

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, 2018, 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

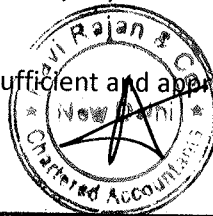
Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

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 thereunder.

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 control 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, 2018, 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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.

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



(Shivani Bhardwaj)
Partner
M. No. 503875

Place: Gurugram

Date: 27-APR-2018

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 2018.

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:

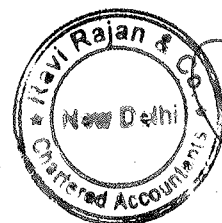
- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 (b) A substantial portion of the Fixed Assets have been physically verified by the management during the year and to the best of our knowledge and information given 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, Goods and Service 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, Goods and 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)	AY	Forum where dispute is pending	
		Commissionerate	Appellate authorities Tribunal
Income Tax	2009-10	0	1,15,74,422-
	2009-10	0	64,780
	2010-11	19,51,344	0
	2011-12	45,20,420	0
	2012-13	25,41,270	0
	2014-15	72907	0
	2016-17	37550	0



- (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: 27-APR-2018

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, 2018.

We have audited the internal financial controls over financial reporting of **Jaypee Powergrid Limited** (“the Company”) as of March 31, 2018 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, 2018, 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".

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



(ShivaniBhardwaj)
Partner
M. No. 503875

Place: Gurugram

Date: 27-APR-2018

JAYPEE POWERGRID LIMITED
BALANCE SHEET AS AT 31ST MARCH' 2018 (Amount in Rs.)

Sl. No.	Particulars	Note No.	Amount as on 31st March 2018	Amount as on 31st March 2017
	Assets			
(1)	Non Current assets			
	(a) Property ,Plant and Equipment	2.1	6,866,936,545	7,396,343,783
	(b) Financial Assets	2.2		
	Loans		187,410	187,410
	(c) Other non-current tax assets	2.3	710,038,244	523,168,178
	Total non current assets		7,577,162,199	7,919,699,371
(2)	Current Assets			
	(a) Financial Assets			
	(i) Trade Receivables	2.4	394,834,265	404,350,393
	(ii) Cash and Cash equivalents	2.5	309,472,694	29,923,576
	(iii) Other Financial assets	2.2	157,537,775	147,342,487
	(b) Current Tax assets (Net)	2.14	-	-
	(c) Other Current Assets	2.6	26,480,290	37,090,509
	Total current assets		888,325,023	618,706,965
	Total Assets		8,465,487,222	8,538,406,335
	EQUITY AND LIABILITIES			
	Equity	2.7	3,000,000,000	3,000,000,000
	Other Equity	2.8	985,987,091	620,802,303
	Total equity		3,985,987,091	3,620,802,303
(1)	Non Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	2.9	3,019,187,843	3,632,360,731
	(ii) Trade Payables			
	(iii) Other Financial Liabilities			
	(b) Provisions	2.10	1,103,871	1,655,467
	(c) Deferred Tax Liabilities	2.11	414,649,538	414,649,538
	(d) Other Non Current Liabilities		-	-
	Total non current liabilities		3,434,941,252	4,048,665,736
(2)	Current Liabilities			
	(a) Financial Liabilities	2.12		
	(i) Borrowings		-	75,870,883
	(ii) Trade and other Payables		1,966,232	1,516,363
	(iii) Other Financial Liabilities		619,646,799	601,075,067
	(b) Other Current Liabilities	2.13	744,559	1,464,067
	(c) Short Term Provisions	2.10	419,092,454	181,089,658
	(d) Current Tax Liabilities (Net)	2.14	3,108,837	7,922,258
	Total current liabilities		1,044,558,880	868,938,296
	Total Equity and Liabilities		8,465,487,222	8,538,406,335

Accounting Policies and Notes to the Accounts 1 & 2

For and on behalf of the Board

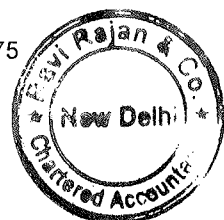
for Ravi Rajan & Co.

Chartered Accountants (Registration No. 009073N)

Shivani Bhardwaj

Partner

Membership No. 503875



Suren Jain

Director (DIN:00011026)

D.P. Goyal

Director (DIN:00211541)

Anita Rikhy

General Manager &

Company Secretary

R.K. Porwal

Jt. President & CFO

Place : Gurugram

Date : 27/04/2018

JAYPEE POWERGRID LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2018

(Amount in Rs.)

	Particulars	Note No	As on 31st March 2018	As on 31st Mar. 2017
I	Revenue from operations	2.15	1,650,509,196	1,714,109,363
II	Other Income	2.16	36,848,687	36,132,682
III	Total Income (I+II)		1,687,357,883	1,750,242,045
IV	Expenses:			
	Employee benefits expense	2.17	24,390,332	32,593,673
	Finance costs	2.18	466,647,377	540,323,683
	Depreciation and amortization Expense	2.1	529,407,238	528,962,602
	Transmission, Administration and Other expenses	2.19	49,546,444	42,140,390
	Total expenses (IV)		1,069,991,391	1,144,020,349
V	Profit/(loss) before exceptional items and tax		617,366,492	606,221,696
VI	Exceptional Items			
VII	Profit/(loss) before tax (V-VI)		617,366,492	606,221,696
VIII	Tax expense:			
	(1) Current tax			(129,352,628)
	Less :- MAT Credit Entitlement		8,677,601	21,913,225
	Excess Provision for earlier year written back		63,002,463	-
	(2) Deferred tax			(107,185,849)
	Less :- Deferred Tax Recoverable		-	107,124,389
IX	Profit (Loss) for the period from continuing operation (VII-VIII)		671,691,354	498,720,833
X	Other Comprehensive Income			
	Actuarial Gain/Loss (Net of Tax)	2.20	405,441	(116,118)
XI	Total Comprehensive Income for the period (IX+X)		672,096,795	498,604,715
XII	Earnings per Equity Share			
	(1) Basic		2.24	1.66
	(2) Diluted		2.24	1.66
	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 and on behalf of the Board
for Ravi Rajan & Co.

Chartered Accountants (Registration No. 009073N)

Shivani Bhardwaj

Partner

Membership No. 503875



Place : Gurugram

Date : 27/04/2018

Suren Jain

Director (DIN:00011026) Director (DIN:00211541)

Anita Rikhy

General Manager &
Company Secretary

D.P. Goyal

R.K. Porwal

Jt. President & CFO

JAYPEE POWERGRID LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

(Amount in Rs.)

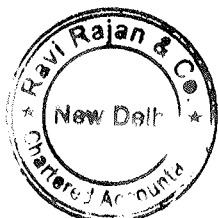
			2017-18	2016-17
A. Cash flow from operating activities				
Net Profit from Profit and Loss Statement			672,096,795	498,604,715
Add: 1) Income tax expense recongnised in P&L			8,677,601	107,439,403
2) Depreciation			529,407,238	528,962,602
3) Interest / Finance Cost			466,647,377	540,323,683
4) Interest Income			(19,357,827)	(15,048,008)
5) Provisions			(551,596)	(380,493)
6) Excess provision reversal for earlier year			(63,002,463)	-
Operating Profit before working capital changes			1,593,917,125	1,659,901,902
(Increase)/Decrease in Current Assets				
Inventories			-	-
Trade Receivables			9,516,128	218,147,395
Other non-current financial assets			-	-
Other Current Assets			414,931	(9,359,318)
Increase/(Decrease) in Current Liabilities				
Short Term Borrowings			(75,870,883)	(35,762,520)
Other Current Liabilities			(447,908)	(2,143,660)
Short Term Provisions			238,002,796	(174,783)
Income Tax Provision (MAT)				
Advance Tax and TDS Paid			(129,436,367)	(121,430,370)
Tax paid for FY 2016-17			(7,922,258)	
Net cash inflow from operating activities ----'A'			1,628,173,564	1,709,178,646
B. Cash flow from Investing activities				
Investment in Fixed Assets			-	521,479
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
C. Cash flow from Financing activities				
<u>Inflow:</u>				
Increase in Share Capital			-	-
Increase/(Decrease) in Term Loans			(597,563,040)	(591,313,040)
Interest Income			19,357,827	15,048,008
<u>Outflow:</u>				
Finance Cost			(463,507,225)	(536,944,614)
Dividend Paid			(306,912,008)	(613,824,016)
Net cash in financing activities-----'C'			(1,348,624,446)	(1,727,033,662)
Net increase/(Decrease) in cash or cash equivalent (A+B+C)			279,549,118	(17,333,537)
Cash & cash equivalent at the commencement of the year (Opening balance)			29,923,576	47,257,112
Cash & cash equivalent at the end of the year (closing balance)			309,472,694	29,923,575
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. 503875



Place : Gurugram
Date : 27/04/2018

Suren Jain

Director (DIN:00011026) Director (DIN:00211541)

Anita Rikhy
General Manager &
Company Secretary

D.P. Goyal

R.K. Porwal
Jt. President & CFO

JAYPEE POWERGRID LIMITED

Statement of Change in Equity as on 31st March 2018.

Particulars	Equity		Other Equity			Total Equity	Total Other Equity
	Equity Share Capital	General Reserve	Retained Earning	Other Comprehensive Income			
As on 01/04/2017	3,000,000,000	159,011,162	461,512,164	278,979	3,000,000,000	620,802,303	
Profit for the year	-	-	671,691,354	-	-	671,691,354	
Transfer to General Reserve	-	123,871,352	-	-	-	123,871,352	
Acturial Gain/(Loss) net of tax	-	-	-	405,441	-	405,441	
Total	3,000,000,000	282,882,514	1,133,203,517	684,420	3,000,000,000	1,416,770,450	
Transfer to General Reserve	-	-	123,871,352	-	-	123,871,352	
Less: Dividend Paid during FY 2017-18	3,000,000,000	282,882,514	1,009,332,165	684,420	3,000,000,000	1,292,899,098	
a) Final Dividend for FY 2016-17			75,000,000			75,000,000	
Dividend Distribution Tax			15,268,238			15,268,238	
b) Interim Dividend for FY 2017-18			180,000,000			180,000,000	
Dividend Distribution Tax			36,643,770			36,643,770	
As on 31/03/2018	3,000,000,000	282,882,514	702,420,157	684,420	3,000,000,000	985,987,091	

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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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 LILLO 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, 2018 were approved for issue by the Board of Directors on 27th April, 2018.

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.

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 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.

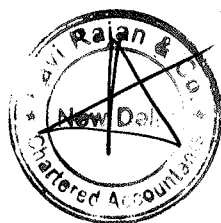
The carrying amount of a property, plant and equipment is de-recognised when no future economic benefits are expected from its use or on disposal.

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.



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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:

- 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.



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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 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.

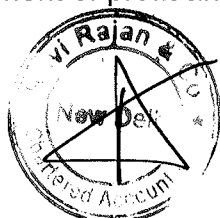
A regulatory liability is recognised:

- (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.

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:



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- (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:
 - (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.



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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.

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.



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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 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 Equivalent:-

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



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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

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.



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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.

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.



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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.

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.

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.



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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.

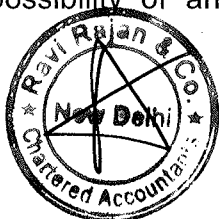
The Transmission system incentive / disincentive is accounted for based on certification of availability by the respective Regional Power Committees and in accordance with the CERC tariff regulations.

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

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



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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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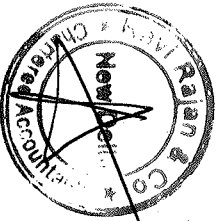
NOTE 2.1 PROPERTY, PLANT AND EQUIPMENT

(Amount in Rs.)

Sl. No.	Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01/04/2017	Addition During the period	Sale/ Transfer during the period	As at 31/03/2018	Opening Balance	Depreciation for the period	Depreciation Adjustment on Sale/ Transfer	As At 31/03/2018	As at 31/03/2018	As at 31/03/2017
1	Land	6,327,352	-	-	6,327,352	-	-	-	-	6,327,352	6,327,352
2	Building	56,438,993	-	-	56,438,993	3,583,134	-	-	5,369,011	51,069,982	52,856,859
3	Tools and Plant Equipment	4,934,004	-	-	4,934,004	1,486,591	-	-	1,819,856	3,114,148	3,447,413
4	Furniture & Fixtures	730,024	-	-	730,024	516,236	-	-	566,293	163,731	213,788
5	Motor Vehicles	7,293,752	-	-	7,293,752	5,815,918	-	-	6,162,946	1,130,806	1,477,834
6	Office Equipment	1,393,245	-	-	1,393,245	1,195,370	-	-	1,314,680	78,565	197,875
7	EDP Machinery & Equipment	1,072,933	-	-	1,072,933	1,000,702	-	-	1,011,717	61,216	72,231
8	Transmission Line LLO	247,763,949	-	-	247,763,949	76,525,757	-	-	89,609,688	158,154,261	171,238,192
9	Transmission Line	9,355,558,177	-	-	9,355,558,177	2,461,416,456	-	-	2,955,984,406	6,399,573,771	6,894,141,721
10	E-bays (Sub-Station)	146,407,345	-	-	146,407,345	38,607,618	-	-	46,340,892	100,066,453	107,799,727
11	Reactors	214,838,204	-	-	214,838,204	56,266,414	-	-	67,641,945	147,196,259	158,571,790
	Total	10,042,757,977	-	-	10,042,757,977	2,646,414,194	529,407,238	-	3,175,821,432	6,866,936,545	7,396,343,783

Note:-

- 1) The depreciation rates on Property Plant and Equipment (except Transmission Line & its elements from Tangible & Intangible Assets) are as per the useful life of the assets as per Schedule - II of the Companies Act 2013.
- 2) 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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JAYPEE POWERGRID LIMITED**Notes to the Financial Statements**

2.2 Other Financial Assets	31/03/2018	31/03/2017
I Non Current		
Loan - Security Deposits	187,410	187,410
	187,410	187,410
II Current		
Debt Service Reserve Account	133,079,747	130,762,726
Interest accrued on Fixed Deposit with Banks	24,458,028	16,579,761
	157,537,775	147,342,487
2.3 Other Non-Current Assets		
Mat Credit Entitlement	710,038,244	523,168,178
	710,038,244	523,168,178
<u>Current Assets - Financial Assets</u>		
2.4 Trade Receivables		
Transmission Tariff Receivable		
i) Outstanding for a period exceeding six month (Considered good)	56,259,778	59,126,037
ii) Other	338,574,487	345,224,356
Total	394,834,265	404,350,393
2.5 Cash and Cash equivalents:		
1. Balance with Schedule Banks:		
i) In Current Account	8,303,919	9,986,441
ii) Trust & Retention Account (TRA)* / CLTD	301,090,254	19,881,647
2. Cheque, draft on hand	-	3,360
3. Cash in hand	78,521	52,128
Total	309,472,694	29,923,576
2.6 Other Current Assets		
Staff/Other Imprest & Advance	13,260	16,703
Prepaid Expenses	484,511	530,328
Advances to Vendors	10,000	10,000
Tax deducted by DIC on Transmission Tariff	8,324,779	14,836,910
Tax Refundable	17,226,727	21,269,497
Inventories - General	421,013	427,071
	26,480,290	37,090,509



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NOTE 2.7

	<u>AS AT 31/03/2018</u>	<u>AS AT 31/03/2017</u>
SHARE CAPITAL		
Authorised		
300,000,000 Equity Shares of Rs.10 each (Previous Year 300,000,000 Equity Shares of Rs. 10/- each)	3,000,000,000	3,000,000,000
Issued, Subscribed and Paid up		
300,000,000 (Previous year 300,000,000) Equity Shares of Rs. 10/- each fully paid-up.	3,000,000,000	3,000,000,000
Total	3,000,000,000	3,000,000,000

1) The reconciliation of the number and amount of equity share capital as at 31st March, 2018 and 31st March, 2017 is set out below:

Sl. No.	Particulars	As at March 31, 2018		As at March 31, 2017	
		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
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

2) Details of Shareholders holding more than 5% shares


S. No.	Name of Share Holder	As at March 31, 2018		As at March 31, 2017	
		No. of Shares	%	No. of Shares	%
1	Jaiprakash Power Ventures Limited	222,000,000	74*	222,000,000	74*
2	Power Grid Corporation of India Limited	78,000,000	26	78,000,000	26
	Total	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





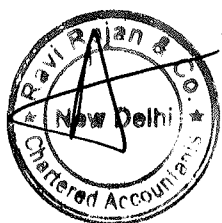


2.8 Other Equity	<u>31/03/2018</u>	<u>31/03/2017</u>
General Reserve	282,882,514	159,011,162
Retained Earning	702,420,157	461,512,164
Other Comprehensive Income	684,420	278,979
	<u>985,987,091</u>	<u>620,802,304</u>

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 31/03/2018 and 31/03/2017 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 31/03/2018	As at 31/03/2017	TERMS OF REPAYMENT
State Bank of India	1,261,961,259	1,484,981,286	Repayment in 44 quarterly instalments after a moratorium of 12 months from COD. Repayment has commenced from March,2013.
Punjab National Bank	781,009,449	954,406,663	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	585,749,900	715,809,659	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.	390,467,235	477,163,123	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.
	3,019,187,843	3,632,360,731	



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2.10 Provisions		31/03/2018	31/03/2017
i) Non-current			
a) Provision for Employees benefits			
Provision for Gratuity		590,029	1,161,536
Provision for Leave Encashment		513,842	493,931
		1,103,871	1,655,467
ii) Current			
a) Provision for Employees benefits			
Provision for Gratuity		-	51,029
Provision for Leave Encashment		47,654	153,129
b) Provision for Expenses		982,800	885,500
c) Provision for Transmission Tariff		418,062,000	180,000,000
		419,092,454	181,089,658
2.11 Deferred Tax Liabilities			
Opening Balance		938,836,242	831,711,854
Current Year Liabilities		(65,917,571)	107,124,389
Total for the year		872,918,671	938,836,242
Less:- Deferred Tax Recoverable from Beneficiaries		458,269,133	524,186,704
Total		414,649,538	414,649,538

Note :- The tariff norms for the block period 2014-19 notified by the Central Electricity Regulatory Commission (CERC) provide for grossing up of the return on equity based on effective tax rate for the financial year based on the actual tax paid during the year on the transmission income. Accordingly, deferred tax provided during the year ended 31st March, 2018 on the transmission income is accounted as 'Deferred Assets against Deferred Tax Liability' which shall be reversed in future years (including tax holiday period) when the related deferred tax liability forms a part of current tax. This is in line with IND-AS 114 and guidance note on rate regulated activities issued by ICAI.

2.12 Current Liabilities

Financial Liabilities

(i) Borrowings

ICICI Bank Working Capital Loan A/c		-	75,870,883
Total		-	75,870,883

(ii) Trade and other Payables

Total		1,966,232	1,516,363
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(iii) Other Financial Liabilities

Current Maturity - Term Loan			
State Bank of India		225,000,000	206,250,000
Punjab National Bank		173,916,000	173,916,000
Central Bank of India		130,440,000	130,440,000
The Jammu & Kashmir Bank Ltd.		86,960,000	86,960,000
Expenses Payable		979,452	1,164,314
Retention Money		764,999	750,332
Due to Staff		1,586,348	1,594,421
Total		619,646,799	601,075,067

2.13 Other Current Liabilities

Statutory Dues		744,559	1,464,067
Total		744,559	1,464,067

2.14 Current Tax Asset/(Liability) - Net

Provision for Income Tax		(132,545,204)	(129,352,628)
Advance Income Tax		129,434,662	120,000,000
TDS on FDR		1,705	1,416,777
Tax Collected at Source (DFO)		-	13,593
Total		(3,108,837)	(7,922,258)



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2.15 Revenue from operations	31/03/2018	31/03/2017
Transmission Tariff	1,902,245,329	1,902,639,565
Less:- Rebate on Collection	13,674,133	8,530,202
Less:- Tariff Adjustment	238,062,000	180,000,000
Total	1,650,509,196	1,714,109,363

Notes:-

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 challenging the approval of project cost at reduced level, CERC had passed a review order dt. 24/02/2017 and had accepted most of the Company's contentions subject to submission of required information at the time of truing up. Accordingly, the Company has now filed a truing up petition for the block period 2009-14 along with the petition for the tariff determination for the block period 2014-19 in September 2017.

b) An adjustment of Rs. 23.80 Crore, being the difference of interest claim as per Tariff Petition for the year 2017-18 per to block period 2014-19 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.

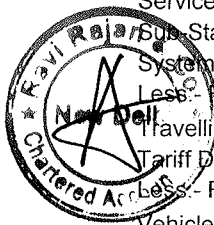
c) Transmission tariff (including incentive) of Rs. 462,223,473/- for the last quarter has been recognized provisionally based on site verification, as the Certificate of Availability of transmission system by NRPC is pending for Certification and will be adjusted, if necessary in the current year.

2.16 Other Income		
Interest Received on Bank Deposits	19,357,827	15,048,008
Surcharge on Transmission Charges	10,597,209	10,999,388
Lincence Fee/System Operation Charges reimbursement	-	10,035,286
Recovery from Forest Department	6,887,829	-
Miscellaneous Income	5,822	50,000
Total	36,848,687	36,132,682

2.17 Employee benefits		
Salary wages allowances & Benefits	22,970,821	30,716,934
Contribution to provident and other funds	1,059,145	1,682,201
Staff welfare expenses	360,366	194,538
Total	24,390,332	32,593,673

2.18 Finance Cost		
Financing Charges	5,962,071	2,289,293
Term Loan Interest	456,663,518	524,942,810
Interest on Working Capital Account	4,021,788	13,091,580
Total	466,647,377	540,323,683

2.19 Transmission, Administration and Other expenses		
Advertisement & Publicity	252,202	10,000
Auditor's Remuneration		
- For Statutory Audit	590,000	460,000
- For Tax Audit for FY 2016-17	118,000	115,000
- For Certifications/Others	76,495	86,451
Bank Charges	21,792	6,427
Books and Periodicals	17,488	5,000
Communication Expenses	177,631	276,955
Cost Audit Fee/Others	72,600	69,300
Corporate Social Responsibility	12,350,000	12,250,000
Directors' Sitting Fee	1,156,800	1,020,000
Insurance Charges	5,742,226	6,440,984
Internal Audit Fee	236,000	236,875
Legal and Professional Expenses	867,960	1,015,875
License Fee	2,057,456	79,900
Less:- Recoverable from beneficiaries	(2,057,456)	-
Miscellaneous Expenses	6,535,877	7,473,424
Printing & Stationery Expenses	78,347	89,844
Reactors Maintenance Cost	4,812,794	4,291,308
Rent, Rates & Taxes	537,773	300,980
Secretarial Audit Fee	60,000	69,000
Service Tax Paid	75,554	418,293
Sub-Station Maintenance Cost	11,927,440	2,591,329
System Operation Charges Paid	232,987	
Less:- Recoverable from beneficiaries	(232,987)	-
Travelling & Conveyance Expenses	1,643,122	2,168,682
Tariff Determination Fee	11,428,165	
Less:- Recoverable from beneficiaries	(11,428,165)	99,877
Vehicle Running & Maintenance Expenses	2,196,344	2,564,887
Total	49,546,444	42,140,390



NOTE 2.20**EMPLOYEES BENEFIT**

- a) All employees are entitled to Provident Fund benefits. Amount charged to Statement of Profit and Loss for the year is Rs. 10,59,145/- (Previous Year Rs. 16,82,201/-)
- 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 31/03/2018	Year ended 31/03/2017
I	Discount rate (p.a.)	1	7.73%	7.50%
II	Salary escalation rate (p.a.)	2	5.50%	5.50%
III	Estimate of amount contribution in the immediate next year	Rs./Lacs	1.28	1.31

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	2017-18		2016-17	
		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	1,231,828	647,060	1,002,398	1,255,540
2	Current Service Cost	124,252	84,550	183,685	159,035
3	Interest Cost	92,387	48,530	80,192	100,443
4	Actuarial Gain/Loss on obligation	(341,440)	(67,711)	(34,447)	212,042
5	Benefits paid	(125,391)	(150,933)	-	(1,080,000)
6	Present value of the obligation at the end the year	981,636	561,496	1,231,828	647,060
II	Change in Plan Assets during the Period ended March 31,2018				
1	Fair value of the Plan Assets at the beginning of the year.	19,263	-	17,820	-
2	Actual Return on Plan Assets.	(2,265)	-	1,443	-
3	Contribution by Employer.	500,000	-	-	-
4	Actual Benefit Paid.	(125,391)	-	-	-
5	Fair value of the Plan Assets at the end of the year.	391,607	-	19,263	-
III	Net Liability/(Surplus)(I-II)				
1	Present value of defined benefit obligation	981,636	561,496	1,231,828	647,060
2	Fair value of Plan Assets	391,607	-	19,263	-
	Net Liability/(Surplus) (I-II)	590,029	561,496	1,212,565	647,060



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IV Expenses Recognised in the Statement of Profit and Loss					
a)	Current Service Cost	124,252	84,550	183,685	159,035
b)	Net interest cost	90,942	48,530	78,766	100,443
	Total	215,194	133,080	262,451	259,478
Expenses recognised in Other Comprehensive Income					
Actuarial Gain/Loss		March 31, 2018		March 31, 2017	
Net actuarial gain/(loss) recognized in the period					
Leave Encashment			67,711	(212,042)	
Gratuity			337,730	34,464	
Net gain/(loss) for the period			405,441	(177,578)	
Less Deferred Tax Asset/Liability			116,929	(61,460)	
Add Deferred Assets			116,929	-	
Net Charge/(Credit)			405,441	(116,118)	
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	19.29	
4	No. of Employees		26	27	

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 31/03/2018 AS AT 31/03/2017

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
- Land Compensation Cases	15,092,000	15,092,000
- Income Tax Matters		

The value for matters under appeal Rs. 2,07,62,693/-. 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 31.03.2018 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. 1,20,00,000/- Appox.
- Amount spent during the year Rs. 1,23,50,000/-.



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JAYPEE POWERGRID LIMITED (JPL)

LIST OF RELATED PARTIES AS ON 31.03.2018

Note No. 2.24: 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 1 : 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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Note 2 : (* SBICAP-Trustee for lenders of PPGCL on 18th December, 2017 enforced the pledge of shares and transferred all shares (261,91,89,200 Equity Shares of Rs.10/- each and 27,00,00,000 Preference Shares of Rs.10/- each) held by the Company in PPGCL. Consequent upon invocation of entire pledged shares of JPVL in PPGCL held by SBICAP Trustee on behalf of banks/financial institutions, in favour of SBICAP Trustee Company Limited on 18th December, 2017, PPGCL ceased to be subsidiary of JPVL.)

IV. Entity to whom the Company is an Associate Company:

Jaiprakash Associates Limited (JAL) (w.e.f. 18.02.2017, it became Associate in place of Holding Company)

V. Subsidiaries of the Entity (JAL) to whom the Company is an Associate Company:

1. Companies at S.No.III (1 to 14) above were Fellow Subsidiary companies till 17.02.2017 and thereafter become associate companies.
2. Yamuna Expressway Tolling Limited (new name of Yamuna Expressway Tolling Private Limited w.e.f. 05.04.2017, which again is the new name of Jaypee Mining Ventures Private Limited w.e.f. 24.03.2017) (subsidiary of JAL w.e.f. 25.03.2017 & wholly owned subsidiary of JAL w.e.f. 20.04.2017)
3. Jaypee Uttar Bharat Vikas Private Limited (JUBVPL) (JV Associate Co. till 25.07.17. It became wholly owned subsidiary of JFIL [hence of JAL also] w.e.f. 26.07.17)
4. Kanpur Fertilizers & Cement Limited (JV Associate Co. till 25.07.17. It became subsidiary of JUBVPL [hence of JFIL & JAL also] w.e.f. 26.07.17)

vi. Associate Companies:

a. JV Partner

Power Grid Corporation of India Limited

b. Others

1. MP Jaypee Coal Limited (**JV Associate** of JAL) (till 17.02.2017)
2. MP Jaypee Coal Fields Limited (**JV Associate** of JAL) (till 17.02.2017)
3. Madhya Pradesh Jaypee Minerals Limited (**JV Associate** of JAL) (till 17.02.2017)
4. Jaypee Uttar Bharat Vikas Private Limited (**JV Associate** of JAL) (till 17.02.2017)
5. Kanpur Fertilizers & Cement Limited (**JV Associate** of JAL) (till 17.02.2017)
6. Jaypee Infra Ventures (A Private Company With Unlimited Liability) (JIV) (Associate of JAL) (till 17.02.2017)
7. Jaypee Development Corporation Limited (JDCL) (Subsidiary of JIV) (till 17.02.2017)
8. Andhra Cements Limited (subsidiary of JDCL) (till 17.02.2017)
9. JIL Information Technology Limited (JILIT) (Subsidiary of JIV) (till 17.02.2017)
10. Gaur & Nagi Limited (Subsidiary of JILIT) (till 17.02.2017)
11. Jaypee International Logistics Company Private Limited (subsidiary of JIV) (till 17.02.2017)
12. Tiger Hills Holiday Resort Private Limited (subsidiary of JDCL) (till 17.02.2017)
13. Indesign Enterprises Private Limited (IEPL) (subsidiary of JIV) (till 17.02.2017)
14. Ibonshourner Private Limited (subsidiary of IEPL w.e.f. 11.01.16) (till 17.02.2017)



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15. RPJ Minerals Private Limited (RPJMPL) (Associate of JAL) (till 17.02.2017)
16. Sarveshwari Stone Products Private Limited (subsidiary of RPJMPL) (till 17.02.2017)
17. Rock Solid Cement Limited (subsidiary of RPJMPL) (till 17.02.2017)
18. Sonebhadra Minerals Private Limited (Associate of JAL) (till 17.02.2017)
19. 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.

20. Jaiprakash Kashmir Energy Limited (KMP based Associate Co.) (controlled by Shri Manoj Gaur & his relatives)
21. Yamuna Expressway Tolling Private Limited (new name of Jaypee Mining Ventures Private Limited w.e.f. 24.03.2017) (KMP based Associate Co. till 24.03.2017) (controlled by Shri Sunil Kumar Sharma and Shri Suren Jain) (w.e.f. 25.03.2017, it became a subsidiary of JAL) (new name Yamuna Expressway Tolling Limited w.e.f. 05.04.2017)
22. Ceekay Estates Private Limited (KMP based Associate Co.) (controlled by relative of Shri Manoj Gaur)
23. Jaiprakash Exports Private Limited (KMP based Associate Co.) (controlled by relatives of Shri Manoj Gaur)
24. Bhumi Estate Developers Private Limited (KMP based Associate Co) (controlled by relatives of Shri Manoj Gaur)
25. Jaypee Jan Sewa Sansthan ('Not For Profit' Private Limited Company) (KMP based Associate Co.) (controlled by relatives of Shri Manoj Gaur)
26. Think Different Enterprises Private Limited (KMP based Associate Co.) (controlled by relative of Shri Manoj Gaur)
27. JC World Hospitality Private Limited (KMP based Associate Co.) (controlled by relatives of Shri Manoj Gaur)
28. JC Wealth & Investments Private Limited (KMP based Associate Co.) (controlled by relatives of Shri Manoj Gaur)
29. CK World Hospitality Private Limited (KMP based Associate Co.) (controlled by relatives of Shri Manoj Gaur)
30. First Light Estate Private Limited (KMP based Associates Co.) (controlled by relatives of Shri Manoj Gaur)
31. Akasva Associates Private Limited (KMP based Associate Co.) (controlled by Shri Suren Jain and his relative)
32. Akasva Infrastructure Private Limited (KMP based Associate Co.) (controlled by relatives of Shri Suren Jain)
33. Gandharv Buildcon Private Limited (KMP based Associates Co.) (controlled by relative of Shri Suren Jain)
34. Viaan Technologies (P) Limited (KMP based Associates Co.) (controlled by relative of Shri Suren Jain)
35. Renaissance Lifestyle Private Limited (KMP based Associate Co.) (controlled by relative of Shri Suren Jain)
36. Lucky Strike Financers Private Limited (KMP based Associate Co.) (controlled by Ms. Sunita Joshi and her relative)



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37. Samvridhi Advisors LLP (KMP based partnership firm)
(Controlled by Shri R.N. Bhardwaj and his relatives)
38. Sandhar Hospitality (KMP based partnership firm) (controlled by Ms. Sunita Joshi and her relative)
39. Kram Infracon Private Limited (KIPL) (subsidiary of Bhumi Estate Developers Private Limited) (KMP based Associate Co.) (Bhumi Estate holds 67% in Kram Infracon.)

Key Management Personnel

1. Shri I.S. Jha, Chairman
2. Shri G.P. Singh, Vice Chairman
3. Shri Suren Jain, Director
4. Shri G.P. Gaur, Director
5. Shri Vinod Sharma, Director
6. Shri R.K. Singh, Director
7. Smt. Neha Goyal, Director
8. Shri N.K. Jain, Director Project
9. Shri T.C. Sarmah, Director
10. Shri D.P. Goyal, Director
11. Shri S.D.M. Nagpal (till 25.03.2018)
12. Shri N.N. Misra (till 25.03.2018)
13. Shri Manoj Gaur (KMP of JPVL)
14. Shri Sunil Kumar Sharma (KMP of JPVL)
15. Dr. J.N. Gupta (KMP of JPVL)
16. Shri R.N. Bhardwaj (KMP of JPVL)
17. Shri B.B. Tandon (KMP of JPVL)
18. Shri A.K. Goswami (KMP of JPVL)
19. Shri S.S. Gupta (KMP of JPVL)
20. Shri Praveen Kumar Singh (KMP of JPVL)
21. Lt. Gen. (Retd.) Shri Ravindra Mohan Chadha (KMP of JPVL)
22. Shri K.N. Bhandari (KMP of JPVL)
23. Shri Arun Balakrishnan (KMP of JPVL)
24. Shri Atanu Sen (KMP of JPVL)
25. Shri S.L. Mohan (KMP of JPVL)
26. Shri Umesh Jain (KMP of JPVL)
27. Shri Sunita Joshi (KMP of JPVL)
28. Shri K.P. Rau (KMP of JPVL)
29. Shri M.K.V. Rama Rao (KMP of JPVL)



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Transaction with related parties :-

S. No.	Nature of Transaction	JPVL	PGCIL	POSOCO	Gaur & Nagi	JILIT Information Technology Ltd.	Key Management Personnel
Transactions during the period:							
1	Revenue from operations	- (-)	1,902,245,329 (1,902,639,565)	- (-)	- (-)	- (-)	- (-)
2	Surcharge on Transmission Tariff	- (-)	10,597,209 (10,999,388)	- (-)	- (-)	- (-)	- (-)
3	System operation charges	- (-)	- (-)	232,987 (301,970)	- (-)	- (-)	- (-)
4	ULD/NLD charges	- (-)	- (230,886)	- (-)	- (-)	- (-)	- (-)
5	Dividend (JPVL/PGCIL)	188,700,000 (377,400,000)	66,300,000 (132,600,000)	- (-)	- (-)	- (-)	- (-)
6	Operation and maintenance (JPVL/PGCIL) - Reactors and Sub-station	- (-)	11,927,440 (2,591,329)	- (-)	- (-)	- (-)	- (-)
7	Managerial Remuneration	- (-)	- (-)	- (-)	- (-)	- (-)	4,961,300 (13,559,875)
8	Reimbursement of expenses to the Company	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
9	Reimbursement of expenses by the Company	- (-)	- (-)	- (-)	- (-)	- (-)	300,000 (600,000)
10	Sitting Fee paid to Directors	- (-)	- (-)	- (-)	- (-)	- (-)	10,20,000 (1,020,000)
11	Advertisement Expenses	- (-)	- (-)	- (-)	252,202 (-)	- (-)	- (-)
12	Web Site Charges	- (-)	- (-)	- (-)	- (-)	2,830 (-)	- (-)
Balances outstanding as at the year end							
13	Trade receivable	- (-)	394,834,265 (224,350,393)	- (-)	394,834,265 (224,350,393)	- (-)	- (-)
14	Operation and maintenance (JPVL)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
15	Managerial Remuneration	- (-)	- (-)	- (-)	- (-)	- (-)	3,60,000 (2,114,000)



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Note 2.25 : 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 Company borrowings to interest rate changes at the end of reporting period are as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Variable rate borrowings	3,635,503,843	4,305,797,614
Fixed rate borrowings	-	-
Total borrowings	3,635,503,843	4,305,797,614

(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, 2018		As at March 31, 2017	
	Weighted average interest rate	Balance	Weighted average interest rate	Balance
Cash Credit Limit	0.00%	-	11.55%	75,870,883
Borrowings	10.80%	3,635,503,843	11.30%	4,229,926,731
% of total loans		100%		100%
Net exposure to cash flow interest rate risk		3,635,503,843		4,305,797,614

(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	Increase/ Decrease in Basis		Impact on Profit before Tax	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
INR	+35	+35	12,724,263	15,070,292
INR	-35	-35	(12,724,263)	(15,070,292)



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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 operates 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, 2018	As at March 31, 2017
Within the credit period		
1-30 days past due	248,124,863	235,221,644
31-60 days past due	33,608,370	74,467,558
61-90 days past due	14,531,801	26,278,449
More than 90 days past due	98,569,232	68,382,742

Ageing	<u>Expected credit loss</u>
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	-



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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, 2018	Borrowings	Trade payables	Other financial liabilities
Within 1 year	616,316,000	1,966,232	3,330,799
1-3 years	1,232,632,000	-	-
More than 3 years	1,796,914,880	-	-
Total	3,645,862,880	1,966,232	3,330,799
Carrying amount	3,635,503,843	1,966,232	3,509,067

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



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JAYPEE POWERGRID LIMITED

Notes to Financial Statements as at March 31, 2018

Note No. 2.26 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, 2018	As at March 31, 2017
Debt*	3,635,503,843	4,305,797,614
Cash and bank balances (including cash and bank balances in a disposal group held for sale)	309,472,694	29,923,576
Net debt	3,326,031,149	4,275,874,038
Total Equity	3,985,987,091	3,620,802,303
Net Debts and Total equity	7,312,018,240	7,896,676,341
Net debt to equity ratio	45.49%	54.15%

*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, 2018	As at March 31, 2017
Measured at amortised cost		
(i) Trade receivables	394,834,265	404,350,393
(ii) Cash and Bank balance	309,472,694	29,923,576
(iii) Loans	187,410	187,410
	704,494,368	434,461,379
Financial liabilities	As at March 31, 2018	As at March 31, 2017
Measured at amortised cost		
(i) Borrowings	3,635,503,843	4,305,797,614
(ii) Other financial liabilities	3,330,799	3,509,067
(iii) Trade and other payables	1,966,232	1,516,363
Total	3,640,800,873	4,310,823,044



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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, 2018	As at March 31, 2017		
Financial Liabilities				
Financial Liabilities	As at March 31, 2018	As at March 31, 2017		
a) Borrowings	3,635,503,843	4,305,797,614	Level 2	Discounted estimated cash flow through the expected life of the borrowings

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, 2018	As at March 31, 2017
i) Financial assets - Current		
Trade receivables	394,834,265	404,350,393
Cash and cash equivalents	309,472,694	29,923,576
Loans	187,410	187,410
ii) Financial liabilities - Current		
Trade payables	1,966,232	1,516,363
Borrowing	3,635,503,843	4,305,797,614
(ii) Other financial liabilities	3,330,799	3,509,067



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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. 503875



Suren Jain
Director (DIN:00011026)


D.P. Goyal
Director (DIN:00211541)

Place : Gurugram
Date : 27/04/2018




Anita Rikhy
General Manager &
Company Secretary


R.K. Porwal
Jt. President & CFO