

**Raj WestPower Limited**  
Consolidated Balance Sheet as at March 31, 2017

₹ Crore

Particulars		Note No.	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
A	<b>ASSETS</b>				
1	<b>Non-current assets</b>				
	(a) Property, Plant and Equipment	4	5,245.89	5,585.15	5,903.84
	(b) Capital work-in-progress	5	5.15	6.19	18.76
	(c) Intangible assets	6	0.61	1.25	1.55
	(d) Financial Assets				
	(i) Investments	7	0.05	0.00	0.98
	(ii) Loans	8	546.44	500.79	464.07
	(iii) Others Financial Assets	9	301.92	255.53	213.10
	(e) Income tax assets (net)	10	14.63	-	1.63
	(f) Other non-current assets	11	0.72	0.90	1.41
	<b>Total Non - Current Assets</b>		<b>6,115.41</b>	<b>6,349.81</b>	<b>6,605.34</b>
2	<b>Current assets</b>				
	(a) Inventories	12	74.09	77.10	63.63
	(b) Financial Assets				
	(i) Trade receivables	13	316.32	706.44	525.25
	(ii) Cash and cash equivalents	14	505.18	81.54	36.57
	(iii) Bank Balances other than (ii) above	15	107.30	0.89	0.84
	(iv) Loans	8	10.48	-	-
	(iv) Others Financial Assets	9	2.34	0.02	0.01
	(c) Current Tax Assets (Net)				
	(c) Other current assets	11	9.23	12.33	4.53
	<b>Total Current Assets</b>		<b>1,024.94</b>	<b>878.32</b>	<b>630.83</b>
	<b>Total Assets</b>		<b>7,140.35</b>	<b>7,228.13</b>	<b>7,236.17</b>
B	<b>EQUITY AND LIABILITIES</b>				
1	<b>EQUITY</b>				
	(a) Equity Share capital	16	1,726.05	1,726.05	1,726.05
	(b) Other Equity	SOCE	1,133.96	841.13	456.25
	<b>Total equity (a+b)</b>		<b>2,860.01</b>	<b>2,567.18</b>	<b>2,182.30</b>
2	<b>LIABILITIES</b>				
	<b>Non-current liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	17	3,506.10	3,863.31	4,133.38
	(ii) Other financial liabilities	18	-	49.69	117.81
	(b) Provisions	19	4.22	7.12	2.20
	<b>Total Non - Current Liabilities</b>		<b>3,510.32</b>	<b>3,920.12</b>	<b>4,253.39</b>
3	<b>Current liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	20	-	59.31	150.22
	(ii) Trade payables	21	105.15	172.18	211.19
	(iii) Other financial liabilities	18	660.17	494.20	433.85
	(b) Provisions	19	1.41	1.29	1.19
	(c) Current Tax Liabilities (Net)	22	-	10.95	0.28
	(d) Other current liabilities	23	3.29	2.90	3.75
	<b>Total Current Liabilities</b>		<b>770.02</b>	<b>740.83</b>	<b>800.48</b>
	<b>Total Equity and Liabilities</b>		<b>7,140.35</b>	<b>7,228.13</b>	<b>7,236.17</b>
	See accompanying notes to the financial statements				

As per our attached report of even date  
For **SHAH GUPTA & CO**  
Chartered Accountants  
FRN No.:109574W

For and on behalf of the Board of Directors

**Vipul K. Choksi**  
Partner  
Membership No.: 37606

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

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

Place: Mumbai  
Date: 27th April 2017

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

**Raj WestPower Limited**  
Statement of Consolidated Profit and Loss for the year ended March 31, 2017

₹ Crore

Particulars	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
I Revenue from operations	24	2,498.54	2,562.47
II Other Income	25	68.04	54.36
<b>III Total Income (I + II)</b>		<b>2,566.58</b>	<b>2,616.83</b>
<b>IV EXPENSES</b>			
(a) Cost of Fuel	26	1,186.01	1,065.43
(b) Employee benefit expense	27	47.75	45.12
(c) Finance costs	28	442.67	488.17
(d) Depreciation and amortisation expense	4 & 6	352.98	351.11
(e) Other expenses	29	169.24	172.22
<b>Total Expenses (IV)</b>		<b>2,198.65</b>	<b>2,122.05</b>
<b>V Share of profit / (loss) of joint venture</b>			
(1) Share of profit / (loss) of joint venture		4.06	(4.99)
<b>VI Profit before tax (III-IV)</b>		<b>371.99</b>	<b>489.79</b>
<b>VII Tax Expense</b>	30	78.79	105.40
<b>VIII Profit for the Year (VII-VIII)</b>		<b>293.20</b>	<b>384.39</b>
<b>IX Other comprehensive income</b>		<b>(0.49)</b>	0.12
<b>A (i) Items that will not be reclassified to profit or loss</b>			
(a) Remeasurements of the defined benefit liabilities/assets		<b>(0.62)</b>	0.12
(ii) Income tax relating to items that will not be reclassified to profit or loss		<b>0.13</b>	-
<b>X Total comprehensive income for the year</b>		<b>292.71</b>	<b>384.51</b>
<b>XI Earnings per equity share</b>			
(1) Basic		<b>1.70</b>	<b>2.23</b>
(2) Diluted		<b>1.70</b>	<b>2.23</b>
<b>See accompanying notes to the financial statements</b>			

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**Raj Kumar Sharma**

Company Secretary &

Chief Financial Officer

Place: Mumbai

Date: 27th April 2017

Raj WestPower Limited

Statement of changes in equity For the year ended March 31, 2017

A. EQUITY SHARE CAPITAL

Particular	Refer Note No	Total
Balance at April 1, 2015		1,726.05
Changes in equity share capital during the year		-
Balance at March 31, 2016	Note No. 16	1,726.05
Changes in equity share capital during the year		-
Balance at March 31, 2017		1,726.05

₹ Crore

B. OTHER EQUITY

Particulars	Reserves and Surplus			Items of other comprehensive Income	Total
	General reserve	Share Options Outstanding Account	Retained earnings	Actuarial Gain / (Loss)	
Balance at April 1, 2016	0.09	1.87	839.05	0.12	841.13
Profit for the year	-	-	293.20	-	293.20
Other comprehensive income	-	-	-	(0.49)	(0.49)
<b>Total comprehensive income for the year</b>	-	-	<b>293.20</b>	<b>(0.49)</b>	<b>292.71</b>
Share based payments	-	0.12	-	-	0.12
Balance at March 31, 2017	0.09	1.87	1,132.25	(0.37)	1,133.84

Particulars	Reserves and Surplus			Items of other comprehensive Income	Total
	General reserve	Share Options Outstanding Account	Retained earnings	Actuarial Gain / (Loss)	
Balance at April 1, 2015	0.09	1.51	454.66	-	456.26
Profit for the year	-	-	384.39	-	384.39
Other comprehensive income	-	-	-	0.12	0.12
<b>Total comprehensive income for the year</b>	-	-	<b>384.39</b>	<b>0.12</b>	<b>384.51</b>
Share based payments	-	0.36	-	-	0.36
Balance at March 31, 2016	0.09	1.87	839.05	0.12	841.13

As per our attached report of even date

For SHAH GUPTA & CO

Chartered Accountants

FRN No.:109574W

For and on behalf of the Board of Directors

Vipul K. Choksi

Partner

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Whole Time Director

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Place: Mumbai

Date: 27th April 2017

Raj Kumar Sharma

Company Secretary &

Chief Financial Officer

**Raj WestPower Limited**  
**Consolidated Cash Flow Statement for the year ended March 31, 2017**

₹ crore

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
<b>I. CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Profit before tax</b>		<b>371.99</b>		<b>489.79</b>
<b>Adjusted for:</b>				
Depreciation / amortisation	352.98		351.11	
Interest income	(63.12)		(51.74)	
Loss on sale / discard of fixed assets	0.02		0.01	
Unrealised foreign exchange (gain) / loss	0.01		0.01	
Inventory Written Off	-		0.31	
Share of profit / (loss) of joint venture	4.06		(4.99)	
Finance costs	442.67		488.17	
		736.62		782.88
Operating profit before working capital changes		1,108.61		1,272.67
<b>Adjustments for:</b>				
Trade receivables	390.11		(181.19)	
Trade & Other payables	34.44		(35.08)	
Loans, advances & other receivables	(1.65)		(2.08)	
Inventories	3.02		(13.79)	
		425.92		(232.14)
<b>Cash generated from operations</b>		<b>1,534.53</b>		<b>1,040.53</b>
<b>Direct taxes paid (net)</b>		<b>(104.37)</b>		<b>(92.81)</b>
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>1,430.16</b>		<b>947.72</b>
<b>II. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of fixed assets including CWIP, capital advances and pre-operative expenses		(13.47)		(39.00)
Loan to Joint venture-Subordinate Debt		(55.50)		(35.85)
Sale/Adjustment of fixed assets		0.14		0.08
Interest income		13.71		8.77
<b>Investments in :</b>				
Bank deposits not considered as cash & cash equivalents		(106.41)		(0.05)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(161.53)</b>		<b>(66.05)</b>
<b>III. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Repayment of Borrowing		(462.44)		(369.51)
Proceed from Long Term Borrowing -Subordinate Debt		55.50		35.85
Finance costs		(438.05)		(503.04)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(844.99)</b>		<b>(836.70)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (I+II+III)</b>		<b>423.64</b>		<b>44.97</b>
<b>CASH AND CASH EQUIVALENTS - OPENING BALANCE</b>		<b>81.54</b>		<b>36.57</b>
<b>CASH AND CASH EQUIVALENTS - CLOSING BALANCE</b>		<b>505.18</b>		<b>81.54</b>
(Refer Note 14)				

**Notes :**

- 1 The above cash flow statement has been prepared by using the indirect method as per Indian accounting Standard -7.
- 2 Previous year's figures have been re-grouped / re-arranged wherever necessary to conform to current year's classification.

As per our attached report of even date  
**For SHAH GUPTA & CO**  
Chartered Accountants  
FRN No.:109574W

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

**Vipul K. Choksi**  
Partner  
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**Aditya Agarwal**  
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Place: Mumbai  
Date: 27th April, 2017

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

**Note Particulars**

**1 General Information**

The financial statements comprise financial statements of Raj WestPower Limited (hereinafter referred to as "the Company") for the year ended March 31, 2017.

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

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

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

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

**2 Statement of compliance**

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

Upto the year ended March 31, 2016, the Company prepared their financial statements in accordance with the requirements of previous GAAP prescribed under section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015. Refer *Note 49* for the details of significant first-time adoption exemptions availed by the Company and an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, its performance and cash flows.

**3 Significant accounting policies**

**3.1 Basis of preparation of financial statements:**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with rule 4 of the Companies (Indian Accounting standards) Rules, 2015 as amended. The figures for the previous year ended March 31, 2016 and Opening Balance sheet as on April 01, 2015 have also been reinstated by the Management as per the requirements of Ind AS.

The financial statements of the Company are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) on the accrual basis of accounting and historical cost convention except for the certain material items that have been measured at fair value as required by the relevant Ind AS and explained in the ensuing policies below:

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest crore, except otherwise indicated.

### 3.2 Use of estimates & Judgements:

The preparation of the financial statements requires that the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

The critical accounting judgements and key estimates followed by the Company for preparation of financial statements is described in note 31.

### 3.3 Basis of consolidation:

The consolidated financial statements comprise the financial statements of the Company and its Joint venture company as at 31st March 2017.

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

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

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

An associate is an entity over which the group has significant influences but not control or joint control. This is generally the case where the group holds between 20% to 50% of the voting rights or the group has power to participate in the financial and operating policy decision of the investee. Investments in associate are accounted for using equity method accounting.

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 balance sheet 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 directly in equity as capital reserve 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.

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

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

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

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

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

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

The company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS i.e. 1 April, 2015, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

### **3.5 Intangible assets :-**

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

Certain computer software costs are capitalized and recognized as Intangible assets based on materiality, accounting prudence and significant benefits expected to flow therefrom for a period longer than one year.

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

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

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

[In respect of Thermal Power Generating and Transmission Companies, depreciation on tangible assets is provided as per the provisions of Part B of Schedule II of the Companies Act, 2013 based on useful life and residual value notified for accounting purposes by Electricity Regulatory Authorities.

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

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

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

Estimated useful lives of the assets are as follows:

Class of assets	Thermal Power Generating
	Useful life in Years
Buildings	25
Plant and Machinery	25
Furniture and fixtures	15 - 25
Office equipment	6 - 25
Vehicles	10

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

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

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

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

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.



If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in Statement of Profit or Loss.

### **3.8 Borrowing costs:**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

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

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

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

## **4 Inventories:**

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

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

### **3.10 Revenue recognition:**

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

Revenue is recognised to the extent that it is probable that economic benefit will flow to the Company and that the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated rebates and other similar allowances.

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

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

**Interest income:**

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

**3.11 Foreign currency transactions :**

In preparing the financial statements of each individual Company entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

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

**3.12 Employee benefits:**

The Company has following post-employment plans:

- (a) Defined benefit plan - gratuity
- (b) Defined contribution plan - Provident fund

**a) Defined-benefit plan - Gratuity**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of plan assets. The defined benefit obligations is calculated annually by actuaries through actuarial valuation using the projected unit credit method.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- (a) Service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements; and
  - (b) Net interest expense or income
- The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefit expenses in the statement of the profit & loss. Re-measurement comprising of actuarial gains and losses arising from
- (a) Re-measurement of Actuarial(gains)/losses
  - (b) Return on plan assets, excluding amount recognized in effect of asset ceiling

- (c) Re-measurement arising because of change in effect of asset ceiling are recognised in the period in which they occur directly in other comprehensive income. Re-measurement are not reclassified to profit or loss in subsequent periods.

Ind AS 19 requires the exercise of judgment in relation to various assumptions including future pay rises, inflation and discount rates and employee and pensioner demographics. The Company determines the assumptions in conjunction with its actuaries, and believes these assumptions to be in line with best practice, but the application of different assumptions could have a significant effect on the amounts reflected in the income statement, other comprehensive income and balance sheet. There may be also interdependency between some of the assumptions.

**b) Defined-contribution plan - Provident fund**

Under defined contribution plans, provident fund, the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Defined Contribution plan comprise of contributions to the employees' provident fund with the government and certain state plans like Employees' State Insurance. The Company's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

**Short-term and other long-term employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the company in respect of services provided by employees up to the reporting date.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the Balance sheet date determined based on an actuarial valuation.

**3.13 Share-based payment arrangements:**

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

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

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

**3.14 Taxation:**

Income tax comprises current and deferred tax. Income tax expense is recognized in the Statement of Profit and Loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

**Current tax:**

Current tax is the amount of tax payable based on the taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

**Minimum Alternative Tax:**

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

**Deferred tax:**

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

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

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

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

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

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

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

**3.15 Earnings per share:**

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

**3.16 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 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.

### 3.17 Financial instruments:

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

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

#### Financial assets

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

#### Subsequent measurement

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

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

#### Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss. All other financial assets are subsequently measured at fair value.

#### **Effective interest method**

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

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

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

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

A financial asset is held for trading if:

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

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

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

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

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

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

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

#### **Impairment of financial assets**

The company recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVOCI. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward-looking.

The company's trade receivables or contract revenue receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall, being simplified approach for recognition of impairment loss allowance.

Under simplified approach, the company does not track changes in credit risk. Rather it recognizes impairment loss allowance based on the lifetime ECL at each reporting date right from its initial recognition. The company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables.

The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For financial assets other than trade receivables, the company recognises 12-month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12 months ECL.

The impairment losses and reversals are recognised in Statement of Profit and Loss. For equity instruments and financial assets measured at FVTPL, there is no requirement for impairment testing.

#### **Derecognition of financial assets**

The company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the company retains an option to repurchase part of a transferred asset), the company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

### **3.18 Financial liabilities and equity instruments**

**Classification as debt or equity**

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

**Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognised at the proceeds received, net of direct issue costs.

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

**Financial liabilities**

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

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

**Financial liabilities at FVTPL**

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

A financial liability is classified as held for trading if:

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

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

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

the financial liability forms part of a company of financial assets or financial liabilities or both, which is managed and

- its performance is evaluated on a fair value basis, in accordance with the company's documented risk management or investment strategy, and information about the companying is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

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

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

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



**Financial liabilities subsequently measured at amortised cost**

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

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

**Derecognition of financial liabilities**

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

**3.19 Derivative financial instruments:**

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

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

**Offsetting of financial instruments**

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

**Fair Value measurement:**

The company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

**3.20 Reclassification of financial assets and liabilities**

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

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

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

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

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

### 3.21 Leases :

A lease is classified at the inception date as a finance lease or an operating lease. Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

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

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

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

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

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

Lease payments under an operating lease shall be recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

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

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

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

- (a) fulfilment of the arrangement is dependent on the use of specific asset or assets; and
- (b) the arrangement conveys a right to use the asset.

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



## Raj WestPower Limited

Notes to the Consolidated financial statements for the year ended March 31, 2017  
Note No. 4 - Property Plant and Equipment

Following are the changes in carrying value of property plant and equipment for the year ended March 31, 2017

₹ Crore

Description of Assets	Land - Freehold	Buildings	Plant and Equipment	Plant and Equipment - Overhaul				Furniture and Fixtures	Vehicles	Total
				Equipment - Capital	Office Equipment					
<b>I. Gross Block</b>										
Balance as at 1 April, 2016	25.86	918.82	6,000.22	6.75	2.91	6.47	0.98	6,962.02		
Additions	0.07	3.85	5.95	2.70	0.29	0.37	-	13.23		
Other - Deductions/Adjustments	-	-	(0.16)	-	-	-	-	(0.16)		
Balance as at March 31, 2017	25.93	922.67	6,006.02	9.45	3.20	6.84	0.98	6,975.09		
<b>II. Accumulated depreciation and impairment for the year 2016-2017</b>										
Balance as at 1 April, 2016	-	115.88	1,256.84	1.14	0.73	1.68	0.58	1,376.87		
Depreciation expense for the year	-	30.83	318.57	2.22	0.20	0.42	0.09	352.33		
Eliminated on disposal of assets	-	-	-	-	-	-	-	-		
Balance as at March 31, 2017	-	146.71	1,575.41	3.36	0.94	2.11	0.68	1,729.20		
<b>Net block (I-II)</b>										
Balance as at March 31, 2017	25.93	775.96	4,430.61	6.09	2.26	4.73	0.31	5,245.89		
Balance as at March 31, 2016	25.86	802.94	4,743.38	5.61	2.17	4.78	0.40	5,585.15		

Building includes borrowing cost of ₹ Nil (Previous Year ₹ Nil) capitalised during the year.

Plant & Machinery includes borrowing cost of ₹ Nil (Previous Year ₹ 4.21 Crore) and foreign exchange gain of ₹ 0.80 Crore (Previous Year Loss ₹ 3.06 Crore) capitalised during the year.

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

## Raj WestPower Limited

Notes to the Consolidated financial statements for the year ended March 31, 2017  
Note No. 4 - Property Plant and Equipment

Following are the changes in carrying value of property plant and equipment for the year ended March 31, 2016

Description of Assets	Plant and Equipment as at March 31, 2016							Total
	Land - Freehold	Buildings	Plant and Equipment	Equipment - Capital Overhaul	Office Equipment	Furniture and Fixtures	Vehicles	
<b>I. Gross Carrying Value</b>								
Deemed Cost as at 1 April, 2015	22.90	827.64	5,046.15	-	2.09	4.61	0.44	5,903.84
Additions	2.96	6.02	24.46	6.75	0.27	0.56	0.14	41.16
Other -Deductions/Adjustments	-	(0.10)	(9.11)	-	-	-	(0.20)	(9.41)
Balance as at March 31, 2016	25.86	833.56	5,061.50	6.75	2.36	5.17	0.39	5,935.59
<b>II. Accumulated depreciation and impairment for the Year 2015-2016</b>								
Depreciation expense for the year	-	30.62	318.12	1.14	0.18	0.39	0.10	350.55
Eliminated on disposal of assets	-	-	-	-	-	-	(0.12)	(0.12)
Balance as at March 31, 2016	-	30.62	318.12	1.14	0.18	0.39	(0.02)	350.43
<b>Net block (I-II)</b>								
Balance as at March 31, 2016	25.86	802.94	4,743.38	5.61	2.17	4.78	0.41	5,585.16
Balance as on 1 April 2015	22.90	827.64	5,046.15	-	2.09	4.61	0.44	5,903.84

The Company has availed the deemed cost exemption in relation to the property, plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on April 1, 2015 under the previous GAAP.

Deemed Cost as at 1 April, 2015

Description of Assets	Plant and Equipment as at April 1, 2015							Total
	Land - Freehold	Buildings	Plant and Equipment	Equipment - Capital Overhaul	Office Equipment	Furniture and Fixtures	Vehicles	
Gross block as on 1st April, 2015	22.90	912.91	5,984.87	-	2.65	5.90	1.04	6,930.27
Accumulated depreciation till 1st April, 2015	-	85.27	938.72	-	0.55	1.29	0.60	1,026.43
<b>Net block treated as deemed cost upon transition</b>	22.90	827.64	5,046.15	-	2.10	4.61	0.44	5,903.84

## RAJ WESTPOWER LIMITED

Notes to the Consolidated financial statements for the year ended March 31, 2017

NOTE: 5 CAPITAL WORK IN PROGRESS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Particulars	₹ Crore	₹ Crore	₹ Crore
<b>EXPENSES DURING CONSTRUCTION PERIOD</b>			
<b>CAPITAL WORK IN PROGRESS</b>			
Plant and Equipment and Civil Works	10.21	17.98	61.61
Plant and Equipment and Civil Works	3.03		
Capital Overhualing (IND AS)	13.24	17.98	61.61
Less : Amount Transferred to Fixed Assets	9.35	13.04	47.35
<b>Sub total (A)</b>	<b>3.89</b>	<b>4.94</b>	<b>14.26</b>
<b>PRE-OPERATIVE EXPENDITURE DURING CONSTRUCTION PERIOD AND TRIAL RUN</b>			
Opening Balance	1.25	4.50	8.65
Legal, Professional and Corporate Expenses	-	0.77	0.11
Net Gain or Loss on Foreign Currency Transactions and Translation	(0.80)	3.06	2.16
Other Expenses	0.01	0.25	0.05
Material Handling Charges	-	-	0.11
Labour Charges	-	-	0.18
Interest during Constuction Period	-	-	3.74
Less:	-	-	-
Amount Transferred to Fixed Assets	(0.80)	7.34	10.51
<b>Sub total (B)</b>	<b>1.26</b>	<b>1.25</b>	<b>4.50</b>
<b>Total (A+B)</b>	<b>5.15</b>	<b>6.19</b>	<b>18.76</b>

Notes to the Consolidated financial statements for the year ended March 31, 2017

Note No. 6 Intangible Assets

₹ Crore

Description of Assets	Computer Software
<b>Intangible Assets</b>	
<b>I. Gross Block</b>	
Balance as at 1 April, 2016	1.92
Additions	-
<b>Balance as at March 31, 2017</b>	<b>1.92</b>
<b>II. Accumulated amortisation for the year 2016-17</b>	
Balance as at 1 April, 2016	0.67
Amortisation expense for the year	0.64
Other adjustments	
<b>Balance as at March 31, 2017</b>	<b>1.31</b>
<b>Net block (I-II)</b>	
Balance as at March 31, 2017	0.61
Balance as on 31st March 2016	1.25

Description of Assets	Computer Software
<b>Intangible Assets</b>	
<b>I. Gross Block</b>	
Balance as at 1 April, 2015	1.55
Additions	0.26
<b>Balance as at March 31, 2016</b>	<b>1.81</b>
<b>II. Accumulated amortisation for the year 2015-16</b>	
Balance as at 1 April, 2015	
Amortisation expense for the year	0.56
<b>Balance as at March 31, 2016</b>	<b>0.56</b>
<b>Net block (I-II)</b>	
Balance as on March 31, 2016	1.25
Balance as on 01 April 2015	1.55

The Company has availed the deemed cost exemption in relation to the Intangible Assets on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated amortisation on April 1, 2015 under the previous GAAP.

Description of Assets	Computer Software
Gross block as on 1st April, 2015	1.66
Accumulated amortisation till 1st April, 2015	0.11
<b>Net block treated as deemed cost upon transition</b>	<b>1.55</b>



**Raj WestPower Limited**

Notes to the Consolidated financial statements for the year ended March 31, 2017

Note No. 7 - Non Current Investment

₹ Crore

Particular	As at March 31, 2017			As at March 31, 2016		As at April 1, 2015	
	QTY	Amounts	Amounts	QTY	Amounts	QTY	Amounts
<b>A. Investments Carried at Cost</b>							
<b>Unquoted Investments</b>							
(a) Investments in Equity Instruments of Joint Venture							
Equity Share of ₹ 10 each fully paid up of Barmer Lignite Mining Company Limited (BLMCL)	98,00,000	-	0.05	98,00,000	-	98,00,000	0.98
(b) Investments in Government or trust securities : 6-Year National Savings Certificate ₹ 14,000 (Previous Year ₹ 14000)	-	-	0.00	-	0.00	-	0.00
<b>Total</b>	<b>98,00,000</b>	<b>-</b>	<b>0.05</b>	<b>98,00,000</b>	<b>0.00</b>	<b>98,00,000</b>	<b>0.98</b>
Aggregate amount of Unquoted Investment			0.05		-		0.98

## Raj WestPower Limited

Notes to the Consolidated financial statements for the year ended March 31, 2017

**Note : 8 - Financial Assets : Loans**

₹ Crore

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Current	Non- Current	Current	Non- Current	Current	Non- Current
<b>Loans to related parties</b>						
- Unsecured, considered good	10.48	546.44	-	500.79	-	464.07
<b>TOTAL</b>	<b>10.48</b>	<b>546.44</b>	<b>-</b>	<b>500.79</b>	<b>-</b>	<b>464.07</b>

₹ Crore

Name of the Party	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Loans and advances in the nature of Loans :</b>			
a) Barmer Lignite Mining Company Limited (Maximum Amount outstanding during the year ₹ 546.44Crore (PY ₹ 490.94 Crore)	546.44	490.94	455.09
b) JSW Energy Employees Welfare Trust (Maximum Amount outstanding during the year ₹ 11.62 Crore (PY ₹ 11.62 Crore)	10.48	9.84	8.97

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

## Raj WestPower Limited

Notes to the Consolidated financial statements for the year ended March 31, 2017

Note : 9 - Financial Assets :Others Financial Assets

₹ Crore

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Current	Non- Current	Current	Non- Current	Current	Non- Current
<b>a) Security Deposits with Government/Semi-Government Authorities</b>						
- Unsecured, considered good		4.59		4.54		3.99
<b>b) Security Deposits with others</b>						
- Unsecured, considered good		0.45	0.01		0.01	
<b>c) Advance to Employees</b>						
- Unsecured, considered good						
<b>d) Interest Receivable</b>						
(i) Interest accrued on Loans to Related Parties		296.88		250.99		209.11
(ii) Interest accrued on deposits, loans and advances	2.34		0.01			
<b>TOTAL</b>	<b>2.34</b>	<b>301.92</b>	<b>0.02</b>	<b>255.53</b>	<b>0.01</b>	<b>213.10</b>

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

## Raj WestPower Limited

Notes to the Consolidated financial statements for the year ended March 31, 2017

Note : 10 - Income tax assets (net)

₹ Crore

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Income tax Assets (i.e. Advance tax, TDS) (Net ) (Net of Provision as at 31.03.2017 ₹ 292.90 Crs , as at 31.03.2016 ₹ NIL Crs, as at 31.03.2015 ₹ 151.94 Crs )	14.63	-	1.63
<b>Total</b>	<b>14.63</b>	<b>-</b>	<b>1.63</b>

## Raj WestPower Limited

Notes to the Consolidated financial statements for the year ended March 31, 2017

Note : 11 - Other non-current and current assets

₹ Crore

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Current	Non- Current	Current	Non- Current	Current	Non- Current
<b>(A) Capital Advances</b>	-	0.72	-	0.90	-	1.41
<b>(B) Advances other than Capital Advances</b>						
(a) Prepayments	8.79	-	10.11	-	4.03	-
(b) Balances with government authorities						
(i) CENVAT credit receivable	0.00	-	0.00	-	0.09	-
(c) Receivable from other related parties	0.44	-	2.22	-	0.41	-
<b>Total (A+B)</b>	<b>9.23</b>	<b>0.72</b>	<b>12.33</b>	<b>0.90</b>	<b>4.53</b>	<b>1.41</b>

## Raj WestPower Limited

Notes to the Consolidated financial statements for the year ended March 31, 2017

### Note - 12: Inventories

₹ Crore

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(A) Raw materials- Fuel	41.23	42.96	36.15
(B) Stores and spares	32.86	34.14	27.48
<b>Total (A+B)</b>	<b>74.09</b>	<b>77.10</b>	<b>63.63</b>
<b>(at the lower of cost and net realisable value)</b>			

The cost of Inventories recognised as an expense during the year in respect of Raw material ₹ 1186.01 crore (Previous Year ₹ 1065.43 Crore ) and Stores and Spares ₹ 39.33 crore ( Previous Year ₹ 43.43 Crore)

## Raj WestPower Limited

Notes to the Consolidated financial statements for the year ended March 31, 2017

Note : 13 - Trade receivables

₹ Crore

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Trade receivables</b>			
Unsecured, considered good	316.32	706.44	525.25
<b>Total</b>	<b>316.32</b>	<b>706.44</b>	<b>525.25</b>

a) The Company is reasonably certain about realisation of ₹ 39.21 Crores receivable from Rajasthan DISCOMS on account of Fuel Price Adjustment on the basis of the Dispute Resolution Petition filed u/s 86(1)(f) on 28th March 2013 with the Rajasthan Electricity Regulatory Commission (RERC) as the issues which are in dispute with the Discoms raised in the above petition has been decided in favour of Company by RERC vide order dated 24th Feb, 2016 and order dated 19.05.2016 passed in Petition no 464 of 2014 and Petition no 383 of 2013 respectively.

b) The Company is reasonably certain about realisation of ₹ 33.67 Crores for the FY 2014-15 from Rajasthan DISCOMS on account of Change in law due to increase in clean energy cess on lignite on the basis of the favourable order dated 29.04.2016 received from Appellate Tribunal of Electricity and consequential order dated 29.06.2016 received from RERC.

c) The Company is also reasonably certain about realisation of ₹ 14.32 Crores for the FY 2015-16 from Rajasthan DISCOMS on account of Change in law due to increase in clean energy cess and rate of VAT on lignite on the basis of the favourable order dated 10.12.2015 received from Appellate Tribunal of Electricity.

d) The Company is also reasonably certain about realisation of ₹ 4.58 Crore and ₹ 19.38 Crore for the FY 2014-15 & F.Y. 2015-16 respectively from Rajasthan DISCOMS on account of Change in law due to impositions of new levies towards District Mineral Foundation Trust (DMFT) & National Mineral Exploration Trust (NMET); and consequential increase in allied taxes on the basis of the provisions made in PPA with respect to "change in law" and Hon'ble APTEL judgement dated 10.12.2015 wherein Hon'ble Tribunal have adjudicated that BLMCL has to be compensated for any increase in the statutory levies.

## Raj WestPower Limited

Notes to the Consolidated financial statements for the year ended March 31, 2017

### Note - 14: Cash and Cash Equivalents

₹ Crore

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Cash and bank balances</b>			
(A) Balances with banks			
(i) In Cash Credit Account	0.31		
(ii) In Current Account	0.05	81.51	36.53
(iii) In Deposit Accounts with maturity less than 3 months at inception	504.80	-	-
(B) Cash on Hand	0.02	0.03	0.04
<b>Total (A+B)</b>	<b>505.18</b>	<b>81.54</b>	<b>36.57</b>

### Note - 15: Bank balances other than Cash and cash equivalents

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Bank balances other than Cash and cash equivalents</b>			
(i) In Deposit Account with maturity more than 3 months but less than 12 months at inception	107.30	-	-
(ii) Bank Deposit : Margin Money Accounts	-	0.89	0.84
<b>Total</b>	<b>107.30</b>	<b>0.89</b>	<b>0.84</b>

### Disclosure on Specified Bank Notes (SBN's)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

in ₹

Particulars	SBNs*	Other denomination notes	Total
<b>Closing cash in hand as on 08.11.2016</b>	1,95,500	39,514	2,35,014
(+) Permitted receipts	-	4,73,263	4,73,263
(-) Permitted payments	-	3,74,844	3,74,844
(-) Amount deposited in Banks	1,95,500	-	1,95,500
<b>Closing cash in hand as on 30.12.2016</b>	<b>-</b>	<b>1,37,933</b>	<b>1,37,933</b>

\* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.



## Raj WestPower Limited

Notes to the Consolidated financial statements for the year ended March 31, 2017

Note - 16: Equity Share Capital

₹ Crore

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
<b>Authorised:</b>						
Equity shares of ₹ 10 each	3,00,00,00,000	3,000.00	3,00,00,00,000	3,000.00	3,00,00,00,000	3,000.00
<b>Issued, Subscribed and Fully Paid:</b>						
1,726,050,000 Equity Shares of ₹ 10 each	1,72,60,50,000	1,726.05	1,72,60,50,000	1,726.05	1,72,60,50,000	1,726.05
<b>Total</b>	<b>1,72,60,50,000</b>	<b>1,726.05</b>	<b>1,72,60,50,000</b>	<b>1,726.05</b>	<b>1,72,60,50,000</b>	<b>1,726.05</b>

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

Particulars	Opening Balance April 1, 2016	Fresh Issue	Other Changes (give details)	Closing Balance March 31, 2017
(a) Equity Shares with Voting rights				
No. of Shares	1,72,60,50,000	-	-	1,72,60,50,000
<b>Total</b>				

(ii) Details of aggregate shareholding by Holding Company

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	No. of shares	No. of shares	No. of shares
JSW Energy Limited- Holding Company and its nominees	1726050000	1726050000	1726050000

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

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

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	No. of shares	No. of shares	No. of shares
JSW Energy Limited	1726050000	1726050000	1726050000
% of Holding	100	100	100

## Raj WestPower Limited

Notes to the Consolidated financial statements for the year ended March 31, 2017

Note - 17: Non Current Borrowings

₹ Crore

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Measured at amortised cost</b>			
<b>A. Secured Borrowings:</b>			
<i>(a) Term Loans</i>			
(1) From Banks	2,577.36	2,923.83	3,169.66
(2) From Financial Institutions & Others	382.29	448.54	508.63
<b>Total Secured Borrowings</b>	<b>2,959.65</b>	<b>3,372.37</b>	<b>3,678.29</b>
<b>B. Unsecured Borrowings</b>			
<i>(a) Loans from related parties</i>			
(1) Other Loans	546.44	490.94	455.09
<b>Total Unsecured Borrowings</b>	<b>546.44</b>	<b>490.94</b>	<b>455.09</b>
<b>Total</b>	<b>3,506.10</b>	<b>3,863.31</b>	<b>4,133.38</b>

Give references to Schedule carrying disclosure of Measurement Requirements as per Ind AS 107, 109, 113

**(I) Details of Security:**

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

A first ranking mortgage and charge over : a) all the tangible, intangible, immovable and movable assets both present and future, b) all revenues and receivables, c) all the rights, title and interest under each of the Project Documents and d) all the Insurance Contracts

Pledge of 517,815,000 (Previous Year 517,815,000) shares of the Company held by JSW Energy Limited is given in respect of loans of ₹ 1745.09 Crs

**(ii) Terms of Payment:**

**Term of Repayment of Rupee Terms Loans :**

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015
	₹ crore	₹ crore	₹ crore
<b>From Banks :</b>			
2 - 3 Years	698.91	699.28	646.81
4 - 5 Years	698.91	699.26	647.99
6 - 10 Years	1,192.34	1,542.02	1,895.45
Above 10 Years	-	-	-
<b>Total Borrowings from Banks</b>	<b>2,590.16</b>	<b>2,940.56</b>	<b>3,190.26</b>
<b>From Financial Institutions :</b>			
2 - 3 Years	133.00	133.00	126.88
4 - 5 Years	133.00	133.00	133.00
6 - 10 Years	117.08	183.58	250.08
Above 10 Years	-	-	-
<b>Total Borrowings from Financial Institutions</b>	<b>383.08</b>	<b>449.58</b>	<b>509.95</b>

a) Rupee Term loan mentioned in (a)-(i) amounting to ₹ 930.32 Crs towards Tranche I is repayable in 48 structured quarterly instalments from March 2012 to December 2023 ; amounting to ₹ 168.14 Crs towards Tranche II is repayable in 50 structured quarterly instalments from March 2013 to June 2025 and amounting to ₹ 1,457.96 Crs is payable in 47 structured quarterly installments from December 2013 to June 2025.

b) Rupee Term loan mentioned in (a)-(ii) towards Tranche I is repayable in 48 structured quarterly instalments from March 2012 to December 2023.

c) Foreign currency loan included in (a) (1) amounting to ₹ 33.74 Crs is repayable in 22 Equal half yearly instalments from July 2012 to January 2023.

d) Rupee Loan from Shareholder mentioned in (c) above comprises of :

i) ₹ 546.44 Crore repayable from the proceed of repayment made by Barmer Lignite Mining Company Limited (BLMCL) to the company which is pursuant to the repayment of entire existing senior debt at BLMCL.

**(III) Details of guaranteed Long-Term borrowings:**

Term loan (tranche 2) of ₹ 168.14 Crores mentioned in (a) (i) is backed by guarantee of our Shareholder.

**Raj WestPower Limited**

**Notes to the Consolidated financial statements for the year ended March 31, 2017**

**Note - 18 : Other Financial Liabilities Measured at Amortised Cost**

₹ Crore

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>(A) Non-Current</b>			
(a) Other long term liabilities	-	49.69	117.81
<b>Total (A)</b>	-	49.69	117.81
<b>(B) Current</b>			
(a) Current maturities of long-term debt	412.32	398.04	365.33
(b) Liability towards sharing of truing up (gain)/Loss & Fuel price adjustment	87.58	45.02	-
(c) Revenue adjustment towards Capital Cost reduction	134.26	23.18	-
(d) Interest accrued but not due on	0.42	0.50	20.76
(e) Short term Deposits	0.12	0.22	0.26
(f) Payable towards capital expenditure	25.47	27.24	47.50
<b>Total (B)</b>	<b>660.17</b>	<b>494.20</b>	<b>433.85</b>
<b>Total (A+B)</b>	<b>660.17</b>	<b>543.89</b>	<b>551.66</b>

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

**Raj WestPower Limited**

Notes to the Consolidated financial statements for the year ended March 31, 2017

**Note - 19: Provisions**

₹ Crore

Particulars	As at March 31, 2017			As at March 31, 2016			As at April 1, 2015		
	Current	Non- Current	Total	Current	Non- Current	Total	Current	Non- Current	Total
(A) Provision for employee benefits									
(1) Employee Benefits	1.41	4.22	5.63	1.26	3.10	4.36	1.16	2.20	3.36
(B) Other Provisions									
(1) Insurance Claims Payable	0.00	-	0.00	0.03	-	0.03	0.03	-	0.03
(2) Other Provisions	-	-	-	-	4.02	4.02	-	-	-
<b>Total (A+B)</b>	<b>1.41</b>	<b>4.22</b>	<b>5.63</b>	<b>1.29</b>	<b>7.12</b>	<b>8.41</b>	<b>1.19</b>	<b>2.20</b>	<b>3.39</b>

## Raj WestPower Limited

Notes to the Consolidated financial statements for the year ended March 31, 2017

### Note - 20: Current Borrowings

₹ Crore

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>A. Secured Borrowings</b>			
(a) Loans repayable on demand			
(1) From Banks			
(i) Working Capital Demand Loans	-	-	60.00
(ii) Cash Credit	-	59.31	88.22
<b>B. Unsecured Borrowings</b>			
(a) Loans from related parties			
(1) Rupee Loan from Holding Company			2.00
<b>Total</b>	<b>-</b>	<b>59.31</b>	<b>150.22</b>

**Note:**

All disclosures made for long term borrowings made in tab 23.1 also needs to be done for Current Borrowings to the extent applicable

**(i) Details of Security:**

**Working Capital Demand Loan & Cash Credit mentioned in (a) are secured on a pari passu basis by**

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

Pledge of 517,815,000 (Previous Year 517,815,000) shares of the Company held by JSW Energy Limited.

**(ii) Terms of Re-payment:**

a) Cash Credit from banks mentioned in (a)(ii) of ₹ 59.31 is repayable on demand.

## Raj WestPower Limited

Notes to the Consolidated financial statements for the year ended March 31, 2017

### Note - 21: Trade Payables

₹ Crore

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	Current	Current	Current
(i) Creditors for supplies / services	100.99	138.42	141.29
(ii) Creditors for accrued wages and salaries	4.16	3.76	4.90
iii) Acceptances	-	30.00	65.00
<b>Total</b>	<b>105.15</b>	<b>172.18</b>	<b>211.19</b>

a) Refer Note 48 for disclosure under Micro, Small and Medium Enterprises Development Act.

b) Acceptances represents credit availed by the Company from banks for payment to suppliers for raw materials purchased by the Company. The arrangements are interest-bearing and are payable within one year.

## Raj WestPower Limited

Notes to the Consolidated financial statements for the year ended March 31, 2017

### Note - 22 : Current Tax Liabilities

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Provision for tax (Net off Advance Tax and Tax deducted at Source) (Net of Advance Tax as at 31.03.2017 ₹ NIL Crs , as at 31.03.2016 ₹ 258.11 Crs, as at 31.03.2015 ₹ NIL Crs )	-	10.95	-
(b) Provision for wealth tax	-	-	0.28
<b>Total</b>	<b>-</b>	<b>10.95</b>	<b>0.28</b>

## Raj WestPower Limited

Notes to the Consolidated financial statements for the year ended March 31, 2017

Note - 23: Other Current Liabilities

₹ Crore

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
	Current	Current	Current
a. Advance received from customer	0.41	0.16	0.16
b. Others			
(i) Lease Incentives			
(i) Employee benefit expenses	0.01	0.01	0.02
(ii) Statutory Dues	2.87	2.73	3.57
<b>TOTAL</b>	<b>3.29</b>	<b>2.90</b>	<b>3.75</b>



**Raj WestPower Limited**

**Notes to the Consolidated financial statements for the year ended March 31, 2017**

**Note no -24 Revenue from Operations**

The following is an analysis of the company's revenue for the year from continuing operations.

₹ Crore

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Revenue from sale of Power	2,544.07	2,630.66
<b>Less :</b>		
(i) Liability towards sharing of truing up gain/(Loss) & Fuel price adjustment	(42.56)	(45.01)
(ii) Revenue adjustment towards Capital Cost reduction	(134.26)	(23.18)
(iii) Cash Discount /Rebate	(3.60)	
<b>Revenue from sale of Power</b>	<b>2,363.64</b>	<b>2,562.47</b>
(b) Late Payment Surcharge received from beneficiaries	134.89	-
<b>Total Revenue from Operations</b>	<b>2,498.54</b>	<b>2,562.47</b>

Raj WestPower Limited

Notes to the Consolidated financial statements for the year ended March 31, 2017

Note no -25 Other Income

₹ Crore

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>(a) Interest Income</b>		
(a) On Loans given	50.98	46.53
(b) Bank deposits (at amortised cost)	10.94	3.79
(c) Interest on Income Tax refund	0.00	0.34
(d) Net gain/(loss) arising on financial assets designated as at FVTPL	1.18	1.08
<b>(b) Other Non Operating Income</b>		
(a) Domestic Scrap Sales	4.59	0.75
(b) Insurance Claim	0.26	1.42
(c) Others	0.09	0.43
<b>(c) Other Gains</b>		
Profit on sale of capital assets		0.02
<b>Total Other Income</b>	<b>68.04</b>	<b>54.36</b>

## Raj WestPower Limited

Notes to the Consolidated financial statements for the year ended March 31, 2017

### Note 26- Cost of Fuel

₹ Crore

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Opening stock	42.96	36.15
Add: Purchases	1,184.28	1,072.24
	1,227.24	1,108.39
Less: Closing stock	41.23	42.96
<b>Cost of Fuel consumed</b>	<b>1,186.01</b>	<b>1,065.43</b>

## Raj WestPower Limited

Notes to the Consolidated financial statements for the year ended March 31, 2017

Note no -27 Employee Benefits Expense

		₹ Crore	
Particulars		For the year ended March 31, 2017	For the year ended March 31, 2016
(a)	Salaries and wages, including bonus	44.22	41.17
(b)	Contribution to provident and other funds	1.69	1.56
(c)	Share-based payments	0.12	0.36
(d)	Staff welfare expenses	1.72	2.03
<b>Total Employee Benefit Expense</b>		<b>47.75</b>	<b>45.12</b>

a) Refer note 40 for the details of defined benefit plan and defined contribution plan of the group.

b) Refer note 41 for the details disclosure of employee stock options plans of the group.

## Raj WestPower Limited

Notes to the Consolidated financial statements for the year ended March 31, 2017

### Note no -28 Finance Cost

₹ Crore

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(A) Interest expense	-	-
(1) Interest on Rupee Term Loan	387.53	434.46
(2) Interest on loans from related parties	50.83	44.75
(3) Interest on Working Capital Loan	1.82	7.70
<b>Total Interest Expense for Financial Liabilities carried at amortised cost</b>	<b>440.18</b>	<b>486.91</b>
(B) Other borrowing cost		
(1) Finance Charges	2.49	1.26
<b>Total finance costs (A+B)</b>	<b>442.67</b>	<b>488.17</b>

## Raj WestPower Limited

Notes to the Consolidated financial statements for the year ended March 31, 2017

Note no -29 Other Expenses

₹ Crore

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Stores and spares consumed	39.33	43.43
(b) Power & Water	29.14	28.69
(c) Rent	0.07	0.07
(d) Repairs and maintenance - Buildings	4.15	6.95
(e) Repairs and maintenance - Machinery	59.22	59.36
(f) Repairs and maintenance - Others	0.68	0.76
(g) BPO Expenses -Shared Services	0.95	-
(h) Rates and taxes	1.38	1.10
(i) Insurance charges	5.04	5.44
(j) Net loss on foreign currency transactions (net)	0.01	0.01
(k) Payment to Auditor	0.39	0.30
(i) As Auditor	0.32	0.24
(ii) For Taxation matters	0.05	0.04
(iii) For Other services	0.01	0.01
(iv) Auditors out-of-pocket expenses	0.01	0.01
(l) Legal and other professional costs	1.45	2.38
(m) Advertisement, Promotion & Selling Expenses	0.26	0.00
(n) Travelling Expenses	2.76	3.22
(o) Loss on Sale of Fixed Assets	0.02	0.01
(p) Contribution to political parties	5.00	-
(q) Corporate social responsibility expenses	8.19	5.20
(r) Safety & Security Expenses	3.93	4.29
(s) Branding Expenses	2.21	4.30
(t) Bad Debts Written Off	-	0.02
(u) General Expenses	5.06	6.38
(v) Write down of Coal Inventory	-	0.31
<b>Total Other Expenses</b>	<b>169.24</b>	<b>172.22</b>

a) Refer note 46 for details of corporate social responsibility expenditure incurred by the company

**Raj WestPower Limited**

**Notes to the Consolidated financial statements for the year ended March 31, 2017**

**Note - 30: Current Tax**

₹ Crore

<b>Particulars</b>	<b>For the year ended March 31, 2017</b>	<b>For the year ended March 31, 2016</b>
<b>Current Tax:</b>		
Current Income Tax Charge	78.79	105.40
Deferred Tax	-	-
<b>Total Tax Expense</b>	<b>78.79</b>	<b>105.40</b>





**31 Critical accounting judgements and key sources of estimation uncertainty:**

In the course of applying the policies outlined in all notes under section 3 above, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period if the revision affects current and future periods.

**Critical judgements in applying accounting policies****Regulatory deferral accounts**

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

**Revenue recognition**

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

**Classification of BLMCL as a Joint Venture**

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

**Key sources of estimation uncertainties****Useful lives and residual value of property, plant and equipment**

Management reviews the useful lives and residual values of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly depreciable lives are reviewed annually using the best information available to the Management.

**Impairment of property plant and equipment**

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is usually determined on the basis of discounted estimated future cash flows. This involves management estimates on anticipated commodity prices, market demand and supply, economic and regulatory environment, discount rates and other factors. Any subsequent changes to cash flow due to changes in the above mentioned factors could impact the carrying value of assets.



**32 Revenue recognition:**

(a) The Company has recognised Sales during the year based on the adhoc interim tariff allowed by Rajasthan Electricity Regulatory Commission (RERC) vide Order dated March 31, 2016. Pending determination of tariff, the Company has provided true up & provision for fuel price adjustment impact for the current financial year amounting to ₹ 42.56 Crores (previous year ₹ 45.01)] based on RERC Regulation. The same is subject to adjustment as per final Tariff determination by RERC.

(b) On 25.06.2014, the Company filed a comprehensive tariff petition no 464/2014 for determination of Final Tariff of the Power Plant for FY 2009-10 to FY 2013-14 and Annual Performance Review (true up) for FY 2009-10 and FY 2010-11 based on audited accounts before RERC.

RERC vide order dated 24.02.2016 has determined final capital cost and tariff of Power Plant for FY 2009-10 to FY 2013-14 and along with true up of ARR for FY 2009-10 and FY 2010-11. In the above order RERC has rejected/disallowed certain expenditures. Aggrieved by the above order and certain findings of RERC towards disallowance of capital cost and some other aspects, the Company has filed an Appeal before Appellate Tribunal of Electricity. Meanwhile, the company has given a impact for Revenue adjustment towards Capital Cost reduction of ₹ 134.26 Crores for FY 2014-15 & FY 2015-16 considering this Order.

(c) The Company has filed an Appeal before the Hon'ble Appellate Tribunal for Electricity (APTEL) against the order of Rajasthan Electricity Regulatory Commission (RERC) dated 17-10-2012 fixing a ceiling on the first year tariff at ₹ 2.43 per unit as per Power Purchase Agreement (PPA) which provides that first year tariff shall be less than first year tariff of Giral(2.43 /unit). Further, RERC has decided that first year tariff shall be applicable for entire project covered in PPA and not the units commissioned in the first year only. Hon'ble Appellate Tribunal vide order dated 29.10.2013 has disposed the above Appeal in favour of RWPL, stating that first year shall be first year of operation of plant with lignite i.e. FY 2011-12 and allowing that the tariff for the first year shall be less than the final first year tariff of Giral Project as determined by the State Commission. Accordingly, RERC, in its Order dated 24th February 2016 has restricted the first year tariff (First year tariff on lignite – FY 2011-12) at ₹ 3.34/kWh for Unit no 1,2 & 4 and ₹ 3.246 kWh for Unit no 3 being one paisa less than first year tariff of Giral Project given by its Order dated 12.08.2015 i.e. ₹ 3.35/kWh . The Rajasthan Discoms on 19.11.2013 have filed Review Petition before Hon'ble Appellate Tribunal of Electricity against the APTEL order dated 29.10.2013. The above Review Petition has been dismissed by APTEL Authority by order dated 09.05.2013. Further, Rajasthan Discoms have also filed second Appeal before the Hon'ble Supreme Court. The second Appeal has been admitted by Hon'ble Supreme Court and is pending for adjudication and disposal.

(d) The Company has filed an Appeal before the Hon'ble Appellate Tribunal for Electricity (APTEL) against the Provisional Tariff Order dated 30th August, 2013 passed by Rajasthan Electricity Regulatory Commission (RERC) for determination of provisional tariff of RWPL Generating Station for financial year 2012-13. In the said Appeal, the Company has sought relief from the Hon'ble APTEL for inclusion of certain items of capital expenditures which were not considered by the Hon'ble Commission in its order dated August 30, 2013. Hon'ble Appellate Tribunal vide order dated 20.11.2015 has been disposed the above Appeal partially in favour of RWPL. A second appeal against this order on certain findings is currently pending before the Hon'ble Supreme Court.

(e) RERC vide its Order dated 5th February, 2016 has upheld the Dispute Resolution petition filed by the Company u/s 86(1)(f) of the Electricity Act, 2003, pertaining to Late Payment Surcharge (LPS) on delayed payments by the DISCOMS and directed the DISCOMS to examine the same. During the year, the company has received the LPS claim from the DISCOMS aggregating to ₹ 134.90 Crores for the period from FY 2011-12 to FY 2016-17.

**Contingencies**

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

**Fair value measurements**

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The management determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

**Defined benefit plans**

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

**Shared based payments**

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

**Tax**

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

**33 Investment in associates:**  
**Details and financial information of material joint ventures**

Name of joint venture	Principal activity	Place of incorporation and principal place of	Proportion of ownership interest / voting rights held by the Group		
			As at 31/03/17	As at 31/03/16	As at 1/04/15
Barmer Lignite Mining Company Limited	Lignite Mining	India	49.00%	49.00%	49.00%

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

**Summarised financial information of material associates**

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

₹ Crore

Barmer Lignite Mining Company Limited	As at 31/03/17	As at 31/03/16	As at 1/04/15
Non-current assets	2,193.95	1,988.53	1,880.34
Current assets	163.91	208.98	153.96
Non-current liabilities	2,104.16	1,979.21	1,870.44
Current liabilities	251.82	224.82	160.07
<b>The above amounts of assets and liabilities include the following:</b>			
Cash and cash equivalents	0.03	26.35	0.27
Current financial liabilities (excluding trade payables and provisions)	78.42	79.08	49.27
Non-current financial liabilities (excluding trade payables and provisions)	2,104.16	1,975.62	1,866.85

₹ Crore

	Year ended 31/03/17	Year ended 31/03/16
Revenue	763.44	807.40
Profit or loss from continuing operations	10.07	(10.30)
Post-tax profit (loss) from discontinued operations	-	-
Profit (loss) for the year	10.07	(10.30)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	10.07	(10.30)
Dividends received from the associate during the year	-	-
<b>The above profit (loss) for the year include the following:</b>		
Depreciation and amortisation	27.54	31.03
Interest income	3.63	3.29
Interest expense	49.68	56.25
Income tax expense (income)	(0.68)	7.13

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

	As at 31/03/17	As at 31/03/16	As at 1/04/15
Net assets of the associate	1.88	(6.52)	3.78
Proportion of the Group's ownership interest in Barmer Lignite Mining Company Limited	49%	49%	49%
Share of Loss and stock margin adjusted	9.75	9.80	8.82
Carrying amount of the Group's interest in Barmer Lignite Mining Company Limited	0.05	-	0.98

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

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

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

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

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

As at 31/03/17	Carrying amount	Fair value	Level 1	Level 2	Level 3
<b>Financial assets</b>					
<b>Financial assets carried at amortised cost</b>					
Loans & advances	556.92	556.92			-
Security deposits	5.04	5.04			
Interest Receivable on Sub-Ordinate Debt	296.88	296.88			
Interest accrued on deposits, loans and advances	2.34	2.34			
Trade receivables	316.32	316.32			
Cash and cash equivalents	505.18	505.18			
Bank balances other than Cash and cash equivalents	107.30	107.30			
Others Financial Assets		-			
<b>Financial assets carried at Cost</b>					
Investment in Equity Shares	0.05	0.05			
<b>Total Financial assets</b>	<b>1,790.03</b>	<b>1,790.03</b>			
<b>Financial liabilities</b>					
<b>Financial Liabilities carried at amortised cost</b>					
<b>Non-current liabilities</b>					
Borrowings	3,918.42	3,920.58			3,920.58
<b>Current liabilities</b>					
Trade Payables	105.15	105.15			
Liability towards sharing of truing up (gain)/Loss & Fuel price adjustment	87.58	87.58			
Revenue adjustment towards Capital Cost reduction	134.26	134.26			
Creditors Capex	25.47	25.47			
Short term Deposits	0.12	0.12			
Interest accrued but not due on borrowings	0.42	0.42			
	<b>4,271.41</b>	<b>4,273.58</b>			
	-				
<b>Total Financial liabilities</b>	<b>4,271.41</b>	<b>4,273.58</b>			

As at 31/03/16	Carrying amount	Fair value	Level 1	Level 2	Level 3
<b>Financial assets</b>					
<b>Financial assets carried at amortised cost</b>					
Loans & advances	500.79	501.25			501.25
Security deposits	4.53	4.53			
Interest Receivable on Sub-Ordinate Debt	250.99	250.99			
Interest accrued on deposits, loans and advances	0.01	0.01			
Trade receivables	706.44	706.44			
Cash and cash equivalents	81.54	81.54			
Bank balances other than Cash and cash equivalents	0.89	0.89			
Others Financial Assets	0.02	0.02			
<b>Financial assets carried at Cost</b>					
Investment in Equity Shares	0.00	0.00			
<b>Total Financial assets</b>	<b>1,545.20</b>	<b>1,545.67</b>			
<b>Financial liabilities</b>					
<b>Financial Liabilities carried at amortised cost</b>					
<b>Non-current liabilities</b>					
Borrowings	4,261.35	4,263.70			4,263.70
Other long term liabilities	49.69	49.69			
<b>Current liabilities</b>					
Borrowings	59.31	59.31			
Trade Payables	172.17	172.17			
Liability towards sharing of truing up (gain)/Loss & Fuel price adjustment	45.02	45.02			
Revenue adjustment towards Capital Cost reduction	23.18	23.18			
Creditors Capex	27.24	27.24			
Short term Deposits	0.22	0.22			
Interest accrued but not due on borrowings	0.50	0.50			
	<b>4,638.68</b>	<b>4,641.04</b>			
	<b>(0.00)</b>				
<b>Total Financial liabilities</b>	<b>4,638.68</b>	<b>4,641.04</b>			
<b>As at 1/04/2015</b>					
<b>Financial assets</b>					
<b>Financial assets carried at amortised cost</b>					
Loans & advances	464.07	464.94			464.94
Security deposits	4.00	4.00			
Interest Receivable on Sub-Ordinate Debt	209.11	209.11			
Interest accrued on deposits, loans and advances	-	-			
Trade receivables	525.25	525.25			
Cash and cash equivalents	36.57	36.57			
Bank balances other than Cash and cash equivalents	0.84	0.84			
Others Financial Assets		-			
<b>Financial assets carried at Cost</b>					
Investment in Equity Shares	0.98	0.98			
<b>Total Financial assets</b>	<b>1,240.81</b>	<b>1,241.69</b>			
<b>Financial liabilities</b>					
<b>Financial Liabilities carried at amortised cost</b>					
<b>Non-current liabilities</b>					
Borrowings	4,498.72	4,497.98			4,497.98
Other long term liabilities	117.81	117.81			
<b>Current liabilities</b>					
Borrowings	150.22	150.22			
Trade Payables	211.20	211.20			
Creditors Capex	47.50	47.50			
Short term Deposits	0.26	0.26			
Interest accrued but not due on borrowings	20.76	20.76			
	<b>5,046.46</b>	<b>5,045.72</b>			
	<b>0.00</b>				
<b>Total Financial liabilities</b>	<b>5,046.46</b>	<b>5,045.72</b>			

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

**Capital management**

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

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

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

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

**Gearing ratio**

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

	As at 31/03/17	As at 31/03/16	As at 1/4/2015
Debt (i)	3,918.42	4,320.66	4,648.93
Cash and bank balances	612.48	82.43	37.40
Net debt	<b>3,305.94</b>	<b>4,238.23</b>	<b>4,611.53</b>
Total equity	2,869.76	2,580.99	2,191.13
Net debt to equity ratio	<b>1.15</b>	<b>1.64</b>	<b>2.10</b>

(i) Debt is defined as long-term and short-term borrowings

**Financial risk management objectives**

The Company's corporate treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the company. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

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



**Foreign currency risk management**

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

**As at 31/03/2017:**

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

<b>Financial Assets</b>	<b>USD</b>	<b>EURO</b>	<b>₹ Crore</b>
<b><u>Current assets</u></b>			
Other advances	-		
<b>Total financial assets (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess of financial liabilities over financial assets (A-B)</b>	<b>63,13,894</b>	<b>-</b>	<b>40.94</b>

**As at 31/03/2016:**

<b>Financial Liabilities</b>	<b>USD</b>	<b>EURO</b>	<b>₹ Crore</b>
<b><u>Non-current liabilities</u></b>			
Long term borrowings	62,44,368		41.42
<b><u>Trade and other payables and acceptances</u></b>			
Trade payables - Other than acceptances	26,585		0.18
<b><u>Other current financial liabilities</u></b>			
Current maturities of long-term debt	10,40,728		6.90
Interest accrued but not due on borrowings	70,514		0.47
<b>Total financial liabilities (A)</b>	<b>73,82,194</b>	<b>-</b>	<b>48.97</b>

RAJ WESTPOWER LIMITED

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<b>Financial Assets</b>	<b>USD</b>	<b>EURO</b>	<b>₹ Crore</b>
<b>Current assets</b>			
Other advances	770	1,248	0.01
<b>Total financial assets (B)</b>	<b>770</b>	<b>1,248</b>	<b>0.01</b>
<b>Excess of financial liabilities over financial assets (A-B)</b>	<b>73,81,424</b>	<b>(1,248)</b>	<b>48.95</b>

As at 01/04/2015

<b>Financial Liabilities</b>	<b>USD</b>	<b>EURO</b>	<b>₹ Crore</b>
<b>Non-current liabilities</b>			
Long term borrowings	72,85,096		45.60
<b>Trade and other payables and acceptances</b>			
Trade payables - Other than acceptances	41,872		0.26
<b>Other current financial liabilities</b>			
Current maturities of long-term debt	10,40,728		6.51
Interest accrued but not due on borrowings	71,328		0.45
<b>Total financial liabilities (A)</b>	<b>84,39,024</b>	<b>-</b>	<b>52.82</b>

<b>Financial Assets</b>	<b>USD</b>	<b>EURO</b>	<b>₹ Crore</b>
<b>Current assets</b>			
Other advances	749		0.00
<b>Total financial assets (B)</b>	<b>749</b>	<b>-</b>	<b>0.00</b>
<b>Excess of financial liabilities over financial assets (A-B)</b>	<b>84,38,275</b>	<b>-</b>	<b>52.82</b>

**Interest rate risk management**

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

**Interest rate sensitivity analysis**

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

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

Particulars	₹ Crore		
	As at 31/03/2017	As at 31/03/2016	As at 1/04/2015
Fixed rate borrowings-LIC	128.45	145.70	157.70
Fixed rate borrowings-Sub Debt	546.44	490.94	455.09
Floating rate borrowings	3,243.53	3,624.70	3,885.92
<b>Total borrowings</b>	<b>3,918.42</b>	<b>4,261.35</b>	<b>4,498.72</b>

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended March 31, 2017 would decrease/increase by Rs. 17.46 Crores (for the year ended March 31, 2016: decrease/increase by Rs.19.00 Crores ). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

**Credit risk management**

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

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

**Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the 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 liabilities as on reporting date.

Particulars	< 1 year	1-5 years	> 5 years	Total
<b>Non-current liabilities</b>				
Long term borrowings	-	2,067.79	1,438.31	3,506.10
<b>Total Non-Current Liabilities</b>	-	<b>2,067.79</b>	<b>1,438.31</b>	<b>3,506.10</b>
<b>Current Liabilities</b>				
Trade and other payables and acceptances:	105.15	-	-	105.15
<b>Total Current Liabilities</b>	<b>105.15</b>	-	-	<b>105.15</b>
<b>Other current financial liabilities</b>				
Current maturities of long-term debt	412.32			412.32
Liability towards sharing of truing up (gain)/Loss & Fuel price adjustment	87.58			87.58
Revenue adjustment towards Capital Cost reduction	134.26			134.26
Rent and other Deposits	0.12			0.12
Creditors Capex	25.47			25.47
Interest accrued but not due on borrowings	0.42			0.42
<b>Total current liabilities</b>	<b>660.17</b>	-	-	<b>660.17</b>
<b>Total Financial Liabilities</b>	<b>765.32</b>	<b>2,067.79</b>	<b>1,438.31</b>	<b>4,271.41</b>
<b>Assets</b>				
<b>Long term loans and advances</b>				
Loan & advances to related parties	-		546.44	546.44
Other advances	-	-	301.92	301.92
Non-current investment	-	-	0.05	0.05
<b>Total Non-current Assets</b>	-	-	<b>848.41</b>	<b>848.41</b>
<b>Current assets</b>				
Loans and advances to related parties	10.48			10.48
Security deposits				-
Other assets				-
Trade receivables	316.32			316.32
Cash and cash equivalents	505.18			505.18
Bank Balances other than above	107.30			107.30
Interest accrued on deposits, loans and advances	2.34			2.34
<b>Total current assets</b>	<b>941.62</b>	-	-	<b>941.62</b>
<b>Total Financial Assets</b>	<b>941.62</b>	-	<b>848.41</b>	<b>1,790.03</b>

**Regulatory risk management**

**Fuel Prices risk management**

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

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

**Power Offtake risk management**

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

**35 Trade Receivables**

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

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

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

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

**Age of receivables:**

	₹ Crore		
	As at 31/03/17	As at 31/03/16	As at 1/04/15
Within the credit period (30 Days )	193.03	460.26	441.62
1-30 days past due		138.52	3.08
31-60 days past due	-	2.56	2.78
61-90 days past due	-	-	2.92
91-180 days past due	23.97	-	3.43
181-365 days past due	-	-	
<b>More than one year</b>			
>1 year to 2 years	60.08	65.85	32.18
More than 2 years to 3 years			
More than 3 years	39.23	39.23	39.23
<b>Total Trade Receivables</b>	<b>316.32</b>	<b>706.44</b>	<b>525.25</b>

**36 Deferred tax balances:**

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

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

	As at 31/03/17	As at 31/03/16	As at 01/04/15
Deferred tax assets	-	-	-
Deferred tax liabilities	(268.77)	(211.14)	(152.79)
Less: Recoverable in future tariff	268.77	211.14	152.79
	-	-	-

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

Deductible temporary differences, unused tax losses and been recognised are attributable to the following:			
--Plant Property & Equipment	268.77	211.14	152.79
Less: Recoverable in future tariff	-268.77	-211.14	-152.79
	-	-	-

**37 Income tax:**

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

	Year ended 31/03/17	Year ended 31/03/16
Profit before Tax	367.93	494.78
Enacted tax rate	34.61	34.61
<b>Computed Expected tax expense</b>	<b>127.34</b>	<b>171.24</b>
Tax effect due to exempt income	-	-
Tax effect due to tax holiday	(34.02)	-39.34
Effect of non deductible expenses	3.93	2.42
Effect of tax payable under MAT	38.69	29.43
Less: Recoverable in future tariff	(57.28)	-58.35
<b>Income Tax Expense</b>	<b>78.66</b>	<b>105.40</b>

**38 Operating segment:**

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

**39 Earnings per share:**

	31-Mar-17	31-Mar-16
Profit attributable to equity holders of the parent company [₹ crore] [A]	293.20	384.39
Weighted average number of Equity shares for basic & diluted EPS [B]	1,72,60,50,000	1,72,60,50,000
Earnings Per Share - Basic & Diluted [₹] - [A/B]	1.70	2.23
Nominal value of an equity share [₹]	10	10

**40 Employee benefit plans:**

**Defined contribution plans:**

The company has certain defined contribution plans in which both employee and employer contribute monthly at the rate of 12% of basic salary as per regulations to provident fund set up as trust and to the respective regional provident fund commissioner. The company which contributes to the provident fund set up as a trust are liable for future provident fund benefits to the extent of its annual contribution and any shortfall in fund assets based on government specified minimum rates of return relating to current period service and recognises such contributions and any shortfall, if any, as an expense for the year incurred.

Company contribution to provident fund of ₹ 1.69 Crore (Previous Year ₹ 1.56 Crores)

**Defined benefits plans:**

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

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

The plans in India typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to market yields at the end of the reporting period on government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities and debt instruments.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

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

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2017 by M/S K. A. Pandit Consultants & Actuaries. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

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

	₹
<b>Defined benefit obligation at 1 April 2015</b>	<b>2.17</b>
Interest cost	0.17
Current service cost	0.42
Benefits paid	(0.12)
Actuarial (Gains)/Loss	0.12
<b>Defined benefit obligation at 31 March 2016</b>	<b>2.7760</b>
Interest cost	0.22
Current service cost	0.44
Benefits paid	(0.25)
Actuarial (Gains)/Loss	0.63
<b>Defined benefit obligation at 31 March 2017</b>	<b>3.818</b>

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

		Defined Benefit Obligation	Fair Value of Plan assets	Benefit Liability
<b>Gratuity cost charged to profit or loss</b>	<b>Opening Balance as on 01st April 2016</b>	2.78	0.26	2.52
	Service cost	0.44		0.44
	Net interest expense	0.22	0.02	0.20
	<b>Sub-total included in profit or loss</b>	<b>3.44</b>	<b>0.28</b>	<b>3.17</b>
<b>Remeasurement gains/(losses) in other comprehensive income</b>	Benefits paid	-0.25	-0.25	0.00
	Return on plan assets (excluding amounts included in net interest expense)		0.01	(0.01)
	Actuarial changes arising from changes in demographic assumptions			-
	Actuarial changes arising from changes in financial assumptions	0.25		0.25
	Experience adjustments	0.38		0.38
	<b>Sub-total included in OCI</b>	<b>0.37</b>	<b>(0.25)</b>	<b>0.62</b>
	<b>Contributions by employer</b>		<b>0.68</b>	<b>-0.68</b>
	<b>Closing Balance as on 31st March 2017</b>	<b>3.82</b>	<b>0.70</b>	<b>3.11</b>

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2016:

		Defined Benefit Obligation	Fair Value of Plan assets	Benefit Liability
<b>Gratuity cost charged to profit or loss</b>	<b>Opening Balance as on 01st April 2015</b>	2.17	0.34	1.83
	Service cost	0.42		0.42
	Net interest expense	0.17	0.03	0.15
	<b>Sub-total included in profit or loss</b>	<b>2.77</b>	<b>0.37</b>	<b>2.40</b>
<b>Remeasurement gains/(losses) in other comprehensive income</b>	Benefits paid	-0.12	-0.12	-
	Return on plan assets (excluding amounts included in net interest expense)		0.00	(0.00)
	Actuarial changes arising from changes in demographic assumptions			-
	Actuarial changes arising from changes in financial assumptions	-0.04		(0.04)
	Experience adjustments	0.16		0.16
	<b>Sub-total included in OCI</b>	<b>0.12</b>	<b>0.00</b>	<b>0.12</b>
	<b>Contributions by employer</b>			
	<b>Closing Balance as on 31st March 2016</b>	<b>2.78</b>	<b>0.26</b>	<b>2.52</b>



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

	India Plan		
	31-Mar-17	31-Mar-16	01-Apr-15
<b>Insurer Managed Funds</b>	100%	100%	100%
Since investment is with insurance company, Assets are considered to be secured.			

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

	31-Mar-17	31-Mar-16	01-Apr-15
	%	%	%
<b>Discount rate:</b>	7.52%	8.07%	7.96%
<b>Future salary increases:</b>	6.00%	6.00%	6.00%
<b>Rate of Employee Turnover</b>	2%	2%	2%
<b>Mortality Rate During Employment</b>	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

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

<b>Projected Benefit Obligation on Current Assumptions</b>	31-Mar-17	31-Mar-16
Delta Effect of +1% Change in Rate of Discounting	(0.44)	(0.31)
Delta Effect of -1% Change in Rate of Discounting	0.53	0.37
Delta Effect of +1% Change in Rate of Salary Increase	0.53	0.38
Delta Effect of -1% Change in Rate of Salary Increase	(0.45)	(0.32)
Delta Effect of +1% Change in Rate of Employee Turnover	0.07	0.07
Delta Effect of -1% Change in Rate of Employee Turnover	(0.09)	(0.08)

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

<b>Maturity Analysis of Projected Benefit Obligation: From the Fund</b>	31-Mar-17	31-Mar-16
1st Following year	0.16	0.08
2nd Following year	0.12	0.11
3rd Following year	0.18	0.13
4th Following year	0.17	0.14
5th Following year	0.14	0.14
Sum of years 6 to 10	1.26	1.06
<b>Total expected payments</b>	<b>2.04</b>	<b>1.35</b>

The average duration of the defined benefit plan obligation at the end of the reporting period is 15 years (31 March 2015: 14 years).

**41 Share-based payments**

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

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

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

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

**Movements during the year**

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

Normal Option (ESOP Plan) (Grant Date : 8th November 2011)	31-Mar-17	31-Mar-16
Outstanding at 1 April	3,06,926	3,28,665
Granted during the year	-	-
Forfeited during the year	1,270	-
Transfer arising from transfer of employees from group companies	-	1,668
Exercised during the year	30,918	20,071
Expired during the year	-	-
Outstanding at 31 March	2,74,738	3,06,926
Exercisable at 31 March	2,74,738	3,06,926
Vesting Period	3 Years	
Method of Settlement	Cash	
Exercise Price (₹)	52.35	
Fair Value (₹)	20.39	
Dividend yield (%)	10.00%	
Expected volatility (%)	34.85%	
Risk-free interest rate (%)	8.86%	
Expected life of share options/SARs (years)	5	
Weighted average share price (INR )	52.35	
Model used	Black-Scholes Method	

Normal Option (ESOP Plan) (Grant Date : 31st October, 2012)	31-Mar-17	31-Mar-16
Outstanding at 1 April	7,55,454	770900
Granted during the year	-	-
Forfeited during the year	2,049	5396
Exercised during the year	55,994	10050
Expired during the year	-	-
Outstanding at 31 March	6,97,411	7,55,454
Exercisable at 31 March	6,97,411	7,55,454
Vesting Period	3 Years	
Method of Settlement	Cash	
Exercise Price (₹)	60.90	
Fair Value (₹)	24.17	
Dividend yield (%)	5.00%	
Expected volatility (%)	39.65%	
Risk-free interest rate (%)	8.09%	
Expected life of share options/SARs (years)	3	
Weighted average share price (INR )	60.75	
Model used	Black-Scholes Method	

<b>Mega Option (ESOS Plan) (Grant Date : 4th October, 2012)</b>	<b>31-Mar-17</b>	<b>31-Mar-16</b>
Outstanding at 1 April	8,15,729	823729
Granted during the year	-	-
Forfeited during the year	6,401	-
Exercised during the year	6,941	8000
Expired during the year	-	-
Outstanding at 31 March	8,02,387	8,15,729
Exercisable at 31 March	8,02,387	8,15,729
Vesting Period	1 Year	
Method of Settlement	Cash	
Exercise Price (₹)	65	
Fair Value (₹)	19.43	
Dividend yield (%)	5.00%	
Expected volatility (%)	39.98%	
Risk-free interest rate (%)	8.13%	
Expected life of share options/SARs (years)	3	
Weighted average share price (INR )	60.75	
Model used	Black-Scholes Method	

<b>Normal Option (ESOP Plan) (Grant Date : 03rd May, 2016)</b>	<b>31-Mar-17</b>	<b>31-Mar-16</b>
Outstanding at 1 April	-	-
Granted during the year	148236	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at 31 March	1,48,236	-
Exercisable at 31 March	-	-
Vesting Period	3 & 4 Years	
Method of Settlement	Cash	
Exercise Price (₹)	53.68	
Average Fair Value (₹)	30.78	
Dividend yield (%)	20.00%	
Average Expected volatility (%)	45.18%	
Average Risk-free interest rate (%)	7.44%	
Expected life of share options/SARs (years)	5 & 6 Years	
Weighted average share price (INR )	67.10	
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.

**42 Operating Lease:**

The Company, as a lessee, has entered into operating leases on certain Office premises , Building , Guest House, The agreements are executed for the period of 6 to 24 Months with a renewable clause and also provide for termination at will by other party giving a prior notice period of 1 to 3 Months The copmany has paid Rs. 0.07 Crores during the FY 2016-17 (Previous year ₹ 0.07 Crores )during the year towards minimum lease payment.

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

	As at 31/03/17	As at 31/03/16	As at 1/04/15
Within one year	0.04	0.074	0.066
<b>Total</b>	<b>0.043</b>	<b>0.074</b>	<b>0.066</b>

**43 Commitments**

Commitments	As at 31/03/17	As at 31/03/16	As at 1/04/15
Commitments to contribute funds for the acquisition of property, plant and equipment -Capital Commitment (net of advances)	7.89	6.37	12.34
Capital Commitments arising from its interests in joint ventures	0.12	0.58	3.76
	<b>8.01</b>	<b>6.95</b>	<b>16.10</b>

**44 Contingent liabilities**

Contingent liabilities	As at 31/03/17	As at 31/03/16	As at 1/04/15
i) Disputed Income tax matters(including interest up to date of demand, if any)	0.01	0.05	-
ii) Other disputed taxes/duties (including penalty levied and interest up to the date of demand, if any)	1.46	1.46	0.79

**Contingent liabilities incurred by the Compnay arising from its interests in joint ventures**

Contingent liabilities	As at 31/03/17	As at 31/03/16	As at 1/04/15
(a) The Joint Venture company had received NOC for 2,172.03 bighas of government land from District Collector (Barmer) vide letter dated 12.01.2010 to be used by Joint Venture company for lignite mining in Kapurdi. Subsequently, District Collector (Barmer) had raised a claim by issuing a letter dated 31.07.2012, seeking for payment of Rs 32.58 crore towards government land against transfer of title on the government land admeasuring 2,172.03 bighas. The Joint Venture company has not accepted the offer for acquiring of Land and has conveyed to the RSMML to take up the matter with appropriate authority			
(b) A demand for Rs 2.48 crore was raised by Commercial taxes department under Rajasthan Value Added Tax Act, 2003 for the F.Y. 2010-11. The demand raised is inclusive of penalty and interest. Joint Venture company has deposited Rs 0.97 crore under protest with department. The Joint Venture company filed an appeal against the said order before appellate authority and appellate authority partially accepted the appeal and set aside the penalty amount imposed of Rs 1.51 crores vide its order dated 28th April, 2015. The Joint Venture company has filed an appeal before Rajasthan Tax Board, Ajmer against this partial acceptance order. The case is under consideration by the Tax Board.	0.97	0.97	2.48

<p>(c) The Joint Venture company had received the income tax assessment order for the financial year 2011-12 with the tax demand of Rs 13.28 crore. The Joint Venture company had paid a sum of Rs 5 crore under protest against this demand and has filed an appeal before CIT (Appeals) against this assessment order. During the year CIT Appeal has passed order in which appeal is partly allowed (Joint Venture company is in process of filing of Appeal with ITAT).</p>	<p>9.82</p>	<p>13.28</p>	<p>16.13</p>
<p>(d) During the year 2015-16, Joint Venture company has received the income tax assessment order for the financial year 2012-13 with the tax demand of Rs 13.04 crore. The Joint Venture company has paid a sum of Rs 1.96 crore under protest against this demand and has filed an appeal before CIT (Appeals) against this assessment order.</p>	<p>13.04</p>	<p>13.04</p>	<p>-</p>
<p>(h) During the year Joint Venture company has received the income tax assessment order for the financial year 2013-14 with the tax demand of Rs 6.46 crore. The Joint Venture company has paid a sum of Rs 0.58 crore under protest against this demand and has filed an appeal before CIT (Appeals) against this assessment order.</p>	<p>6.46</p>	<p>-</p>	<p>-</p>
<p>(e) The Joint Venture company has received an order from the Commissioner of Central Excise for levy of penalty of Rs 0.02 crore for availment of CENVAT credit on some input services during the period from June, 2011 to Nov., 2012. The Joint Venture company has not accepted this order and filed an appeal against the said order with Commissioner (Appeals), Central Excise.</p>	<p>0.02</p>	<p>0.02</p>	<p>0.02</p>
<p>(f) The Joint Venture company have submitted an undertaking to indemnify RSMML from all possible tax and financial liabilities at all point of time for any liabilities arising out of Implementation Agreement (IA)/Joint Venture Agreement (JVA) that have already arisen or may arise in future following transfer of Kapurdi and Jalipa Mining Lease to the Joint Venture company. RSMML has received a service tax adjudication order dated 30.04.2015 from Commissioner (Central Excise), Jaipur imposing service tax demand of Rs 122.30 crore on compensation for mining land paid by the Joint Venture company to RSMML. RSMML has filed an appeal with CESTAT, Delhi against this order. The Joint Venture company has paid an advance of Rs 9.17 crore (7.5% of demand) to RSMML for filling of the appeal.</p>	<p>122.30</p>	<p>122.30</p>	<p>-</p>
<p>(g) A demand for Rs 2.11 crore for each financial year 2011-12 and 2012-13 was raised by Sub-Registrar, Barmer towards Land Tax and the same has been provided in the books of accounts. Out of which, a sum of Rs 3.59 crore is pending for payment. Land tax has been abolished w.e.f. 01-04-2013 vide gazette notification dated 06th March, 2013. The issue whether land tax/levy of land tax is ultra vires, is pending consideration before the Honb'le Supreme Court of India.</p>	<p>3.60</p>	<p>3.60</p>	<p>3.60</p>
<p>(i) During the year Joint Venture company has received an order from the Commissioner of Central Excise, Alwar for levy of Interest of Rs 23.41 crore and Penalty of Rs 67.28 Crore for the differential price between petition price and approved adhoc transfer price for sale of lignite for the period from Oct-11 to Feb 16. The Joint Venture company has not accepted this order and filed an appeal against the said order with CESTAT, Delhi. The Joint Venture company has already paid the basic excise duty amounting to Rs 67.28 Crore by debiting the PLA.</p>	<p>90.69</p>	<p>-</p>	<p>-</p>

(i) During the year Joint Venture company has received an order from the Commissioner of Central Excise, Alwar for levy of Interest of Rs 0.24 crore and Penalty of Rs 2.65 Crore for Late Service Tax Credit reversal for the period Mar-12 to Dec-12 . The Joint Venture company has not accepted this order and filed an appeal against the said order with CESTAT, Delhi. The Joint Venture company has already reverse the CENVAT credit of service tax amounting to Rs 2.65 Crore by debiting the PLA.	2.89		
(j) Few land owners have gone to court for claiming enhanced rate of compensation from RSMML for land acquired for mines project. In case of any enhancement of compensation by court and thereby payment by RSMML, the Joint Venture company will have to reimburse the RSMML for additional compensation. The amount is indeterminate as on date.			
<b>Contingent liabilities incurred by the Company arising from its interests in joint ventures (i)</b>	<b>249.79</b>	<b>153.21</b>	<b>22.22</b>
<b>Company's share of joint venture's contingent liabilities</b>	<b>122.40</b>	<b>75.07</b>	<b>10.89</b>

a The Joint Venture Company, has an outstanding subordinated debt of ₹ 546.44 crore (Previous Year ₹ 490.94 crore) as on 31st March, 2017, availed @ 10% interest rate from company to fund its project related requirements. The Joint Venture Company has recognised interest of ₹ 50.98 crore (Previous Year ₹ 46.53 crore) on subordinate debt for the period from 1st April 2016 to 31st March 2017. As required by the Comptroller and Auditor General of India (CAG), the Company has obtained an opinion on levy of interest on subordinate Loan from Learned Advocate General, Jaipur, Rajasthan, who has also affirmed the provision for the same. However, the matter has been referred by CAG to the GOR and its final opinion is awaited. Till the issue is clarified/ opined by Govt. of Rajasthan, no interest payout on Subordinated Debt shall be carried out.

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

**45 Related party disclosure**

**A) List of Related Parties**

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

<b>I</b>	<b>Enterprises over which key management personnel and relatives of such personnel exercise significant influence</b>
1	JSW Energy Limited
2	JSW Power Trading Company Limited
3	JSW Steel Limited
4	South West Mining Limited
5	JSoft Solutions Limited
6	JSW Foundation
7	JSW Investment Private Limited
8	JSW IP Holdings Private Limited
9	JSW Global Business Solutions Limited
10	Jindal Steel and Power Limited
11	Jindal Saw Limited (Jindal SL)
12	Jindal Stainless Limited (JSL)
13	Jindal Stainless (Hisar) Limited
14	JSW Energy Employees Welfare Trust
<b>II</b>	<b>Joint Venture Company</b>
1	Barmer Lignite Mining Company Limited (JV)
<b>II</b>	<b>Joint Venture-Partner</b>
1	Rajasthan State Mines & minerals Limited
<b>III</b>	<b>Key Managerial Personnel</b>
1	Mr. Nirmal Kumar Jain-Chairman
2	Mr. Sanjay Sagar -Vice Chairman
3	Mr. Pramod Menon – Director (Upto 31st January, 2017)
4	Mr. Girish Deshpande -Director
5	Mr. Aditya Agarwal-Director
6	Ms. Sheila Sangwan-Independent Director
7	Mr. Sunil Dutt Vyas -Independent Director
8	Mr. Buddhadev Dasgupta -Nominee Director
9	Mr. Raj Kumar Sharma-Company Secretary & Chief Financial Officer

A	Transaction during the year	Current Year	Previous Year
<b>1</b>	<b>Purchase of Lignite (Fuel )</b>		
	Barmer Lignite Mining Company Limited	1,158.47	1,052.73
<b>2</b>	<b>Purchase of Limestone (Fuel )</b>		
	Rajasthan State Mines & minerals Limited	11.37	8.17
<b>3</b>	<b>Purchase of Goods</b>		
	JSW Steel Limited	0.98	1.34
	Jindal Steel and Power Limited	0.33	0.36
	Jindal Saw Limited (Jindal SL)	0.44	0.16
	Jindal Stainless Limited (JSL)	0.08	-
	Jindal Stainless (Hisar) Limited	0.72	-
<b>4</b>	<b>Service Received</b>		
	JSoft Solutions Limited	-	0.01
	South West Mining limited	1.23	2.70
	JSW Global Business Solutions Limited	0.65	-
<b>5</b>	<b>Purchase of Power</b>		
	JSW Power Trading Company Limited	0.07	-
	Reimbursement of Open Access Charges	0.01	
<b>6</b>	<b>Branding expense</b>		
	JSW IP Holdings Private Limited	2.21	4.30
<b>7</b>	<b>Security Deposit paid/(refund)</b>		
	JSW IP Holdings Private Limited	0.45	-
<b>8</b>	<b>Amounts paid/(received) on behalf of RWPL by Holding Company /Other Related Party</b>		
	JSW Energy Limited (Net)	3.67	2.67
	South West Mining Limited	(0.02)	(0.02)
	JSW Global Business Solutions Limited	0.41	
<b>9</b>	<b>Amounts paid on behalf of Joint Venture/Other Related Party by RWPL</b>		
	Barmer Lignite Mining Company Limited	1.80	1.81
<b>10</b>	<b>CSR Expenses</b>		
	JSW Foundation	0.48	
<b>11</b>	<b>Sale of Scrap</b>		
	JSW Steel	0.30	
<b>12</b>	<b>Loan given</b>		
	Barmer Lignite Mining Company Limited	55.50	35.85
	JSW Energy Employees Welfare Trust	(0.55)	(0.21)
<b>13</b>	<b>Interest Income subordinate loan given</b>		
	Barmer Lignite Mining Company Limited	50.98	46.53
<b>14</b>	<b>Unsecured Loan</b>		
	JSW Energy Limited (Long Term Loan)	55.50	35.85
	JSW Energy Limited (Short Term Loan)	-	(2.00)
<b>15</b>	<b>Interest Expenses on Loan</b>		
	JSW Energy Limited	50.83	44.75



B	Closing Balances	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
<b>1</b>	<b>Trade (Payables) / Receivables</b>			
	JSW Energy Limited	(0.00)	(1.03)	-
	JSW Steel Limited	0.01	0.11	(0.25)
	JSW Power Trading Company Limited	0.01	-	-
	Barmer Lignite Mining Company Limited	(71.50)	(109.27)	(119.60)
	Rajasthan State Mines & minerals Limited	0.06	(0.16)	(0.01)
	South West Mining Limited	(0.13)	(1.08)	(0.15)
	JSW Foundation	-		
	JSW Global Business Solutions Limited	(0.57)		
	JSW IP Holdings Private Limited	1.32	0.46	-
	JSW Investment Private Limited	-	-	0.92
	Jindal Steel and Power Limited	0.03	0.09	0.03
	Jindal Saw Limited (Jindal SL)	-	0.00	-
	Jindal Stainless Limited (JSL)	-	-	-
	Jindal Stainless (Hisar) Limited	-	-	-
<b>2</b>	<b>Deposit With</b>			
	JSW IP Holdings Private Limited	0.45	-	-
<b>3</b>	<b>Loans / Advances to</b>			
	Barmer Lignite Mining Company Limited	0.43	2.22	0.41
<b>4</b>	<b>Equity Share Capital</b>			
	JSW Energy Limited	1,726.05	1,726.05	1,726.05
<b>5</b>	<b>Investment in Equity Shares</b>			
	Barmer Lignite Mining Company Limited	9.80	9.80	9.80
<b>6</b>	<b>Loan Given</b>			
	Barmer Lignite Mining Company Limited	546.44	490.94	455.09
	JSW Energy Employees Welfare Trust	11.07	11.62	11.83
<b>7</b>	<b>Interest Receivable on Subordinate Loan</b>			
	Barmer Lignite Mining Company Limited	296.88	250.99	209.11
<b>8</b>	<b>Unsecured Loan</b>			
	JSW Energy Limited	546.44	490.94	457.09
<b>9</b>	<b>Interest payable on Unsecured Loan</b>			
	JSW Energy Limited	0.00	49.73	137.46

**The remuneration of directors and other members of key management personnel during the year was as**

Sr no	Transaction during the year	Current Year	Previous Year
1	Short-term benefits	1.61	0.39
2	Post-employment benefits	0.06	0.02
3	Sitting Fees	0.11	0.09
	<b>Total</b>	<b>1.79</b>	<b>0.49</b>

e above figures donot include provisions for gratuity and leave encashment as the same is not determinab

**Note:**

- 1 No amounts in respect of related parties have been written off / written back during the year, nor has any
- 2 Related party relationships have been identified by the management and relied upon by the Auditors.
- 3 Related party transactions have been disclosed on basis of value of transactions in terms of the respective contracts.
- 4 Terms and conditions of sales and purchases: the sales and purchases transactions among the related parties are in the ordinary course of business based on normal commercial terms, conditions, market rates and memorandum of understanding signed with the related parties. For the year ended 31st March, 2017, the company has not recorded any loss allowances for transactions between the related parties.

**46 Corporate Social Responsibility**

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend atleast 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the company as per the Act.

- a) Gross amount to be spent by the company during the year: 8.19 Crores
- b) Amount spent during the year on: 8.19 Crores

				₹ in Cr
Sr.	Particulars	In Cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	6.47	1.72	8.19

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

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

SI No	Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
1	Principal amount outstanding	1.71	2.48	2.50
2	Principal amount due and remaining unpaid		-	-
3	Interest due on (2) above and the unpaid interest	-	-	-
4	Interest paid on all delayed payments under the MSMED Act.	-	-	-
5	Payment made beyond the appointed day during the year	-	-	-
6	Interest due and payable for the period of delay other than (4) above	-	-	-
7	Interest accrued and remaining unpaid	-	-	-
8	Amount of further interest remaining due and payable in succeeding years	-	-	-

48 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	INR crore	As % of consolidated profit and loss	INR crore	As % of consolidated other comprehensive Income	INR crore	As % of total comprehensive income	INR crore
<b>Joint ventures (Investment as per the equity method)</b>								
<b>Indian</b>								
1 Barmer Lignite Mining Company Limited								
Balance as at 31 March, 2017	0.03%	0.92	1.39%	4.06	-	-	1.39%	4.06
Balance as at 31 March, 2016	-0.12%	(3.20)	-1.30%	(4.99)	-	-	-1.30%	(4.99)
<b>Tot: Balance as at 31 March, 2017</b>	<b>100.00</b>	<b>2,860.01</b>	<b>100.00</b>	<b>293.20</b>	<b>100.00</b>	<b>(0.49)</b>	<b>100.00</b>	<b>292.71</b>
<b>Balance as at 31 March, 2016</b>	<b>100.00</b>	<b>2,587.18</b>	<b>100.00</b>	<b>384.39</b>	<b>100.00</b>	<b>0.12</b>	<b>100.00</b>	<b>384.51</b>

#### **49 Disclosure as per Ind AS 101 First-time adoption of Indian Accounting Standards**

##### **Overall principle**

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below:

##### **Mandatory exceptions and optional exemptions**

- (a) **Accounting for changes in parent's ownership in a subsidiary that does not result in loss o**  
The Company has accounted for changes in a parent's ownership in a subsidiary that does not result in a loss of control in accordance with Ind AS 110, prospectively from the date of transition.

(b) **Classification of debt instruments**

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

(c) **Deemed cost for property, plant and equipment and intangible assets:**

The Company has elected to continue with the carrying value of all of its plant and equipment and intangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(d) **Determining whether an arrangement contains a lease:**

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a

(e) **Exchange differences arising on long-term foreign currency monetary items:**

Under previous GAAP, the Company had opted to defer/ capitalize exchange differences arising on long-term foreign currency monetary items in accordance with paragraph 46A of AS 11. The Company has now availed Ind AS 101 option whereby a first time adopter can continue its Previous GAAP policy for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the Previous GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period i.e. April 1, 2016.

(f) **Classification and measurement of financial assets:**

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

(g) **Derecognition of financial assets and liabilities:**

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April, 2015 (the transition date).

(h) **Impairment of financial assets:**

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

(i) **Shared based payments:**

Ind AS 102 Share-based Payment has not been applied to equity instruments in share-based payment transactions that vested before 1 April 2015.

(j) **Accounting for Barmer Lignite Mining Company Limited ("BLMCL"):**

BLMCL was accounted for using the proportionate consolidation method under previous GAAP whereas it needs to be accounted using the equity method under Ind AS. Therefore, as required by Ind AS 101, the Company has:-

- On the transition date, recognised investment in BLMCL by measuring it at the aggregate of the carrying amount of the assets and liabilities that the Company had proportionately consolidated under previous GAAP as of the transition date;
- This investment amount has been deemed to be the cost of investment at initial recognition;
- The Company has tested the investment in BLMCL for impairment as of the transition date;
- After initial recognition at the transition date, the Company has accounted for BLMCL using the equity method in accordance with Ind AS 28; and
- The break-down of the assets and liabilities of BLMCL that have been aggregated into the single line investment balance at the transition date is below.

**First-time Ind AS adoption reconciliations:**

Effect of Ind AS adoption on the Standalone balance sheet as at March 31, 2016 and April 1, 2015

**Reconciliation of equity as at 1 April 2015 (date of transition to Ind AS)**

	IGAAP	Adjustments	Ind AS
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5,974.50	(70.66)	5,903.84
Capital work-in-progress	182.06	(163.30)	18.76
Other Intangible assets	131.03	(129.48)	1.55
Investments	0.00	0.97	0.98
Loans	243.93	220.14	464.07
Other Financial assets	111.13	101.98	213.10
Other Non-current assets	428.68	(425.64)	3.04
	<b>7,071.32</b>	<b>(465.98)</b>	<b>6,605.34</b>
<b>Current assets</b>			
Inventories	67.42	(3.79)	63.63
Trade receivables	525.25	-	525.25
Cash and cash equivalents	36.70	(0.13)	36.57
Bank Balances other than (iii) above	12.39	(11.56)	0.84
Other Financial assets	0.06	-	0.06
Other Current Assets	20.01	(15.52)	4.49
	<b>661.83</b>	<b>(31.00)</b>	<b>630.83</b>
<b>Total assets</b>	<b>7,733.15</b>	<b>(496.99)</b>	<b>7,236.17</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	1,726.05	-	1,726.05
Other equity	377.79	78.46	456.25
<b>Total equity</b>	<b>2,103.84</b>	<b>78.46</b>	<b>2,182.30</b>
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	4,664.43	(531.05)	4,133.38
Other financial liabilities	129.32	(11.52)	117.81
Long term provisions	2.20	-	2.20
Deferred tax liabilities	5.94	(5.94)	-
Other non-current liabilities	1.76	(1.76)	-
	<b>4,803.65</b>	<b>(550.26)</b>	<b>4,253.39</b>
<b>Current Liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	150.22	-	150.22
Trade payables	187.17	19.13	206.29
Other current financial liabilities	463.49	(29.64)	433.86
Current Tax Liabilities (Net)	4.14	(3.87)	0.27
Provisions	6.10	-	6.10
Other current liabilities	14.54	(10.80)	3.74
	<b>825.66</b>	<b>(25.18)</b>	<b>800.48</b>
<b>Total liabilities</b>	<b>5,629.31</b>	<b>(575.45)</b>	<b>5,053.86</b>
<b>Total equity and liabilities</b>	<b>7,733.15</b>	<b>(496.99)</b>	<b>7,236.17</b>

<b>Reconciliation of equity as at 31 March 2016 (contd...)</b>			
	<b>IGAAP</b>	<b>Adjustments</b>	<b>Ind AS</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5,652.32	(67.17)	5,585.15
Capital work-in-progress	554.65	(548.45)	6.19
Other Intangible assets	122.69	(121.44)	1.25
Investments	0.00	-	0.00
Loans	262.00	238.79	500.79
Other Financial assets	135.64	119.89	255.52
Other Non-current assets	99.33	(98.43)	0.90
	<b>6,826.62</b>	<b>(476.81)</b>	<b>6,349.81</b>
<b>Current assets</b>			
Inventories	90.68	(13.57)	77.10
Trade receivables	706.44	-	706.44
Cash and cash equivalents	94.45	(12.91)	81.54
Bank Balances other than (iii) above	21.99	(21.10)	0.89
Other Financial assets	0.01	-	0.01
Other Current Assets	11.67	0.66	12.33
	<b>925.24</b>	<b>(46.93)</b>	<b>878.31</b>
<b>Total assets</b>	<b>7,751.86</b>	<b>(523.74)</b>	<b>7,228.12</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	1,726.05		1,726.05
Other equity	748.37	92.76	841.13
<b>Total equity</b>	<b>2,474.42</b>	<b>92.76</b>	<b>2,567.18</b>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	4,395.18	(531.87)	3,863.31
Other financial liabilities	69.88	(20.19)	49.69
Long term provisions	3.10	4.02	7.11
Deferred tax liabilities	7.19	(7.19)	-
Other non-current liabilities	1.76	(1.76)	-
	<b>4,477.11</b>	<b>(556.99)</b>	<b>3,920.12</b>
<b>Current Liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	59.31	-	59.31
Trade payables	164.53	7.65	172.17
Other current financial liabilities	468.53	(42.53)	426.00
Current Tax Liabilities (Net)	16.89	(5.94)	10.95
Provisions	1.29	-	1.29
Other current liabilities	89.79	(18.69)	71.10
	<b>800.34</b>	<b>(59.51)</b>	<b>740.83</b>
<b>Total liabilities</b>	<b>5,277.44</b>	<b>(616.50)</b>	<b>4,660.94</b>
<b>Total equity and liabilities</b>	<b>7,751.86</b>	<b>(523.74)</b>	<b>7,228.12</b>
	0.00	0.00	0.00

**Company reconciliation of profit or loss for the year ended 31 March 2016**

	IGAAP	Adjustments	Ind AS
<b>Continuing operations</b>			
Revenue from operations	2,562.47	-	2,562.47
Other income	32.10	22.27	54.36
<b>Total Income</b>	<b>2,594.56</b>	<b>22.27</b>	<b>2,616.83</b>
Cost of raw material and components	1,018.02	47.42	1,065.43
Employee benefits expense	45.39	(0.27)	45.12
Depreciation and amortization expense	361.10	(9.99)	351.11
Finance costs	498.48	(10.31)	488.17
Other expenses	190.82	(18.61)	172.21
<b>Total expense</b>	<b>2,113.81</b>	<b>8.24</b>	<b>2,122.05</b>
Share of (profit)/ loss from investment in joint venture		(4.99)	(4.99)
<b>Profit before tax</b>	<b>480.75</b>	<b>9.04</b>	<b>489.79</b>
(1) Current tax	108.92	(3.52)	105.40
(3) Deferred tax	1.26	(1.26)	-
Income tax expense	110.17	(4.77)	105.40
<b>Profit for the year</b>	<b>370.57</b>	<b>13.81</b>	<b>384.39</b>
<b>Other comprehensive income</b>			
Re-measurement gains/ (losses) on defined benefit plans			0.12
<b>Other comprehensive income for the year, net of tax</b>	<b>-</b>	<b>-</b>	<b>0.12</b>
<b>Total comprehensive income</b>	<b>370.57</b>	<b>13.81</b>	<b>384.51</b>

**Company reconciliation of equity for year ended 31 March 2016 and 31 March 2015**

Particulars	31/03/2016	31/03/2015
<b>Equity under Previous GAAP</b>	<b>2,474.42</b>	<b>2,103.84</b>
Net gain / (loss) on financial assets / liabilities fair valued through statement of profit and loss	(1.77)	(2.85)
Amortisation of transaction cost on borrowings	2.34	6.50
Capital Overhauling costs recognised as Property Plant	5.61	
Change in accounting method for BLMCL (JV) from proportionate consolidation to equity accounting	86.58	74.81
<b>Equity under IND AS</b>	<b>2,567.18</b>	<b>2,182.30</b>



**1 Joint Venture**

The Company holds 49% interest in BLMCL and exercises joint control over the entity. Under Indian-GAAP Company has proportionately consolidated its interest in the BLMCL in the Consolidated Financial Statement. On transition to Ind AS the Company has assessed and determined that BLMCL is its JV under Ind AS 111 Joint Arrangements. Therefore, it needs to be accounted for using the equity method as against proportionate consolidation. For the application of equity method, the initial investment is measured as the aggregate of Ind AS amount of assets and liabilities that the Company had previously proportionately consolidated including any goodwill arising on acquisition. On application of equity method the investment stands increased by INR on 1 April 2015 and by INR 31 March 2016. Derecognition of proportionately consolidated BLMCL has resulted in change in balance sheet, statement of profit and loss and cash flow statement.

**2 Security Deposits Given or Taken**

Under Previous GAAP, the Company accounted for deposits given or taken at gross value as an asset or liability. Under Ind AS, the Company has accounted deposits given or taken as per amortised cost method at their inception and accordingly reduced deposits given or taken with a corresponding change until transition date in retained earnings and subsequent changes in the profit and loss.

**3 Trade receivables**

Under Previous GAAP, the Company has created provision for impairment of receivables consists only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL). Due to ECL model, the Company impaired its trade receivable by INR lacs on 1 April 2015 which has been eliminated against retained earnings. The impact of INR for year ended on 31 March 2016 has been recognized in the statement of profit and loss.

**4 Defined benefit liabilities**

Both under Previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost is reduced by INR and Remeasurement gains/ losses on defined benefit plans has been recognized in the OCI net of tax.

**5 Share-based payments**

Under Previous GAAP, the Company recognised only the intrinsic value for the long-term incentive plan as an expense. Ind AS requires the fair value of the share options to be determined using an appropriate pricing model recognised over the vesting period. An additional expense of INR lacs has been recognised in profit or loss for the year ended 31 March 2016. Share options totalling INR lacs which were granted before and still vesting at 1 April 2015, have been recognised as a separate component of equity in SBP reserve against retained earnings at 1 April 2015.

**6 Foreign currency translation**

Under Previous GAAP, the Company recognised translation differences on foreign operations in a separate component of equity.

**7 Property, plant and equipment**

The Company has elected to continue with the carrying value of all of its plant and equipment and intangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

**8 Depreciation of property, plant and equipment**

Ind AS 16 requires significant component parts of an item of property, plant and equipment to be depreciated separately. The cost of major inspections is capitalised and depreciated separately over the period to the next major inspection. At the date of transition to Ind AS, an increase of INR was recognised in property, plant and equipment net of accumulated depreciation due to separate depreciation of significant components of property, plant and equipment. This amount has been recognised against retained earnings. For the year ended on 31 March 2016, increase in depreciation was charged in the statement of profit and loss INR

**9 Borrowings**

Under Previous GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the

**10 Deferred tax**

Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Previous GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. On the date of transition, the net impact on deferred tax liabilities is of INR (31 March 2015: INR).

**11 Sale of Power**

Under Previous GAAP, sale of power was presented gross of rebates and discounts. However, under Ind AS, sale of power is net of all rebates, discounts and commission on sales. Thus sale of power under Ind AS has decreased by INR with a corresponding decrease in other expense.

**12 Other comprehensive income**

Under Previous GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Previous GAAP profit or loss to profit or profit or loss as per Ind AS. Further, Previous GAAP profit or loss is reconciled to total comprehensive income as per

**13 Statement of cash flows**

The transition from Previous GAAP to Ind AS has not had a material impact on the statement of

RAJ WESTPOWER LIMITED  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

**50 Approval of financial statements:**

The financial statements were approved for issue by the board of directors on 27th April 2017.

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

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

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

Place : Mumbai  
Date : 27<sup>th</sup> April, 2017

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

