Crowe Horwath™

JSW Energy Minerals Mauritius Limited

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 March 2017

JSW Energy Minerals Mauritius Limited

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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JSW Energy Minerals Mauritius Limited

CORPORATE DATA

		Date of appointment	*Date of resignation*
DIRECTORS:	Couldiplall **Basanta Lala**	19 April 2010	-
	Pramod Prabhakaran **Menon**	27 May 2010	31 January 2017
	Divya **Basanta Lala**	19 February 2014	-
	Sampath **Madhavan Kumar**	5 February 2016	31 August 2016
	Jayaprakash Madhavan **Nair**	9 September 2016	-
	Jyoti Kumar **Agarwal**	2 February 2017	-

ADMINISTRATOR, SECRETARY AND TAX AGENT:

International Financial Services Limited
IFS Court, Bank Street
TwentyEight
Cybercity
Ebene 72201
Mauritius

REGISTERED OFFICE:

IFS Court, Bank Street
TwentyEight
Cybercity
Ebene 72201
Mauritius

AUDITORS:

Crowe Horwath ATA
(Formerly known as Crowe Horwath (Mur) Co.)
Member Crowe Horwath International

2nd Floor, Ebene Esplanade
24, Bank Street, Cybercity
Ebene 72201
Mauritius

BANKER:

SBI (Mauritius) Limited

Global Business Branch
7th Floor, SBI Tower
45 Mindspace Ebene
Mauritius

JSW Energy Minerals Mauritius Limited

COMMENTARY OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2017

The directors present the audited financial statements of **JSW Energy Minerals Mauritius Limited** (the "Company") for the financial year ended 31 March 2017.

PRINCIPAL ACTIVITY

The principal activity of the Company is that of an investment holding.

RESULTS

The results for the year are shown in the statement of profit or loss and other comprehensive income and related notes.

DIRECTORS

The present membership of the Board is set out on page 1.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors have confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, **Crowe Horwath ATA**, have indicated their willingness to continue in office until the next Annual Meeting.

CERTIFICATE FROM THE SECRETARY UNDER SECTION 166 (D) OF THE MAURITIUS COMPANIES ACT 2001

We certify to the best of our knowledge and belief that we have filed with the Registrar of Companies all such returns as are required of **JSW Energy Minerals Mauritius Limited** under the Mauritius Companies Act 2001 during the financial year ended 31 March 2017.

....

For **International Financial Services Limited**
Secretary

Registered Office:

IFS Court
Bank Street
TwentyEight
Cybercity
Ebene 72201
Mauritius

Date: 24 May 2017

Crowe Horwath™

Crowe Horwath ATA
Member Crowe Horwath International

2nd Floor, Ebene Esplanade
24, Bank Street, Cybercity
Ebene 72201, Mauritius
Telephone : (230) 467 8684 / 466 2992
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INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF JSW Energy Minerals Mauritius Limited

Opinion

We have audited the financial statements of **JSW Energy Minerals Mauritius Limited** (the "Company") which comprise the statement of financial position as at 31 March 2017 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 March 2017 as set out on pages 7 to 10 and a summary of significant accounting policies and other explanatory information as set out on pages 11 to 31.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2017 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as modified by the exemption for non-consolidation provided under the Mauritius Companies Act 2001 for the Company holding a Category 1 Global Business License not to present consolidated financial statements where it is itself wholly owned or a virtually wholly owned subsidiary of any company and comply with the Mauritius Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Mauritius and we have fulfilled other ethical responsibilities in accordance with the code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Crowe Horwath™

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF JSW Energy Minerals Mauritius Limited

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the Mauritius Companies Act 2001 and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

Crowe Horwath

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF JSW Energy Minerals Mauritius Limited

Report on other legal and regulatory requirements

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- We have no relationship with, or any interests in, the Company other than in our capacity as auditors;
- We have obtained all the information and explanations that we required; and
- In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Use of this report

This report is made solely for the Company's shareholders, as a body in accordance with section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in our auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinion we have formed.

Crowe Horwath ATA

Crowe Horwath ATA
Public Accountants

K.S. Sewraz, FCCA
Signing Partner
Licensed by FRC

Date: 24 May 2017

Ebene, Mauritius

JSW Energy Minerals Mauritius Limited

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 USD	2016 USD
INCOME			
Interest income	8	**170,820**	170,132
EXPENSES			
Interest expense		**639,935**	356,130
Professional fees		**13,970**	11,104
Licence fees		**2,300**	2,300
Audit fees		**2,300**	2,185
Bank charges		**866**	860
TOTAL EXPENSES		**659,371**	372,579
LOSS BEFORE TAXATION		**(488,551)**	(202,447)
Taxation	7	**-**	-
LOSS FOR THE YEAR		**(488,551)**	(202,447)
OTHER COMPREHENSIVE INCOME:			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(488,551)**	(202,447)

The notes on pages 11 to 31 form an integral part of these financial statements.

JSW Energy Minerals Mauritius Limited

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	Notes	2017 USD	2016 USD
ASSETS			
Non-current assets			
Investment in subsidiaries	9	**6,016,236**	6,016,200
Share application monies	9	**36,800**	36,800
Loan to subsidiaries	10	**53,639,445**	53,724,000
Total non-current assets		**59,692,481**	59,777,000
Current assets			
Receivables	11	**976,987**	806,543
Cash and cash equivalents		**117,113**	601,639
Total current assets		**1,094,100**	1,408,182
TOTAL ASSETS		**60,786,581**	61,185,182
EQUITY AND LIABILITIES			
Equity			
Stated capital	12	**9,053,000**	9,053,000
Accumulated losses		**(939,930)**	(451,379)
Total equity		**8,113,070**	8,601,621
Non-current liability			
Loan from holding company	13	**50,870,000**	51,420,000
Current liability			
Payables	14	**1,803,511**	1,163,561
TOTAL EQUITY AND LIABILITIES		**60,786,581**	61,185,182

Approved and authorised for issue by the Board of directors on 24 May 2017 and signed on its behalf by:

Director **Director**

The notes on pages 11 to 31 form an integral part of these financial statements.

JSW Energy Minerals Mauritius Limited

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017

	Stated capital USD	Accumulated losses USD	Total equity USD
At 1 April 2015	9,053,000	(248,932)	8,804,068
Total comprehensive loss for the year	-	(202,447)	(202,447)
At 31 March 2016	9,053,000	(451,379)	8,601,621
Total comprehensive loss for the year	**-**	**(488,551)**	**(488,551)**
At 31 March 2017	**9,053,000**	**(939,930)**	**8,113,070**

The notes on pages 11 to 31 form an integral part of these financial statements.

JSW Energy Minerals Mauritius Limited

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017

	2017 USD	2016 USD
Cash flows from operating activities		
Loss before taxation	(488,551)	(202,447)
Adjustments for:		
Interest expense	639,935	356,130
Interest income	(170,820)	(170,132)
Operating loss before working capital changes	(19,436)	(16,449)
Increase in prepayments	(1)	(1)
Increase in accruals	15	535
Net cash used in operating activities	(19,422)	(15,915)
Cash flows from investing activities		
Interest income	377	179
Loan to subsidiaries	(984,964)	(350,000)
Repayment of loan by subsidiary	1,069,519	-
Acquisition of subsidiary	(36)	-
Net cash from/(used in) investing activities	84,896	(349,821)
Cash flows from financing activities		
Repayment of loan to holding company	(1,000,000)	-
Loan from holding company	450,000	-
Net cash used in financing activities	(550,000)	-
Net decrease in cash and cash equivalents	(484,526)	(365,736)
Cash and cash equivalents at start of the year	601,639	967,375
Cash and cash equivalents at end of the year	117,113	601,639

The notes on pages 11 to 31 form an integral part of these financial statements.

JSW Energy Minerals Mauritius Limited

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. GENERAL

The Company was incorporated in Mauritius under the Mauritius Companies Act 2001 on 19 April 2010 as a private Company with liability limited by shares and holds a Category 1 Global Business Licence issued by the Financial Services Commission. The Company's registered office is at IFS Court, Bank Street, TwentyEight, Cybercity, Ebene 72201, Mauritius.

The principal activity of the Company is that of investment holding.

The financial statements of the Company are expressed in United States dollar ("USD"). The Company's functional currency is the USD, the currency of the primary economic environment in which the Company operates.

2. STATEMENT OF COMPLIANCE

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), as modified by the exemption for non-consolidation allowed under the Mauritius Companies Act 2001 and which comprise of standards and interpretations approved by the International Accounting Standards Board (IASB), and International Accounting Standards and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) approved by the International Accounting Standards Committee (IASC) that remain in effect. The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that could affect the reported amounts and disclosures in the financial statements. Actual results may differ from these estimates.

Critical accounting estimates and judgements in applying accounting policies

The Company makes estimates and judgements that affect the reported amounts of assets and liabilities within the next year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3. SUMMARY OF ACCOUNTING POLICIES

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that could affect the reported amounts and disclosures in the financial statements. Actual results may differ from these estimates.

(a) Basis of accounting

The financial statements are prepared under the historical cost convention, except for the measurement at fair values of financial instruments carried on the statement of financial position.

3. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(b) Revenue recognition

Dividend income is recognised when the shareholders' right to receive payment is established.

Interest income is recognised on an accrual basis unless the collectibility is in doubt.

(c) Expense recognition

All expenses are accounted for in the profit or loss on an accrual basis.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which it operates (the "functional currency").The financial statements of the Company are presented in United States dollar ("USD"), the functional currency of the Company.

(ii) Transactions and balances

Foreign currency transactions are translated into USD using the exchange rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

(e) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are measured initially at fair value which is the value of consideration received or given plus transaction costs and subsequently at fair value or at amortised costs.

Financial instruments carried on the statement of financial position include share application monies, loan to subsidiary and receivables, cash and cash equivalents, loan from holding company and payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

3. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(i) Receivables

Receivables are stated at their nominal value.

(ii) Cash and cash equivalents

Cash consists of cash at bank. Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(iii) Payables

Payables are stated at their nominal value.

Provisions

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

(iv) Loans

Loans to subsidiaries and from holding Company are recognised at their net proceeds received.

(f) Prepayments

Prepayments are stated at their nominal value.

(g) Stated capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(h) Related parties

Related parties are individuals and entities where the individuals or entities have the ability, directly or indirectly to control the other party or exercise significant influence over the other party in making financial or operating decisions.

(i) Income tax

Income taxes currently payable are provided for in accordance with the existing legislation of the various countries in which the Company operates.

(j) Deferred tax

Deferred tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax. The principal temporary differences arise from tax losses carried forward. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(k) Investment in subsidiaries

Subsidiary undertakings are those entities in which the Company controls an investee if all three of the following elements are present:

- power over the investee,
- exposure to variable returns from the investor's involvement with the investee, and
- the ability of the investor to use its power over the investee to affect those variable returns.

Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. De-facto control exists in situations where the Company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the Company considers all relevant facts and circumstances, including:-

- The size of the Company's voting rights relative to both the size and dispersion of other parties who hold voting rights,
- Substantive potential voting rights held by the Company and by other parties,
- Other contractual arrangements, and
- Historic patterns in voting attendance.

Investment in subsidiaries is shown at cost less impairment, if any. Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the carrying amount is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to the profit or loss. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss.

3. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(l) Offsetting financial instrument

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

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Application of new and revised International Financial Reporting Standards (IFRSs)

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Company has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 April 2016.

IFRS 14 *Regulatory Deferral Accounts*

IFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosure of the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements.

Amendment to IAS 1 *Disclosure Initiative*

The Company has applied these amendments for the first time in the current year. The amendments clarify that an entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material, and give guidance on the bases of aggregating and disaggregating information for disclosure purposes. However, the amendments reiterate that an entity should consider providing additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users of financial statements to understand the impact of particular transactions, events and conditions on the entity's financial position and financial performance.

In addition, the amendments clarify that an entity's share of the other comprehensive income in associates and joint ventures accounted for using the equity method should be presented separately from those arising from the Company and should be separated into the share of items that, in accordance with other IFRSs: (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions met.

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

Application of new and revised International Financial Reporting Standards (IFRSs) (Continued)

Amendments to IFRSs that are mandatorily effective for the current year (Continued)

As regards the structure of the financial statements, the amendments provide examples of systematic ordering or grouping of the notes.

The application of these amendments has not resulted in any impact on the financial performance or financial position of the Company.

Annual improvements to IFRSs 2012-2014 Cycle

The Company has applied these amendments for the first time in the current year. The Annual Improvements to IFRSs 2012-2014 Cycle include number of amendments to various IFRSs, which are summarised below.

The amendments to IFRS 5 introduce specific guidance in IFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owner (or vice versa). The amendments clarify that such a change should be considered as a continuation of the original plan of disposal and hence requirements set out in IFRS 5 regarding the change of sale plan do not apply. The amendments also clarifies the guidance for when held for distribution accounting is discontinued.

The amendments to IFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets.

The amendments to IAS 19 clarify that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The assessment of the depth of a market for high quality corporate bonds should be at the currency level (i.e. the same currency as the benefits are to be paid). For currencies for which there is no deep market in such high quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in that currency should be used instead.

The application of these amendments has had no effect on the Company's financial statements.

4. CHANGES IN ACCOUNTING POLICIES AND PROCEDURES (CONTINUED)

Application of new and revised International Financial Reporting Standards (IFRSs) (Continued)

New and revised IFRSs in issue but not yet effective

The following standards and amendments to standards were issued and are not effective for annual periods beginning after 1 April 2016. Earlier application is permitted. However, the Company has not early adopted them in preparing these consolidated financial statements.

IFRS 9 ***Financial Instruments***

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the now requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

- All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flow, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting period. Debt instrument that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specific dates to cash flows that are solely of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent changes in the fair value of an entity investment (that is not held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies) in other comprehensive income, with only dividend income generally recognised in profit or loss.

4. CHANGES IN ACCOUNTING POLICIES AND PROCEDURES (CONTINUED)

Application of new and revised International Financial Reporting Standards (IFRSs) (Continued)

New and revised IFRSs in issue but not yet effective (Continued)

IFRS 9 ***Financial Instruments (Continued)***

- With regard to the measurement of financial liabilities designated as at fair value though, IFRS 9 requires that the amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount to the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Amendments to IAS 12 ***Income tax -Recognition of Deferred Tax Assets for Unrealised Losses***

The amendments clarify the following:

1. Decreases below cost in the carrying amount of a fixed-rate debt instrument measured at fair value for which the tax base remains at cost give rise to a deductible temporary difference, irrespective of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use, or whether it is probable that the issuer will pay all the contractual cash flows;
2. When an entity assessed whether taxable profits will be available against which it can utilise a deductible temporary difference, and the tax law restricts the utilisation of losses to deduction against income of a specific type (e.g. capital losses can only be set off against capital gains), an entity assesses a deductible temporary difference in combination with other deductible temporary differences of that type, but separately from other types of deductible temporary differences;
3. The estimate of probable future taxable profit may include the recovery of some of an entity's assets for more than their carrying amount if there is sufficient evidence that is probable that the entity will achieve this; and
4. In evaluating whether sufficient future taxable profits are available, an entity should compare the deductible temporary differences with future taxable profits excluding tax deductions resulting from the reversal of those deductible temporary differences.

4. CHANGES IN ACCOUNTING POLICIES AND PROCEDURES (CONTINUED)

Application of new and revised International Financial Reporting Standards (IFRSs) (Continued)

New and revised IFRSs in issue but not yet effective (Continued)

Amendments to IAS 12 ***Income tax -Recognition of Deferred Tax Assets for Unrealised Losses*** **(Continued)**

The amendments apply retrospectively for annual periods beginning on or after 1 January 2017 with earlier application permitted. The directors of the Company do not anticipate that the application of these amendments will have a material impact on the interim financial statements.

Amendments to IAS 7 ***Disclosure initiative***

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The amendments apply prospectively for annual periods beginning on or after 1 January 2017 with earlier application permitted. The directors of the Company do not anticipate that the application of these amendments will have a material impact on the Company's financial statements.

5. SIGNIFICANT JUDGEMENTS

The following are the significant management's judgements made in applying the accounting policies of the Company that have the most significant effect on the financial statements. Critical estimation uncertainties are described in note 6.

Determination of functional currency

The determination of functional currency of the Company is critical since recording of transactions and exchange differences arising thereon are dependent on the functional currency selected. As described in note 3 (d)(i), the directors have considered those factors therein and have determined that the functional currency of the Company is the United States dollar (USD).

Consolidated financial statements

The Company owns 100% of the share capital in both JSW Energy Natural Resources Mauritius Limited, incorporated in Mauritius and JSW Energy Natural Resources UK Limited, incorporated in United Kingdom and owns 51% of the share capital in Minerals and Energy Swaziland (Proprietary) Limited. The Company has taken advantage of the exemption provided by the Mauritius Companies Act 2001 allowing a wholly owned or virtually wholly owned subsidiary of any company holding a Category 1 Global Business Licence not to present consolidated financial statements. The financial statements are, therefore, separate from financial statements which contain information about JSW Energy Minerals Mauritius Limited as an individual company and do not contain consolidated financial information as the parent of a group. There are no other significant management's judgements made by the Company for the financial year ended 31 March 2017.

6. ESTIMATION UNCERTAINTY

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual result may differ from the judgements, estimates and assumptions made by management and will seldom equal the estimated results.

The directors have made the following assumptions that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of financial assets

Management assesses at each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial assets that can be reliably estimated. Therefore, no impairment provision is required to be made by the Company.

Impairment of non-financial assets

In assessing whether a full impairment test is required for the investment in the subsidiaries, the Company has considered whether it has recognised dividend from the investment and evidence is available that:

- the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the financial statements of the subsidiaries' net assets; or
- the dividend exceeds the total comprehensive income of the subsidiaries in the period in which the dividend is declared.

The directors have noted that the carrying amount of the investment in the separate financial statements is higher than the carrying amount in the financial statements of the subsidiaries' net assets. The impairment assessment have been made in line with that performed by management of the ultimate parent and therefore no impairment provision is required to be made by the Company.

7. TAXATION

(i) Income tax

The Company is liable to pay tax in Mauritius on its chargeable income at the rate of 15%. As a holder of a Category 1 Global Business Licence, it is entitled to a credit in respect of foreign tax equivalent to the higher of actual foreign tax suffered or a deemed credit equivalent to 80% of the Mauritius income tax liability on foreign source income. The maximum effective tax rate is 3%.

JSW Energy Minerals Mauritius Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

7. TAXATION (CONTINUED)

(i) Income tax (Continued)

Gains or profits arising from sale of units or securities are tax-exempt in the hands of the Company in Mauritius. Dividends and redemption proceeds paid by the Company to its shareholder do not attract withholding tax.

The foregoing is based on the taxation laws and practices currently in force in Mauritius and may be subject to change.

The Company has received a certificate from the Mauritius tax authorities that it is tax resident in Mauritius.

As at 31 March 2017, the Company has accumulated tax loss of **USD40,747** (2016: USD74,715) and is, therefore, not liable to income tax. The accumulated tax losses will be available for set off against future taxable profit as follows:

	USD
Up to year ending 31 March 2017	49,764
Up to year ending 31 March 2018	6,196
Up to year ending 31 March 2019	4,373
Up to year ending 31 March 2020	8,330
Up to year ending 31 March 2021	6,052
Up to year ending 31 March 2022	15,796
Tax loss lapsed during the year	(49,764)
Accumulated tax losses	40,747

A deferred tax asset has not been recognised in respect of the tax losses carried forward as the directors consider that it is not probable that future taxable profit will be available against which the unused tax losses can be utilised.

The tax reconciliation is as follows:

	2017 USD	2016 USD
Loss from operations	**(488,551)**	(202,447)
Less: exempt income	**(377)**	(179)
Add: Non – allowable expenses	**473,132**	196,574
Tax loss for the year	**(15,796)**	(6,052)
Tax loss brought forward	**(74,715)**	(75,248)
Tax loss lapsed	**49,764**	6,585
Tax loss carried forward	**(40,747)**	(74,715)
Income tax at 15%	**(6,112)**	(11,207)
Deemed tax credit	**4,890**	8,966
Deferred tax asset not recognised	**1,222**	2,241
Tax expense	**-**	-

JSW Energy Minerals Mauritius Limited

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7. TAXATION (CONTINUED)

(ii) Deferred tax

A deferred tax asset of USD1,222 (2016: USD2,241) has not been recognised in respect of the tax loss carried forward as the directors consider that it is not probable that future taxable profit will be available against which the unused tax loss can be utilised.

8. INTEREST INCOME

	2017 **USD**	2016 USD
Interest income on loan to JSWENRML	**170,443**	**169,953**
Interest income on bank account held with SBI, Mauritius	**377**	**179**
	170,820	**170,132**

9. INVESTMENT IN SUBSIDIARIES

Investment in subsidiaries

Name of investee company	**Number of shares**	**% holdings**	**2017** **USD**	2016 USD
JSW Energy Natural Resources Mauritius Limited	600,000	100%	**6,000,000**	6,000,000
Minerals and Energy Swaziland (Proprietary) Limited	510	51%	**36**	-
JSW Energy Natural Resources UK Limited	1,000	100%	**16,200**	16,200

Share application monies

	2017 **USD**	2016 USD
JSW Energy Natural Resources UK Limited	**36,800**	36,800

At 31 March 2017, the Company owned 600,000 equity shares, representing 100 % in JSW Energy Natural Resources Mauritius Limited ("JSWENRML"), an unquoted company incorporated in Mauritius, which is engaged in investment holding and trading activities.

The Company also owned 1,000 equity shares of GBP10 each, representing 100% in JSW Energy Natural Resources UK Limited ("JSWENRUK"). JSWENRUK was incorporated with the objective of acquiring coal assets anywhere in the world including in Europe, USA, Canada, South Africa, Australia, Indonesia, Mozambique, given that the London Commodity Exchange is a major commodity exchange hub where all major coal miners operate.

JSW Energy Minerals Mauritius Limited

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

9. INVESTMENT IN SUBSIDIARIES (CONTINUED)

JSWENRUK is currently in the process of winding up. Impairment provision shall be made in the following year.

The Company has acquired 51% stake in Minerals and Energy Swaziland (Proprietary) Limited ("MESPL"), a company incorporated under the laws of the Kingdom of Swaziland, engaged in the business of mining and prospecting operations for various minerals during the year.

The investments in JSWENRML and MESPL have been stated at cost as the directors consider that the fair value of the investment approximates at least the cost.

10. LOAN TO SUBSIDIARIES

	2017 USD	2016 USD
At 1 April	**53,724,000**	53,374,000
Loan advanced to JSWENRML during the year	**585,000**	350,000
Loan advanced to MESPL during the year	**399,964**	-
Loan repaid by JSWENRML during the year	**(1,069,519)**	-
At 31 March	**53,639,445**	53,724,000

The loan to JSWENRML is unsecured, carries interest at the rate of 3 month's LIBOR per annum and is repayable after more than one year.

The loan to MESPL is unsecured, interest free and repayable on demand.

11. RECEIVABLES

	2017 USD	2016 USD
Interest receivable on loan to JSWENRML	**975,112**	804,668
Prepayments	**1,875**	1,875
	976,987	806,543

12. STATED CAPITAL

	Number of shares	**2017 USD**	Number of shares	2016 USD
Ordinary shares at USD10 each	**905,300**	**9,053,000**	905,300	9,053,000

As at 31 March 2017, the issued share capital of the Company comprises of 905,300 ordinary shares with a par value of USD10 share. Shareholders have various rights under the Company's Constitution, including the rights to income distributions subject to solvency test and other legal requirements. They are also required to attend and vote at meeting of shareholders.

13. LOAN FROM HOLDING COMPANY

	2017 USD	2016 USD
At 1 April	**51,420,000**	51,420,000
Received during the year	**450,000**	-
Repaid during the year	**(1,000,000)**	-
At 31 March	**50,870,000**	51,420,000

The loan from the holding company is unsecured, carries an interest at the rate of 6 month's LIBOR per annum and is repayable after more than one year.

14. PAYABLES

	2017 USD	2016 USD
Interest payable on loan	**1,799,017**	1,159,082
Accruals	**4,494**	4,479
	1,803,511	1,163,561

JSW Energy Minerals Mauritius Limited

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15. RELATED PARTY TRANSACTIONS

During the year ended 31 March 2017, the following transactions were carried out with the related party:

Name of transacting related parties	Relationship	Nature of transactions	Volume of transactions USD	2017 USD	Payable(P) or receivable (R)
		Loan granted	**585,000**		
JSWENRML	Subsidiary			**53,239,481**	**(R)**
		Loan repaid	**1,069,519**		
MESPL	Subsidiary	Loan granted	**399,964**	**399,964**	**(R)**
		Loan granted	**1,000,000**		
JSW Energy Limited	Shareholder			**50,870,000**	**(P)**
		Loan repaid	**450,000**		
International Financial Services Limited	Administrator, Secretary and Directorship	Administration fees, secretarial fees, director fees and professional fees for tax filing	**13,970**	**2,194**	**(P)**

15. RELATED PARTY TRANSACTIONS (CONTINUED)

During the year ended 31 March 2016, the following transactions were carried out with the related party:

Name of transacting related parties	Relationship	Nature of transactions	Volume of transactions USD	2016 USD	Payable(P) or receivable (R)
JSWENRML	Subsidiary	Loan granted	350,000	53,724,000	(R)
JSW Energy Limited	Shareholder	Loan received	-	51,420,000	(P)
International Financial Services Limited	Administrator, Secretary and Directorship	Administration fees, secretarial fees, director fees and professional fees for tax filing	11,104	2,295	(P)

16. FINANCIAL INSTRUMENTS

Fair values

The carrying amounts of share application monies, loan to subsidiaries, receivables, loan from holding company, cash and cash equivalents and payables approximate their fair values.

Currency profile

The currency profile of the Company's financial assets and liabilities is summarised as follows:

	Financial assets 2017 USD	**Financial liabilities 2017 USD**	Financial assets 2016 USD	Financial liabilities 2016 USD
Great Britain pounds (GBP)	**36,800**	-	36,800	-
United States dollar (USD)	**54,731,670**	**52,673,511**	55,130,307	52,583,561
	54,768,470	**52,673,511**	55,167,107	52,583,561

Prepayments of **USD1,875** (2016: USD1,874) have not been included in financial assets.

17. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The following are the various risks the Company is exposed to:

(i) Market risk

Market risk represents the potential loss that can be caused by a change in the market value of financial instruments. The Company's exposure to market risk is determined by a number of factors, including interest rates, foreign currency exchange rates and market volatility.

(ii) Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from investment in Mauritian, UK and Swaziland companies.

(iii) Liquidity risk

Liquidity risk is managed by ensuring the financial support of the holding company. Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that the Company has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity risk is managed by ensuring the financial support of the holding company.

	Due < 1 year	Due > 1 year	Total
	USD	USD	USD
2017			
Financial liabilities	**4,494**	**52,669,017**	**52,673,511**
2016			
Financial liabilities	4,479	52,579,082	52,583,561

JSW Energy Minerals Mauritius Limited

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

17. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (Continued)

(iv) Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet commitments it has entered into with the Company.

At period end the Company did not consider there to be any significant concentration of credit risk which had not been adequately provided for.

(v) Interest rate risk

The Company is exposed to changes in market interest rates on its financial assets on account of its loan to subsidiaries and bank balance and on its financial liabilities on account of its loans from holding company which are at fixed/variable interest rates.

Interest rate risk sensitivity analysis
Effect on loss for the year ended 31 March 2017

	USD	0.5% increase USD	0.5% decrease USD
Loan to JSWENRML	53,239,481	-	-
Interest income	170,443	171,295	169,591
Effect		852	(852)
Loan from holding company	50,870,000	-	-
Interest expense	639,935	643,135	636,735
Effect		(3,200)	3,200
Net effect of interest		(2,347)	2,347
Loss before tax		(488,551)	(488,551)
0.5% Increase in Interest rate		(2,347)	
0.5% Decrease in Interest rate			2,347
Revised loss after sensitivity analysis		(490,898)	(486,204)

17. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (Continued)

(v) Interest rate risk (Continued)

Interest rate risk sensitivity analysis
Effect on loss for the year ended 31 March 2016

	USD	0.5% increase USD	0.5% decrease USD
Loan to JSWENRML	53,724,000		
Interest income	169,953	170,803	169,103
Effect		850	(850)
Loan from holding company	51,420,000	-	-
Interest expense	356,130	375,911	354,349
Effect		(1,781)	1,781
Net effect of interest		(931)	931
Loss before tax		(202,447)	(202,447)
0.5% Increase in Interest rate		(931)	
0.5% Decrease in Interest rate			931
Revised loss after sensitivity analysis		(203,378)	(201,516)

18. FAIR VALUATION ESTIMATION

Fair valuation hierarchy

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

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 inputs are unobservable inputs for the assets or liability.

The following tables set out the fair values of financial instruments of the Company that are analysed by the level in the fair value hierarchy into which each fair value measurement is categorised:

JSW Energy Minerals Mauritius Limited

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18. FAIR VALUATION ESTIMATION (CONTINUED)

Fair valuation hierarchy (Continued)

	Level 1 USD	**Level 2 USD**	**Level 3 USD**	**Total USD**
Year ended 31 March 2017				
Financial assets				
Loan to subsidiaries	-	-	**53,639,445**	**53,639,445**
Share application monies	-	-	**36,800**	**36,800**
Receivables	-	-	**975,112**	**975,112**
	-	-	**54,651,357**	**54,651,357**
Financial liabilities				
Loan from holding company	-	-	**50,870,000**	**50,870,000**
Payables	-	-	**1,803,511**	**1,803,511**
	-	-	**52,673,511**	**52,673,511**

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Year ended 31 March 2016				
Financial assets				
Loan to subsidiary	-	-	53,724,000	53,724,000
Share application monies	-	-	36,800	36,800
Receivables	-	-	804,668	804,668
	-	-	54,565,468	54,565,468
Financial liabilities				
Loan from holding company	-	-	51,420,000	51,420,000
Payables	-	-	1,163,361	1,163,361
	-	-	52,583,361	52,583,361

The fair values of cash and cash equivalents and other payables approximate their carrying values due to their short-term nature.

19. CAPITAL MANAGEMENT

The Company's objectives when managing capital are:

- to provide an adequate return to shareholders by pricing services commensurate with the level of risk;
- to comply with the capital requirements set out by the regulators;
- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- to maintain a strong asset base to support the development of business; and
- to maintain an optimal capital structure to reduce the cost of capital.

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. The Company does not have any external debts and therefore, consistently with others in the industry, the Company is not required to monitor its capital on the basis of the gearing ratio. There has not been any changes in the way the Company manages its capital.

The Company is not exposed to any externally imposed capital requirements

20. HOLDING AND ULTIMATE HOLDING COMPANY

The directors regard JSW Energy Limited having its principal place of business at Bandra Kurla Complex, Bandra (East), Mumbai 400 051, India as the Company's holding and ultimate holding company. JSW Energy Limited is listed on the National Stock Exchange and Bombay Stock Exchange in India.

21. EVENTS AFTER THE REPORTING PERIOD

No events were noted after the reporting date that would require disclosures or adjustments to the financial statements for the year ended 31 March 2017.