

INDEPENDENT AUDITOR'S REPORT

To The Members of Jaypee Powergrid Limited

Report on the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind As financial statements of Jaypee Powergrid Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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 (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Ind As Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Ind As financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

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 Act with respect to the preparation of these Ind As financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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.

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

The Board of Directors are responsible for overseeing the Company's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind As financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind As financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind As financial statements, including the disclosures, and whether the Ind As financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind As financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind As financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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: 24/04/2019**

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 2019.

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, Goods and Services Tax, Customs 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, Goods and Services Tax, Customs duty, 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	ITAT	Departmental Appeal
Income Tax	2009-10	0	0	64,780
	2010-11	0	0	0
	2011-12	0	4,52,04,520	0
	2012-13	25,41,271	0	0
	2013-14	0	0	0
	2014-15	0	0	0
	2015-16	0	0	0
	2016-17	37550	0	0
	2017-18	27030	0	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: 24/04/2019

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, 2019.

We have audited the internal financial controls over financial reporting of **Jaypee Powergrid Limited**("the Company") as of March 31, 2019 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.

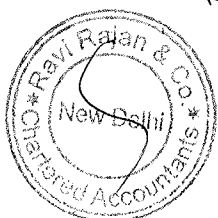
Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal 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, 2019, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Place: Gurugram
Date:24/04/2019

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



(Shivani Bhardwaj)
Partner
M. No - 503875

JAYPEE POWERGRID LIMITED
CIN : U40101DL2006PLC154627
JA House, 63, Basant Lok, Vasant Vihar, New Delhi - 110057
Statement of Assets and Liabilities as at 31st March 2019

(Amount in Rs.)

Sl. No.	Particulars	Note No.	As at 31/03/2019 (Audited)	As at 31/03/2018 (Audited)
	Assets			
(1)	Non Current assets			
	(a) Property, Plant and Equipment	2.1	6,338,997,838	6,866,936,545
	(b) Financial Assets			
	Loans Receivable	2.2	187,410	187,410
	(c) Other non-current tax assets	2.3	836,268,299	710,038,244
	Total non current assets		7,175,453,548	7,577,162,199
(2)	Current Assets			
	(a) Financial Assets			
	(i) Trade Receivables	2.4	501,569,969	394,834,265
	(ii) Cash and Cash equivalents	2.5	248,623,942	309,472,694
	(iii) Other Financial assets	2.2	277,367,434	157,537,775
	(b) Current Tax assets (Net)	2.14	-	-
	(c) Other Current Assets	2.6	30,588,271	26,480,290
	Total current assets		1,058,149,616	888,325,023
	Total Assets		8,233,603,163	8,465,487,222
	EQUITY AND LIABILITIES			
	Equity	2.7	3,000,000,000	3,000,000,000
	Other Equity	2.8	1,055,691,494	985,987,091
	Total Equity		4,055,691,494	3,985,987,091
(1)	Non Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	2.9	2,395,756,378	3,019,187,843
	(ii) Trade Payables		-	-
	(iii) Other Financial Liabilities		-	-
	(b) Provisions	2.10	1,319,087	1,103,871
	(c) Deferred Tax Liabilities	2.11	414,649,538	414,649,538
	(d) Other Non Current Liabilities		-	-
	Total non current liabilities		2,811,725,003	3,434,941,252
(2)	Current Liabilities			
	(a) Financial Liabilities	2.12		
	(i) Trade and other Payables			
	- Micro & small enterprises.		-	-
	- Others than Micro & small enterprises.		2,590,096	1,966,232
	(ii) Other Financial Liabilities		634,526,021	619,646,799
	(b) Other Current Liabilities	2.13	1,194,518	744,559
	(c) Short Term Provisions	2.10	719,036,515	419,092,454
	(d) Current Tax Liabilities (Net)	2.14	8,839,518	3,108,837
	Total current liabilities		1,366,186,667	1,044,558,880
	Total Equity and Liabilities		8,233,603,163	8,465,487,222

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 : 24/04/2019

[Signature]

Suren Jain
Director
Address: B-8/13, Vasant Vihar, New Delhi - 110057

[Signature]

Anita Rikhy
General Manager &
Company Secretary
Address: C9/9170, Vasant Kunj, New Delhi - 110070.

[Signature]

D.P. Goyal
Director
Address: KK-97, Kavi Nayan, Ghaziabad -

[Signature]

R.K. Porwal
Jt. President & CFO
Address: 5-3/B-62, Ram Puri, Chander Nagar Ghaziabad - 201011.

Statement of Profit and Loss for the period ended 31st March 2019

(Amount in Rs.)

	Particulars	Note No.	As on	As on
			31st March 2019	31st March 2018
			(Audited)	(Audited)
I	Revenue from operations	2.15	1,592,184,257	1,650,509,196
II	Other Income	2.16	56,329,529	36,848,687
III	Total Income (I+II)		1,648,513,786	1,687,357,883
IV	Expenses:			
	Employee benefits expense	2.17	35,438,916	24,390,332
	Finance costs	2.18	380,452,139	466,647,377
	Depreciation and amortization Expense	2.10	527,984,207	529,407,238
	Transmission, Administration and Other exp.	2.19	61,450,240	49,546,444
	Total expenses (IV)		1,005,325,500	1,069,991,391
V	Profit/(loss) before exceptional items and tax		643,188,286	617,366,492
VI	Exceptional Items			
VII	Profit/(loss) before tax (V-VI)		643,188,286	617,366,492
VIII	Tax expense:			
	(1) Current tax 139,234,354			
	Less :- MAT Credit Entitlement 126,230,055		13,004,299	8,677,601
	Excess Provision for earlier year written back			63,002,463
	(2) Deferred tax 23,311,463			65,917,571
	Recoverable 23,311,463		-	(65,917,571)
IX	Profit (Loss) for the period from continuing operation (VII-VIII)		630,183,987	671,691,354
X	Other Comprehensive Income			
	Actuarial Gain/Loss (Net of Tax)	2.20	102,566	405,441
XI	Total Comprehensive Income for the period (IX+X)		630,286,553	672,096,795
XII	Earnings per Equity Share			
	(1) Basic		2.10	2.24
	(2) Diluted		2.10	2.24
	No. of shares used in computing earnings per share			
	(1) Basic		300,000,000	300,000,000
	(2) Diluted		300,000,000	300,000,000

Accounting Policies and Notes to the Accounts 1 & 2
for **Ravi Rajan & Co.**

Chartered Accountants (Registration No. 009073N)

Shivani Bhardwaj

Partner

Membership No. 503875



Place : Gurugram

Date : 24/04/2019

Suren Jain

Director

Address: B-8/13, Vasant Vihar, New Delhi -110057.

Anita RikhyGeneral Manager &
Company SecretaryAddress: C9/9170, Vasant Kunj,
New Delhi - 110070.**D.P. Goyal**

Director

Address: KK-97, Kavi
Nagar, Ghaziabad -
201001.**R.K. Porwal**

Jt. President & CFO

Address: S-3/B-62, Ram
Puri, Chander Nagar
Ghaziabad - 201011.

Cash Flow Statement for the period ended 31st March 2019

(Amount in Rs.)

Sl.	Particulars	2018-19	2017-18
A.	Cash flow from operating activities		
	Net Profit from Profit and Loss Statement	630,286,553	672,096,795
	Add: 1) Income tax expense recongnised in P&L	13,004,299	8,677,601
	2) Depreciation	527,984,207	529,407,238
	3) Interest / Finance Cost	380,452,139	466,647,377
	4) Interest Income	(28,436,597)	(19,357,827)
	5) Provisions	215,216	(551,596)
	6) Excess provision reversal for earlier year	-	(63,002,463)
	Operating Profit before working capital changes	1,523,505,816	1,593,917,125
	(Increase)/Decrease in Current Assets		
	Inventories	-	-
	Trade Receivables	(106,735,704)	9,516,128
	Other non-current financial assets	-	-
	Other Current Assets	(123,937,640)	414,931
	Increase/(Decrease) in Current Liabilities		
	Short Term Borrowings	-	(75,870,883)
	Other Current Liabilities	9,703,044	(447,908)
	Short Term Provisions	299,944,061	238,002,796
	Income Tax Provision (MAT)		
	Advance Tax and TDS Paid	(130,394,836)	(129,436,367)
	Tax paid for FY 2017-18	(3,108,837)	(7,922,258)
	Net cash inflow from operating activities ----'A'	1,468,975,904	1,628,173,564
B.	Cash flow from Investing activities		
	Investment in Fixed Assets	(45,500)	-
	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'	(45,500)	-
C.	Cash flow from Financing activities		
	<u>Inflow:</u>		
	Increase in Share Capital	-	-
	Increase/(Decrease) in Term Loans	(617,181,465)	(597,563,040)
	Interest Income	28,436,597	19,357,827
	<u>Outflow:</u>		
	Finance Cost	(380,452,139)	(463,507,225)
	Dividend Paid	(560,582,150)	(306,912,008)
	Net cash in financing activities-----'C'	(1,529,779,157)	(1,348,624,446)
	Net increase/(Decrease) in cash or cash equivalent (A+B+C)	(60,848,753)	279,549,118
	Cash & cash equivalent at the commencement of the year (Op. balance)	309,472,694	29,923,576
	Cash & cash equivalent at the end of the year (closing balance)	248,623,942	309,472,694
	Accounting Policies and Notes to the Accounts		
	As per our report of even date attached to the Balance Sheet.		

For and on behalf of the Board

Chartered Accountants (Registration No. 009073N)

Shivani Bhardwaj
Partner
Membership No. 503875



Place : Gurugram
Date : 24/04/2019

Suren Jain
Director

Address: B-8/13, Vasant Vihar,
New Delhi -110057.

D.P. Goyal
Director

Address: KK-97, Kavi
Nagar, Ghaziabad -
201001.

Anita Rikhy
General Manager &
Company Secretary

Address: C9/9170, Vasant Kunj,
New Delhi - 110070.

R.K. Porwal
Jt. President & CFO

Address: S-3/B-62, Ram
Puri, Chander Nagar
Ghaziabad - 201011.

JAYPEE POWERGRID LIMITED

Statement of Change in Equity as on 31st March 2019

(Amount in Rs.)

Particulars	Equity		Other Equity			Total Equity	Total Other Equity
	Equity Share Capital	General Reserve	Retained Earning	Other Comprehensive Income	Total Equity		
As on 01/04/2018	3,000,000,000	282,882,514	702,420,157	684,420	3,000,000,000	985,987,091	
Profit for the period	-	-	630,183,987	-	-	630,183,987	
Transfer to General Reserve	-	75,622,078	-	-	-	75,622,078	
Acturial Gain/(Loss) net of tax	-	-	-	102,566	-	102,566	
Total	3,000,000,000	358,504,592	1,332,604,144	786,986	3,000,000,000	1,691,895,722	
Transfer to General Reserve	-	-	75,622,078	-	-	75,622,078	
	3,000,000,000	358,504,592	1,256,982,066	786,986	3,000,000,000	1,616,273,644	
Less: Dividend Paid during FY 2018-19							
a) Final Dividend FY 2017-18			270,000,000			270,000,000	
Dividend Distribution Tax			55,499,300			55,499,300	
b) Interim Dividend for FY 2018-19			195,000,000			195,000,000	
Dividend Distribution Tax			40,082,850			40,082,850	
As on 31/03/2019	3,000,000,000	358,504,592	696,399,916	786,986	3,000,000,000	1,055,691,494	

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 LILO of existing Baspa Jhakri double circuit line with powerhouse bus of Karcham Wangtoo HEP at Wangtoo measuring about 4 Kms.

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

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

The financial statements of the company for the year ended March 31, 2019 were approved for issue by the Board of Directors on 24th April, 2019.

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.

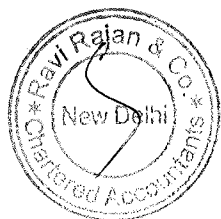
ii) Historical Cost convention

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.



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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.

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



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

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

Estimated useful lives of the assets are as follow:-

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

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

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

The amount of adjustments to fixed assets has been recognised in the retained earnings as at the date of the transition. This treatment reflects the correct economic reality and result in faithful representation of the effects of these transactions on transition in accordance with the requirements of Ind AS. Since the adjustment to fixed assets is only consequential and arising because of applying the transition requirements of Ind AS 101, it would not be construed as an adjustment to the deemed cost of property, plant and equipment.

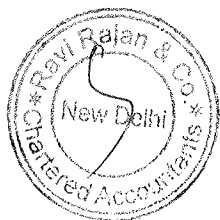
Freehold land is not depreciated.

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



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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.

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



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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

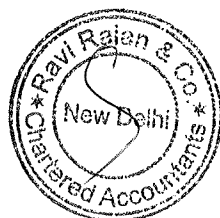
- Cash;
- an equity instrument of another entity;
- a contractual right:
 - (i) to receive cash or another financial asset from another entity; or
 - (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity; or
 - a contract 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.



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

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

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

ii. Classification:-

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

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

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

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

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 Equivalents:-

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

viii. Impairment of Financial Assets:-

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

ix. Financial liabilities:-

Financial liabilities are recognized initially at fair value less any directly attributable transaction costs. These are subsequently carried at amortized cost using the effective interest method or fair value through profit or loss. For



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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.

xiii. Derecognition of financial instrument:-

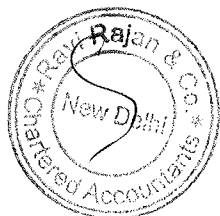
The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the 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



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the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

2.9 Income Tax

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

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



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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.

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

The company has implemented "Indian Accounting Standard (Ind AS) 115, Revenue from Contracts with Customers.

The company uses right to invoice practical expedient for revenue recognition. It recognizes revenue in the amount at which it has a right to invoice as the amount corresponds directly with the value to the customer of the company's performance to date.

The company has concluded that promise of availability of transmission line for transmission of electricity represents a single series of obligation that will be satisfy over time.

Since, this practical expedient allows company to recognize revenue on the basis of invoicing price (assigned to the services delivered) revenue is recognized by the measure of progress (Percentage of availability of transmission line).

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.



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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 remote and contingent assets, if any, is disclosed in the notes to financial statements.
- iii. A provision is recognized, when company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made for the amount of obligation. The expense relating to the provision is presented in the profit and loss net of any reimbursement

2.13 Earnings per Share

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

2.14 Operating Cycle:

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



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Jaypee Powergrid Limited
Notes to the Financial Statements

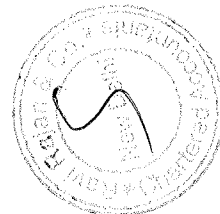
NOTE 2.1 PROPERTY, PLANT AND EQUIPMENT

(Amount in Rs.)

Sl. No.	Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01/04/2018	Addition During the period	Sale/ Transfer during the period	As at 31/03/2019	Opening Balance	Depreciation for the period	Depreciation Adjustment on Sale/ Transfer	As At 31/03/2019	As at 31/03/2019	As at 31/03/2018
1	Land	6,327,352	-	-	6,327,352	-	-	-	-	6,327,352	6,327,352
2	Building	56,438,993	-	-	56,438,993	5,369,011	1,788,323	-	7,157,334	49,281,659	51,069,982
3	Tools and Plant Equipment	4,934,004	-	-	4,934,004	1,819,856	316,751	-	2,136,607	2,797,397	3,114,148
4	Furniture & Fixtures	730,024	-	-	730,024	566,293	36,966	-	603,259	126,765	163,731
5	Motor Vehicles	7,293,752	-	-	7,293,752	6,162,946	347,626	-	6,510,572	783,180	1,130,806
6	Office Equipment	1,393,245	-	-	1,393,245	1,314,680	17,869	-	1,332,549	60,696	78,565
7	EDP Machinery & Equipment	1,072,933	45,500	-	1,118,433	1,011,717	7,933	-	1,019,650	98,783	61,216
8	Transmission Line LILO	247,763,949	-	-	247,763,949	89,609,688	13,079,943	-	102,689,631	145,074,318	158,154,261
9	Transmission Line	9,355,558,177	-	-	9,355,558,177	2,955,984,406	493,350,069	-	3,449,334,475	5,906,223,702	6,399,573,771
10	E-bays (Sub-Station)	146,407,345	-	-	146,407,345	46,340,892	7,727,342	-	54,069,234	92,339,111	100,066,453
11	Reactors	214,838,204	-	-	214,838,204	67,641,945	11,311,383	-	78,953,328	135,884,876	147,196,259
	Total	10,042,757,977	45,500	-	10,042,803,477	3,175,821,432	527,984,207	-	3,703,805,639	6,338,997,838	6,866,936,545
	Previous Year FY 2017-18	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:-

- 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.
- 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

(Amount in Rs.)

2.2 Other Financial Assets	31/03/2019	31/03/2018
I Non Current Assets		
Loan Receivable - Security Deposit		
i) Loans Receivable Considered good - Secured	-	-
ii) Loans Receivable Considered good - unsecured	187,410	187,410
iii) Loans Receivable which have significant increase in Credit Risk	-	-
iv) Loans Receivable Credit impaired	-	-
	<u>187,410</u>	<u>187,410</u>
II Current		
Debt Service Reserve Account	272,715,290	133,079,747
Interest accrued on Fixed Deposit with Banks	4,652,144	24,458,028
	<u>277,367,434</u>	<u>157,537,775</u>
2.3 Other Non-Current Tax Assets		
Mat Credit Entitlement	836,268,299	710,038,244
	<u>836,268,299</u>	<u>710,038,244</u>
2.4 Current Assets - Financial Assets		
Trade Receivables		
Transmission Tariff Receivable		
i) Trade Receivable considered good - Secured	501,569,969	394,834,265
ii) Trade Receivable considered good - Unsecured	-	-
iii) Trade Receivable which have significant increase in Credit Risk	-	-
iv) Trade Receivable - Credit impaired	-	-
Total	<u>501,569,969</u>	<u>394,834,265</u>
2.5 Cash and Cash equivalents:		
1. Balance with Schedule Banks:		
i) In Current Account	10,192,257	8,303,919
ii) Trust & Retention Account (TRA)*/CLTD	235,587,969	301,090,254
2. Cheque, draft on hand	2,120,862	-
3. Cash in hand	722,854	78,521
Total	<u>248,623,942</u>	<u>309,472,694</u>
2.6 Other Current Assets		
Staff/Other Imprest & Advance	-	13,260
Prepaid Expenses	513,740	484,511
Advances to Vendors	4,466,191	10,000
Tax deducted by DIC on Transmission Tariff	7,954,268	8,324,779
Tax Refundable	17,227,414	17,226,727
Inventories - General	426,658	421,013
	<u>30,588,271</u>	<u>26,480,290</u>



NOTE 2.7

(Amount in Rs.)

	<u>AS AT 31/03/2019</u>	<u>AS AT 31/03/2018</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/-	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, 2019 and 31st March, 2018 is set out below:

Sl. No.	Particulars	As at March 31, 2019		As at March 31, 2018	
		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, 2019		As at March 31, 2018	
		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 proportionate to their share holding at the meeting of share holders.



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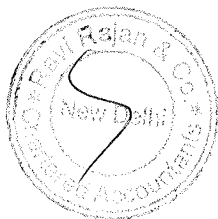
(Amount in Rs.)

2.8 Other Equity	31/03/2019	31/03/2018
General Reserve	358,504,592	282,882,514
Retained Earning	696,399,916	702,420,157
Other Comprehensive Income	786,986	684,420
	1,055,691,494	985,987,091

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 31/03/2019 and 31/03/2018 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 31/03/2019	As at 31/03/2018	TERMS OF REPAYMENT
State Bank of India	1,032,527,178	1,261,961,259	Repayment in 44 quarterly instalments after a moratorium of 12 months from COD. Repayment has commenced from March,2013.
Punjab National Bank	607,553,530	781,009,449	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	453,355,041	585,749,900	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.	302,320,629	390,467,235	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.
	2,395,756,378	3,019,187,843	



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2.10	Provisions		
	i) Non-current	31/03/2019	31/03/2018
	a) Provision for Employees benefits		
	Provision for Gratuity	732,696	590,029
	Provision for Leave Encashment	586,391	513,842
		1,319,087	1,103,871
	ii) Current		
	a) Provision for Employees benefits		
	Provision for Gratuity	55,690	-
	Provision for Leave Encashment	54,825	47,654
	b) Provision for Expenses	864,000	982,800
	c) Provision for Transmission Tariff	718,062,000	418,062,000
		719,036,515	419,092,454

2.11	Deferred Tax Liabilities		
	Opening Balance	872,918,671	938,836,242
	Current Year Liabilities	23,311,463	(65,917,571)
	Total for the year	896,230,134	872,918,671
	Less:- Deferred Tax Recoverable from Beneficiaries	481,580,596	458,269,133
	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 period ended 31st March, 2019 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) Trade and other Payables		
	(a) Total outstanding dues of micro & small enterprises*	-	-
	(b) Total outstanding dues of creditors other than micro & small enterprises	2,590,096	1,966,232
	Total	2,590,096	1,966,232

Note*:-

(a) The principal amount and interest due thereon remaining unpaid to any supplier- MSME.

-Principal Amount

-Interest Amount

(b) The amount of interest paid by the buyer in terms of Section 16 of the Micro Small and Medium Enterprise Development Act, 2006 (MSMED Act) along with the amounts of payment made to the suppliers beyond the appointed day during each accounting year.

(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during period) but without adding the interest specified under the MSMED Act.

(d) The amount of interest accrued and remaining unpaid.

(e) The amount of further interest remaining due and payable even in the succeeding period, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act.

(ii) Other Financial Liabilities

Current Maturity - Term Loan

State Bank of India	231,250,000	225,000,000
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	7,315,731	979,452
Retention Money	770,053	764,999
Due to Staff	3,874,237	1,586,348

Total **634,526,021** **619,646,799**

2.13	Other Current Liabilities		
	Statutory Dues	1,194,518	744,559
	Total	1,194,518	744,559

2.14	Current Tax Asset/(Liability) - Net		
	Provision for Income Tax	(139,234,354)	(132,545,204)
	TDS/Advance/Self Assessment Tax FY 2017-18	-	129,436,367
	TDS/Advance Tax FY 2018-19	130,394,836	-
	Total	(8,839,518)	(3,108,837)



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2.15 Revenue From Operations	31/03/2019	31/03/2018
Transmission Tariff	1,905,443,097	1,902,245,329
Less:- Rebate on Collection	13,258,840	13,674,133
Less:- Tariff Adjustment	300,000,000	238,062,000
Total	1,592,184,257	1,650,509,196

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. 30.00 Crore, being the difference of interest claim as per Tariff Petition for the year 2018-19 pertaining to tariff block period 2014-19 and interest actually being received as per final tariff order received dt. 07/05/2015 for the FY 2013-14 (on which the current billing is made) has been made in the books to bring it in line with the actual tariff receivable in the current year.

c) Transmission tariff (including incentive) of Rs. 469,835,284/- 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	28,436,597	19,357,827
Surcharge on Transmission Charges	19,112,704	10,597,209
Recovery from Forest Department	8,778,086	6,887,829
Miscellaneous Income	2,142	5,822
Total	56,329,529	36,848,687

2.17 Employee benefits

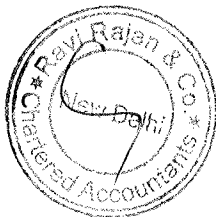
Salary wages allowances & Benefits	34,252,478	22,970,821
Contribution to provident and other funds	745,906	1,059,145
Staff welfare expenses	440,532	360,366
Total	35,438,916	24,390,332

2.18 Finance Cost

Financing Charges	6,423,356	5,962,071
Term Loan Interest	374,028,783	456,663,518
Interest on Working Capital Account	-	4,021,788
Total	380,452,139	466,647,377

2.19 Transmission, Administration and Other expenses

Advertisement & Publicity	-	252,202
Auditor's Remuneration		
- For Statutory Audit	590,000	590,000
- For Tax Audit	118,000	118,000
- For Certifications/Others	117,009	76,495
Bank Charges	102,147	21,792
Books and Periodicals	9,326	17,488
Communication Expenses	177,227	177,631
Cost Audit Fee/Others	72,564	72,600
Concurrent Audit Fee	47,200	-
Corporate Social Responsibility	12,836,696	12,350,000
Directors' Sitting Fee	826,000	1,156,800
Insurance Charges	5,828,795	5,742,226
Internal Audit Fee	236,000	236,000
Legal and Professional Expenses	836,510	867,960
Transmission License Fee	2,023,405	
Less:- Recoverable from beneficiaries	(1,997,530)	
Miscellaneous Expenses	8,260,926	6,535,877
Printing & Stationery Expenses	112,714	78,347
Reactors Maintenance Cost	5,327,936	4,812,794
Rent, Rates & Taxes	7,897,769	537,773
Secretarial Audit Fee	60,000	60,000
Service Tax Paid	-	75,554
Sub-Station Maintenance Cost	13,236,638	11,927,440
System Operation Charges Paid	251,807	
Less:- Recoverable from beneficiaries	(251,807)	
Travelling & Conveyance Expenses	1,705,439	1,643,122
Tariff Determination Fee	2,017,505	
Less:- Recoverable from beneficiaries	(1,997,530)	
Vehicle Running & Maintenance Expenses	19,975	-
	3,005,494	2,196,344
Total	61,450,240	49,546,444



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EMPLOYEES BENEFIT

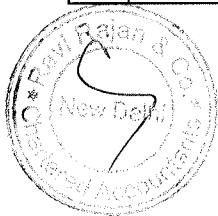
- a) All employees are entitled to Provident Fund benefits. Amount charged to Statement of Profit and Loss for the year is Rs. 7,45,906/- (Previous Year Rs. 10,59,145/-)
- b) In accordance with applicable Indian Laws, the Company provides for gratuity, a defined benefit retirement plan (Gratuity Plan). 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 31/03/2019	Year ended 31/03/2018
I	Discount rate (p.a.)	1	7.66%	7.73%
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	1.28

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	2018-19		2017-18	
		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	981,636	561,496	1,231,828	647,060
2	Current Service Cost	162,101	129,529	124,252	84,550
3	Interest Cost	75,880	43,404	92,387	48,530
4	Actuarial Gain/Loss on obligation	(12,970)	(93,213)	(341,440)	(67,711)
5	Benefits paid	-	-	(125,391)	(150,933)
6	Present value of the obligation at the end the year	1,206,647	641,216	981,636	561,496
II	Change in Plan Assets during the Period ended March 31,2019				
1	Fair value of the Plan Assets at the beginning of the year.	391,607	-	19,263	-
2	Actual Return on Plan Assets.	26,654	-	(2,265)	-
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.	418,261	-	391,607	-
III	Net Liability/(Surplus)(I-II)				
1	Present value of defined benefit obligation	1,206,647	641,216	981,636	561,496
2	Fair value of Plan Assets	418,261	-	391,607	-
	Net Liability/(Surplus) (I-II)	788,386	641,216	590,029	561,496



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IV Expenses Recognised in the Statement of Profit and Loss					
a)	Current Service Cost	162,101	129,529	124,252	84,550
b)	Net interest cost	45,609	43,404	90,942	48,530
	Total	207,710	172,933	215,194	133,080
Expenses recognised in Other Comprehensive Income					
	Actuarial Gain/Loss		March 31, 2019	March 31, 2018	
	Net actuarial gain/(loss) recognized in the period				
	Leave Encashment		93,213	67,711	
	Gratuity		9,353	337,730	
	Net gain/(loss) for the period		102,566	405,441	
	Less Deferred Tax Asset/Liability		29,580	116,929	
	Add Deferred Assets		29,580	116,929	
	Net Charge/(Credit)		102,566	405,441	
	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	26	

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 31/03/2019	AS AT 31/03/2018
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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
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- Land Compensation Cases	15,000,000	15,092,000
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- Income Tax Matters

The value for matters under appeal Rs. 71,91,051/- 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 31.03.2019 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. 1,25,00,000/- Appox.
- Amount spent during the year Rs. 1,28,36,696/-.



LIST OF RELATED PARTIES AS ON 31.03.2019

Note No. 2.24: AS PER ACCOUNTING STANDARD (IND-AS-24)

I. Holding Company

1. Jaiprakash Power Ventures Limited (JPVL)

II. 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)

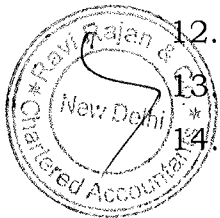
Note: (*SBICAP-Trustee for lenders of PPGCL on 18th December, 2017 enforced the pledge of shares and transferred all shares (261,91,89,200 Equity Shares of Rs.10/- each and 27,00,00,000 Preference Shares of Rs.10/- each) held by the Company in PPGCL. Consequent upon invocation of entire pledged shares 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.)

III. 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)

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

1. Jaypee Infratech Limited (JIL) (subsidiary of JAL)
2. Bhilai Jaypee Cement Limited (**JV subsidiary** of JAL)
3. Himalyan Expressway Limited (subsidiary of JAL)
4. Gujarat Jaypee Cement & Infrastructure Limited (**JV subsidiary** of JAL)
5. Jaypee Ganga Infrastructure Corporation Limited (subsidiary of JAL)
6. Jaypee Agra Vikas Limited (subsidiary of JAL)
7. Jaypee Fertilizers & Industries Limited (subsidiary of JAL)
8. Jaypee Cement Corporation Limited (subsidiary of JAL)
9. Himalyaputra Aviation Limited (subsidiary of JAL)
10. Jaypee Assam Cement Limited (subsidiary of JAL)
11. Jaypee Infrastructure Development Limited (new name of Jaypee Cement Cricket (India) Limited) (subsidiary of JAL)
12. Jaypee Healthcare Limited (subsidiary of JIL)
13. Jaypee Cement Hockey (India) Limited (subsidiary of JAL)
14. Jaiprakash Agri Initiatives Company Limited (subsidiary of JCCL)



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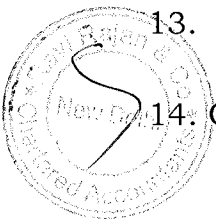
15. **Yamuna Expressway Tolling Limited** (new name of Yamuna Expressway Tolling Private Limited w.e.f. 05.04.2017, which again is the new name of Jaypee Mining Ventures Private Limited w.e.f. 24.03.2017) **(subsidiary of JAL w.e.f. 25.03.2017 & wholly owned subsidiary of JAL w.e.f. 20.04.2017)**
16. 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**)
17. 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**)

V. **Other Associate Companies:**

- A. Power Grid Corporation of India Limited (JV Partner)

KMP based Associate Cos.

1. Jaiprakash Kashmir Energy Limited (KMP based Associate Co.) (controlled by Shri Manoj Gaur & his relatives)
2. Ceekay Estates Private Limited (KMP based Associate Co.) (controlled by relative of Shri Manoj Gaur)
3. Jaiprakash Exports Private Limited (KMP based Associate Co.) (controlled by relatives of Shri Manoj Gaur)
4. Bhumi Estate Developers Private Limited (KMP based Associate Co) (controlled by relatives of Shri Manoj Gaur)
5. Jaypee Jan Sewa Sansthan ('Not For Profit' Private Limited Company) (KMP based Associate Co.) (controlled by relatives of Shri Manoj Gaur)
6. Think Different Enterprises Private Limited (KMP based Associate Co.) (controlled by relative of Shri Manoj Gaur)
7. JC World Hospitality Private Limited (KMP based Associate Co.) (controlled by relatives of Shri Manoj Gaur)
8. JC Wealth & Investments Private Limited (KMP based Associate Co.) (controlled by relatives of Shri Manoj Gaur)
9. First Light Estates Private Limited (KMP based Associate Co.) (controlled by relatives of Shri Manoj Gaur)
10. CK World Hospitality Private Limited (KMP based Associate Co.) (controlled by relatives of Shri Manoj Gaur)
11. Akasva Associates Private Limited (KMP based Associate Co.) (controlled by Shri Suren Jain and his relative)
12. Akasva Infrastructure Private Limited (KMP based Associate Co.) (controlled by relatives of Shri Suren Jain)
13. Renaissance Lifestyle Private Limited (KMP based Associate Co.) (controlled by relative of Shri Suren Jain)
14. Gandharv Buildcon Private Limited (KMP based Associate Co.) (controlled by relative of Shri Suren Jain)

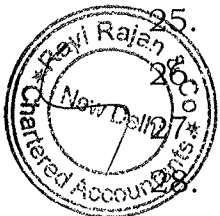


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15. Viaan Technologies (P) Limited (KMP based Associate Co.) (controlled by relative of Shri Suren Jain)
16. Lucky Strike Financers Private Limited (KMP based Associate Co.) (controlled by Ms. Sunita Joshi and her relative)
17. **Samvridhi Advisors LLP** (KMP based partnership firm) (Controlled by Shri R.N. Bhardwaj and his relatives)
18. **Sandhar Hospitality** (KMP based partnership firm) (controlled by Ms. Sunita Joshi and her relative)
19. **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

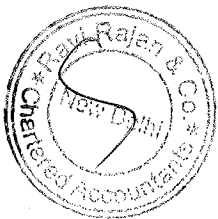
1. Shri I.S. Jha, Chairman(till 21.01.2019)
2. Shri Ravi P.Singh , Chairman (w.e.f. 22.01.2019)
3. Shri G.P. Singh, Vice Chairman
4. Shri Suren Jain, Director
5. Shri G.P. Gaur, Director
6. Shri Vinod Sharma, Director
7. Shri R.K. Singh, Director
8. Smt. Neha Goyal, Director
9. Shri N.K. Jain, Director Project (till 30.07.2018)
10. Shri A.S.Kushwaha (w.e.f. 14.08.2018)
11. Shri T.C. Sarmah, Director
12. Shri D.P. Goyal, Director
13. Shri S.D.M. Nagpal (till 25.03.2018)
14. Shri N.N. Misra (till 25.03.2018)
15. Shri Manoj Gaur (KMP of JPVL)
16. Shri Sunil Kumar Sharma (KMP of JPVL)
17. Dr. Jagannath Gupta (KMP of JPVL)
18. Shri R.N. Bhardwaj (KMP of JPVL)
19. Shri B.B. Tandon (KMP of JPVL)
20. Shri A.K. Goswami (KMP of JPVL)
21. Shri S.S. Gupta (KMP of JPVL)
22. Lt. Gen. (Retd.) Shri Ravindra Mohan Chadha (KMP of JPVL)
23. Shri K.N. Bhandari (KMP of JPVL)
24. Shri S.L. Mohan (KMP of JPVL)
25. Shri Umesh Jain (KMP of JPVL)
- Shri Sunita Joshi (KMP of JPVL)
- Shri K.P. Rau (KMP of JPVL)
- Shri M.K.V. Rama Rao (KMP of JPVL)



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Transaction with related parties :

S. No.	Nature of Transaction	JAL	JPVL	PGCIL	POSOCO	Gaur & Nagi	JILIT Information Technology Ltd.	Key Management Personnel
Transactions during the period:								
1	Revenue from operations	- (-)	- (-)	1,902,245,329 (1,902,245,329)	- (-)	- (-)	- (-)	- (-)
2	Surcharge on Transmission Tariff	- (-)	- (-)	19112704 (10,597,209)	- (-)	- (-)	- (-)	- (-)
3	System operation charges	- (-)	- (-)	- (-)	251807 (232,987)	- (-)	- (-)	- (-)
4	Dividend (JPVL/PGCIL)	- (-)	344,100,000 (188,700,000)	1,20,900,000 (66,300,000)	- (-)	- (-)	- (-)	- (-)
5	Operation and Maintenance	- (-)	- (-)	13,236,638 (11,927,440)	- (-)	- (-)	- (-)	- (-)
6	Managerial Remuneration	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	9,748,191 (4,961,300)
7	Rent Payment	7,080,000 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
8	Reimbursement of expenses by the Company	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	99,194 -300,000
9	Sitting Fee paid to Directors	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	700,000 (1,020,000)
10	Advertisement Expenses	- (-)	- (-)	- (-)	- (-)	(252,202)	- (-)	- (-)
11	Web Site Charges	- (-)	- (-)	- (-)	- (-)	- (-)	(2,830)	- (-)
Balances outstanding as at the year end								
12	Rent Payment	7,080,000 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
13	Trade receivable	- (-)	- (-)	501,569,969 (394,834,265)	- (-)	- (-)	- (-)	- (-)
14	Managerial Remuneration	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	2,267,142 (360,000)



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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, 2019	As at March 31, 2018
Variable rate borrowings	3,018,322,378	3,635,503,843
Fixed rate borrowings	-	-
Total borrowings	3,018,322,378	3,635,503,843

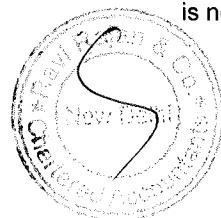
(ii) As at the end of reporting period, the company had the following variable rate borrowings and interest rate swap contracts outstanding:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Weighted average interest rate	Balance	Weighted average interest rate	Balance
Cash Credit Limit	0.00%	-	0.00%	-
Borrowings	10.69%	3,018,322,378	10.80%	3,635,503,843
% of total loans		100%		100%
Net exposure to cash flow interest rate risk		3,018,322,378		3,635,503,843

(iii) Sensitivity

As per CERC Regulations, interest on loan during construction forms part of project cost for the purpose of tariff and after the day of commercial operation, interest on loan is recoverable through tariff calculated on the normative average loan of the year by applying the weighted average rate of interest of the actual loan portfolio.

Accordingly, the company's interest rate risk is not considered significant; hence sensitivity analysis for the risk is not disclosed.



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(b) Foreign currency risk

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

(c) Price Risk

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

II. Credit risk

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

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

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

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

Trade receivables may be analysed as follows:

Age of receivables	As at March 31, 2019	As at March 31, 2018
Within the credit period	327,060,866	281,733,233
1-30 days past due	21,950,771	14,531,801
31-60 days past due	28,194,774	5,128,314
61-90 days past due	16,067,246	10,213,515
More than 90 days past due	108,356,312	83,227,403

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, 2019	Borrowings	Trade payables	Other financial liabilities
Within 1 year	622,563,040	2,590,096	11,960,021
1-3 years	1,948,939,120	-	-
More than 3 years	454,335,199	-	-
Total	3,025,837,359	2,590,096	11,960,021
Carrying amount	3,018,322,378	2,590,096	11,960,021

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



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JAYPEE POWERGRID LIMITED

Notes to Financial Statements as at March 31, 2019

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, 2019	As at March 31, 2018
Debt*	3,018,322,378	3,635,503,843
Cash and bank balances (including cash and bank balances in a disposal group held for sale)	248,623,942	309,472,694
Net debt	2,769,698,436	3,326,031,149
Total Equity	4,055,691,494	3,985,987,091
Net Debts and Total equity	6,825,389,930	7,312,018,240
Net debt to equity ratio	40.58%	45.49%

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

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

Note 2.27 : Fair Value Measurement**Categories of financial instruments**

Financial assets	As at March 31, 2019	As at March 31, 2018
Measured at amortised cost		
(i) Trade receivables	501,569,969	394,834,265
(ii) Cash and Bank balance	248,623,942	309,472,694
(iii) Loans	187,410	187,410
	750,381,321	704,494,368
Financial liabilities	As at March 31, 2019	As at March 31, 2018
Measured at amortised cost		
(i) Borrowings	3,018,322,378	3,635,503,843
(ii) Other financial liabilities	11,960,021	3,330,799
(iii) Trade and other payables	2,590,096	1,966,232
Total	3,032,872,494	3,640,800,873



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JAYPEE POWERGRID LIMITED

Notes to Financial Statements as at March 31, 2019

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.

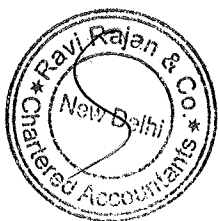
Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Fair value measurements

Particulars	Fair value as at		Fair value hierarchy	Valuation technique (s) and key input(s)
	As at March 31, 2019	As at March 31, 2018		
Financial Liabilities				
a) Borrowings	2,395,756,378	3,635,503,843	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, 2019	As at March 31, 2018
i) Financial assets - Current		
Trade receivables	501,569,969	394,834,265
Cash and cash equivalents	248,623,942	309,472,694
Loans	187,410	187,410
ii) Financial liabilities - Current		
Trade payables	2,590,096	1,966,232
Borrowing	2,395,756,378	3,635,503,843
(ii) Other financial liabilities	11,960,021	3,330,799



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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.

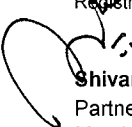
The following method and assumptions are used to estimate fair values:

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



Place : Gurugram
Date : 24/04/2019



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Director
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New Delhi -110057.



Anita Rikhy
General Manager &
Company Secretary
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Vasant Kunj,
New Delhi - 110070.



D.P. Goyal
Director
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Kavi Nagar,
Ghaziabad -
201001



R.K. Porwal
Jt. President & CFO
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Ram Puri, Chander
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