
(17) Impairment loss on loans / trade receivables	5.43	2.04
(18) Capital work-in-progress written off	-	24.85
(19) Allowance for impairment of goodwill	-	5.21
(20) Allowance for impairment of intangible assets	-	6.27
(21) Allowance for expected credit loss on interest receivable	32.69	-
(22) Miscellaneous expense	67.49	95.58
	606.17	**657.88**

Note No. 28 - Exceptional items (net)

Exceptional items comprise for the year ended 31st March, 2018, loss allowance of ₹ 574.19 crore on a loan where the party is under a strategic debt restructuring and part reversal of contingent consideration liability of ₹156.25 crore not payable to the said party.

Note No. 29 - Tax expense

₹ crore

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(1) Current tax	179.39	210.76
(2) Deferred tax	108.60	263.35
(3) MAT credit entitlement availment	(80.89)	(204.61)
(4) Deferred tax (recoverable) / adjustable in future tariff	5.34	(16.27)
	212.44	**253.23**

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2019

A reconciliation of income tax expense applicable to accounting profit / (loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:

₹ crore

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Profit before tax (excluding share of gain/(loss) of an associate or joint venture)	**865.00**	**387.63**
Enacted tax rate	34.944%	34.944%
Computed expected tax expense	302.27	135.45
Tax effect due to exempt income / non-taxable receipts	(7.83)	(77.00)
Tax effect due to tax holiday period	(140.38)	(50.68)
Expenses not deductible in determining taxable profits	14.11	224.48
Deferred tax / tax credit recognised from earlier year	(4.29)	23.19
Effect of taxes (recoverable) / payable in future tariff	40.77	(16.91)
Others	7.79	14.70
Tax expense for the year	**212.44**	**253.23**

Deferred tax assets / (liabilities)

Significant components of deferred tax assets / (liabilities), deductible temporary differences and unused tax losses recognised in the financial statements are as follows :

₹ crore

Particulars	As at 31st March, 2018	Recognised / (reversed) through profit or loss / OCI / equity	As at 31st March, 2019
Property plant & equipment	(1,043.58)	(102.79)	(1,146.37)
Investment	(37.91)	3.61	(34.30)
MAT credit	720.07	80.89	800.96
Recoverable /(adjustable)in future tariff	(70.31)	(5.34)	(75.65)
Others	3.77	(4.50)	(0.73)
	(427.96)	**(28.13)**	**(456.09)**

₹ crore

Particulars	As at 31st March, 2017	Recognised / (reversed) through profit or loss / OCI / equity	As at 31st March, 2018
Property plant & equipment	(803.11)	(240.47)	(1,043.58)
Investment	(36.45)	(1.46)	(37.91)
MAT credit	514.39	205.68	720.07
Provision for diminution in assets	30.47	(30.47)	-
Recoverable /(adjustable)in future tariff	(86.58)	16.27	(70.31)
Others	0.74	3.03	3.77
	(380.54)	**(47.42)**	**(427.96)**

Expiry schedule of deferred tax assets not recognised is as under:

MAT Credit entitlement:

₹ crore

Expiry of losses (as per local tax laws)	Amount
< 1 year	-
> 1 year to 5 years	5.88
> 5 years to 10 years	308.59
> 10 years	298.13
	612.60

Notes

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Note No. 30 - Composition of the Group

Information about the composition of the Group is as follows:

Particulars	Place of incorporation and operation	Nature of Business	Shareholding either directly or through subsidiaries/associates	
			As at 31st March, 2019	As at 31st March, 2018
Subsidiaries:				
JSW Power Trading Company Limited (JSWPTC) (Formerly known as JSW Green Energy Limited)	India	Power Trading	100.00%	100.00%
Jaigad PowerTransco Limited (JPTL)	India	Power Transmission	74.00%	74.00%
JSW Energy (Barmer) Limited (JSWEBL) (Formerly Known as Raj WestPower Limited)	India	Power Generation	100.00%	100.00%
JSW Hydro Energy Limited (JSWHEL) (Formerly known as Himachal Baspa Power Company Limited)	India	Power Generation	100.00%	100.00%
JSW Energy (Raigarh) Limited (JSWRL)	India	Power Generation *	100.00%	100.00%
JSW Energy (Kutehr) Limited (JSWEKL)	India	Power Generation *	100.00%	100.00%
JSW Solar Limited (JSWSL)	India	Power Generation	100.00%	100.00%
JSW Electric Vehicles Private Limited (JSWEVL) (Effective 5th March, 2018)	India	Electric Vehicle *	100.00%	100.00%
JSW Energy Minerals Mauritius Limited (JSWEMML) (Dissolved effective from 18th June, 2018)	Mauritius	Investment Entity	-	100.00%
JSW Energy Natural Resources Mauritius Limited (JSWNRML)	Mauritius	Investment Entity	100.00%	100.00%
JSW Energy Natural Resources South Africa (Pty) Limited (JSWENRSAL)	South Africa	Investment Entity	100.00%	100.00%
South African Coal Mining Holdings Limited (SACMH)	South Africa	Coal mining & ancillary activities	69.44%	69.44%
Royal Bafokeng Capital (Pty) Limited (RBC)	South Africa	Investment Entity	100.00%	100.00%
Mainsail Trading 55 Proprietary Limited. (MTPL)	South Africa	Investment Entity	100.00%	100.00%
Jigmining Operations No 1 Proprietary Limited	South Africa	Coal mining & ancillary activities	69.44%	69.44%
SACM (Breyten) Proprietary Limited	South Africa	Coal mining & ancillary activities	69.44%	69.44%
South African Coal Mining Equipment Company Proprietary Limited (De-registered on 10th September, 2018)	South Africa	Coal mining & ancillary activities	-	69.44%
South African Coal Mining Operations Proprietary Limited	South Africa	Coal mining & ancillary activities	69.44%	69.44%
Umlabu Colliery Proprietary Limited	South Africa	Coal mining & ancillary activities	69.44%	69.44%
Yomhlaba Coal Proprietary Limited	South Africa	Coal mining & ancillary activities	69.44%	69.44%
Minerals & Energy Swaziland Proprietary Limited (Shares transferred-sold vide agreement dated 30th November, 2018)	Swaziland	Mining	-	51.00%
Joint Venture Company:				
Barmer Lignite Mining Company Limited (BLMCL)	India	Lignite Mining	49.00%	49.00%
Associate:				
Toshiba JSW Power Systems Private Limited (TJPSPL) $	India	Turbine & generator manufacturing	6.92%	22.52%

* Yet to commence commercial operations

$ Based on representation on the Board of Directors of TJPSPL

Subsidiaries de-registered/dissolved during the year ended 31st March, 2018

a) JSW Energy Natural Resources (BVI) Limited (Dissolved effective from 4th April, 2017)

b) Ilanga Coal Mines Proprietary Limited (De-registered on 18th July, 2017)

c) Jigmining Operations No 3 Proprietary Limited (De-registered on 25th August, 2017)

d) SACM (Newcastle) Proprietary Limited (De-registered on 18th September, 2017)

e) Voorslag Coal Handling Proprietary Limited (De-registered on 12th July, 2017)

f) JSW Energy Natural Resource UK Limited (De-registered on 29th August, 2017)

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2019

Note No. 31 - Non-controlling interests:

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Balance at beginning of the year	**(3.94)**	**2.37**
Share of profit/(loss) for the year	(10.64)	6.94
Dividend and dividend distribution tax	(4.31)	(19.36)
Foreign currency translation reserve	6.86	6.11
Balance at end of the year	**(12.03)**	**(3.94)**

Details of subsidiaries that have non-controlling interests

The table below shows details of subsidiaries of the Group that have material non-controlling interests:

₹ crore

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit / (loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		As at 31st March, 2019	As at 31st March, 2018	For the year ended 31st March, 2019	For the year ended 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Jaigad PowerTransco Limited	India	26.00%	26.00%	6.27	6.97	48.71	46.75
South African Coal Mining Holdings Limited (Consolidated)	South Africa	30.56%	30.56%	(16.91)	(0.03)	(60.74)	(50.71)
Minerals & Energy Swaziland Proprietary Limited	Swaziland	-	51.00%	-	*	-	*
				(10.64)	**6.94**	**(12.03)**	**(3.94)**

*Less than ₹ 50,000

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Jaigad PowerTransco Limited

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Non-current assets	336.76	364.27
Current assets	33.68	32.44
Non-current liabilities	153.84	182.55
Current liabilities	29.27	34.33
Equity attributable to owners of the Company	138.63	133.07
Non-controlling interests	48.71	46.75

₹ crore

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Revenue	82.99	91.57
Expenses	52.21	57.40
Profit attributable to owners of the Company	17.83	19.85
Profit attributable to the non-controlling interests	6.27	6.97
Profit for the year	24.10	26.82
Other comprehensive income attributable to owners of the Company	*	*
Other comprehensive income attributable to the non-controlling interests	*	*
Other comprehensive income for the year	*	*
Total comprehensive income attributable to owners of the Company	17.83	19.85
Total comprehensive income attributable to the non-controlling interests	6.27	6.97
Total comprehensive income for the year	24.10	26.82
Dividends paid to non-controlling interests	3.58	16.09

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₹ crore

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Cash generated from operating activities	61.39	92.42
Cash generated from investing activities	2.44	48.35
Cash used in financing activities	(63.64)	(140.62)
Net cash generated from operations	0.19	0.15
Cash & cash equivalents - as at the beginning of the year	0.22	0.07
Cash & cash equivalents - as at the end of the year	0.41	0.22

*less than ₹ 50,000

South Africa Coal Mining Holdings (Pty) Limited (Consolidated)

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Non-current assets	129.80	154.11
Current assets	22.74	16.91
Non-current liabilities	345.12	327.63
Current liabilities	6.18	9.28
Equity attributable to owners of the Company	(138.02)	(115.20)
Non-controlling interests	(60.74)	(50.71)

₹ crore

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Revenue	51.46	53.77
Expenses	106.78	53.88
Loss attributable to owners of the Company	(38.40)	(0.08)
Loss attributable to the non-controlling interests	(16.91)	(0.03)
Loss for the year	(55.31)	(0.11)
Total comprehensive loss attributable to owners of the Company	(38.40)	(0.08)
Total comprehensive loss attributable to the non-controlling interests	(16.91)	(0.03)
Total comprehensive loss for the year	(55.31)	(0.11)

₹ crore

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Cash (used in) / generated from operating activities	(53.79)	57.46
Cash used in investing activities	(0.06)	(0.04)
Cash generated from / (used in) financing activities	52.80	(54.20)
Net cash (used in) / generated from operations	(1.05)	3.21
Cash & cash equivalents - as at the beginning of the year	5.90	2.33
Effect of exchange rate changes	(0.85)	0.36
Cash & cash equivalents - as at the end of the year	4.00	5.90

Note No. 32 - Investment in an associate:

Details and financial information of an associate

Name of associate	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest / voting rights held by the Group	
			As at 31st March, 2019	As at 31st March, 2018
Toshiba JSW Power Systems Private Limited (TJPSPL) $	Manufacturer of Turbine and Generator	India	6.92%	22.52%

$ Based on representation on the Board of Directors of TJPSPL

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

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Summarised financial information of an associate

The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with Ind AS adjusted by the Group for equity accounting purposes.

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Non-current assets	507.17	564.69
Current assets	1,501.38	1,598.77
Non-current liabilities	268.85	2,603.99
Current liabilities	1,458.23	1,778.68

₹ crore

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Revenue	1,418.03	1,428.29
Loss for the year	(543.41)	(573.97)
Other comprehensive income for the year	0.66	1.52
Total comprehensive loss for the year	(542.75)	(572.45)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Toshiba JSW Power Systems Private Limited recognised in the consolidated financial statements:

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Net assets of the associate	281.47	(2,219.21)
Proportion of the Group's ownership interest	6.92%	22.52%
Share of loss of Associate adjusted	100.23	100.23
Carrying amount of the Group's interest	-	-

Note No. 33 - Investment in a joint venture:

Details and financial information of Joint Venture Company

Name of joint venture	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest / voting rights held by the Group	
			As at 31st March, 2019	As at 31st March, 2018
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 joint venture

The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with Ind AS adjusted by the Group for equity accounting purposes.

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Non-current assets	2,239.13	2,250.36
Current assets	407.53	371.33
Non-current liabilities	1,951.89	2,305.67
Current liabilities	711.19	364.59

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to the Consolidated Financial Statements for the year ended 31st March, 2019

₹ crore

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Revenue	1,146.04	783.67
Profit / (loss) for the year	32.16	(50.45)
Total comprehensive income for the year	32.16	(50.45)

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

Particulars	As at 31st March, 2019	As at 31st March, 2018
Net assets of the Joint venture	(16.42)	(48.57)
Proportion of the Group's ownership interest	49%	49%
Share of loss of joint venture adjusted	27.31	59.24
Carrying amount of the Group's interest	-	-
Provision created against Group's interest (Refer note 35)	17.51	49.44

₹ crore

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Cash generated from operating activities	215.34	150.94
Cash used in investing activities	(37.70)	(121.10)
Cash used in financing activities	(178.39)	(25.93)
Net cash (used) in / generated from operations	(0.75)	3.91
Cash & cash equivalents - as at the beginning of the year	3.94	0.03
Cash & cash equivalents - as at the end of the year	3.19	3.94

Note No. 34 - Contingent liabilities and commitments:

A] Contingent liabilities (to the extent not provided for)

1] Claims against the Group not acknowledged as debt:

a) Disputed claims / levies (excluding interest, penalty, if any) in respect of:

₹ crore

Particulars		As at 31st March, 2019	As at 31st March, 2018
(i)	Custom duty [₹ 27.30 crore paid under protest (as at 31st March, 2018 ₹ 27.30 crore)]	240.65	240.65
(ii)	Electricity tax [recoverable from customers as per agreement in case of unfavourable outcome]	122.76	115.38
(iii)	Income tax	93.71	8.09
(iv)	Entry tax	0.84	0.84
(v)	Service tax [₹ 14.80 crore paid under protest (as at 31st March, 2018 ₹ 0.78 crore)]	34.20	2.27
(vi)	Survey and investigation work [Paid under protest against these claim of ₹ 25 crore (as at 31st March, 2018 of ₹ 25 crore)]	127.84	127.84
(vii)	Others	18.44	17.43
Total		**638.44**	**512.50**

b) For disputes with customers regarding determination of tariff under power supply arrangements aggregating to ₹ 563.78 crore (as at 31st March, 2018 ₹ 551.26 crore), (refer note 13)

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2019

2] Guarantees:

The Group has issued following financial guarantees to banks on behalf of and in respect of loan facilities availed by related and other parties:

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Related parties	200.50	258.50

In respect of financial guarantee contracts, no amounts are recognised based on the results of the liability adequacy test for likely deficiency / defaults by the entities on whose behalf the Group has given guarantees. The amount have been reflected corresponding to the outstanding loan amount.

3] Others:

In respect of land parcels admeasuring 47.21 hectares, acquired by the Group, the claim by certain parties towards title disputes is not currently ascertainable.

4] The Group's share of the contingent liabilities relating to its joint venture, Barmer Lignite Mining Company Limited (BLMCL) is as follows:

(i) Claims not acknowledged as debt

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
VAT	0.97	0.97
Income tax	3.82	29.38
Excise duty	-	90.69
Service tax	128.55	125.19
Others	32.58	3.59
Total	**165.92**	**249.83**

(ii) Few land owners have gone to the court for claiming enhanced rate of compensation from Rajasthan State Mines and Minerals Limited ("RSMML"), a co-venturer, through which land for the mine has been acquired. In case, if such enhanced compensation is approved by the court, BLMCL will have to reimburse the same to RSMML. The amount of compensation is undeterminable as on date.

(iii) As per the implementation agreement between Government of Rajasthan and JSW Energy (Barmer) Limited ("JSWEBL"), the sale price of lignite by BLMCL to JSWEBL has to be approved by Rajasthan Electricity Regulatory Commission ("RERC"). Pending determination of transfer price of lignite, RERC has allowed only adhoc/interim transfer prices. Correspondingly, BLMCL is accruing proportionate reduced lignite extraction cost in terms of its mine development operator ("MDO") arrangement. The accumulated amount as at 31st March, 2019 between contracted MDO price for lignite extraction and adhoc/interim lignite transfer price is ₹ 1,602.75 crore (As at 31st March 2018 ₹ 1,461.46 crore). Such payment to MDO is contingent upon approval of final transfer price of lignite by RERC, which would also result into corresponding higher revenue for BLMCL. There shall be no additional financial implication to BLMCL on this account.

5] The Group has already recognised its share of losses equivalent to its interest in an associate and hence, the Group has no further exposure. Accordingly, the share in the contingent liability of the associate amounting to ₹ 1.29 crore (As at 31st March, 2018 ₹ 4.25 crore) is not reckoned with by the Group

Notes:

(i) Future cash flows in respect of the above matters are determinable only on receipt of judgements / decisions pending at various forums/authorities.

(ii) Third party claims where the possibility of outflow of resources embodying economic benefits is remote, and includes show cause notices, if any, which have not yet converted to regulatory demands, have not been disclosed as contingent liabilities.

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2019

B] Commitments

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
1] Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	63.86	167.16

2] Other commitments:

(i) The Group has entered into a definitive agreement to acquire 1000 MW (4 x 250 MW) thermal power plant located at village Tamnar, District Raigarh in the state of Chhattisgarh from Jindal Steel & Power Limited. The transaction contemplates payment of an interest-bearing advance of ₹ 500 crore against which an amount of ₹ 331.13 crore is outstanding as at 31st March, 2019 (as at 31st March, 2018 ₹ 381.13 crore).

(ii) In accordance with joint venture agreement, JSW Energy (Barmer) Limited shall make all investments in the joint venture company and Rajasthan State Mines and Minerals Limited shall have no financial liability.

3] The Group's share of the capital commitments made by its joint venture (BLMCL) is as follows:

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Commitments to contribute funds for the acquisition of property, plant and equipment (net of advances)	123.78	0.55

Note No. 35 - Provisions:

1) Provision for decommissioning and environmental rehabilitation:

₹ crore

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Opening balance	**29.74**	**25.75**
Effect of foreign currency exchange differences	(4.27)	3.99
Closing balance	**25.47**	**29.74**

The provision for mine restoration, decommissioning and environmental rehabilitation represents the present value of the management's best estimate of the future outflow of economic benefits that will be required under the Group's obligations under local legislation. The estimate has been made on the basis of historical trends and may vary as a result of future escalation of labour and overhead costs.

2) Provision for liabilities of a joint venture

₹ crore

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Opening balance	**49.44**	**-**
Additional provisions recognised/(reversed)	(31.93)	49.44
Closing balance	**17.51**	**49.44**

The provision for liabilities of a joint venture represents the Group's obligation, as per the joint venture agreement, for the financial liability of the the joint venture over and above the Group's shareholding.

3) Other provisions

₹ crore

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Opening balance	**24.19**	**1.88**
Additional provisions recognised/(reversed)	(0.76)	22.31
Closing balance	**23.43**	**24.19**

Other provision primarily relates to provision for disputed entry tax on inputs matter pending before the High Court of Himachal Pradesh.

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2019

Note No. 36 - Operating Leases:

a) As lessor

The Group has leased certain land admeasuring to 122.86 acres with carrying amount of ₹ 7.08 crore (31st March, 2018: 122.86 acres with carrying amount of ₹ 7.08 crore) to related parties for the period ranging from 25 to 99 years. The agreements are renewable with mutual consent.

b) As lessee

i) Lease rentals charged to Consolidated Statement of Profit and Loss for right to use following assets are:

₹ crore

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Office premises, residential flats etc.	9.95	13.45

ii) The agreements are executed on non-cancellable basis for a period of 3-50 years, which are renewable on expiry with mutual consent.

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

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Within one year	0.08	0.08
After one year but not more than five years	0.13	0.01
More than five years	-	-
	0.21	**0.09**

Note No. 37 - Finance leases:

As lessor

The Group has evaluated an arrangement for power supply from one of its power unit based on the facts and circumstances existing at the date of transition to Ind AS and identified it to be in the nature of lease as the fulfilment of the arrangement depends upon specific power unit identified in the arrangement and the Group has committed to supply substantially all of the power generation capacity of the power unit. After separating lease payments from other elements in the arrangement, the Group has recognized finance lease receivable for the said power unit given under finance lease.

The minimum lease payments receivable and the present value of minimum lease receivable as at 31 March, 2019 in respect of the aforesaid power unit are as under:

Amounts receivable under finance leases

₹ crore

Particulars	Minimum lease payments		Present value of minimum lease payments	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Not later than one year	97.59	99.72	37.19	47.42
Later than one year and not later than five years	362.99	373.91	145.33	201.88
Later than five years	1,101.54	1,068.27	760.85	732.46
Total	**1,562.12**	**1,541.90**	**943.37**	**981.76**
Less: unearned finance income	618.75	560.14	-	-
Lease Receivable (Refer note 9)	**943.37**	**981.76**	**943.37**	**981.76**

Unguaranteed residual value of assets leased under finance leases at the end of the reporting period is estimated at ₹ 270.33 crore (as at 31st March, 2018: ₹ 150.39 crore).

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to the Consolidated Financial Statements for the year ended 31st March, 2019

Note No. 38 - Service concession arrangement (SCA):

(a) Description of the concession arrangement :

On 1st October, 1992, a service concession agreement was entered into with the Government of Himachal Pradesh ("the Government") to establish, own, operate and maintain 300 MW Hydro Electric power plant at Baspa, Kuppa, Himachal Pradesh ("the power plant") for supply of power to Himachal State Electricity Board. Pursuant to the above, a power purchase agreement was entered with Himachal Pradesh State Electricity Board ("the PPA").

(b) Significant terms of the concession arrangement :

Terms	Particulars
Period of Arrangement	40 years from date of commissioning of the power plant and extendable for 20 years at the option of the Government
Commissioning of the power plant	8 June 2003
Tariff	Approved by HPRC having regard to the tariff entitlement under the PPA
Option to purchase	After the expiry of the agreement period, the Government has the option to purchase all the assets and works of the Project, at mutually agreed terms.
Free power	12 % free power of the electricity generated is to supplied to the Government

(c) Obligation for overhaul:

Under the concession agreement, the Group has to manage, operate, maintain and repair the power plant entirely at its own cost.

(d) Renewal /Termination options:

Termination of the concession agreement can happen before expiry date under the force majeure events and default by either parties of the concession agreement

(e) Classification of service concession arrangement in the Consolidated Financial Statements:

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Intangible asset - Rights under service concession receivable (refer note 6)	813.60	845.56
Financial asset – Receivable under service concession arrangement (refer note 9)	221.47	195.59

Note No. 39 - Employee benefits expense:

Defined contribution plan:

Group's contribution to National Pension Scheme (NPS) recognized in consolidated statement of profit and loss of ₹ 1.77 crore (Year ended 31st March, 2018 : ₹ 1.40 crore) (included in note 24)

Defined benefits plans:

The Group provides for gratuity for employees as per the Payment of Gratuity Act, 1972. The amount of gratuity shall be payable to an employee on the termination of his employment after he has rendered continuous service for not less than five years, or on their superannuation or resignation. However, in case of death of an employee, the minimum period of five years shall not be required. The amount of gratuity payable on retirement / termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of service completed. The gratuity plan is a funded plan administered by a separate fund that is legally separated from the entity and the group makes contributions to the insurer (LIC). The group 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 Group makes monthly contributions to provident fund managed by trust for qualifying employees. Under the scheme, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits.

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

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to the Consolidated Financial Statements for the year ended 31st March, 2019

These plans typically expose the Group to the following actuarial risks:

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.
Interest risk	A fall in the discount rate, which is linked, to the G-Sec rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.
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.
Asset Liability matching risk	The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.
Mortality risk	Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.
Concentration risk	Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31st March, 2019 by M/S K. A. Pandit Consultants & Actuaries. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

A] Gratuity

Changes in the defined benefit obligation and fair value of plan assets as at 31st March, 2019:

₹ crore

Particulars		Defined benefit obligation	Fair value of plan assets	Benefit liability
Opening balance as on 1st April, 2018		**20.57**	**7.13**	**13.44**
Gratuity cost charged to the profit or loss	Service cost	2.13	-	2.13
	Net interest expense	1.61	0.56	1.05
	Sub-total included in profit or loss	**3.74**	**0.56**	**3.18**
Benefits paid		**(1.11)**	**(1.11)**	**-**
Remeasurement gains/(losses) in other comprehensive income	Return on plan assets (excluding amounts included in net interest expense)	-	(0.03)	0.03
	Actuarial changes arising from changes in financial assumptions	0.17	-	0.17
	Experience adjustments	1.84	-	1.84
	Sub-total included in OCI	**2.02**	**(0.03)**	**2.05**
Contributions by employer		**-**	**-**	**-**
Closing balance as on 31st March, 2019 (Refer note 18)		**25.22**	**6.55**	**18.67**

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

₹ crore

Particulars		Defined benefit obligation	Fair value of plan assets	Benefit liability
Opening balance as on 1st April, 2017		**18.73**	**4.23**	**14.50**
Gratuity cost charged to profit or loss	Service cost	2.35	-	2.35
	Net interest expense	1.40	0.31	1.09
	Sub-total included in profit or loss	**3.75**	**0.31**	**3.44**
Benefits paid		**(1.26)**	**(1.26)**	**-**
Remeasurement gains/(losses) in other comprehensive income	Return on plan assets (excluding amounts included in net interest expense)	-	0.08	(0.08)
	Actuarial changes arising from changes in financial assumptions	(0.78)	-	(0.78)
	Experience adjustments	0.13	-	0.13
	Sub-total included in OCI	**(0.65)**	**0.08**	**(0.73)**
Contributions by employer		**-**	**3.77**	**(3.77)**
Closing balance as on 31st March, 2018 (Refer note 18)		**20.57**	**7.13**	**13.44**

The actual return on plan assets (including interest income) was ₹ 0.56 crore (previous year ₹ 0.32 crore).

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

Particulars	As at 31st March, 2019	As at 31st March, 2018
Insurer managed funds	100%	100%

In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

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

Particulars	As at 31st March, 2019	As at 31st March, 2018
Discount rate	7.69%-7.79%	7.84%
Future salary increases	6.00%	6.00%
Rate of employee turnover	2.00%	2.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

Sensitivity analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discounted rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

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The sensitivity of the defined benefit obligation to changes in the weighted key assumptions are:

₹ crore

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Delta Effect of +1% Change in Rate of Discounting	(2.29)	(1.94)
Delta Effect of -1% Change in Rate of Discounting	2.68	2.29
Delta Effect of +1% Change in Rate of Salary Increase	2.71	2.31
Delta Effect of -1% Change in Rate of Salary Increase	(2.35)	(1.99)
Delta Effect of +1% Change in Rate of Employee Turnover	0.39	0.35
Delta Effect of -1% Change in Rate of Employee Turnover	(0.44)	(0.40)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that change in assumption would occur in isolation of the another as some of the assumptions may be co-related.

The following are the maturity analysis of projected benefit obligations:

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Projected benefits payable in future years		
Within the next 12 months (next annual reporting period)	1.38	0.84
Between 2 and 5 years	7.79	6.72
Between 5 and 10 years	7.83	6.30
Above 10 years	49.17	43.10
Total expected payments	**66.17**	**56.96**

Each year an asset-liability-matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles.

The Group expects to contribute ₹ 5.91 crore (previous year ₹ 5.24 crore) to its gratuity plan for the next year. The weighted average duration of the plan is 13 years (previous year 13 years).

B] 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, 2019 is 8.65% as against the rate of return of plan assets 8.64%. Considering the interest shortfall is not material no provision is made in the books of accounts.

The Group's contribution to provident fund recognized in Consolidated Statement of Profit and Loss of ₹ 8.75 crore (Previous year ₹ 9.01 crore) (Included in note 24)

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

Particulars	As at 31st March, 2019	As at 31st March, 2018
Discount rate	7.79%	7.85%
Rate of return on assets	8.64%	8.88%
Guaranteed rate of return	8.65%	8.55%

C] Compensated absences

The group has a policy on compensated absences with provisions on accumulation and encashment by the employees during employment or on separation from the group 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.

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2] Employee share based payment plan:

i) JSWEL Employees Stock Ownership Plan – 2010 (ESOP 2010)

The Group had offered equity options under ESOP 2010 to the permanent employees of the Company and its subsidiary company including any director; whether whole-time or not, in the identified grades of L08 and above except any employee who was a promoter or belonged to the promoter group or a Director who either by himself or through his relatives or through anybody corporate, directly or indirectly, held more than 10% of the outstanding equity shares of the Company.

The grant was determined as percentage of Total Fixed Pay. The grant was at such price as determined by the then ESOP Committee and specified in the respective grant letter. The option was not transferable and could be exercised only by the employees of the Group.

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

The following table illustrates the details of share options during the year:

ESOP 2010 (Grant Date : 8th November 2011)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Outstanding at 1st April	-	1,958,388
Exercised during the year	-	1,917,674
Expired during the year	-	40,714
Outstanding at 31st March	-	-
Exercisable at 31st March	-	-

ESOP 2010 (Grant Date : 31st October, 2012)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Outstanding at 1st April	-	3,661,690
Exercised during the year	-	3,615,136
Expired during the year	-	46,554
Outstanding at 31st March	-	-
Exercisable at 31st March	-	-

ii) JSWEL Employees Mega Stock Ownership Scheme – 2012 (ESOS 2012)

The Group had offered equity options under ESOS 2012 to the permanent employees of the Company and its subsidiary company including any director; whether whole-time or not, who was earlier granted Mega option under ESOP 2010 and who continued to be in Permanent Employment of the Company or Subsidiary Company or JSW Group Company on date of the Grant except any employee who was a promoter or belonged to the promoter group or a Director who either by himself or through his relatives or through any body corporate, directly or indirectly, held more than 10% of the outstanding equity shares of the Company.

The grant was determined as percentage of Total Fixed Pay. The grant was at a price as determined by the then ESOP Committee and specified in the respective grant letter. The option was not transferable and could be exercised only by the employees of the Group.

The number of options granted to each eligible employees was 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 was determined by using Black Scholes model.

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The following table illustrates the details of share options during the year:

ESOS 2012 (Grant Date : 4th October, 2012)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Outstanding at 1st April	-	5,286,453
Exercised during the year	-	4,440,667
Expired during the year	-	845,786
Outstanding at 31st March	-	-
Exercisable at 31st March	-	-

iii) **JSWEL Employees Stock Ownership Plan – 2016 (ESOP 2016)**

The Group has offered equity options under ESOP 2016 to the permanent employees of the Company and its subsidiary company who has been working in India or outside India, including whole-time director, in the identified grades of L16 and above except any employee who is a promoter or belongs to the promoter group or a director who either by himself or through his relatives or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company and Independent directors, Nominee Directors and Non-Executive Directors.

The grant is determined after having regard to various factors and criteria specified in ESOP 2016. The exercise price is at a discount of 20% to the closing market price on the previous trading day of the grant date at the Exchange having highest trading volume or any other price as may be determined by the Compensation Committee but at least equal to the face value of the shares. The option shall not be transferable and can be exercised only by the employees of the Group.

Vesting of the options granted under the ESOP 2016 shall be at least one year from the date of Grant. 50% of the granted options would vest on the date following 3 years from the date of respective grant and the remaining 50% on the date following 4 years from the date of respective grant.

The following table illustrates the details of share options during the year:

ESOP 2016 (Grant Date : 3rd May, 2016)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Outstanding at 1st April	1,279,526	2,447,355
Granted during the year	-	-
Exercised during the year	268,854	263,525
Expired during the year	83,115	904,304
Outstanding at 31st March	927,557	1,279,526
Exercisable at 31st March	927,557	1,279,526

ESOP 2016 (Grant Date : 20th May, 2017)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Outstanding at 1st April	2,112,536	-
Granted during the year	-	2,494,660
Forfeited during the year	-	-
Exercised during the year	543,863	-
Expired during the year	104,312	382,124
Outstanding at 31st March	1,464,361	2,112,536
Exercisable at 31st March	1,464,361	2,112,536

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ESOP 2016 (Grant Date : 1st Nov, 2018)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Outstanding at 1st April	-	-
Granted during the year	2,323,883	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at 31st March	2,323,883	-
Exercisable at 31st March	2,323,883	-

The method of settlement for above grants are as below:

Particulars	Grant Date					
	8th November, 2011	31st October, 2012	4th October, 2012	3rd May, 2016	20th May, 2017	1st Nov, 2018
Vesting period	3 Years	3 Years	1 Year	3/4 Years	3/4 Years	3/4 Years
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity
Exercise price (₹)	52.35	60.90	65.00	53.68	51.80	51.96
Fair value (₹)	20.39	24.17	19.43	30.78	28.88	37.99
Dividend yield (%)	10.00%	5.00%	5.00%	20.00%	20.00%	20.00%
Expected volatility (%)	34.85%	39.65%	39.98%	46.32%/ 44.03%	44.50%/ 45.16%	42.57%/ 43.53%
Risk-free interest rate (%)	8.86%	8.09%	8.13%	7.40%/ 7.47%	6.90%/ 6.98%	7.78%/ 7.84%
Expected life of share options	5 years	3 years	3 years	5/6 years	5/6 years	5/6 years
Weighted average exercise price (₹)	52.35	60.90	65.00	53.68	51.80	51.96
Pricing formula	Exercise Price determined based on closing market price on the day prior to the Compensation Committee meeting on that exchange where higher shares are traded			Exercise Price determined at ₹ 53.68 per share, was at a discount of 20% to the closing market price of Parent Company's share i.e. ₹ 67.10/- at the close of 2nd May, 2016 at Exchange having highest trading volume.	Exercise Price determined at ₹ 51.80 per share, was at a discount of 20% to the closing market price of Parent Company's share i.e. ₹ 64.75/- at the close of 19th May, 2017 at Exchange having highest trading volume.	Exercise Price determined at ₹ 51.96 per share, was at a discount of 20% to the closing market price of Parent Company's share i.e. ₹ 64.95/- at the close of 31st October, 2018 at Exchange having highest trading volume.
Expected option Life	The expected option life is assumed to be mid-way between the option vesting period and contractual term of the option			The expected option life is assumed to be mid-way between the option vesting and expiry. Since the vesting period and contractual term of each tranche is different, the expected life for each tranche will be different. The Expected option life is calculated as (Year to Vesting + Contractual Option term) /2.		

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to the Consolidated Financial Statements for the year ended 31st March, 2019

Particulars	Grant Date					
	8th November, 2011	31st October, 2012	4th October, 2012	3rd May, 2016	20th May, 2017	1st Nov, 2018
Expected volatility	Volatility was calculated using standard deviation of daily change in stock price.			Volatility was calculated using standard deviation of daily change in stock price. The historical period considered for volatility match the expected life of the option.		
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	The following factors have been considered: (a) Share price (b) Exercise prices (c) Historical volatility (d) Expected option life (e) Dividend Yield					
Model used	Black-Scholes Method					

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

Note No. 40 - Project status:

i) Kutehr Project

The Company plans to resume construction/ developmental activities of 240 MW hydro power project at Kutehr, Himachal Pradesh ("the project"). The State and Central Hydro Power Policy, 2006 has been amended by the Government of Himachal Pradesh and the Government of India, respectively. Having regard to the same, the Group has started participating in bids invited by the distribution companies and has simultaneously invited bids from contractors for development of the project. The carrying amounts related to the project as at 31st March, 2019 comprise property, plant and equipment of ₹ 3.58 crore, capital work in progress of ₹ 259.53 crore and capital advance of ₹ 6.20 crore.

ii) Raigarh Project:

Having regard to pending completion of the power project at Raigarh, Chhattisgarh, tying up of long-term power supply agreements and securing the fuel linkages, the Group has assessed the recoverable value of the underlying assets based on the estimate regarding value by sale of freehold land, recoverability of advances for additional land acquisition on leasehold basis and deposits relating to the project and accordingly, concluded that no further impairment loss is necessary against their carrying amounts. Capital work in progress of ₹ 23.58 crore relating to the project was written off during the previous year.

Note No. 41 - Earnings per share [Basic and Diluted]:

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Profit attributable to equity holders of the Company [₹ crore] [A]	695.13	77.97
Weighted average number of equity shares for basic EPS [B]	1,640,617,153	1,640,054,795
Effect of dilution:		
Weighted average number of equity shares held through ESOP trust	35,413	-
Weighted average number of equity shares adjusted for the effect of dilution [C]	1,640,652,566	1,640,054,795
Basic Earnings Per Share [₹] - [A/B]	4.24	0.48
Diluted Earnings Per Share [₹] - [A/C]	4.24	0.48
Nominal value of an equity share [₹]	10	10

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Note No. 42 - Financial Instruments:

(a) Financial instruments:

i) Financial instruments by category:

₹ crore

Particulars	As at 31st March, 2019				As at 31st March, 2018			
	FVTPL	FVTOCI	Amortised cost	Total	FVTPL	FVTOCI	Amortised cost	Total
Financial assets								
Investment in government securities	-	-	10.86	10.86	-	-	9.47	9.47
Investment in equity shares	42.65	2,052.46	-	2,095.11	48.50	2,018.15	-	2,066.65
Investment in preference shares	2.29	-	-	2.29	2.05	-	-	2.05
Investment in mutual funds	342.27	-	-	342.27	336.83	-	-	336.83
Loans	-	-	899.01	899.01	-	-	749.75	749.75
Trade receivables	-	-	1,427.75	1,427.75	-	-	1,151.22	1,151.22
Cash and cash equivalents (CCE)	-	-	132.16	132.16	-	-	224.27	224.27
Bank balances other than CCE	-	-	78.57	78.57	-	-	87.19	87.19
Finance lease receivable	-	-	943.37	943.37	-	-	981.76	981.76
Service concession receivable	-	-	221.47	221.47	-	-	195.59	195.59
Security deposits	-	-	90.39	90.39	-	-	124.23	124.23
Interest receivable	-	-	347.96	347.96	-	-	359.03	359.03
Revenue receivable	-	-	1.43	1.43	-	-	-	-
Ancillary borrowing cost	-	-	-	-	-	-	56.79	56.79
Other loan and advances	-	-	-	-	-	-	11.44	11.44
	387.21	**2,052.46**	**4,152.97**	**6,592.64**	**387.38**	**2,018.15**	**3,950.74**	**6,356.27**
Financial liabilities								
Borrowings	-	-	10,554.88	10,554.88	-	-	11,883.26	11,883.26
Trade payables	-	-	471.94	471.94	-	-	565.18	565.18
Acceptances	-	-	1,367.58	1,367.58	-	-	1,761.95	1,761.95
Interest rate swaps	0.36	-	-	0.36	-	1.72	-	1.72
Foreign currency options/forward contracts	27.13	-	-	27.13	2.72	0.87	-	3.59
Contingent consideration payable	177.48	-	-	177.48	177.48	-	-	177.48
Deposits received from dealers	-	-	0.01	0.01	-	-	0.01	0.01
Lease deposits	-	-	0.64	0.64	-	-	0.60	0.60
Interest accrued but not due on borrowings	-	-	89.85	89.85	-	-	51.07	51.07
Unpaid dividends	-	-	1.11	1.11	-	-	0.95	0.95
Security deposits	-	-	0.11	0.11	-	-	0.12	0.12
Payable for capital supplies / services	-	-	198.61	198.61	-	-	187.91	187.91
Other payables	-	-	556.53	556.53	-	-	325.15	325.15
	204.97	**-**	**13,241.26**	**13,446.23**	**180.20**	**2.59**	**14,776.20**	**14,958.99**

ii) Fair value hierarchy:

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value.

The Group has classified its financial instruments into three levels prescribed under the accounting standard.

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Financial assets and liabilities measured at fair value

The carrying amount of investment in unquoted equity instrument measured at fair value (which are not disclosed below) is considered to be the same as it's fair values.

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	Level	Valuation techniques and key inputs
Financial assets				
Investment in equity instruments of JSW Steel Limited	2,052.46	2,018.15	1	Quoted bid price in an active market
Investment in equity shares	42.65	48.50	2	Price derived from sale transaction of the share in an inactive market
Investment in mutual funds	342.27	336.83	2	The mutual funds are valued using the closing NAV
Investment in preference shares	2.29	2.05	3	Discounted cash flow method- Future cash flows are based on terms of preference shares discounted at a rate that reflects market risk
Financial liabilities				
Interest rate swaps	0.36	1.72	2	The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows earned on observable yield curves.
Currency option/ forward contracts	27.13	3.59	2	The fair value of forward foreign exchange contracts and currency options is determined using forward exchange rates at the balance sheet date.
Contingent consideration payable	177.48	177.48	3	Estimated based on the expected cash outflows arising from the fructification of related events

Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, investment in preference shares, other financial assets and other financial liabilities (which are not disclosed below) are considered to be the same as their fair values, due to their short term nature.

₹ crore

Particulars	As at 31st March, 2019		As at 31st March, 2018		Level	Valuation techniques and key inputs
	Carrying value	Fair value	Carrying value	Fair value		
Financial assets and liabilities, measured at amortised cost, for which fair value is disclosed:						
Financial assets						Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable
Loans	720.59	745.86	571.41	571.39	3	
Finance lease receivable *	943.37	940.32	981.76	993.99		
Service concession receivable	221.47	221.47	195.59	195.59		
Security deposits	52.25	55.90	74.25	73.18		
	1,937.68	**1,963.55**	**1,823.01**	**1,834.15**		
Financial liabilities						Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable
Borrowings (including current maturities on long-term debt)	10,554.88	10,557.42	11,883.26	11,888.61	3	
Lease and other deposits	0.17	0.22	0.26	0.34		
	10,555.05	**10,557.64**	**11,883.52**	**11,888.95**		

* including current and non-current balances

Valuation techniques and key inputs:

The above fair values were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable input including counter party credit risk.

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Sensitivity Analysis of Level 3 financial instruments measured at fair value:

Particulars	Valuation technique	Significant unobservable inputs	Change	Sensitivity of the input to fair value
Contingent consideration payable	Expected cash flow	Probability of outcome of contingent event	5.00%	If expected cash outflows were 5% higher or lower, the fair value would increase / (decrease) by ₹ 8.87 crore.
Investment in preference shares	DCF method	Discount rate	0.50%	0.50% increase / decrease in the discount rate would decrease / increase the fair value by ₹ 0.08 / ₹ 0.07 crore / (₹ 0.08 / ₹ 0.08 crore).

Reconciliation of Level III fair value measurement:

i) Investment in preference shares

₹ crore

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Opening balance	**2.05**	**1.84**
Gain recognised in Consolidated Statement of Profit and Loss	0.23	0.21
Closing balance	**2.28**	**2.05**

ii) Contingent consideration payable

₹ crore

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Opening balance	**177.48**	**565.70**
Offset against loan receivable from the same party	-	(226.11)
Write backs/reversals	-	(162.11)
Closing balance	**177.48**	**177.48**

There are no transfers between Level 1, Level 2 and Level 3 during the year.

(b) Risk Management Strategies

Financial risk management objectives

The Group'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 Group. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group 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 group's policies approved by the board of directors, which provide written principles on foreign exchange and commodity price risk management, 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 Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

I. Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilizing forward foreign exchange contracts and currency options as suitable.

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The carrying amounts of the Group's financial assets and liabilities denominated in different currencies are as follows:

₹ crore

As at 31st March, 2019:	USD	Euro	JPY	INR	Total
Financial assets					
Investments	34.88	-	-	2,415.65	2,450.53
Trade receivables	18.74	-	-	1,409.01	1,427.75
Cash and bank balances	10.59	-	-	192.98	203.57
Loans	-	-	-	899.01	899.01
Finance lease receivable	-	-	-	943.37	943.37
Service concession receivable	-	-	-	221.47	221.47
Security Deposits	-	-	-	90.39	90.39
Interest receivable	-	-	-	347.96	347.96
Revenue receivable	-	-	-	1.43	1.43
Other bank balances	-	-	-	7.16	7.16
Other financial assets	*	-	-	-	*
	64.21	**-**	**-**	**6,528.43**	**6,592.64**
Financial liabilities					
Borrowings	228.27	-	-	10,326.61	10,554.88
Trade payables	90.70	1.41	0.01	379.82	471.94
Acceptances	1,367.58	-	-	-	1,367.58
Interest rate swaps	0.36	-	-	-	0.36
Foreign currency forward options/contracts	27.13	-	-	-	27.13
Contingent consideration payable	-	-	-	177.48	177.48
Security deposits	-	-	-	0.76	0.76
Interest accrued	15.62	-	-	74.23	89.85
Unpaid Dividends	-	-	-	1.11	1.11
Payable for capital supplies/services	-	-	-	198.61	198.61
Other payables	-	-	-	556.53	556.53
	1,729.66	**1.41**	**0.01**	**11,715.15**	**13,446.23**

* Less than ₹ 50,000

₹ crore

As at 31st March, 2018:	USD	INR	Total
Financial assets			
Investments	40.73	2,374.28	2,415.01
Trade receivables	10.92	1,140.30	1,151.22
Cash and bank balances	15.52	295.51	311.03
Loans	-	749.74	749.74
Finance lease receivable	-	981.76	981.76
Service concession receivable	-	195.59	195.59
Security Deposits	-	124.23	124.23
Interest receivable	-	359.03	359.03
Other bank balances	-	0.43	0.43
Other financial assets	*	68.23	68.23
	67.17	**6,289.10**	**6,356.27**
Financial liabilities			
Borrowings	248.49	11,634.77	11,883.26
Trade payables	138.82	426.36	565.18
Acceptances	1,761.95	-	1,761.95
Interest rate swaps	1.72	-	1.72
Foreign currency forward options/contracts	3.59	-	3.59
Contingent consideration payable	-	177.48	177.48
Security deposits	-	0.73	0.73
Interest accrued	9.89	41.18	51.07
Unpaid Dividends	-	0.95	0.95
Payable for capital supplies/services	-	187.91	187.91
Other payables	-	325.15	325.15
	2,164.46	**12,794.53**	**14,958.99**

* Less than ₹ 50,000

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The Group uses foreign currency forward and options contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and foreign currency required at the settlement date of certain receivables/payables. The use of foreign currency forward and options contracts is governed by the Group's strategy approved by the board of directors, which provide principles on the use of such forward contracts consistent with the Group's risk management policy.

The outstanding forward exchange contracts at the end of the reporting period are as under:

Particulars	As at 31st March, 2019	As at 31st March, 2018
No. of contracts	45	39
Type of contracts	Buy	Buy
US $ equivalent (Million)	202.28	206.70
Average exchange rate (1 USD = ₹)	71.68	65.82
INR equivalent (₹ crore)	1,449.94	1,360.49
MTM (₹ crore)	(39.82)	(4.37)

The outstanding foreign exchange options contracts for buyers/ suppliers credit at the end of the reporting period are as under:

Particulars	As at 31st March, 2019	As at 31st March, 2018
No. of contracts	-	13
Type of contracts	-	Buy
US $ equivalent (Million)	-	83.74
Average exchange rate (1 USD = ₹)	-	64.71
INR equivalent (₹ crore)	-	541.90
MTM (₹ crore)	-	1.64

The outstanding foreign exchange options contracts for loan at the end of the reporting period are as under:

Particulars	As at 31st March, 2019	As at 31st March, 2018
No. of contracts	1	1
Type of contracts	Buy	Buy
US $ equivalent (Million)	33.00	33.00
Average exchange rate (1 USD = ₹)	69.16	65.18
INR equivalent (₹ crore)	228.21	215.08
MTM (₹ crore)	12.69	0.87

Unhedged currency risk position

The foreign currency exposure that have not been hedged by a derivative instrument or otherwise as at balance sheet date are given below:

Particulars	Currency	Foreign currency equivalent		₹ crore	
		As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Payables in foreign currency					
Secured loan	USD	-	5,203,640	322.34	33.85
Interest accrued but not due on secured loan	USD	99,362	59,598	0.69	0.39
Trade payables	USD	9,427,702	887,989	65.21	5.78
Trade payables	Euro	181,410	-	1.41	-
Trade payables	Yen	124,594	-	0.01	-

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Foreign currency risk sensitivity

The following table details the Group's sensitivity to a 5% increase and decrease in the INR against the relevant foreign currencies net of hedge accounting impact. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 5% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where INR strengthens 5% against the relevant currency. For a 5% weakening of INR against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

Impact on profit / (loss) for the year for a 5% change:

₹ crore

Particulars	For the year ended 31st March, 2019		For the year ended 31st March, 2018	
	5% increase	5% decrease	5% increase	5% decrease
USD / INR	3.29	(3.29)	2.00	(2.00)
Euro / INR	0.07	(0.07)	-	-
Yen / INR	*	*	-	-

*less than ₹ 50,000

II. 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 Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

Interest rate sensitivity analysis

The sensitivity analysis 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 Group's non-current fixed and floating rate borrowings:

₹ crore

As at 31st March, 2019	Net balance	Unamortised transaction cost	Gross balance
Fixed rate borrowings	1,389.27	1.17	1,390.44
Floating rate borrowings	9,165.61	54.71	9,220.32
Total borrowings	**10,554.88**	**55.88**	**10,610.76**

₹ crore

As at 31st March, 2018	Net balance	Unamortised transaction cost	Gross balance
Fixed rate borrowings	1,607.65	2.02	1,609.67
Floating rate borrowings	10,267.42	70.31	10,337.73
Total borrowings	**11,875.07**	**72.33**	**11,947.40**

The following table detail the nominal amounts and remaining terms of interest rate swap contracts outstanding at the year-end.

Particulars	No. of contracts	Average contracted fixed interest rate (%)	Maturity date	Nominal value (₹ crore)	MTM (₹ crore)
As at 31st March, 2019	1.00	4.12	16th March, 2020	230.86	(0.36)
As at 31st March, 2018	1.00	4.12	16th March, 2020	214.65	(1.72)

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If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit before tax for the year ended 31st March, 2019 would decrease/increase by ₹ 44.95 crore (Previous year: decrease/increase by ₹ 50.62 crore). This is mainly attributable to the Group's exposure to interest rates on its unhedged variable rate borrowings.

III. Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group 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 Group's exposure and the credit ratings of its counterparties are continuously monitored.

JSW Steel Limited, a related party, and state electricity distribution companies (Government companies) are the major customers of the Group and accordingly, credit risk is minimal.

Revenue from operations includes revenue aggregating to ₹ 5162.65 crore (Previous year ₹ 4,255.87 crore) from two major customers having more than 10% of total revenue from operations of the Group.

Loans and investment in debt securities:

The Group's centralised treasury function manages the financial risks relating to the business. The treasury function focusses on capital protection, liquidity and yield maximisation. Investments of surplus funds are made only in approved counterparties within credit limits assigned for each of the counterparty. Counterparty credit limits are reviewed and approved by the Finance Committee of the Group. The limits are set to minimise the concentration of risks and therefore mitigate the financial loss through counter party's potential failure to make payments

Cash and cash equivalents, derivatives and financial guarantees:

Credit risks from balances with banks and financial institutions are managed in accordance with the Group policy. For derivative and financial instruments, the Group attempts to limit the credit risk by only dealing with reputable banks and financial institutions having high credit-ratings assigned by credit-rating agencies.

In addition, the Group is exposed to credit risk in relation to financial guarantees given to banks. The Group's maximum exposure in this respect is the maximum amount the Group could have to pay if the guarantee is called on.(Refer note 34)

IV. 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 Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group 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 assets and financial liabilities as on reporting date.

₹ crore

As at 31st March, 2019	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Investments	342.27	-	2,108.26	2,450.53
Trade receivables	1,427.75	-	-	1,427.75
Cash and bank balances	203.57	-	-	203.57
Loans	253.55	416.66	1,362.65	2,032.56
Finance receivables	97.59	362.99	1,101.54	1,562.12
Service concession receivables	32.35	276.06	0.97	309.38
Security deposits	38.14	34.45	17.80	90.39
Interest receivable	347.96	-	-	347.96
Revenue receivable	1.43	-	-	1.43
Other bank balances	-	7.16	-	7.16
Total Financial Asset	**2,744.61**	**1,097.32**	**4,590.92**	**8,432.85**

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₹ crore

As at 31st March, 2019	< 1 year	1-5 years	> 5 years	Total
Financial liabilities				
Borrowings	1,314.53	4,713.75	4,526.60	10,554.88
Lease and other deposits	0.59	0.01	0.16	0.76
Trade payables	471.94	-	-	471.94
Acceptances	1,367.58	-	-	1,367.58
Interest rate swaps	0.36	-	-	0.36
Foreign currency forward contracts / options	27.13	-	-	27.13
Contingent consideration payable	177.48	-	-	177.48
Interest accrued	89.85	-	-	89.85
Unpaid dividends	1.11	-	-	1.11
Payable for capital supplies/services	198.61	-	-	198.61
Other payables	556.53	-	-	556.53
Total Financial Asset	**4,205.71**	**4,713.76**	**4,526.76**	**13,446.23**
Interest payout liability	921.78	2,516.23	2,030.68	5,468.68

₹ crore

As at 31st March, 2018	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Investments	336.83	-	2,078.17	2,415.00
Trade receivables	1,151.22	-	-	1,151.22
Cash and bank balances	311.03	-	-	311.03
Loans	235.10	229.67	1,406.08	1,870.85
Finance receivables	99.72	373.91	1,068.27	1,541.90
Service concession receivables	-	243.34	66.31	309.65
Security deposits	49.98	28.61	45.64	124.23
Interest receivable	11.22	-	347.81	359.03
Other bank balances	-	0.43	-	0.43
Other loans and advances	11.44	56.79	-	68.23
	2,206.54	**932.75**	**5,012.28**	**8,151.57**
Financial liabilities				
Borrowings	1,062.26	4,964.80	5,856.20	11,883.26
Lease and other deposits	0.47	0.13	0.13	0.73
Trade payables	565.18	-	-	565.18
Acceptances	1,761.95	-	-	1,761.95
Interest Rate Swap	1.72	-	-	1.72
Foreign currency forward contracts \ options	3.59	-	-	3.59
Contingent consideration payable	177.48	-	-	177.48
Interest accrued	51.07	-	-	51.07
Unpaid dividends	0.95	-	-	0.95
Payable for capital supplies/services	187.91	-	-	187.91
Other payables	325.15	-	-	325.15
	4,137.73	**4,964.93**	**5,856.33**	**14,958.99**
Interest payout liability	1,040.43	3,058.00	2,677.11	6,775.55

The Group has hypothecated part of its trade receivables, loans, short term investments and cash and cash equivalents in order to fulfil certain collateral requirements for the banking facilities extended to the Group. There is obligation to release the hypothecation on these securities to the Group once these banking facilities are surrendered. (Refer note 16)

The amount of guarantees given on behalf of other parties included in note 34 represents the maximum amount the Group could be forced to settle for the full guaranteed amount. Based on the expectation at the end of the reporting period, the Group considers that it is more likely than not that such an amount will not be payable under the arrangement.

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V. Price risk

a) The Group's exposure to equity price risk arises from quoted investments held by the Group and classified in the balance sheet at FVTOCI.

The table below summarizes the impact of increases / decreases in market price of the Group's quoted equity investments for the corresponding period. The analysis is based on the assumption that the JSW Steel Limited share price in market will on an average increase or decrease by 15% (Previous year 14%) with all other variables held constant.

Impact on other comprehensive income:

₹ crore

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Increase in quoted market Price by 15% (Previous year 14%)	307.87	282.54
Decrease in quoted market Price by 15% (Previous year 14%)	(307.87)	(282.54)

b) The Group's exposure to mutual fund price risk arises from investments held by the Group and classified in the balance sheet at FVTPL.

The table below summarizes the impact of increase / decrease in NAV of Group's investment in mutual fund for the corresponding period. The analysis is based on the assumption that the NAV of mutual fund will on an average increase by 5% or decrease by 5% with all other variables held constant.

Impact on profit before tax:

₹ crore

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Mutual fund NAV - increase 5%	17.11	16.84
Mutual fund NAV - decrease 5%	(17.11)	(16.84)

VI. Fuel price risk management

The Group is currently using imported coal from countries like Indonesia, South Africa, and Australia, among others. The interruption in the supply of coal due to regulatory changes, weather conditions in the sourcing country, strike by mine workers and closure of mines due to force majeure may impact the availability and/or cost of coal.

The Group regularly broadens the sources (countries/vendors) and maintains optimum fuel mix and stock level. The Group further applies prudent hedging strategies to mitigate the risk of foreign exchange fluctuations.

Note No. 43 - Capital management:

The Group 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 Group'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 Group 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 Group is not subject to any externally imposed capital requirements.

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

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to the Consolidated Financial Statements for the year ended 31st March, 2019

Gearing ratio

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

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Debt[1]	10,554.88	11,883.26
Cash and bank balances (including current investment in liquid mutual fund)[2]	504.55	605.01
Net debt(1-2)	**10,050.33**	**11,278.25**
Total equity[3]	**11,822.24**	**11,109.70**
Net debt to equity ratio	**0.85**	**1.02**

1) Debt includes long-term and short-term borrowings as described in note 16 and note 17.
2) Includes cash and cash equivalents, balances in bank deposits (other than earmarked deposits) and investments in mutual fund as described in note 14A, note 14B and note 7B.
3) Includes equity share capital and other equity as described in note 15A and note 15B.

Note No. 44 - Related party disclosure:

A) List of related parties

I	**Joint ventures**
1	Barmer Lignite Mining Company Limited
II	**Associate**
1	Toshiba JSW Power Systems Private Limited
III	**Co-venturer**
1	Rajasthan State Mines & Minerals Limited
IV	**Key Managerial Personnel**
1	Mr. Sajjan Jindal – Chairman & Managing Director
2	Mr. Prashant Jain - Jt. Managing Director & CEO (w.e.f 16th, June, 2017)
3	Mr. Sanjay Sagar - Jt. Managing Director & CEO (upto 15th June, 2017)
4	Mr. Jyoti Kumar Agarwal - Chief Financial Officer - (upto 10th August, 2017) - Director Finance - (w.e.f. 11th August, 2017)
5	Ms. Monica Chopra – Company Secretary
6	Mr. Nirmal Kumar Jain - Non-executive Non-Independent Director
7	Ms. Tanvi Shete - Non-executive Non-Independent Director (upto 19th July, 2018)
8	Mr. Chandan Bhattacharya - Independent Director
9	Ms. Sheila Sangwan - Independent Director
10	Ms. Shailaja Chandra - Independent Director
11	Mr. Rakesh Nath - Independent Director
12	Mr. Sattiraju Seshagiri Rao – Independent Director (w.e.f. 3rd May, 2018)
13	Mr. Uday Chitale - Independent Director (upto 23rd April, 2018)
V	**Enterprises over which key management personnel and relatives of such personnel exercise significant influence:** **Related parties with whom the Group has entered into transactions during the year:**
1	JSW Steel Limited
2	JSW Cement Limited
3	JSW Realty & Infrastructure Private Limited
4	JSW Jaigarh Port Limited
5	JSW Infrastructure Limited
6	South West Port Limited
7	South West Mining Limited
8	JSW Green Private Limited
9	JSW Foundation
10	Jindal Vidya Mandir
11	Amba River Coke Limited
12	JSW International Trade Corp Pte Limited
13	JSW Steel Coated Products Limited
14	Jindal Saw Limited
15	JSW Global Business Solutions Limited
16	Jindal Steel & Power Limited
17	Inspire Institute of Sport

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18	JSW IP Holdings Private Limited
19	Heal Institute Private Limited
20	Maharashtra State Electricity Transmission Company Limited
21	Jindal Stainless (Hisar) Limited
22	Gagan Trading Company Limited
23	Jaypee Private ITI
24	JSW Energy (Bengal) Limited
25	JSW Projects Limited
26	JSW Steel (Salav) Limited
27	JSW Techno Projects Management Limited

B) Transactions during the year

₹ crore

	Particulars	Relationship	For the year ended 31st March, 2019	For the year ended 31st March, 2018
1	**Sale of power / materials to:**			
	JSW Steel Limited	Others **	2,272.38	1,787.20
	JSW Cement Limited	Others **	92.67	81.19
	JSW Steel Coated Products Limited	Others **	185.06	118.86
	Amba River Coke Limited	Others **	149.01	126.66
	Jindal Saw Limited	Others **	3.83	17.55
	South West Mining Limited	Others **	10.16	-
2	**Sale of renewable energy certificate:**			
	JSW Steel Limited	Others **	-	0.19
	JSW Cement Limited	Others **	-	0.08
	Jindal Saw Limited	Others **	-	0.14
3	**Interest received on overdue receivables:**			
	JSW Steel Limited	Others **	-	0.01
	JSW Steel Coated Products Limited	Others **	-	0.01
	JSW Cement Limited	Others **	0.19	0.11
4	**Dividend received:**			
	JSW Steel Limited	Others **	22.41	15.76
5	**Service received from:**			
	JSW Steel Limited	Others **	-	0.32
	JSW Jaigarh Port Limited	Others **	162.29	171.19
	South West Mining limited	Others **	0.92	0.06
	South West Port Limited	Others **	5.72	16.61
	JSW Green Private Limited	Others **	0.91	0.84
	JSW Infrastructure Limited	Others **	11.48	-
	JSW Global Business Solutions Limited	Others **	9.20	7.99
	Maharashtra State Electricity Transmission Company Limited	Others **	0.44	0.43
6	**Service rendered:**			
	JSW Steel Limited	Others **	168.94	158.54
	Toshiba JSW Power Systems Private Limited	Associate	0.44	4.50
	South West Mining Limited	Others **	2.54	1.56
7	**Purchase of power:**			
	JSW Steel Limited	Others **	35.16	2.49
8	**Purchase of fuel / goods:**			
	JSW Steel Limited	Others **	525.82	409.87
	JSW Cement Limited	Others **	1.99	0.85
	JSW International Trade Corp Pte Limited	Others **	2,446.43	1,913.05
	Barmer Lignite Mining Company Limited	Joint venture	1,388.99	1,164.98
	Jindal Steel & Power Limited	Others **	1.47	-
	Rajasthan State Mines & Minerals Limited	Co-venturer	10.75	10.92
	Jindal Saw Limited	Others **	-	1.20

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₹ crore

	Particulars	Relationship	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	JSW Steel Coated Products Ltd	Others **	6.66	-
	South West Mining Limited	Others **	0.09	-
	Jindal Stainless (Hisar) Limited	Others **	1.17	0.51
9	**Rent paid / (received) (net):**			
	JSW Realty & Infrastructure Private Limited	Others **	0.57	0.52
	JSW Steel Limited	Others **	0.07	0.18
	JSW Jaigarh Port Limited	Others **	*	*
	South West Mining Limited	Others **	0.01	-
	Gagan Trading Company Limited	Others **	1.48	1.34
10	**Advertisement / branding expense:**			
	JSW IP Holdings Private Limited	Others **	12.24	19.14
11	**Security deposit paid / (refund):**			
	Gagan Trading Company Limited	Others **	(0.45)	(0.86)
	JSW Jaigarh Port Limited	Others **	(10.00)	(15.00)
12	**Lease deposit received:**			
	JSW Jaigarh Port Limited	Others **	-	5.00
13	**Reimbursement received from / (paid to):**			
	JSW Steel Limited	Others **	23.12	8.91
	Barmer Lignite Mining Company Limited	Joint venture	2.42	1.89
	JSW Cement Limited	Others **	(1.07)	0.15
	JSW Steel Coated Products Limited	Others **	0.47	-
	JSW Infrastructure Limited	Others **	0.69	0.18
	JSW Jaigarh Port Limited	Others **	-	0.65
	South West Mining Limited	Others **	0.43	(0.11)
	Jindal Vidya Mandir	Others **	(0.57)	-
	JSW Global Business Solutions Limited	Others **	(0.04)	(0.11)
	Jaypee Private ITI	Others **	(0.23)	(0.21)
	JSW Projects Limited	Others **	-	*
	JSW Techno Projects Management Limited	Others **	-	(0.09)
	Jindal Saw Limited	Others **	0.01	0.01
	JSW Energy (Bengal) Limited	Others **	-	(0.05)
	Inspire Institute of Sport	Others **	0.04	-
14	**Loan given to:**			
	South West Mining Limited	Others **	150.00	186.90
	JSW Global Business Solutions Limited	Others **	-	0.40
	Jindal Steel & Power Limited	Others **	-	130.90
	Barmer Lignite Mining Company Limited	Joint venture	-	21.20
15	**Loan repaid:**			
	South West Mining Limited	Others **	-	400.57
	JSW Global Business Solutions Limited	Others **	0.74	0.74
	Jindal Steel & Power Limited	Others **	50.00	122.77
	JSW Energy (Bengal) Limited	Others **	-	78.60
16	**Interest received on loan:**			
	South West Mining Limited	Others **	4.68	20.99
	JSW Global Business Solutions Limited	Others **	0.46	0.51
	Jindal Steel & Power Limited	Others **	41.79	47.95
	Barmer Lignite Mining Company Limited	Joint venture	56.76	56.59
17	**Loan written off:**			
	JSW Energy (Bengal) Limited	Others **	-	1.52
18	**Donations / CSR expenses:**			
	Jindal Vidya Mandir	Others **	0.94	1.64
	JSW Foundation	Others **	5.85	3.74
	Heal Institute Private Limited	Others **	-	0.14

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₹ crore

Particulars		Relationship	For the year ended 31st March, 2019	For the year ended 31st March, 2018
19	**Trading margin on E. S. certs. / R.E.C.s:**			
	JSW Steel (Salav) Limited	Others **	-	0.01
	JSW Cement Limited	Others **	0.03	-
	JSW Steel Limited	Others **	0.01	-
	Amba River Coke Limited	Others **	0.29	-
	JSW Steel Coated Product Limited	Others **	0.20	-
	Jindal Saw Limited	Others **	0.03	-
20	**Security and collateral provided to / (released):**			
	South West Mining Limited	Others **	(58.00)	178.66
21	**Allowance for Expected Credit Loss:**			
	Barmer Lignite Mining Company Limited	Joint venture	32.69	-
22	**Sale of Assets:**			
	South West Mining Limited	Others **	2.22	-
23	**Investment in Preference Share Capital:**			
	JSW Realty & Infrastructure Private Limited	Others **	0.23	0.21
24	**Investment in Equity Share Capital:**			
	JSW Steel Limited	Others **	34.31	700.03

*Less than ₹ 50,000
**Enterprises over which key management personnel and relatives of such personnel exercise significant influence.

C) The remuneration to key managerial personnel during the year was as follows:

₹ crore

Particulars		For the year ended 31st March, 2019	For the year ended 31st March, 2018
1	Short-term benefits	16.32	16.30
2	Post-employment benefits	0.83	0.81
3	Sitting fees	0.48	0.58
4	Commission to directors	1.20	1.02

1 The above figures does not include provisions for gratuity and compensated absences as the same is not determinable.

2 The Company has accrued ₹ 2.13 crore (previous year ₹ 0.09 crore) in respect of employee stock options granted to Joint Managing Director & CEO, Director (Finance), by the company and the related party and to the Company Secretary by the Company. The same has not been considered as managerial remuneration of the current year as defined under section 2 (78) of the Companies act 2013 as the options have not been exercised .

D) Closing balances

₹ crore

Particulars		Relationship	As at 31st March, 2019	As at 31st March, 2018
1	**Trade payables:**			
	JSW Jaigarh Port Limited	Others **	29.80	1.91
	JSW Steel Limited	Others **	5.77	-
	JSW Cement Limited	Others **	0.86	-
	JSW Steel Coated Product Limited	Others **	0.53	-
	Amba River Coke Limited	Others **	1.51	-
	Jindal Vidya Mandir	Others **	*	-
	Jindal Saw Limited	Others **	0.08	-
	JSW International Trade Corp Pte Limited	Others **	1.88	10.59
	Barmer Lignite Mining Company Limited	Joint venture	166.60	125.13
	JSW Foundation	Others **	1.03	0.43
	South West Mining Limited	Others **	-	0.08

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2019

₹ crore

	Particulars	Relationship	As at 31st March, 2019	As at 31st March, 2018
	JSW Infrastructure limited	Others **	0.44	0.25
	JSL Lifestyle Limited	Others **	*	*
	JSoft Solutions Limited	Others **	1.40	1.40
	South West Port Limited	Others **	1.17	-
	JSW Global Business Solutions Limited	Others **	0.96	0.80
	Maharashtra State Electricity Transmission Company Limited	Others **	0.11	0.16
	JSW Realty & Infrastructure Private Limited	Others **	0.65	0.53
	JSW Green Private Limited	Others **	0.10	0.08
	Gagan Trading Company Limited	Others **	0.22	0.11
	JSW Techno Projects Management Limited	Others **	0.09	0.09
2	**Trade receivables:**			
	JSW Steel Limited	Others **	219.15	157.62
	JSW Cement Limited	Others **	44.18	8.24
	Toshiba JSW Power Systems Private Limited	Associate	-	2.66
	JSW Steel Coated Product Limited	Others **	16.44	16.42
3	**Financial assets:**			
	JSW IP Holdings Private Limited	Others **	1.11	0.62
	Jindal Saw Limited	Others **	-	0.05
	Jindal Stainless (Hisar) Limited	Others **	*	*
	Amba River Coke Limited	Others **	13.91	13.42
	JSW Project Limited	Others **	0.01	*
	South West Port Limited	Others **	-	0.15
	Rajasthan State Mines & Minerals Limited	Co-venturer	0.09	0.02
	Jindal Steel & Power Limited	Others **	0.10	0.14
	Jindal Stainless Limited	Others **	0.01	0.01
	JSW Steel (Salav) Limited	Others **	-	0.05
	MJSJ Coal Limited	Others **	0.02	0.02
4	**Security deposit placed with:**			
	JSW Steel Limited	Others **	2.29	2.12
	JSW Realty & Infrastructure Private Limited	Others **	8.02	7.35
	JSW Jaigarh Port Limited	Others **	21.18	29.50
	JSW IP Holdings Private Limited	Others **	1.42	1.42
	Gagan Trading Company Limited	Others **	8.26	9.85
5	**Lease deposit from:**			
	JSW Steel Limited	Others **	0.06	0.06
	JSW Infrastructure Limited	Others **	0.35	0.35
	JSW Jaigarh Port Limited	Others **	0.22	0.21
	Jindal Vidya Mandir	Others **	*	*
6	**Investment in equity share capital:**			
	JSW Steel Limited	Others **	2,052.46	2,018.15
	Toshiba JSW Power Systems Private Limited	Associate	100.23	100.23
	MJSJ Coal Limited	Others**	10.46	10.46
	Barmer Lignite Mining Company Limited	Joint venture	9.80	9.80
7	**Investment in preference share capital:**			
	JSW Realty & Infrastructure Private Limited	Others **	2.29	2.05
8	**Loan and advances to:**			
	South West Mining Limited	Others **	150.00	-
	JSW Global Business Solutions Limited	Others **	3.77	4.53
	JSW IP Holdings Private Limited	Others **	0.26	0.21
	Jindal Steel & Power Limited	Others **	331.13	381.13
	Barmer Lignite Mining Company Limited	Joint venture	568.31	568.12

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2019

₹ crore

Particulars		Relationship	As at 31st March, 2019	As at 31st March, 2018
9	**Interest receivable on loan:**			
	Jindal Steel & Power Limited	Others **	1.05	1.23
	Barmer Lignite Mining Company Limited	Joint venture	378.90	347.81
10	**Allowance for Expected Credit Loss**			
	Barmer Lignite Mining Company Limited	Joint venture	32.69	-
11	**Allowance for impairment in value of investments**			
	MJSJ Coal Limited	Others **	3.94	3.94
12	**Security and collateral Provided to:**			
	South West Mining Limited	Others **	200.50	258.50

* Less than ₹ 50,000

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

Note:

1 Terms and conditions of outstanding balances: all outstanding balances are unsecured and repayable in cash.

2 For outstanding commitment with related party – Refer note 34[B].

Note No. 45 - Disclosure of additional information as required by Division II of Schedule III to the Companies Act, 2013:

Name of the entity in the group		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	₹ crore	As % of consolidated profit and loss	₹ crore	As % of consolidated other comprehensive income	₹ crore	As % of total comprehensive income	₹ crore
Parent									
1	JSW Energy Limited	86.09	10,167.48	36.73	251.45	261.81	31.47	40.62	282.92
Subsidiaries									
Indian									
1	JSW Energy (Barmer) Limited	27.83	3,286.92	41.24	282.26	(2.50)	(0.30)	40.48	281.96
2	JSW Hydro Energy Limited	14.83	1,751.21	11.60	79.41	(6.99)	(0.84)	11.28	78.57
3	JSW Power Trading Company Limited	1.10	130.00	0.24	1.62	(0.00)	*	0.23	1.62
4	Jaigad PowerTransco Limited	1.59	187.34	3.52	24.10	(0.00)	*	3.46	24.10
5	JSW Energy (Raigarh) Limited	0.73	86.37	(0.05)	(0.33)	-	-	(0.05)	(0.33)
6	JSW Energy (Kutehr) Limited	0.22	26.18	(0.05)	(0.32)	-	-	(0.05)	(0.32)
7	JSW Solar Limited	(0.00)	(0.43)	(0.06)	(0.43)	-	-	(0.06)	(0.43)
8	JSW Electric Vehicles Private Limited	(0.00)	(0.18)	(0.03)	(0.19)	-	-	(0.03)	(0.19)
Foreign									
1	JSW Energy Natural Resources Mauritius Limited	0.29	34.43	(0.93)	(6.35)	-	-	(0.91)	(6.35)
2	JSW Energy Natural Resources South Africa Limited	(0.09)	(10.17)	(1.72)	(11.79)	-	-	(1.69)	(11.79)
3	Royal Bafokeng Capital (Pty) Limited	(0.09)	(10.21)	-	-	-	-	-	-
4	Mainsail Trading 55(Pty) Limited	(0.37)	(43.50)	-	-	-	-	-	-
5	South African Coal Mining Holdings Limited	(0.66)	(78.32)	(2.98)	(20.42)	-	-	(2.93)	(20.42)
6	SACM (Breyten) Proprietary Limited	(1.36)	(160.08)	(7.22)	(49.40)	-	-	(7.09)	(49.40)
7	South African Coal Mining Operations Proprietary Limited	0.04	5.20	(0.00)	(0.01)	-	-	(0.00)	(0.01)
8	Umlabu Colliery Proprietary Limited	0.58	68.16	(2.88)	(19.71)	-	-	(2.83)	(19.71)
9	Jigmining Operations No. 1 Proprietary Limited	(0.10)	(11.52)	-	-	-	-	-	-

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2019

Name of the entity in the group	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	₹ crore	As % of consolidated profit and loss	₹ crore	As % of consolidated other comprehensive income	₹ crore	As % of total comprehensive income	₹ crore
10 Yomhlaba Coal Proprietary Limited	(0.25)	(29.35)	-	-	-	-	-	-
Non-controlling interests in all subsidiaries	(0.10)	(12.03)	1.55	10.64	-	-	1.53	10.64
Associates (Investment as per the equity method)								
Indian								
1 Toshiba JSW Power Systems Private Limited	(1.01)	(119.61)	-	-	-	-	-	-
Joint ventures (Investment as per the equity method)								
Indian								
1 Barmer Lignite Mining Company Limited	(0.07)	(8.04)	4.66	31.93	-	-	4.58	31.93
Adjustment arising out of consolidation	(29.21)	(3,449.64)	16.37	112.04	(152.32)	(18.31)	13.21	92.03
Balance as at 31st March, 2019	100.00	11,810.21	100.00	684.49	100.00	12.02	100.00	696.51

*Less than ₹ 50,000

Note No. 46 - Operating segment:

The Group is in the business of generation of power and related activities having similar economic characteristics primarily operated within India and regularly reviewed by Chief Operating Decision Maker for assessment of Group's performance and resource allocation. Accordingly, the Group has only one business segment.

The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed as below:

a) Revenue from operations

₹ crore

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Within India	9,137.59	8,048.23
Outside India	-	0.73
	9,137.59	**8,048.96**

b) Non-current operating assets

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Within India	22,683.11	23,880.40
Outside India - South Africa	134.76	130.01
	22,817.87	**24,010.41**

Geographical non-current assets are allocated on the basis of location of assets.

For and on behalf of Board of Directors

Prashant Jain
Jt. Managing Director & CEO
[DIN: 01281621]

Sajjan Jindal
Chairman and Managing Director
[DIN: 00017762]

Monica Chopra
Company Secretary

Jyoti Kumar Agarwal
Director Finance
[DIN:01911652]

Place : Mumbai
Date : May 16, 2019