

INDEPENDENT AUDITOR'S REPORT

To
The Members of Jaypee Powergrid Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Jaypee Powergrid Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

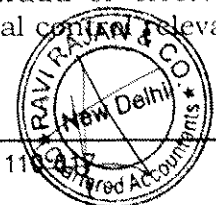
Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant



to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2017, and its profit/loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

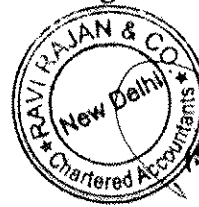
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".



- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The company has disclosed the impact of pending litigations on its financial position in its financial statements, refer note 2.22 in the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with the books of accounts maintained by the company and as produced to us by the Management.

For Ravi Rajan & Co.
Chartered Accountants
Firm Registration No - 009073N



Shivani Bhardwaj
Partner
M. No. - 503875

Place: Gurugram
Date: 25th May 2017

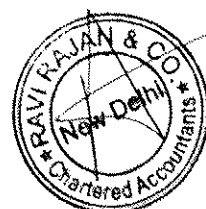
ANNEXURE A referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of **JAYPEE POWERGRID LIMITED** on the accounts of the Company for the year ended 31st March 2017.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) A substantial portion of the Fixed Assets have been physically verified by the management during the year and to the best of our knowledge and information given to us, no material discrepancies have been noticed on such physical verification.

(c) According to the information and explanation given to us and on the basis of our examination of records of the company the title deeds of immovable properties are held in the name of the company.
- (ii) The company is a service company primarily rendering electricity transmission services. Accordingly, it does not hold any physical inventories. The paragraph 3 (ii) of the order is not applicable to the company.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In Our opinion and according to information and explanation given to us and on the basis of examination of records of the company, the company has not made any loans and investments which are covered under section 185 and 186 of the act.
- (v) The company has not accepted the deposits as per the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and rules framed there under.
- (vi) According to the information and explanations given to us, cost records as prescribed by the Central Government under section 148(1) of the Companies Act, 2013 are being made and maintained.
- (vii) (a) As per the examination of records of the company and according to the information and explanations given to us the Company is generally regular in depositing undisputed statutory dues applicable to it like, Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Sales Tax/ Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues

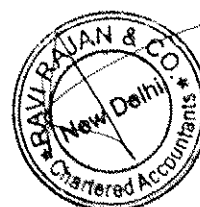


applicable to it with the appropriate authorities, and there were no arrears of such dues at the end of the year which have remained outstanding for a period of more than six months from the date they became payable.

(b) As per records produced before us and according to the information and explanations given to us there are no dues of Income-tax, Sales-tax, Service Tax, Customs duty, Excise Duty, Value Added Tax or Cess which have not been deposited on account of any dispute. except for the following:

Name of Statute (Nature of dues)	Assessment Year	Forum where dispute is pending	
		Commissionerate	Appellate authorities Tribunal
Income Tax	2009-10	-	1,15,74,422-
Income Tax	2009-10	-	64,780
Income Tax	2010-11	19,51,344	
Income Tax	2011-12	45,20,420	
Income Tax	2012-13	25,41,270	
Income Tax	2014-15	72,907	

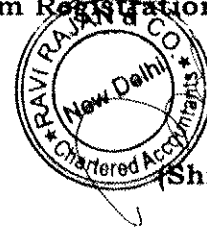
- (viii) Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holder.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debenture instruments) and term loan during the year. Accordingly Paragraph 3 (ix) of the order not applicable.
- (x) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.
- (XI) According to information and explanations given to us and based on our examination of the records of the company, the company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
- (XII) In Our opinion and according to information and explanation given to us, the Company is not a nidhi company. Accordingly paragraph 3 (xii) of the order is not applicable.
- (XIII) According to the information and explanation given to us and based on our examination of the records of the company, Transaction with related party are in compliance with section 177 and 188 of the Act, where applicable and details of



such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.

- (XIV) According to the information and explanation given to us, based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year
- (XV) According to the information and explanation given to us, based on our examination of the records of the company, the company has not entered into non cash transactions with Directors or persons concerned with him. Accordingly paragraph 3 (xv) of the order is not applicable to the company.
- (XVI) The Company is not required to be registered under section 45 - IA of the Reserve Bank of India Act, 1934.

For Ravi Rajan & Co.
Chartered Accountants
Firm Registration No - 009073N



(Shivani Bhardwaj)
Partner
M. No. - 503875

Place: Gurugram
Date: 25th May 2017

ANNEXURE “B” referred to in paragraph 2(f) under “Report on other legal and regulatory requirements” section of our report of even date to the members of Jaypee Powergrid Limited on the Internal Financial Controls referred under clause (i) of sub-section 3 of section 143 of the Companies Act 2013 (“the Act”) for the year ended 31st March, 2017.

We have audited the internal financial controls over financial reporting of **Jaypee Powergrid Limited** (“the Company”) as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

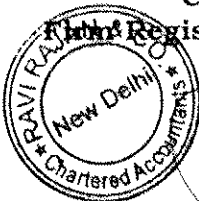
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Place: Gurugram
Date: 25th May 2017

For Ravi Rajan & Co.
Chartered Accountants
Registration No - 009073N



(Shivani Bhardwaj)
Partner
M. No. - 503875

JAYPEE POWERGRID LIMITED
BALANCE SHEET AS AT 31ST MARCH 2017

(Amount in Rs.)

	Particulars	Note No.	Amount as on 31st March 2017	Amount as on 31st March 2016	Amount as on 1st April 2015
	Assets				
(1)	Non Current assets				
	(a) Property, Plant and Equipment	2.1	7,396,343,783	7,925,827,865	8,460,342,550
	(b) Financial Assets	2.2			
	(i) Loans		187,410	187,410	187,410
	(ii) Other Financial assets		524,186,703	417,062,315	261,859,323
	(c) Other non-current tax assets	2.3	523,168,178	501,254,953	393,752,145
	Total non current assets		8,443,886,074	8,844,332,543	9,116,141,429
(2)	Current Assets				
	(a) Financial Assets				
	(i) Trade Receivables	2.4	224,350,393	442,497,788	442,765,711
	(ii) Cash and Cash equivalents	2.5	29,923,576	47,257,112	145,087,329
	(iii) Other Financial assets	2.2	168,611,984	154,155,557	145,413,609
	(b) Current Tax assets (Net)	2.14	-	4,092,524	-
	(c) Other Current Assets	2.6	15,821,012	16,825,597	1,588,651
	Total current assets		438,706,965	664,828,578	734,855,299
	Total Assets		8,882,593,039	9,509,161,121	9,850,996,728
	EQUITY AND LIABILITIES				
	Equity	2.7	3,000,000,000	3,000,000,000	3,000,000,000
	Other Equity	2.8	620,802,303	736,021,604	450,506,218
	Total equity		3,620,802,303	3,736,021,604	3,450,506,218
(1)	Non Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	2.9	3,632,360,731	4,226,544,702	4,814,265,207
	(ii) Trade Payables				
	(iii) Other Financial Liabilities				
	(b) Provisions	2.10	1,655,467	1,430,284	1,464,376
	(c) Deferred Tax Liabilities	2.11	938,836,242	831,711,854	676,508,862
	(d) Other Non Current Liabilities		-	-	-
	Total non current liabilities		4,572,852,440	5,059,686,840	5,492,238,445
(2)	Current Liabilities				
	(a) Financial Liabilities	2.12			
	(i) Borrowings		75,870,883	111,633,403	249,694,990
	(ii) Trade and other Payables		1,516,363	4,130,416	3,909,743
	(iii) Other Financial Liabilities		601,075,067	594,806,582	593,173,928
	(b) Other Current Liabilities	2.13	1,464,067	1,012,159	46,035,120
	(c) Short Term Provisions	2.10	1,089,658	1,870,117	1,533,859
	(d) Current Tax Liabilities (Net)	2.14	7,922,258	-	13,904,425
	Total current liabilities		688,938,296	713,452,677	908,252,065
	Total Equity and Liabilities		8,882,593,039	9,509,161,121	9,850,996,728

Accounting Policies and Notes to the Accounts
for Ravi Rajan & Co.
Chartered Accountants (Registration No. 009073N)

1 & 2
For and on behalf of the Board

Shivani Bhardwaj
Partner
(Membership No. 10878)



Suren Jain
Director (DIN:00011026)

D.P. Goyal
Director (DIN:00211541)

Anita Rikhy
General Manager &
Company Secretary

S.K. Thakral
President & CFO

Place : Gurugram
Date : 25th May 2017

JAYPEE POWERGRID LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

(Amount in Rs.)

	Particulars	Note No	As on 31st March 2017	As on 31st March 2016
I	Revenue from operations	2.15	1,714,109,363	1,711,444,700
II	Other Income	2.16	36,132,682	26,680,568
III	Total Income (I+II)		1,750,242,045	1,738,125,268
IV	Expenses:			
	Employee benefits expense	2.17	32,593,673	31,303,414
	Finance costs	2.18	540,323,683	623,861,347
	Depreciation and amortization Expense	2.10	528,962,602	529,741,596
	Transmission, Administration and Other expenses	2.19	42,140,390	51,627,897
	Total expenses (IV)		1,144,020,349	1,236,534,254
V	Profit/(loss) before exceptional items and tax		606,221,696	501,591,014
VI	Exceptional Items			
VII	Profit/(loss) before tax (V-VI)		606,221,696	501,591,014
VIII	Tax expense:			
	(1) Current tax		129,352,628	
	Less :- MAT Credit Entitlement		21,913,225	
	(2) Deferred tax		107,185,849	
	Less :- Deferred Tax Recoverable		107,124,389	
IX	Profit (Loss) for the period from continuing operation (VII-VIII)		498,720,833	501,787,637
X	Other Comprehensive Income			
	Actuarial Gain/Loss (Net of Tax)	2.20	(116,118)	371,519
XI	Total Comprehensive Income for the period (IX+X)		498,604,715	502,159,156
XII	Earnings per Equity Share			
	(1) Basic		1.66	1.67
	(2) Diluted		1.66	1.67
	Number of shares used in computing earnings per share			
	(1) Basic		300,000,000	300,000,000
	(2) Diluted		300,000,000	300,000,000

Accounting Policies and Notes to the Accounts 1 & 2

for Ravi Rajan & Co.

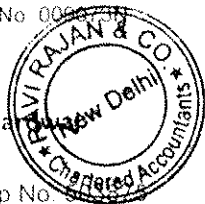
Chartered Accountants

Registration No. 006033

Shivani Bha

Partner

Membership No.



Place : Gurugram

Date : 25th May 2017

For and on behalf of the Board

Suren Jain

Suren Jain

Director (DIN:00011026)

Anita Rikhy

Anita Rikhy

General Manager &

Company Secretary

D.P. Goyal

D.P. Goyal

Director (DIN:00211541)

S.K. Thakral

S.K. Thakral

President & CFO

JAYPEE POWERGRID LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

(Amount in Rs.)

		2016-2017	2015-2016
A. Cash flow from operating activities			
Net Profit from Profit and Loss Statement		498,604,715	502,159,156
Add: 1) Income tax expense recognised in P&L		107,439,403	-
2) Depreciation		528,962,602	529,741,596
3) Interest / Finance Cost		540,323,683	623,861,347
4) Interest Income		(15,048,008)	(15,026,955)
5) Provisions		(380,493)	51,493
Operating Profit before working capital changes		1,659,901,903	1,640,786,637
(Increase)/Decrease in Current Assets			
Inventories		-	-
Trade Receivables		218,147,395	267,923
Other non-current financial assets		-	-
Other Current Assets		(9,359,318)	(23,978,894)
Increase/(Decrease) in Current Liabilities			
Short Term Borrowings		(35,762,520)	(138,061,587)
Other Current Liabilities		(2,143,660)	(43,169,634)
Short Term Provisions		(174,783)	250,673
Income Tax Provision (MAT)			
Advance Tax and TDS Paid		(121,430,370)	(125,499,755)
Net cash inflow from operating activities ----'A'		1,709,178,647	1,310,595,363
B. Cash flow from Investing activities			
Investment in Fixed Assets		521,479	4,773,090
Capital Work in Progress			
Incidental Expenditure During Construction			
(Increase)/Decrease in Loan and Advances and Others			
Trade Payables			
Net cash used in investing activities-----'B'	1 & 2	521,479	4,773,090
C. Cash flow from Financing activities			
<u>Inflow:</u>			
Increase in Share Capital		-	-
Increase/(Decrease) in Term Loans		(591,313,040)	(591,313,040)
Interest Income		15,048,008	15,026,953
<u>Outflow:</u>			
Finance Cost		(536,944,614)	(620,268,812)
Dividend Paid		(613,824,016)	(216,643,770)
Net cash in financing activities-----'C'		(1,727,033,662)	(1,413,198,669)
Net increase/(Decrease) in cash or cash equivalent (A+B+C)		(17,333,536)	(97,830,216)
Cash & cash equivalent at the commencement of the year (Opening balance)		47,257,112	145,087,329
Cash & cash equivalent at the end of the year (closing balance)		29,923,576	47,257,112
Accounting Policies and Notes to the Accounts	1 & 2		
As per our report of even date attached to the Balance Sheet.			

For and on behalf of the Board
for Ravi Rajan & Co.

Chartered Accountants (Registration No 009073N)

Shivani Bhardwaj
Partner

Membership No. 5038



Suren Jain
Director (DIN:00011026)

D.P. Goyal
Director (DIN:00211541)

Anita Rikhy
General Manager &
Company Secretary

S.K. Thakral
President & CFO

Place : Gurugram
Date : 25th May 2017

JAYPEE POWERGRID LIMITED

Statement of Change in Equity as on 31st March 2017

Particulars	Equity		Other Equity			Total Equity	Total Other Equity
	Equity Share Capital	General Reserve	Retained Earning	Other Comprehensive Income			
As on 01/04/2016	3,000,000,000	159,011,162	576,615,345	395,097		3,000,000,000	736,021,604
Profit for the year	-	-	498,720,833	-		-	498,720,833
Acturial Gain/(Loss) net of tax	-	-	-	(116,118)		-	(116,118)
Total	3,000,000,000	159,011,162	1,075,336,178	278,979		3,000,000,000	1,234,626,319
Less: Final Dividend FY 2015-16			195,000,000				195,000,000
Less: Dividend Distribution Tax FY 2015-16			39,697,418				39,697,418
Less: Interim Dividend FY 2016-17			315,000,000				315,000,000
Less: Dividend Distribution Tax FY 2016-17			64,126,598				64,126,598
As on 31/03/2017	3,000,000,000	159,011,162	461,512,162	278,979		3,000,000,000	620,802,303





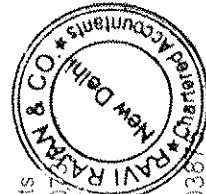

JAYPEE POWERGRID LIMITED

Statement of Change in Equity as on 31st March 2016

Particulars	Equity		Other Equity			Total Equity	Total Other Equity
	Equity Share Capital	General Reserve	Retained Earning	Other Comprehensive Income			
As on 01/04/2015	3,000,000,000	108,638,741	341,843,900	23,578		3,000,000,000	450,506,218
Profit for the year	-	-	501,787,637	-	-	-	501,787,637
Addition to General Reserve	-	50,372,421	-	371,519	-	-	371,519
Actuarial Gain/(Loss) net of tax	-	-	-	395,097	-	-	395,097
Total	3,000,000,000	159,011,162	843,631,536	395,097	3,000,000,000	3,000,000,000	1,003,037,795
Less: Interim Dividend Paid			180,000,000				180,000,000
Less: Dividend Distribution Tax			36,643,770				36,643,770
Less: Transfer to General Reserve			50,372,421				
As on 31/03/2016	3,000,000,000	159,011,162	576,615,345	395,097	3,000,000,000	3,000,000,000	736,021,604

For and on behalf of the Board
for Ravi Rajan & Co.

Chartered Accountants
Registration No. 00907



Shivani Bhardwaj
Partner

Membership No. 50387

Place : Gurugram

Date : 25th May 2017

Suren Jain
Director (DIN:00011026)

Anita Rikhy
General Manager &
Company Secretary

D.P. Goyal
Director (DIN:00211541)

S.K. Thakral
President & CFO

JAYPEE POWERGRID LIMITED

Notes to Financial Statements

1. Corporate and General Information

2. Significant Accounting Policies

Jaypee Powergrid Limited is a joint venture between Jaiprakash Power Ventures Limited (earlier known as Jaiprakash Hydro Power limited) and Power Grid Corporation of India Limited (POWERGRID). The joint venture has been set up pursuant to a Shareholders' Agreement dated 22nd February, 2007, Deed of Adherence dated 24th December, 2007 and Supplementary Shareholders Agreement dated 25th March, 2010. The Company was incorporated for commissioning of 400kV Quad Bundle Conductor Double circuit transmission line from the pothead yard of Karcham Wangtoo HEP at Wangtoo to Abdullapur measuring 219.8 Km. and LILO of existing Baspa Jhakri double circuit line with powerhouse bus of Karcham Wangtoo HEP at Wangtoo measuring about 4 Kms.

The Company has been granted licence for 25 years by Central Electricity Regulatory Commission (CERC) for transmission of electricity issued on 1st October, 2007.

The registered office of the Company is situated at "JA House" 63, Basant Lok, Vasant Vihar, New Delhi 110057.

The financial statements of the company for the year ended March 31, 2017 were approved for issue by the Board of Directors on 25th May, 2017.

2.1. Basis of Preparation

i) Compliance with Ind AS

The Company has adopted accounting policies that comply with Indian Accounting standards (Ind AS) notified by Ministry of Corporate Affairs vide notification dated 16 February 2015 under section 133 of the Companies Act 2013, as required by the relevant applicability provisions prescribed in the same notification. Accounting policies have been applied consistently to all periods presented in these financial statements. The financial statements referred hereinafter have been prepared in accordance with the requirements and instructions of Schedule III to the Companies Act 2013, amended from time to time applicable to companies to whom Ind AS applies.

The opening financial statements have been prepared in accordance with 'Indian Accounting Standard 101' (First time Adoption of Indian Accounting Standards). The opening financial statements comprises



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Balance Sheet, Statement of Change in Equity and its related notes. It does not include Statement of profit or loss and Cash Flow Statement.

The adopted accounting policies comply with each Ind-AS effective at the end of its first Ind-AS reporting period i.e.31st March 2017 except as specified in paragraphs 13-19 and Appendices B-D of Ind AS 101, in the opening financial statements:

- (i) All assets and liabilities have been recognised as required by Ind AS.
- (ii) All assets and liabilities have been derecognised not permitted by Ind AS.
- (iii) All assets, liabilities or components of equity have been reclassified in accordance with Ind AS.
- (iv) All assets and liabilities measured in accordance with Ind AS.

The accounting policies used by the Company in its opening financial statement may differ from those previously used in accordance with Indian Generally Acceptable Accounting Principles (IGAAP) or the previous GAAP. The resulting adjustments, which have arisen for events and transactions before the date of transition to Ind AS, have been directly recognized in retained earnings at the date of transition to Ind-AS i.e. 1st April 2015

The company estimates in accordance with Ind AS at the date of transition to Ind AS are consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

The company discloses in the financial statements how the transition from previous GAAP to Ind AS has affected its reported Balance sheet, Statement of Profit & loss. Accordingly, The Company's first Ind AS financial statements includes:

- (a) Reconciliations of its equity reported in accordance with previous GAAP to its equity in accordance with Ind AS for both of the following dates:
 - (i) the date of transition to Ind AS; and
 - (ii) the end of the latest period presented in the company's most recent annual financial statements in accordance with previous GAAP.
- (b) Reconciliation to its total comprehensive income in accordance with Ind AS for the latest period in the Company's most recent annual



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financial statements. The starting point for that reconciliation being the profit or loss under previous GAAP.

The Company's first Ind AS financial statements includes three Balance Sheet's (as on 31.03.2015, 31.03.2016 and 31.03.2017) and two Statements of profit and loss, two cash flow, two Statements of changes in equity and related notes for the financial year 2015-16 and 2016-17.

The Company's financial statements have been prepared in accordance with the Ind AS prescribed. The preparation of the Company's financial statements in conformity with Indian Accounting Standard requires the Company to exercise its judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that effect the reported amounts of assets and liabilities at the date of the financial statements. These estimates and assumptions are assessed on an ongoing basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances and presented under the historical cost convention on accrual basis of accounting.

ii) Historical Cost convention

The financial statements have been prepared on accrual basis and under the historical cost convention except following which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value,
- Defined benefit plans – plan assets measured at fair value

iii) Functional and presentation currency

The financial statements are presented in Indian Rupees (Rupees or Rs.), which is the Company's functional and presentation currency and all amounts are shown as actuals thereof, except as stated otherwise.

iv) Use of estimates

The preparation of financial statements require estimates and assumptions to be made that affect the reported amount of asset and liabilities on the date of the financial statements and the reported amount of the revenue and the expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

2.2. Property, Plant and Equipment

The Company has elected to use a previous GAAP cost (cost less accumulated depreciation and impairment losses (if any)) of an item of property, plant and equipment at, or before, the date of transition to Ind



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ASs as deemed cost at the date of transition in accordance with accounting policy option available in Ind AS 101.PPE are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

The initial cost of PPE comprise its purchase price, including import duties, net of modvat/cenvat, less accumulated depreciation and include any directly attributable costs of bringing an asset to working condition and location for its intended use, including borrowing costs relating to the qualified asset over the period up to the date the assets are put to use is included in cost of relevant assets.

All other expenditure related to existing assets including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss in the period during which such expenditure is incurred.

The carrying amount of a property, plant and equipment is de-recognised when no future economic benefits are expected from its use or on disposal.

Machine spares that can be used only in connection with an item of fixed asset and their use is expected for more than one year are capitalized.

The property, plant and equipment acquired under finance leases, if any, is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

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

Depreciation on the assets purchased during the year is provided on pro-rata basis from the date of purchase of the assets.

Afforestation charges are capitalized and are treated as part of the Transmission Line and included in Property, Plant and Equipment as Tangible assets.

After initial recognition, Property, Plant and Equipment is carried at cost less accumulated depreciation / amortisation and accumulated impairment losses, if any.

Depreciation on property plant and equipment is provided on straight line method based on estimated useful life of the following assets in accordance with MCA Notification No. S.O.902 (E) dt. 26/03/2014:



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- i) Motor vehicles
- ii) Office equipments
- iii) Furniture & Fixtures
- iv) EDP Machinery & Equipment

as prescribed in schedule II to the Companies Act, 2013. Depreciation on the assets purchased during the year is provided on pro-rata basis from the date of purchase of the assets.

Depreciation/amortisation on the assets related to transmission line and elements thereof, is provided on straight line method following the rates and methodology notified by the CERC for the purpose of recovery of tariff.

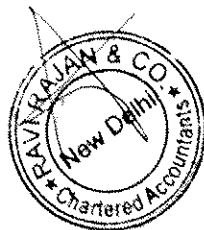
Estimated useful lives of the assets are as follow:-

Class of Assets	Useful life
Building	30
Tools and Plant Equipment	15
Furniture & Fixtures	10
Motor Vehicles	8
Office Equipment	5
EDP Machinery & Equipment	3

Borrowing costs specifically relating to the acquisition or construction of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs are charged to profit & loss account in the period in which it is incurred except loan processing fees which is recognized as per Effective Interest Rate method.

The carrying amount of fixed asset as at the date of the transition has been reduced by the amount of processing cost capitalised (net of cumulative depreciation impact) as per Issue No.4 of ITFG Clarification Bulletin 5 dated 17th April 2017.

The amount of adjustments to fixed assets has been recognised in the retained earnings as at the date of the transition. This treatment reflects the correct economic reality and result in faithful representation of the effects of these transactions on transition in accordance with the requirements of Ind AS. Since the adjustment to fixed assets is only consequential and arising because of applying the transition



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requirements of Ind AS 101, it would not be construed as an adjustment to the deemed cost of property, plant and equipment.

Freehold land is not depreciated.

2.3 Impairment of assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. Reduction is treated as an impairment loss and is recognized in the Profit and Loss Account.

2.4 Rate Regulated Activity

A regulatory asset is recognised when it is probable that the future economic benefits associated with it will flow to the entity as a result of the actual or expected actions of the regulator under the applicable regulatory framework and the amount can be measured reliably.

A regulatory liability is recognised:

- (i) when an entity has a present obligation as a result of a past event;
- (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- (iii) a reliable estimate can be made of the amount of the obligation

On initial recognition and at the end of each subsequent reporting period, the Company measures a regulatory asset or regulatory liability at the best estimate of the amount expected to be recovered or refunded or adjusted as future cash flows under the regulatory framework. A regulatory asset/liability is not discounted to its present value.

An entity reviews the estimates of the amount expected to be recovered, refunded or adjusted at least at the end of each reporting period to reflect the current best estimate. If expectation differs from previous estimates, the changes are accounted for as a change in an accounting estimate in accordance with relevant requirements of the applicable Accounting Standard.

If it is no longer probable that the future economic benefits associated with a regulatory asset will flow to the entity or conditions required for recognising a regulatory liability is no longer valid, the regulatory asset/regulatory liability, respectively are de-recognised and any resulting loss/gain is recognised in the statement of profit and loss.



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2.5 Inventories

Inventories are valued at the lower of cost or net realizable value. Cost of Inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on the following basis:-

- Raw material, construction materials, stores & spares, packing materials, operating stores and supplies is determined on weighted average basis.
- Material-in-transit is valued at cost.
- Finished goods and work in progress - cost includes cost of direct materials and labour and a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods.

2.6 Employee benefits

The undiscounted amount of short-term employee benefits i.e. wages and salaries, bonus, incentive, annual leave and sick leave etc. expected to be paid in exchange for the service rendered by employees are recognized as an expense except in so far as employment costs may be included within the cost of an asset during the period when the employee renders the services.

Retirement benefit in the form of provident fund and pension contribution is a defined contribution scheme and is recognized as an expense except in so far as employment costs may be included within the cost of an asset.

Gratuity and leave encashment is a defined benefit obligation. The liability is provided for on the basis of actuarial valuation made at the end of each financial year. The actuarial valuation is done as per Projected Unit Credit method.

Re measurements, 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 profit or loss through OCI in the period in which they occur. Re measurements are not reclassified to profit or loss in subsequent periods.



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2.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial asset is any asset that is

- Cash;
- an equity instrument of another entity;
- a contractual right:
 - (i) to receive cash or another financial asset from another entity; or
 - (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity; or
- a contract that will or may be settled in the entity's own equity instruments and is:
 - (i) a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
 - (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial assets includes Security deposits ,trade receivable, loan to body corporate, loan to employees and other eligible current and non-current assets.

Financial Liability is any liabilities that is

- a contractual obligation:
 - (i) to deliver cash or another financial asset to another entity; or
 - (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; or
- a contract that will or may be settled in the entity's own equity instruments and is:



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- (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments;
or
- (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments.

Financial liabilities includes Loans, trade payable and eligible current and non-current liabilities.

i. Transitional Provisions in opening balance sheet as per Ind AS 101

The Company designates a previously recognised financial asset/financial liability as a financial asset/ financial liability measured at fair value on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

The Company has assessed whether a financial asset meets the conditions w.r.t classification criteria on the basis of the facts and circumstances that exist at the date of transition to Ind AS, practically feasible.

ii. Classification:-

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

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

A financial asset is measured at amortised cost if both of the following conditions are met:the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



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A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

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

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or fair value through profit or loss.

iii. Initial recognition and measurement:-

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value at initial recognition, plus or minus, any transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss.

iv. Financial assets subsequent measurement:-

The Company measures Financial instruments at fair value at each Balance Sheet date.

Financial assets as subsequent measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL) as the case may be.

Financial liabilities as subsequent measured at amortised cost or fair value through profit or loss.

v. Effective interest method :-

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



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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 a classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

vi. Trade Receivables:-

Trade receivables are the contractual right to receive cash or other financial assets and recognized initially at fair value. Subsequently measured at amortised cost (Initial fair value less expected credit loss). Expected credit loss is the difference between all contractual cash flows that are due to the company and all that the company expects to receive (i.e. all cash shortfall), discounted at the effective interest rate.

vii. Cash and cash Equivalents:-

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

viii. Impairment of Financial Assets:-

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

ix. Financial liabilities:-

Financial liabilities are recognized initially at fair value less any directly attributable transaction costs. These are subsequently carried at amortized cost using the effective interest method or fair value through profit or loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments



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x. Trade payables :-

Trade payables represent liabilities for goods and services provided to the Company prior to the end of financial year and which are unpaid. Trade payables are presented as current liabilities unless payment is not due within 12 months after the reporting period or not paid/payable within operating cycle. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

xi. Borrowings:-

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan.

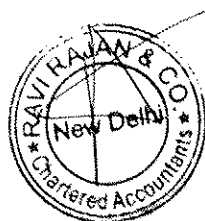
Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

xii. Equity Instruments:-

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

xiii. Derecognition of financial instrument:-

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.



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xiv. 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

2.8 Fair value measurement

The Company measures financial instruments 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.

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

2.9 Income Tax

Income Tax expense comprises of current tax and deferred tax charge or credit. Provision for current tax is made with reference to taxable income computed for the financial year for which the financial statements are prepared by applying the tax rates as applicable.



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Current Tax-Current Income tax relating to items recognized outside the profit and loss is recognized outside the profit and loss (either in other comprehensive income or in other component of equity)

MAT- Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset only to the extent there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT Credit is allowed to be carried forward. In the year in which the Company recognizes MAT Credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the sufficient period.

Deferred Tax:- Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date i.e. timing difference between taxable income and accounting income. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed as at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will not be available against which deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.



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Deferred tax assets are recognized for the unused tax credit to the extent that it is probable that taxable profits will be available against which the losses will be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

2.10 Revenue Recognition and Other Income

Revenue is measured at the fair value of the consideration received or receivable, taking into account the contractually defined terms of payment net of returns and allowances, trade discounts and volume rebates, excluding taxes or duties collected on behalf of the government

Revenue is recognized only when the significant risk and reward of the ownership is transferred to the buyer usually on delivery of the goods. Revenue is recognized to the extent that it is probable that the economic benefit will flow to the Group, revenue can be reliably measured and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Transmission income is accounted for based on tariff order notified by the CERC. Difference, if any, is adjusted based on issuance of final notification of tariff order by CERC.

Surcharge/Rebate received/Paid from/to beneficiaries is accounted on receipt/payment basis and confirmation from Power Grid Corporation of India Ltd.

Interest Income is recognized using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash flows over the expected life of financial instrument, to the gross carrying amount of the financial assets or to the amortised cost of the financial liability.

The Transmission system incentive / disincentive is accounted for based on certification of availability by the respective Regional Power Committees and in accordance with the CERC tariff regulations.

2.11 Dividends

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.



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2.12 Provisions and Contingencies

- i. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.
- ii. Contingent liabilities, if material, are disclosed by way of notes unless the possibility of an outflow of resources embodying the economic benefit is remote and contingent assets, if any, is disclosed in the notes to financial statements.
- iii. A provision is recognized, when company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made for the amount of obligation. The expense relating to the provision is presented in the profit and loss net of any reimbursement.

2.13 Earnings per Share

Basic Earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. For the purpose of calculating Diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.14 Operating Cycle:

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



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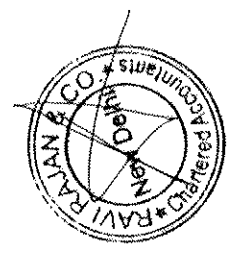
Jaypee Powergrid Limited
Notes to the Financial Statements

NOTE 2.1 PROPERTY, PLANT AND EQUIPMENT

Sl. No.	Description	GROSS BLOCK				DEPRECIATION			NET BLOCK	
		As at 01/04/2016	Addition During the period	Sale/ Transfer during the period	As at 31/03/2017	Opening Balance	Depreciation for the period	Depreciation Adjustment on Sale/ Transfer	As At 31/03/2017	As at 31/03/2016
1	Land	6,327,352	-	-	6,327,352	-	-	-	6,327,352	6,327,352
2	Building	56,438,994	-	-	56,438,994	1,789,116	-	3,583,134	52,855,860	54,644,976
3	Tools and Plant Equipment	4,934,004	-	-	4,934,004	325,322	-	1,486,591	3,447,413	3,772,735
4	Furniture & Fixtures	768,578	-	-	768,578	55,887	-	543,882	224,696	280,583
5	Motor Vehicles	7,293,752	-	-	7,293,752	417,998	-	5,815,918	1,477,834	1,895,832
6	Office Equipment	1,341,191	13,500	-	1,354,691	227,039	-	1,167,724	186,967	400,506
7	EDP Machinery & Equipment	1,072,933	-	-	1,072,933	18,066	-	1,000,702	72,231	90,297
8	Transmission Line LILO	247,763,949	-	-	247,763,949	13,081,937	-	76,525,757	171,238,192	184,320,129
9	Transmission Line	9,356,033,156	-	(534,979)	9,355,558,177	493,973,472	-	2,461,416,457	6,894,141,720	7,388,650,171
10	E-bays (Sub-Station)	146,407,345	-	-	146,407,345	7,730,308	-	38,607,618	107,799,727	115,530,035
11	Reactors	214,838,205	-	-	214,838,205	11,343,457	-	56,266,414	158,571,790	169,915,247
	Total	10,043,279,458	13,500	(534,979)	10,042,757,979	528,962,602	-	2,646,414,195	7,396,343,783	7,925,827,865

Note:-

- 1) Refund of Rs. 5,34,979/- towards royalty has been received from HP State Forest Department during the year.
- 2) The depreciation rates on Fixed Assets (except Transmission Line & its elements at S.No. 8 from Tangible & Intangible Assets) are as per the useful life of the assets as per Schedule -II of the Companies Act' 2013.
- 3) Depreciation on Transmission Line & its elements has been provided on Straight Line Method at the rates & methodology notified by Central Electricity Regulatory Commission (CERC) Tariff Regulations.



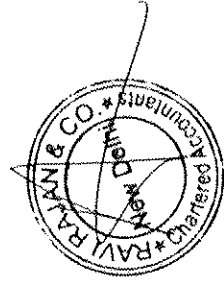
NOTE 2.1A		FIXED ASSETS		TANGIBLE ASSETS		GROSS BLOCK		DEPRECIATION		NET BLOCK	
Sl. No.	Description	As at 01/04/2015	Addition During the period	Sale/ Transfer during the period	As at 31/03/2016	Opening Balance	Depreciation for the period	Depreciation Adjustment on Sale/ Transfer	As At 31/03/2016	As at 31/03/2016	As at 01/04/2015
1	Land	6,327,352	-	-	6,327,352	-	-	-	-	6,327,352	6,327,352
2	Building	56,438,994	-	-	56,438,994	4,902	1,789,116	-	1,794,018	54,644,976	56,434,092
3	Tools and Plant Equipment	4,934,004	-	-	4,934,004	835,055	326,214	-	1,161,269	3,772,735	4,098,949
4	Furniture & Fixtures	768,578	-	-	768,578	431,955	56,040	-	487,995	280,583	336,623
5	Motor Vehicles	7,293,752	-	-	7,293,752	4,555,931	841,989	-	5,397,920	1,895,832	2,737,821
6	Office Equipment	1,292,191	49,000	-	1,341,191	300,763	639,922	-	940,685	400,506	991,427
7	EDP Machinery & Equipment	1,038,133	34,800	-	1,072,933	964,853	17,783	-	982,635	90,297	73,280
8	Transmission Line LILO	247,763,949	-	-	247,763,949	50,361,883	13,081,937	-	63,443,820	184,320,129	197,402,066
9	Transmission Line	9,362,808,896	-	(6,715,840)	9,356,093,156	1,473,435,634	494,007,351	-	1,967,442,985	7,388,650,171	7,889,373,362
10	E-bays (Sub-Station)	146,407,345	-	-	146,407,345	23,147,002	7,730,308	-	30,877,310	115,530,035	123,260,343
11	Reactors	212,979,255	1,858,950	-	214,838,205	33,672,021	11,250,937	-	44,922,957	169,915,247	179,307,234
	Total	10,048,052,548	1,942,750	(6,715,840)	10,043,279,458	1,587,709,998	529,741,596	-	2,117,451,593	7,925,827,864	8,460,342,550

Note:-

1) Refund of Rs. 67.15.840/- towards royalty has been received from HP State Forest Department during the year.

2) The depreciation rates on Fixed Assets (except Transmission Line & its elements at S.No. 8 from Tangible & Intangible Assets) are as per the useful life of the assets as per Schedule -II of the Companies Act, 2013.

3) Depreciation on Transmission Line & its elements has been provided on Straight Line Method at the rates & methodology notified by Central Electricity Regulatory Commission (CERC) Tariff Regulations.



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Notes to the Financial Statements

	31/03/2017	31/03/2016	01/04/2015
2.2 Other Financial Assets			
I Non Current			
(i) Loan - Security Deposits	187,410	187,410	187,410
	187,410	187,410	187,410
Other Financial Assets			
(ii) Deferred Tax Recoverable from Beneficiaries	524,186,704	417,062,315	261,859,323
	524,186,704	417,062,315	261,859,323
II Current			
Debt Service Reserve Account	130,762,726	120,000,000	120,000,000
Tax Refundable	21,269,497	17,174,227	17,174,227
Interest accrued on Fixed Deposit with Banks	16,579,761	16,981,330	8,239,382
	168,611,984	154,155,557	145,413,609
2.3 Other Non-Current Assets			
Mat Credit Entitlement	523,168,178	501,254,953	393,752,145
	523,168,178	501,254,953	393,752,145
2.4 Current Assets - Financial Assets			
Trade Receivables			
Transmission Tariff Receivable			
i) Outstanding for a period exceeding six month (Considered good)	59,126,037	60,955,983	68,096,710
ii) Other	345,224,356	381,541,805	374,669,001
Less:- Tariff Adjustment* *refer note number 2.15 (b)	(180,000,000)	-	-
Total	224,350,393	442,497,788	442,765,711
2.5 Current Assets - Financial Assets			
Cash and Cash equivalents:			
1. Balance with Schedule Banks:			
i) In Current Account	9,986,441	13,536,003	34,695,221
ii) Trust & Retention Account (TRA)* / CLTD	19,881,647	33,680,817	109,969,817
2. Cheque, draft on hand	3,360	-	200,000
3. Cash in hand	52,128	40,291	222,291
Total	29,923,576	47,257,112	145,087,329
2.6 Other Current Assets			
Staff/Other Imprest & Advance	16,703	10,000	415,713
Prepaid Expenses	530,328	639,760	649,717
Advances to Vendors	10,000	-	-
Tax deducted by DIC on Transmission Tariff	14,836,910	15,072,938	-
Inventories - General	427,071	656,905	523,221
Other Recoverable	-	445,994	-
	15,821,012	16,825,597	1,588,651



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(Amount in Rs.)

	AS AT 31/03/2017	AS AT 31/03/2016	AS AT 01/04/2015
SHARE CAPITAL			
Authorised			
300,000,000 Equity Shares of Rs. 10 each	3,000,000,000	3,000,000,000	3,000,000,000
(Previous Year 300,000,000 Equity Shares of Rs. 10/- each)			
Issued, Subscribed and Paid up			
300,000,000 (Previous year 300,000,000)	3,000,000,000	3,000,000,000	3,000,000,000
Total	3,000,000,000	3,000,000,000	3,000,000,000

1) The reconciliation of the number and amount of equity share capital as at 31st March, 2017 and 31st March, 2016 and 1st April, 2015 is set out below:

S. No.	Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
		No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
1	No. of Shares at the beginning of the year	300,000,000	3,000,000,000	300,000,000	3,000,000,000	300,000,000	3,000,000,000
2	Add: Share allotted during the year	-	-	-	-	-	-
3	No. of Shares at the end of the year	300,000,000	3,000,000,000	300,000,000	3,000,000,000	300,000,000	3,000,000,000

2) Details of Shareholders holding more than 5% shares

S. No.	Name of Share Holder	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
		No. of Shares	%	No. of Shares	%	No. of Shares	%
1	Jaiprakash Power Ventures Limited	222,000,000	74*	222,000,000	74*	222,000,000	74*
2	Power Grid Corporation of India Limited	78,000,000	26	78,000,000	26	78,000,000	26
	Total	300,000,000	100	300,000,000	100	300,000,000	100

*Out of above 600 equity shares are held by Jaiprakash Power Ventures Limited in beneficial interest.

Further Notes:-

The Company has only one class of Equity Shares having par value of Rs. 10/- per equity share. The holders of the equity shares are entitled to receive dividend as declared from time to time as are entitled to voting rights proportionate to their share holding at the meeting of share holders.



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2.8 Other Equity
General Reserve
Retained Earning

<u>31/03/2017</u>	<u>31/03/2016</u>	<u>01/04/2015</u>
159,011,162	159,011,162	108,638,741
461,791,141	577,010,442	341,867,478
<u>620,802,303</u>	<u>736,021,604</u>	<u>450,506,218</u>

2.9 Borrowings

The Financial assistance sanctioned and disbursed by Banks of Rupee Term Loans of Rs. 700 crores together with payment of all interest at the agreed rates, additional interest in case of default, liquidated damages, reimbursement of all costs, charges and expenses and any other amount due and payable to the Lenders, Facility agent, Security Trustee (IDBI Trusteeship Services Ltd.) etc. under the loan documents/Financing documents are secured/to be secured by hypothecation of the Company's movable assets (present and future), intangible assets including but not limited to the goodwill, undertaking and uncalled capital, revenues and receivables from Project or otherwise, assignment/charge/security interest of the Company's rights under each of the Project Documents, assignment and/or charge of all licenses, permits, approvals, construction and operating period insurance policies in respect of or in connection with the project, operating cash flows and also including without limitation, the rights, title and interest in the undertakings of the Company, stocks of raw materials, semi-finished and finished goods, consumable stores and all monies, securities, contractor guarantees, performance bonds and any letter of credit provided by any person in favour of the Lenders/Security Trustee etc. ranking pari-passu among all participating Banks. and further secured by way of pledge of 30% of issued and paid up share capital of the Company. As the paid up capital on 31/03/2017, 31/03/2016 and 01/04/2015 was Rs. 300 crore divided into 30 crores equity shares of Rs. 10 each, 9 crores equity shares of Rs. 10 each fully paid up held by Jaiprakash Power Ventures Limited (earlier known as Jaiprakash Hydro-Power Limited) have been pledged in favour of Security Trustee.

Name of the Bank	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015	TERMS OF REPAYMENT
State Bank of India	1,484,981,286	1,689,130,440	1,886,921,656	Repayment in 44 quarterly instalments after a moratorium of 12 months from COD. Repayment has commenced from March,2013.
Punjab National Bank	954,406,663	1,127,751,395	1,301,049,210	Repayment in 46 equal quarterly instalments after a moratorium of 6 months from scheduled COD i.e. 31/12/2011 or project COD which ever is earlier. Repayment has commenced from June,2012.
Central Bank of India	715,809,659	845,830,727	975,817,206	Repayment in 46 equal quarterly instalments after a moratorium of 6 months from scheduled COD i.e. 31/12/2011 or project COD which ever is earlier. Repayment has commenced from June,2012.
The J&K Bank Ltd.	477,163,123	563,832,140	650,477,135	Repayment in 46 equal quarterly instalments after a moratorium of 6 months from scheduled COD i.e. 31/12/2011 or project COD which ever is earlier. Repayment has commenced from June,2012.
	3,632,360,731	4,226,544,702	4,814,265,207	



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	<u>31/03/2017</u>	<u>31/03/2016</u>	<u>31/03/2015</u>
i) Non-current			
a) Provision for Employees benefits	1,161,536	958,957	1,151,752
Provision for Gratuity	493,931	471,327	312,624
Provision for Leave Encashment	1,655,467	1,430,284	1,464,376
ii) Current			
a) Provision for Employees benefits	51,029	25,621	558,371
Provision for Gratuity	153,129	784,213	165,878
Provision for Leave Encashment	885,500	1,060,283	809,610
b) Provision for Expenses	1,089,658	1,870,117	1,533,859
2.11 Deferred Tax Liabilities (Net)			
Deferred Tax Liabilities	831,711,854	915,929,024	785,546,854
Deferred Tax Assets	107,124,389	84,217,170	109,037,992
Total	938,836,242	831,711,854	676,508,862
2.12 Current Liabilities			
Financial Liabilities			
(i) Borrowings			
ICICI Bank Working Capital Loan A/c	75,870,883	111,633,403	249,694,990
Total	75,870,883	111,633,403	249,694,990
(ii) Trade and other Payables			
Total	1,516,363	4,130,416	3,909,743
(iii) Other Financial Liabilities			
Current Maturity - Term Loan			
State Bank of India	206,250,000	200,000,000	200,000,000
Punjab National Bank	173,916,000	173,916,000	173,916,000
Central Bank of India	130,440,000	130,440,000	130,440,000
The Jammu & Kashmir Bank Ltd.	86,960,000	86,960,000	86,960,000
Expenses Payable	1,164,314	881,895	505,963
Retention Money	750,332	880,638	763,894
Due to Staff	1,594,421	1,728,049	588,071
Total	601,075,067	594,806,582	593,173,928
2.13 Other Current Liabilities			
Statutory Dues	1,464,067	1,012,159	1,048,350
Dividend Distribution Tax Payable	-	-	44,986,770
Total	1,464,067	1,012,159	46,035,120
2.14 Current Tax Asset/(Liability) - Net			
Provision for Income Tax	(129,352,628)	(107,502,806)	(143,717,531)
Advance Income Tax	120,000,000	110,000,000	127,500,000
TDS on FDR	1,416,777	1,589,630	2,276,728
Tax Collected at Source (DFO)	13,593	-	36,378
TDS by POSOCO	-	5,700	-
Total	(7,922,258)	4,092,524	(13,904,425)



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2.15	<u>Revenue from operations</u>	31/03/2017	31/03/2016
	Transmission Tariff	1,902,639,565	1,890,211,907
	Less:- Rebate on Collection	8,530,202	11,096,905
	Less:- Tariff Adjustment	180,000,000	167,670,302
	Total	1,714,109,363	1,711,444,700

a) Transmission Tariff revenue has been booked according to Final Tariff Order dt. 07/05/2015 issued by CERC for the block period 2009-14 approving project cost of Rs. 939.68 Crore as against actual cost of Rs. 1007 Crore. In response to the Company's review petition channelling the approval of project cost at reduced level CERC has passed a review order dt. 24/02/2017 and has accepted most of the Company's contentions subject to submission of required information at the time of turing up.

b) An adjustment of Rs. 18 Crore, being the difference of interest being claimed and interest actually being paid has been made in the books to bring it in line with the actual tariff receivable in the current year.

c) Transmission tariff (including incentive) of Rs. 469,502,126/- for the last quarter has been recognized provisionally based on site verification, as the Certificate of Availability of transmission system by NRPC is pending for Certification and will be adjusted, if necessary in the current year.

2.16	<u>Other Income</u>		
	Interest Received on Bank Deposits	15,048,008	15,026,953
	Surcharge on Transmission Charges	10,999,388	8,919,409
	Lincence Fee/System Opreation Charges reimbursement	10,031,865	2,004,709
	Miscellaneous Income	53,421	729,497
	Total	36,132,682	26,680,568
2.17	<u>Employee benefits</u>		
	Salary wages allowances & Benefits	30,716,934	28,954,787
	Contribution to provident and other funds	1,682,201	1,656,044
	Staff welfare expenses	194,538	692,583
	Total	32,593,673	31,303,414
2.18	<u>Finance Cost</u>		
	Financing Charges	2,289,293	2,824,915
	Term Loan Interest	524,942,810	606,723,995
	Interest on Working Capital Account	13,091,580	14,312,437
	Total	540,323,683	623,861,347
2.19	<u>Transmission, Administration and Other expenses</u>		
	Advertisement & Publicity	10,000	10,000
	Auditor's Remuneration		
	- For Statutory Audit	460,000	458,000
	- For Tax Audit for FY 2016-17	115,000	114,500
	- For Certifications/Others	86,451	66,347
	Bank Charges	6,427	6,521
	Books and Periodicals	5,000	18,793
	Communication Expenses	276,955	263,019
	Consultancy Expenses	-	-
	Cost Audit Fee/Others	69,300	75,220
	Corporate Social Responsibility	12,250,000	12,800,000
	Directors' Sitting Fee	1,020,000	960,000
	Insurance Charges	6,440,984	7,549,065
	Internal Audit Fee	236,875	230,640
	Legal and Professional Expenses	1,015,875	707,212
	License Fee	2,077,430	2,037,481
	Less:- Recoverable from beneficiaries	1,997,530	79,900
	Miscellaneous Expenses	7,473,424	13,358,017
	Printing & Stationery Expenses	89,844	97,574
	Reactors Maintenance Cost	4,291,308	3,877,157
	Rent, Rates & Taxes	300,980	187,569
	Secretarial Audit Fee	69,000	68,700
	Service Tax Paid	418,293	434,831
	Sub-Station Maintenance Cost	2,591,329	2,539,209
	System Operation Charges	301,970	-
	Less:- Recoverable from beneficiaries	301,970	-
	Travelling & Conveyance Expenses	2,168,682	1,537,273
	Tariff Determination Fee	2,097,407	2,097,407
	Less:- Recoverable from beneficiaries	1,997,530	99,877
	ULDC/NLDC Charges	230,886	-
	Less:- Recoverable from beneficiaries	230,886	-
	Vehicle Running & Maintenance Expenses	2,564,887	2,133,362
	Total	42,140,390	51,627,897



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EMPLOYEES BENEFIT

- a) All employees are entitled to Provident Fund benefits. Amount charged to Statement of Profit and Loss for the year is Rs. 16,82,201/- (Previous Year Rs. 16,56,044/-)
- b) In accordance with applicable Indian Laws, the Company provides for gratuity, a defined benefit retirement plan (Gratuity Plan). The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employees' last drawn salary and the years of employment with the Company. The Company provides the gratuity benefit through annual contribution to a fund managed by the insurer (SBI Life Insurance Co. Limited). Under this plan, the settlement obligation remains with the Company, although the Employee Gratuity Trust administers the plan and determines the contribution premium required to be paid by the Company.
- c) Leave Encashment - Defined Benefit Plan
The Company has a scheme of encashment of accumulated leaves. The scheme is unfunded and is recognized on the basis of actuarial valuation on annual basis.

The summarized position of defined benefits recognised in the Profit and Loss Account and Balance Sheet are as under

- d) Principal Actuarial assumptions
Principal actuarial assumption used to determine the present value of the benefit obligation are as follows:

Sl. No.	Particulars	Refer note below	Year ended 31/03/2017	Year ended 31/03/2016
I	Discount rate (p.a.)	1	7.50%	8.00%
II	Salary escalation rate (p.a.)	2	5.50%	5.50%
III	Estimate of amount contribution in the immediate next year	Rs./Lacs	1.31	1.91

Notes

- 1 The discount rate is based on the prevailing market yields of the Indian Government securities as at the balance sheet date for the estimated term of obligation.
- 2 The estimates of future salary increase consider takes into a account the inflation, seniority, promotion and other relevant factors.

- e) The following tables set out the funded status of the plans and amount recognised in the financial statements.

Sl. No.	Particulars	2016-17		2015-16	
		Gratuity (Funded)	Leave Encashment	Gratuity (Funded)	Leave Encashment
I	Change in benefit obligations:				
1	Present value of the obligation at the beginning of the year	1,002,398	1,255,540	1,317,630	870,995
2	Current Service Cost	183,685	159,035	336,296	548,466
3	Interest Cost	80,192	100,443	105,410	69,680
4	Actuarial Gain/Loss on obligation	(34,447)	212,042	(607,708)	37,426
5	Benefits paid	-	(1,080,000)	(149,230)	(271,027)
6	Present value of the obligation at the end of the year	1,231,828	647,060	1,002,398	1,255,540
II	Change in Plan Assets during the Period ended March 31,2017				
1	Fair value of the Plan Assets at the beginning of the year.	17,820	-	156,657	-
2	Actual Return on Plan Assets.	1,443	-	10,393	-
3	Contribution by Employer.	-	-	-	-
4	Actual Benefit Paid.	-	-	(149,230)	-
5	Fair value of the Plan Assets at the end of the year.	19,263	-	17,820	-
III	Net Liability/(Surplus)(I-II)				
1	Present value of defined benefit obligation	1,231,828	647,060	1,002,398	1,255,540
2	Fair value of Plan Assets	19,263	-	17,820	-
	Net Liability/(Surplus) (I-II)	1,212,565	647,060	984,578	1,255,540



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IV Expenses Recognised in the Statement of Profit and Loss					
a)	Current Service Cost	183,685	159,035	336,296	548,466
b)	Net interest cost	78,766	100,443	92,877	69,680
	Total	262,451	259,478	429,173	618,146
Expenses recognised in Other Comprehensive Income					
	Actuarial Gain/Loss		March 31, 2017	March 31, 2016	
	Net actuarial gain/(loss) recognized in the period				
	Leave Encashment		(212,042)	(37,426)	
	Gratuity		34,464	605,568	
	Net gain/(loss) for the period		(177,578)	568,142	
	Less Deferred Tax Asset/Liability		(61,460)	196,623	
	Net Charge/(Credit)		(116,118)	371,519	
Demographic assumptions:					
1	Retirement age		60 Years	60 Years	
2	Mortality rate (% of IALM06-08)		100%	100%	
3	Average Outstanding service of Employees up to retirement		19.29	17.29	
4	No. of Employees		27	29	

Note: The information on composition of the plan assets held by the funds managed by the insurer is not provided since the same is not available.

NOTE 2.21

Financial Instrument

Measured at Amortised Cost

The fair value of the Company's borrowings is determined by using effective interest as per IND-AS 109 using rate that reflect the Company's borrowing rate as at the end of the reporting period.

NOTE 2.22

AS AT 31/03/2017 AS AT 31/03/2016 AS AT 31/03/2015

Contingent Liabilities and Commitments (to the extent not provided for)

Contingent Liabilities - Claims against the Company not acknowledged as debt	1,557,760	1,557,760	2,050,400
- Land Compensation Cases	15,092,000	15,092,000	16,537,000
- Income Tax Matters			

The value for matters under appeal Rs. 2,07,25,143/-. Based on the decision of the Appellate authorities and the interpretation of relevant tax provisions, the Company has been legally advised that the additions made in the assessment are likely to be deleted or substantially reduced. As at 31.03.2017 there is no outstanding tax demand against the Company.

Note 2.23

Corporate Social Responsibility

- Gross Amount Required to be spent by the Company Rs. 1,22,00,000/- Appox.
- Amount spent during the year Rs. 1,22,50,000/-.



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LIST OF RELATED PARTIES AS ON 31.03.2017.

Note No. 24: AS PER ACCOUNTING STANDARD (IND-AS-24)

I. Holding Company

1. Jaiprakash Power Ventures Limited (JPVL)

II. Ultimate Holding Company

1. Jaiprakash Associates Limited (JAL) (till 17.02.2017 as JPVL was subsidiary of JAL till that date)

III. Fellow Subsidiary Companies

1. Jaypee Meghalaya Power Limited (**subsidiary** of JPVL)
2. Jaypee Arunachal Power Limited (**JV subsidiary** of JPVL)
3. Prayagraj Power Generation Company Limited (subsidiary of JPVL)
4. Bina Power Supply Limited (subsidiary of JPVL)
5. Sangam Power Generation Company Limited (subsidiary of JPVL)
6. Jaypee Infratech Limited (JIL) (subsidiary of JAL) (till 17.02.2017)
7. Bhilai Jaypee Cement Limited (**JV subsidiary** of JAL) (till 17.02.2017)
8. Himalyan Expressway Limited (subsidiary of JAL) (till 17.02.2017)
9. Gujarat Jaypee Cement & Infrastructure Limited (**JV subsidiary** of JAL) (till 17.02.2017)
10. Jaypee Ganga Infrastructure Corporation Limited (subsidiary of JAL) (till 17.02.2017)
11. Jaypee Agra Vikas Limited (subsidiary of JAL) (till 17.02.2017)
12. Jaypee Fertilizers & Industries Limited (subsidiary of JAL) (till 17.02.2017)
13. Jaypee Cement Corporation Limited (subsidiary of JAL) (till 17.02.2017)
14. Himalyaputra Aviation Limited (subsidiary of JAL) (till 17.02.2017)
15. Jaypee Assam Cement Limited (subsidiary of JAL) (till 17.02.2017)
16. Jaypee Infrastructure Development Limited (new name of Jaypee Cement Cricket (India) Limited) (subsidiary of JAL) (till 17.02.2017)
17. Jaypee Healthcare Limited (subsidiary of JIL) (till 17.02.2017)
18. Jaypee Cement Hockey (India) Limited (subsidiary of JAL) (till 17.02.2017)
19. Jaiprakash Agri Initiatives Company Limited (subsidiary of JCCL) (till 17.02.2017)

Note: Jaiprakash Power Ventures Limited (JPVL) ceased to be a subsidiary of JAL as it allotted 51% of its share capital to its various lenders on 18.02.2017 and consequently, JAL's holding in JPVL reduced to 29.74%. Accordingly, Company (JPL) also ceased to be subsidiary of JAL and Accordingly, Fourteen subsidiaries of JAL (mentioned at S. No. 6 to 19 above) also ceased to be fellow subsidiaries of the Company from that date.



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IV. Associate Companies:

1. Jaiprakash Associates Limited (JAL) (w.e.f. 18.02.2017, it became Associate in place of Ultimate Holding Company)
2. Jaypee Infratech Limited (JIL) (subsidiary of JAL) (w.e.f. 18.02.2017, it became Associate in place of Fellow Subsidiary Company)
3. Bhilai Jaypee Cement Limited (**JV subsidiary** of JAL) (w.e.f. 18.02.2017, it became Associate in place of Fellow Subsidiary Company)
4. Himalyan Expressway Limited (subsidiary of JAL) (w.e.f. 18.02.2017, it became Associate in place of Fellow Subsidiary Company)
5. Gujarat Jaypee Cement & Infrastructure Limited (**JV subsidiary** of JAL) (w.e.f. 18.02.2017, it became Associate in place of Fellow Subsidiary Company)
6. Jaypee Ganga Infrastructure Corporation Limited (subsidiary of JAL) (w.e.f. 18.02.2017, it became Associate in place of Fellow Subsidiary Company)
7. Jaypee Agra Vikas Limited (subsidiary of JAL) (w.e.f. 18.02.2017, it became Associate in place of Fellow Subsidiary Company)
8. Jaypee Fertilizers & Industries Limited (subsidiary of JAL) (w.e.f. 18.02.2017, it became Associate in place of Fellow Subsidiary Company)
9. Jaypee Cement Corporation Limited (subsidiary of JAL) (w.e.f. 18.02.2017, it became Associate in place of Fellow Subsidiary Company)
10. Himalyaputra Aviation Limited (subsidiary of JAL) (w.e.f. 18.02.2017, it became Associate in place of Fellow Subsidiary Company)
11. Jaypee Assam Cement Limited (subsidiary of JAL) (w.e.f. 18.02.2017, it became Associate in place of Fellow Subsidiary Company)
12. Jaypee Infrastructure Development Limited (new name of Jaypee Cement Cricket (India) Limited) (subsidiary of JAL) (w.e.f. 18.02.2017, it became Associate in place of Fellow Subsidiary Company)
13. Jaypee Healthcare Limited (subsidiary of JIL) (w.e.f. 18.02.2017, it became Associate in place of Fellow Subsidiary Company)
14. Jaypee Cement Hockey (India) Limited (subsidiary of JAL) (w.e.f. 18.02.2017, it became Associate in place of Fellow Subsidiary Company)
15. Jaiprakash Agri Initiatives Company Limited (subsidiary of JCCL) (w.e.f. 18.02.2017, it became Associate in place of Fellow Subsidiary Company)
16. MP Jaypee Coal Limited (**JV Associate** of JAL) (till 17.02.2017)
17. MP Jaypee Coal Fields Limited (**JV Associate** of JAL) (till 17.02.2017)
18. Madhya Pradesh Jaypee Minerals Limited (**JV Associate** of JAL) (till 17.02.2017)
19. Jaypee Uttar Bharat Vikas Private Limited (**JV Associate** of JAL) (till 17.02.2017)
20. Kanpur Fertilizers & Cement Limited (**JV Associate** of JAL) (till 17.02.2017)
21. Jaypee Infra Ventures (A Private Company With Unlimited Liability) (JIV) (Associate of JAL) (till 17.02.2017)
22. Jaypee Development Corporation Limited (JDCL) (Subsidiary of JIV) (till 17.02.2017)
23. Andhra Cements Limited (subsidiary of JDCL) (till 17.02.2017)
24. JIL Information Technology Limited (JILIT) (Subsidiary of JIV) (till 17.02.2017)
25. Gaur & Nagi Limited (Subsidiary of JILIT) (till 17.02.2017)



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26. Jaypee International Logistics Company Private Limited (subsidiary of JIV) (till 17.02.2017)
27. Tiger Hills Holiday Resort Private Limited (subsidiary of JDCL) (till 17.02.2017)
28. Anvi Hotels Private Limited (subsidiary of JIV) (**dissolved w.e.f. 16.07.16**)
29. Indesign Enterprises Private Limited (IEPL) (subsidiary of JIV) (till 17.02.2017)
30. Ibonshourne Limited (subsidiary of IEPL w.e.f. 11.01.16) (till 17.02.2017)
31. RPJ Minerals Private Limited (RPJMPL) (Associate of JAL) (till 17.02.2017)
32. Sarveshwari Stone Products Private Limited (subsidiary of RPJMPL) (till 17.02.2017)
33. Rock Solid Cement Limited (subsidiary of RPJMPL) (till 17.02.2017)
34. Sonebhadra Minerals Private Limited (Associate of JAL) (till 17.02.2017)
35. Yamuna Expressway Tolling Private Limited (new name of Jaypee Mining Ventures Private Limited w.e.f. 24.03.2017) (w.e.f. 25.03.2017, it became a subsidiary of JAL, hence Associate of Company w.e.f. that date) (new name Yamuna Expressway Tolling Limited w.e.f. 05.04.2017)

KMP based Associate Cos.

36. Jaiprakash Kashmir Energy Limited
37. Yamuna Expressway Tolling Private Limited (new name of Jaypee Mining Ventures Private Limited w.e.f. 24.03.2017 (w.e.f. 25.03.2017, it became a subsidiary of JAL) (new name Yamuna Expressway Tolling Limited w.e.f. 05.04.2017)
38. Ceekay Estates Private Limited
39. Jaiprakash Exports Private Limited
40. Bhumi Estate Developers Private
41. Pac Pharma Drugs and Chemicals Private (**Dissolved on 16.04.2016**)
42. Jaypee Jan Sewa Sansthan ('Not For Profit' Private Limited Company)
43. Think Different Enterprises Private Limited
44. JC World Hospitality Private
45. JC Wealth & Investments Private Limited
46. CK World Hospitality Private Limited
47. Librans Venture Private Limited
48. Librans Real Estate Private Limited
49. Akasva Associates Private Limited
50. Renaissance Lifestyle Private Limited
51. Lucky Strike Financers Private Limited
52. Samvridhi Advisors LLP (KMP based partnership firm)



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Key Management Personnel

1. Shri I.S. Jha, Chairman
2. Shri G.P. Singh, Vice Chairman
3. Shri Suren Jain
4. Shri Vinod Sharma
5. Shri R.K. Singh
6. Smt. Neha Goyal
7. Shri N.K. Jain, Director Project
8. Shri D.P. Goyal, Managing Director till 31.03.2017
9. Shri S.D.M. Nagpal
10. Shri N.N. Misra
11. Shri Manoj Gaur (KMP of JPVL)
12. Shri Sunil Kumar Sharma (KMP of JPVL)
13. Dr. J.N. Gupta (KMP of JPVL)
14. Shri R.N. Bhardwaj (KMP of JPVL)
15. Shri B.B. Tandon (KMP of JPVL)
16. Shri A.K. Goswami (KMP of JPVL)
17. Shri Gyan Prakash Gaur (KMP of JPVL)
18. Shri S.S. Gupta (KMP of JPVL)
19. Shri Praveen Kumar Singh (KMP of JPVL)
20. Lt. Gen. (Retd.) Shri Ravindra Mohan Chadha (KMP of JPVL)
21. Shri K.N. Bhandari (KMP of JPVL)
22. Shri Arun Balakrishnan (KMP of JPVL)
23. Shri Atanu Sen (KMP of JPVL)
24. S.L. Mohan (KMP of JPVL)
25. Shri Umesh Jain (KMP of JPVL)
26. Shri Sunita Joshi (KMP of JPVL)
27. Shri K.P. Rau (KMP of JPVL)
28. Shri M.K.V. Rama Rao (KMP of JPVL)



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S. No.	Nature of Transaction	JPVL	PGCIL	POSOCO	Key Management Personnel
Transactions during the period:					
1	Revenue from operations	- (-)	1,902,639,565 (1,722,541,605)	- (-)	- (-)
2	Surcharge on Transmission Tariff	- (-)	10,999,388 (8,919,409)	- (-)	- (-)
3	System operation charges	- (-)	- (-)	301,970 (445,994)	- (-)
4	ULD/NLD charges	- (-)	230,886 (-)	- (-)	- (-)
5	Dividend (JPVL/PGCIL)	377,400,000 (133,200,000)	132,600,000 (46,800,000)	- (-)	- (-)
6	Operation and maintenance (JPVL/PGCIL) - Reactors and Sub-station	- (1,611,359)	2,591,329 (2,539,209)	- (-)	- (-)
7	Managerial Remuneration	- (-)	- (-)	- (-)	13,559,875 (10,671,647)
8	Reimbursement of expenses to the Company	- (-)	- (-)	- (-)	- (-)
9	Reimbursement of expenses by the Company	- (-)	- (-)	- (-)	600,000 (-)
10	Sitting Fee paid to Directors	- (-)	- (-)	- (-)	1,020,000 (960,000)
Balances outstanding as at the year end					
11	Trade receivable	- (-)	224,350,393 (442,943,782)	- (-)	- (-)
12	Operation and maintenance (JPVL)	- (-)	- (-)	- (-)	- (-)
13	Managerial Remuneration	- (-)	- (-)	- (-)	2,114,000 (1,529,106)



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Note 2.25 - First time IND AS adoption reconciliation

Note 2.25(1) - Effect of IND AS adoption on the financial statement as at 31/03/2016 and 01/04/2015

Particulars	Note No.	As at 31/03/2016				As at 01/04/2015		
		Previous GAAP	Effect of transition to Ind-AS as on 01/04/2015	Effect of transition to Ind-AS as on 31/03/2016	As per Ind-AS on 31/03/2016	Previous GAAP	Effect of transition to Ind-AS as on 01/04/2015	As per Ind-AS on 01/04/2015
Assets								
Non Current assets								
(a) Property, Plant and Equipment	1	7,946,674,223	(22,241,753)	1,395,395	7,925,827,865	8,482,584,303	(22,241,753)	8,460,342,550
(b) Financial Assets	2							
(i) Loans		187,410	-	-	187,410	120,187,410	(120,000,000)	187,410
(ii) Other Financial assets		420,839,464	8,893,990	(12,671,139)	417,062,315	252,965,333	8,893,990	261,859,323
(iii) Other Non- Current Assets		501,254,953	-	-	501,254,953	393,752,145	-	393,752,145
		8,868,956,050	(13,347,763)	(11,275,744)	8,844,332,543	9,249,489,191	(133,347,763)	9,116,141,429
Current Assets								
(a) Financial Assets								
(i) Trade Receivables	3	442,497,788	-	-	442,497,788	442,765,711	-	442,765,711
(ii) Cash and Cash equivalents	4	47,257,112	-	-	47,257,112	145,087,329	-	145,087,329
(iii) Other Financial assets	2	154,155,557	-	-	154,155,557	25,413,609	120,000,000	145,413,609
(b) Current Tax assets (Net)	14	4,092,524	-	-	4,092,524	-	-	-
(c) Other Current Assets	5	20,617,747	(4,424,236)	632,086	16,825,597	6,012,887	(4,424,236)	1,588,651
		668,620,728	(4,424,236)	632,086	664,828,578	619,279,536	115,575,764	734,855,300
Total Assets		9,537,576,778	(17,771,999)	(10,643,658)	9,509,161,122	9,868,768,727	(17,771,999)	9,850,996,728

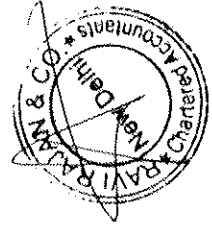


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Note 2.25(1) - Effect of IND AS adoption on the financial statement as at 31/03/2016 and 01/04/2015

Particulars	Note No.	As at 31/03/2016				As at 01/04/2015		
		Previous GAAP	Effect of transition to Ind-AS as on 01/04/2015	Effect of transition to Ind-AS as on 31/03/2016	As per Ind-AS on 31/03/2016	Previous GAAP	Effect of transition to Ind-AS as on 01/04/2015	As per Ind-AS on 01/04/2015
EQUITY AND LIABILITIES								
Equity	6	3,000,000,000	-	-	3,000,000,000	3,000,000,000	-	3,000,000,000
Other Equity	7	509,084,438	(6,195,196)	233,132,364	736,021,605	456,701,415	(6,195,196)	450,506,218
		3,509,084,438	(6,195,196)	233,132,364	3,736,021,605	3,456,701,415	(6,195,196)	3,450,506,218
(1) Non Current Liabilities								
(a) Financial Liabilities	8	4,243,422,960	(20,470,793)	3,592,535	4,226,544,702	4,834,736,000	(20,470,793)	4,814,265,207
(i) Borrowings		-	-	-	-	-	-	-
(ii) Trade Payables		-	-	-	-	-	-	-
(iii) Other Financial Liabilities		-	-	-	-	-	-	-
(b) Provisions	9	1,430,284	-	-	1,430,284	1,464,376	-	1,464,376
(c) Deferred Tax Liabilities	10	835,489,002	8,893,991	(12,671,139)	831,711,854	667,614,871	8,893,991	676,508,862
(d) Other Non Current Liabilities	11	-	-	-	-	-	-	-
		5,080,342,246	(11,576,802)	(9,078,604)	5,059,686,840	5,503,815,247	(11,576,802)	5,492,238,445
(2) Current Liabilities								
(a) Financial Liabilities	12	111,633,403	-	-	111,633,403	249,694,990	-	249,694,990
(i) Borrowings		-	-	-	-	-	-	-
(ii) Trade and other Payables		4,130,416	-	-	4,130,416	3,909,743	-	3,909,743
(iii) Other Financial Liabilities		594,806,582	-	-	594,806,582	593,173,928	-	593,173,928
(b) Other Current Liabilities	13	1,012,159	-	-	1,012,159	46,035,120	-	46,035,120
(c) Short Term Provisions	9	236,567,535	-	(234,697,418)	1,870,117	1,533,859	-	1,533,859
(d) Current Tax Liabilities (Net)	14	-	-	-	-	13,904,425	-	13,904,425
		948,150,095	-	(234,697,418)	713,452,677	908,252,065	-	908,252,065
Total Equity and Liabilities		9,537,576,778	(17,771,999)	(10,643,658)	9,509,161,121	9,868,768,727	(17,771,999)	9,850,996,728



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Note 2.25(2)

Reconciliation of total Comprehensive Income for year ended 31/03/2016

Particulars	As on 31/03/2016
Profit as per previous GAAP (Indian GAAP)	503,724,210
Less/Add adjustment:-	
Less:- Employee benefit Expense	(568,142)
Less:- Finance Cost	(3,592,535)
Add:- Depreciation	1,395,395
Add:- Interest Income	632,086
Add:- Deferred Tax Assets	196,623
Profit as per IND-AS	501,787,637
Other Comprehensive Income	371,519
Total Comprehensive Income	502,159,156

Note 2.25(3)

Retained Earnings	As on 31/03/2017	As on 31/03/2016	As on 01/04/2015
i) Balance at the beginning of the year	577,010,442	341,867,478	341,867,478
ii) Add: Profit for the year	498,604,715	502,159,156	-
	1,075,615,157	844,026,633	341,867,478
iii) Less:			
- Payment of dividend on equity share - interim	315,000,000	180,000,000	
- Payment of dividend on equity share - final	195,000,000		
- Tax on interim dividend	64,126,598	36,643,770	
- Tax on final dividend	39,697,418	-	
- Transfer to General Reserve	-	50,372,421	
	461,791,141	577,010,442	341,867,478

Note

The amount that can be distributed by the Company as dividends to its equity shareholders is determined based the requirements of the Companies Act, 2013. Thus, the amount reported above are not distributable in entirety.



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Note 2.25(4) - Effect of IND AS adoption on the statement of profit and loss for the year ended 31/03/2016.

	Particulars	IGAAP As on 31 March 2016	Ind AS Adjustment	Ind AS for the period ended 31 March 2016
			During the Year	
I	Revenue from operations	1,722,541,605	(11,096,905)	1,711,444,700
II	Other Income	26,048,482	632,086	26,680,568
III	Total Income (I+II)	1,748,590,087	(10,464,819)	1,738,125,268
IV	Expenses:			
	Employee benefits expense	30,735,272	568,142	31,303,414
	Finance costs	620,268,812	3,592,535	623,861,347
	Depreciation and amortization Expense	531,136,991	(1,395,395)	529,741,596
	Transmission, Administration and Other expenses	62,724,802	(11,096,905)	51,627,897
	Total expenses (IV)	1,244,865,877	(8,331,623)	1,236,534,254
V	Profit/(loss) before exceptional items and tax	503,724,210	(2,133,196)	501,591,014
VI	Exceptional Items	-	-	-
VII	Profit/(loss) before tax (V-VI)	503,724,210	(2,133,196)	501,591,014
VIII	Tax expense:			
	(1) Current tax	-	-	-
	Less :- MAT Credit Entitlement	-	-	-
	(2) Deferred tax			
	Less :- Deferred Tax Recoverable		(196,623)	(196,623)
IX	Profit (Loss) for the period from continuing operation (VII-VIII)	503,724,210	(1,936,573)	501,787,637
X	Other Comprehensive Income			
	Actuarial Gain/Loss (Net of Tax)		371,519	371,519
XI	Total Comprehensive Income for the period (IX+X)	503,724,210	(1,565,054)	502,159,156



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Notes to reconciliation

Proposed Dividend: Under the previous GAAP, dividend payable was recognised as a liability in the period to which it relates Under Ind-As dividend is recognised as a liability in the period in which the obligation to pay is established.

Accordingly the liability for proposed dividend (including Tax) of Rs. 23,46,97,418/- as on 31/03/2016 included under provision has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity has increased by an equivalent amount.

Borrowings: Ind-As 109 require transaction cost incurred towards origination of borrowings to be deducted from the carrying amount of the borrowings on initial recognition. These cost are recognised in the statement of profit and loss over the tenure of the borrowing as part of the interest cost expense by applying the effective interest rate method.

Accordingly borrowing as at 01/04/2015 and 31/03/2016 have been reduced with a corresponding adjustments to retained earnings.

The total equity increase by an equivalent amount.

Actuarial Gain & Losses: Remeasurement of Actuarial of gain/losses under GAAP, actuarial gain or losses are recognised in the statement of profit and loss. Under Ind-As the Actuarial gain and losses form the part of remeasurement of the net defined benefit liability/asset which is recognised in OCI instead of profit and loss.

Property Plant & Equipments: As a consequence of restating the carrying amount of loan in accordance with Ind AS 109 the carrying amount of fixed asset as on the date of transition has been reduced by the amount of processing cost (net of cumulative depreciation impact), which had been earlier capitalised as part of fixed asset as per GAAP.

Deferred Taxes: Deferred taxes have been accounted using the balance sheet approach which focuses on temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base, while Indian GAAP required deferred tax accounting using the income statement approach i.e. difference between taxable profit and book profits.

Note 2.25(5)

Disclosure on Specified Bank Notes (SBN's)

The Company had Specified Bank Notes (SBNs) and other denomination notes as defined in the MCA notification G.S.R. 308 (E) dated March 30, 2017 which were held and transacted during the period 08 November 2016 to 30 December 2016.

Particulars	SBNs	Other denomination	Total
Closing cash in hand on 8 November, 2016	128,000	896	128,896
Add: Permitted receipts	48,000	282,461	330,461
Less: Permitted payments	4,500	237,300	241,800
Less: Amount Deposit in Banks	171,500		171,500
Closing cash held as on 30th December 2016	-	46,057	46,057



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Note 2.26 : FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company principal financial asset includes loan, trade and other receivables, and cash and short-term deposits that arise directly from its operations.

The Company's activities are exposed to market risk, credit risk and liquidity risk.

I. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

(a) Interest rate risk

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. In order to optimize the Company's position with regard to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of the fixed rate and floating rate financial instruments in its total portfolio.

(i) The exposure of group borrowings to interest rate changes at the end of reporting period are as follows:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Variable rate borrowings	4,305,797,614	4,929,494,105	5,655,276,197
Fixed rate borrowings	-	-	-
Total borrowings	4,305,797,614	4,929,494,105	5,655,276,197

(ii) As at the end of reporting period, the company had the following variable rate borrowings and interest rate swap contracts outstanding:

Particulars	As at March 31, 2017		As at March 31, 2016	
	Weighted average interest rate	Balance	Weighted average interest rate	Balance
Cash Credit Limit	11.55%	75,870,883	11.90%	111,633,403
Borrowings	11.30%	4,229,926,731	11.65%	4,824,110,702
% of total loans		100%		100%
Net exposure to cash flow interest rate risk		75,870,883		111,633,403

(iii) Sensitivity

Profit/loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates/re-payments of loans.

Particulars	Points		Impact on Profit before Tax	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
INR	+35	+35	15,070,292	17,275,104
	+35	+35	15,070,292	17,275,104



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(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not operate internationally and as the Company has not obtained any foreign currency loans and also doesn't have any foreign currency trade payables and foreign receivables outstanding therefore, the company is not exposed to any foreign exchange risk.

(c) Price Risk

The company exposure to equity securities price risk arises from the investments held by company and classified in the balance sheet at fair value through profit and loss. The company does not have any investments at the current year end and previous year which are held for trading. Therefore no sensitivity is provided.

II. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Power and credit risk is largely mitigated through point of connection (POC) under which transmission charges are pooled and distributed among licensees in proportion to their transmission charges. Involvement of Central Transmission Utility (CTU) i.e. Power Grid Corporation of India Limited in billing, collection and distribution of transmission charges among licensees further reduce the risk. Additionally, stringent regulations related to non-payment of transmission charges have led to significant improvement collection efficiency.

The average credit period on provision of services is 60 days.

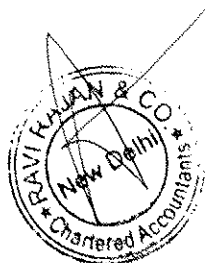
For payment of any Invoice, as raised by the CTU a rebate of 2% shall be allowed on the invoice amount if such payment is made in full within one business day of the receipt of the Invoice. For payment of any Invoice subsequently, but within Due Date, a rebate of 1% shall be allowed on the payment made in full.

Any amount due from one party to the other, and remaining unpaid 30 days after due date, shall bear delayed payment surcharge @ 1.25% per month on the unpaid amount. Such delayed payment surcharge shall be calculated on simple rate basis and shall accrue from 30th day after due date of invoice until the amount due is actually received by the payee.

Trade receivables may be analysed as follows:

Age of receivables	As at March 31, 2017	As at March 31, 2016	As at 1 April 2015
Within the credit period			
1-30 days past due	235,221,644	238,608,561	224,889,667
31-60 days past due	74,467,558	87,271,202	102,645,054
61-90 days past due	26,278,449	22,428,844	22,244,612
More than 90 days past due	68,382,742	94,189,181	92,986,377

Ageing	Expected credit loss
Within the credit period	-
1-30 days past due	-
31-60 days past due	-
61-90 days past due	-
More than 90 days past due	-



III. Liquidity Risk

Liquidity risk is defined as the risk that company will not be able to settle or meet its obligation on time or at a reasonable price. The Company's objective is to maintain optimum levels of liquidity at all times to meet its cash and collateral requirements. Management monitors the company's net liquidity position on the basis of expected cash flows regularly.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

As at March 31, 2017	Borrowings	Trade payables	Other financial liabilities
Within 1 year	597,566,000	1,516,363	3,509,067
1-3 years	1,201,382,000	-	-
More than 3 years	2,444,477,920	-	-
Total	4,243,425,920	1,516,363	3,509,067
Carrying amount	4,229,926,731	1,516,363	3,509,067

As at March 31, 2016	Borrowings	Trade payables	Other financial liabilities
Within 1 year	591,316,000	4,130,416	3,490,582
1-3 years	1,182,632,000	-	-
More than 3 years	3,060,790,960	-	-
Total	4,834,738,960	4,130,416	3,490,582
Carrying amount	4,817,860,702	4,130,416	3,490,582

As at March 31, 2015	Borrowings	Trade payables	Other financial liabilities
Within 1 year	591,316,000	3,909,743	1,857,928
1-3 years	1,182,632,000	-	-
More than 3 years	3,652,104,000	-	-
Total	5,426,052,000	3,909,743	1,857,928
Carrying amount	5,405,581,207	3,909,743	1,857,928



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JAYPEE POWERGRID LIMITED

Notes to Financial Statements as at March 31, 2017

Note No. 2.27 Capital Management

(A) Risk Management

The Company manages its capital to ensure that the company will be able to continue as going concern while maximising the return to stakeholders through the optimization of the debt and equity balance.

The Company's management reviews the capital structure of the Company on a semi-annual basis and considers the cost of capital and the risks associated with each class of capital. The Company monitors capital on the basis of following gearing ratio, which is net debt divided by total capital plus debt.

Gearing ratio

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Debt*	4,305,797,614	4,929,494,105	5,655,276,197
Cash and bank balances (including cash and bank balances in a disposal group held for sale)	29,923,576	47,257,112	145,087,329
Net debt	4,275,874,038	4,882,236,993	5,510,188,868
Total Equity	3,620,802,303	3,736,021,604	3,450,506,218
Net Debts and Total equity	7,896,676,341	8,618,258,598	8,960,695,087
Net debt to equity ratio	54.15%	56.65%	61.49%

*Debt is defined as long-term and short-term borrowings including current maturities and books overdraft

Total equity (as shown in balance sheet) includes issued capital and all other equity reserves.

Note 2.28 : Fair Value Measurement

Categories of financial instruments

Financial assets	As at March 31, 2017	As at March 31, 2016	As at 1 April 2015
Measured at amortised cost			
(i) Trade receivables	224,350,393	442,497,788	442,765,711
(ii) Cash and Bank balance	29,923,576	47,257,112	145,087,329
(iii) Loans	187,410	187,410	187,410
	254,461,379	489,942,310	588,040,449
Financial liabilities	As at March 31, 2017	As at March 31, 2016	As at 1 April 2015
Measured at amortised cost			
(i) Borrowings	4,305,797,614	4,929,494,105	5,655,276,197
(ii) Other financial liabilities	3,509,067	3,490,582	1,857,928
(iii) Trade and other payables	1,516,363	4,130,416	3,909,743
Total	4,310,823,044	4,937,115,103	5,661,043,868



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JAYPEE POWERGRID LIMITED

Notes to Financial Statements as at March 31, 2017

Note 2.28 : Fair Value Measurement

(i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (A) recognised and measured at fair value and (B) measured at amortised cost and for which fair values are disclosed in financial statements. To provide an indication about the reliability of inputs used in determining fair values, the group has classified its financial instruments into three levels prescribed under the accounting standards.

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below :-

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

Fair value measurements

Particulars	Fair value as at			Fair value hierarchy	Valuation technique (s) and key input(s)
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015		
Financial Liabilities					
Financial Liabilities	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015		
a) Borrowings	4,305,797,614	4,929,494,105	5,655,276,197	Level 2	Discounted estimated cash flow through the

The fair values of current debtors, cash & bank balances, loan to related party, security deposit to government department, current creditors and current borrowings and other financial liability are assumed to approximate their carrying amounts due to the short-term maturities of these assets and liabilities.

Particulars	Carrying value		
	As at March 31, 2017	As at March 31, 2016	As at 1 April, 2015
i) Financial assets - Current			
Trade receivables	224,350,393	442,497,788	442,765,711
Cash and cash equivalents	29,923,576	47,257,112	145,087,329
Loans	187,410	187,410	187,410
ii) Financial liabilities - Current			
Trade payables	1,516,363	4,130,416	3,909,743
Borrowing	4,305,797,614	4,929,494,105	5,655,276,197
(ii) Other financial liabilities	3,509,067	3,490,582	1,857,928



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(ii) Valuation techniques used to determine Fair value

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount 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 following method and assumptions are used to estimate fair values:

The Carrying amounts of trade receivables, trade payables, short term borrowing, other financial assets/ Liabilities, cash and cash equivalents. are considered to be their fair value, due to their short term nature.

Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. For borrowing fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance for the company is considered to be insignificant in valuation.

For and on behalf of the Board

for Ravi Rajan & Co.

Chartered Accountants

Registration No. 009073N

Shivani Bhardwaj

Partner

Membership No. 000074



Place : Gurugram

Date : 25th May 2018

Suren Jain

Director (DIN:00011026)

Anita Rikhy

General Manager &

Company Secretary

D.P. Goyal

Director (DIN:00211541)

S.K. Thakral

President & CFO

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