

**JHAJJAR POWER LIMITED**  
**CIN No.: U40104HR2008SGC037809**

**Board of Directors:**

1. Mr. Rajiv Mishra (DIN: 00131207) – Managing Director
2. Mr. Samir Ashta (DIN: 01957618) – Director & CFO
3. Mr. Naveen Munjal (DIN: 00230313) – Director
4. Mr. Ian Tuft (DIN: 06899871) – Director
5. Mr. Mohammed Shahid Aftab (DIN: 01363518) – Independent Director
6. Ms. Nishita Bakshi (DIN: 07238597) – Independent Director

**Auditors:**

M/s Price Waterhouse, Chartered Accountants  
Firm Registration No. - 301112 E

**Registered office:**

Village Khanpur, Tahsil Matenhail,  
Jhajjar - 124142, Haryana

**Corporate office:**

7th Floor, Fulcrum, Sahar Road,  
Andheri (East), Mumbai – 400 099, India

**Bankers:**

IDBI Bank  
IDFC Bank Limited  
State Bank of India  
Bank of America  
India Infrastructure Finance Company (UK) Limited  
HSBC Bank (Mauritius) Limited  
The Bank of Tokyo-Mitsubishi UFJ Limited  
Standard Chartered Bank, UK  
China Development Bank Corporation  
The Export Import Bank of China  
Deutsche Bank

**JHAJJAR POWER LIMITED**

**Reg. Office: Village Khanpur, Tahsil Matenhail, District Jhajjar, Haryana – 124 142**  
**CIN No.: U40104HR2008SGC037809 Telephone with STD – 01251 – 305000, Fax Number – 01251 – 305005, Email Address – jayant.patil@clpindia.in**

**NOTICE OF THE ANNUAL GENERAL MEETING**

Notice is hereby given that the 9<sup>th</sup> Annual General Meeting of the Company will be held on Monday, 25 September 2017 at 3.00 p.m. at the Registered Office of the Company at Village Khanpur, Tahsil Matenhail, District Jhajjar, Haryana – 124 142 to transact following Business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited financial statements for the financial year ended 31 March 2017 and the Reports of the Directors and Auditors thereon.
2. Re-appointment of Mr. Naveen Munjal as Director retiring by rotation.

To appoint a Director in place of Mr. Naveen Munjal (DIN: 00230313), Director who retires by rotation and being eligible offers himself for re-appointment;

3. To approve the appointment of M/s. BSR & Co. LLP, Chartered Accountants as Statutory Auditors of the Company.

**AS ORDINARY RESOLUTION**

**“RESOLVED THAT** pursuant to provision of sections 139 and 142 of the Companies Act, 2013 (as amended or re-enacted from time to time) read with the Companies (Audit and Auditors) Rules 2014, the approval of members be and is hereby accorded for the appointment of M/s. BSR & Co. LLP, Chartered Accountants (FRN 101248W) from whom certificate pursuant to section 139 of the Companies Act, 2013 has been received, as the statutory auditors of the company to hold office until the conclusion of the 14<sup>th</sup> Annual General Meeting of the company to be held in the year 2022, at a remuneration to be fixed by the board and reimbursement of out of pocket expenses incurred in connection with the audit.

**RESOLVED FURTHER THAT** Directors and Company Secretary of the company be and are hereby directed to give intimation of this appointment to the statutory authorities, if required, and to the Auditors so appointed.”

**SPECIAL BUSINESS**



4. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** in accordance with the provisions of section 148 of the Companies Act, 2013 Read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and The Companies (cost records and audit) Rules, 2014 and other applicable provisions, if any, the appointment of M/s Kiran J. Mehta & Co., Cost Accountants in practice, be and is hereby ratified for auditing the cost

accounting records of the company for the financial year 2017-18 on a remuneration of INR 400,000/- per annum plus applicable service tax and out of pocket expenses that may be incurred.

**BY ORDER OF THE BOARD OF DIRECTORS OF JHAJJAR  
POWER LIMITED**

**MUMBAI  
11 AUGUST 2017**

  
  
**RAJIV MISHRA  
MANAGING DIRECTOR  
DIN: 00131207**



**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding 50 (Fifty) and holding in aggregate not more than 10 (Ten) percent of the total share capital of the Company carrying voting rights. A member holding more than 10 (Ten) percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. The instrument appointing proxy in order to be effective must be deposited at the Registered Office of the Company not less than 48 (Forty Eight) hours before commencement of this Annual General Meeting of the Company.
3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the aforesaid items of Ordinary / Special Business is enclosed herewith.
4. All documents specifically stated to be open for inspection in the Explanatory Statement, if any, are open for inspection at the Registered Office of the Company on all working days up to the date of this Annual General Meeting. Such documents shall also be available for inspection at the venue till the conclusion of this Annual General Meeting.

**ANNEXURE TO THE NOTICE**

**EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No. 4**

The Board of Directors, on recommendation of the Audit committee has approved the appointment of M/s. Kiran J. Mehta & Co., Cost Accountants as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending 31 March 2018.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Board recommends remuneration of INR 400,000 for the financial year 2017-18.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

Registered Office:  
Village Khanpur,  
Tahsil Matenhail,  
District Jhajjar,  
Haryana – 124 142

**BY ORDER OF THE BOARD OF DIRECTORS OF  
JHAJJAR POWER LIMITED**

  
**RAJIV MISHRA  
MANAGING DIRECTOR  
DIN: 00131207**



**DATE: 11 AUGUST 2017  
PLACE: MUMBAI**

## Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the 9<sup>th</sup> Annual Report of your Company together with the Audited Statement of Accounts and the Auditors' Report for the financial year ended 31 March 2017.

### 1. FINANCIAL HIGHLIGHTS

Particulars	(Amount in INR Million)	
	Standalone	
	2016-17	2015-16
Gross Income	18,583.89	26,316.16
Profit Before Interest and Depreciation	7,577.88	8,861.36
Finance Charges	4,222.04	4,374.74
Profit Before Depreciation and Tax	3,355.85	4486.63
Provision for Depreciation	2,583.54	2567.32
Net Profit Before Tax	772.31	1919.30
Provision for Tax [including deferred tax (expense)/ saving]	1,389.78	(28.11)
Net Profit After Tax	2,162.09	1891.19
Other Comprehensive Income (net of tax)	(244.78)	(392.49)
Total Comprehensive Income (A)	1,917.31	1,498.70
Balance of Profit brought forward (B)	(9,434.69)	(10,819.80)
Balance available for appropriation	Nil	Nil
Proposed Dividend on Equity Shares	Nil	Nil
Tax on proposed Dividend	Nil	Nil
Transfer to General Reserve	Nil	Nil
Transfer to debenture redemption reserve ©	(293.5)	(113.59)
Retained Earnings+ Other Reserve (A+B+C)	(7,810.88)	(9,434.69)

### 2. STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

During the year company has achieved commercial availability of 92% (previous year 85.12%) and PLF of 25% (previous year 43%). Due to higher availability company has earned incentive of INR 189.61 million in the financial year 2016-17. The coal availability has improved than the previous year.

### 3. APPROPRIATIONS

- a) **Transfer to reserves:** During the financial year under review, the Company was not required to transfer any amount to any reserves except to Debenture Redemption Reserve amounting to INR 293.5 Million.
- b) **Dividend:** In view of the losses incurred by the Company, the Board of Directors expresses its inability to recommend any dividend for the financial year under review.

**4. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

**5. CHANGES DURING THE YEAR UNDER REVIEW AND OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT**

- a) **Nature of Business** - During the financial year under review, there was no change in the nature of business of the Company.
- b) **Capital** – During the financial year under review, there was no change in the Authorised and Paid up Share Capital of the Company
- c) **Others** - No material changes and commitments affecting the financial position of the Company occurred after the end of the financial year 2016-17. The company is in dispute with off takers in relation to commercial operation date, coal transit loss and unscheduled charges. The matter has been decided in favor of the company by CERC vide order dated January 25, 2016 and April 18, 2016. The Haryana Discom & Tata Power Trading Company Limited has appealed to the Appellate Tribunal for Electricity ('APTEL') against the said CERC orders. Accordingly, no adjustment has been made in the books of accounts till the case is finally decided.

In the financial year 2016-17 company has successfully placed 2<sup>nd</sup> and 3<sup>rd</sup> tranche of listed Non-Convertible Debentures of INR 2.20 billion on 28 July 2016 and INR 2.70 billion on 24 January 2017 to replace high interest cost & unhedged foreign currency debt. This replacement will result in reduction of interest cost in future years.

**6. CORPORATE GOVERNANCE**

a) **Extract of Annual Return**

The Extract of Annual Return as required under section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, in Form MGT-9 is annexed herewith for your kind perusal and information. **(Annexure – 1)**

b) **Meetings of the Board of Directors**

During the financial year under review, the Board of Directors met 6 (six) times on 11 May 2016, 28 July 2016, 8 August 2016, 25 November 2016, 5 January 2017 and 24 January 2017. The names of Directors and their attendance record during the financial year under review are noted below:

<b>Name of Director</b>	<b>Number of Meetings which Director was entitled to attend</b>	<b>No. of Board meetings attended</b>
Mr. Rajiv Mishra	6	6
Mr. Samir Ashta	6	5
Mr. Ian Tuft	6	1

Ms. Naveen Munjal	3	6
Mr. Mohammed Shahid Aftab	6	6
Ms. Nishita Bakshi	6	6

**c) Compliance Officer**

The Board had appointed Mr. Mitesh Trivedi as a Compliance Officer of the Company effective 9 April 2015.

**d) Details of adequacy of Internal Financial Controls**

The internal control systems of the company are adequate and well-established and enable the company to maintain adequate control on the operations and performance.

**e) Significant and material orders**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

**f) Subsidiaries and Joint Venture**

The Company does not have any subsidiaries, joint ventures or associate companies hence this point is not applicable.

**g) Vigil Mechanism**

As per Section 177(9) and (10) of the Companies Act, 2013, the company has established Vigil Mechanism for directors and employees to report genuine concerns and made provisions for direct access to the chairperson of the Audit Committee. Company has formulated the present policy for establishing the Vigil Mechanism/ Whistle Blower Policy to safeguard the interest of its stakeholders, Directors and employees to freely communicate to the company their genuine concerns in relation to any illegal or unethical practice being carried out in the company.

**7. DIRECTORS' RESPONSIBILITY STATEMENT**

Your Company had adopted IND AS with effect from 1 April 2016 pursuant to Ministry of Corporate Affairs notification dated 16 February 2015 notifying the Companies (Indian Accounting Standards) Rules, 2015.

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company to the best of their knowledge and ability confirm that-

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and

fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) The directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **8. AUDITORS AND AUDITORS' OBSERVATION**

### **a) AUDITORS**

#### **I. Statutory Auditors:**

The Audit Committee and the Board of Directors of the Company has recommended the appointment of BSR & Co. LLP, Chartered Accountants (FRN 101248W) as the Statutory Auditors of the Company in place of M/s. SNK & Co, Chartered Accountants (FRN 109176W) to hold office from the conclusion of the Ninth Annual General Meeting till the conclusion of the Fourteenth annual general meeting of the company to be held in the year 2022, i.e. for a period of 5 (Five) years, subject to ratification of their appointment and remuneration at every annual general meeting.

#### **II. Secretarial Auditor:**

As required under Section 204 of the Companies Act, 2013 and rules thereunder, the Board has appointed M/s Nilesh Shah & Associates, Practicing Company Secretaries, as secretarial auditor of the Company for the financial year ending 31 March 2018.

#### **III. Cost Auditor:**

As per section 148 of the Companies Act, 2013, the Company is required to have the audit of its cost records conducted by a Cost Accountant in practice. In this connection, the Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment of M/s. Kiran J. Mehta & Co. as the Cost Auditors of the Company for the year ending 31 March 2018 at a remuneration of INR 400,000 plus out of pocket expenses.

M/s. Kiran J. Mehta & Co. has vast experience in the field of cost audit and has conducted the audit of the cost records of the Company for the past several years.

**IV. Internal Auditor:**

As required under Section 138 of the Companies Act, 2013 and Rule 13 of the Companies (Accounts) Rules, 2014, the Board has appointed Mr. Surender Nagarajan, who is an employee of the company and is a 'Chartered Accountant', as the internal auditor of the Company.

**b) Audit Reports:**

- The Auditors' report for financial year ended 31 March 2017 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed herewith as **Annexure – 2**.
- The Secretarial Auditors' Report for the financial year ended 31 March 2017 does not contain any qualification, reservation or adverse remark. The Secretarial Auditors' Report is enclosed as **Annexure – 3**.
- The Cost Auditors' Report for the financial year ended 31 March 2017 does not contain any qualification, reservation or adverse remark. The Cost Auditors' Report is enclosed as **Annexure – 4**.

In terms of the Companies (Cost Accounting Records and Compliance) Rules, 2011, the due date for filing the Cost Audit report of the Company for the financial year ended 31 March 2016 was 30 September 2016 and the Cost Audit Report was filed in XBRL mode on 13 September 2016.

**9. LOANS, GUARANTEES AND INVESTMENTS**

- a) The Company is engaged in the business of providing infrastructural facilities as defined in Schedule VI of the Companies Act, 2013 and therefore, Section 186 of Companies Act, 2013 is not applicable to the Company.

**b) Loan Repayment**

The loans repaid during the year by your Company to the banks and financial institutions are as under:

(Amount in INR Millions)					
Bank	Opening Balance as on 01/04/2016	Loans Availed During the Year	Loan repaid during the year ended 31/03/2017	Restatement impact of Foreign Currency Loan	Loans outstanding as on 31/03/2017
IDBI	3,760.47	-	381.40	-	3,379.07
IDFC	866.40	-	87.87	-	778.53
IIFCL INR	3,393.54	-	437.88		2,955.66
SERIES I – 9.99% BONDS	2,380.00				2,380.00

SERIES II – 9.99% BONDS	2,380.00				2,380.00
SERIES I – 9.91% BONDS		900.00			900.00
SERIES II – 9.91% BONDS		1,300.00			1,300.00
SERIES I – 8.70% BONDS		1,800.00			1,800.00
SERIES II – 8.70% BONDS		900.00			900.00
CHINA DEVELOPMENT BANK	4,704.25		2,276.25	53.45	2,374.55
IIFCL USD LOAN	6,749.11		243.04	143.24	6,362.83
SCB (UK)	1,881.70		910.50	21.38	949.82
CHINA EXIM	4,139.74		2,003.10	47.04	2,089.60
THE BANK OF TOKYO MI	940.85		455.25	10.69	474.91
HSBC BANK (MAUR) LTD	1,881.70		910.50	21.38	949.82
SCB (REFINANCE)	3,370.95		216.48	69.45	3,085.02
<b>Total</b>	<b>36,448.71</b>	<b>4,900.00</b>	<b>7,673.66</b>	<b>366.63</b>	<b>33,059.80</b>

#### 10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

##### a) Conservation of Energy and Technology absorption

Annexure – 5

##### b) Foreign exchange Earnings and Outgo

Earnings	Nil
Outgo	INR 1,366 Million

#### 11. PARTICULARS OF CONTRACTS / ARRANGEMENTS WITH RELATED PARTIES

During the financial year under review, the Company has not entered in to any contracts/ arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013.

#### 12. RISK MANAGEMENT

Periodic assessments to identify the risk areas are carried out and management is briefed on the risks in advance to enable the company to control risk through a properly defined plan. The risks are classified as financial risks, operational risks and market risks. The risks are taken into account while preparing the annual business plan for the year. The Board is also periodically informed of the business risks and the actions taken to manage them. The Company has formulated a policy for Risk management.

**13. DIRECTORS and KEY MANAGERIAL PERSONNEL (“KMPs”)**

a) During the financial year under review, there is no change in the constitution of directors and KMPs of the company.

**b) Independent Directors and Declaration:**

Mr. Mohammed Shahid Aftab and Ms. Nishita Bakshi have been appointed as the independent directors of the company as per Section 149(10) of the Companies Act, 2013 on 22 July 2015 for a term of 3 consecutive years on the Board of the Company and shall not be liable to retire by rotation. All other Directors, except the Managing Director, will retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-election.

The Board of Directors of the Company hereby confirm that all the Independent directors duly appointed by the Company have given the declaration of independence and they meet this criteria of independence as provided under section 149(6) of the Companies Act, 2013.

**14. BOARD COMMITTEES**

Currently, the Board has 4 Committees:

1. Audit committee
2. Nomination and Remuneration Committee
3. Corporate Social Responsibility Committee
4. Project Committee

Sr. No.	Name	Board	Audit Committee	Corporate Social Responsibility Committee	Nomination and Remuneration Committee
1	Mr. Rajiv Mishra	✓		✓	
2	Mr. Samir Ashta	✓		✓	
3	Mr. Naveen Munjal	✓	✓	✓	
4	Mr. Ian Tuft	✓			✓
5	Mr. Mohammed Shahid Aftab	✓	✓	✓	✓
6	Mr. Nishita Bakshi	✓	✓	✓	✓

**15. CORPORATE SOCIAL RESPONSIBILITY**

As per Section 135(5) of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and schedule VII of the Companies Act, 2013, the company has a duly constituted CSR Committee. The committee has decided the activities to be undertaken by the company and the expenditure to be incurred on the same and recommended the same to the board as per CSR policy. Annual Report on CSR activities is enclosed herewith as **Annexure – 6**.

**16. RATIO OF REMUNERATION TO EACH DIRECTOR**

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975, in respect of employees of the Company and Directors is annexed herewith as **Annexure – 7**.

**17. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (Prevention, Prohibition and Redressal) Act, 2013:**

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and Redressal of sexual harassment at workplace in line in line with the provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 and the rules thereunder.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the Financial Year 2016-17, the Company has not received any complaint of sexual harassment.

**18. OTHER DISCLOSURES**

- a) **Details of Deposits in terms of Section 73 of the Companies Act, 2013** - During the financial year under review, the Company did not accept any deposits falling within the purview of Section 73 of the Companies Act, 2013 and hence this point is not applicable.
- b) **Details of equity shares with differential voting rights in terms of Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014** - During the financial year under review, the Company has not issued equity shares with differential voting rights as to dividend, voting or otherwise and hence this point is not applicable.
- c) **Details of Sweat equity shares in terms of Rule 8(13) of the Companies (Share Capital and Debentures) Rules, 2014** - During the financial year under review, the Company has not issued any sweat equity shares and hence this point is not applicable.
- d) **Detailed reasons for revision of financial statements and report of the Board in terms of Section 131(1) of the Companies Act, 2013** - The Company was not required to revise its financial statements or report of the Board during the financial year under review and hence this point is not applicable.
- e) **Details of payment of commission from subsidiaries in terms of Section 197(14) of the Companies Act, 2013** - The Company does not have subsidiaries and hence this point is not applicable

**19. ACKNOWLEDGEMENT**

The Directors place on record their appreciation for the contribution made by the employees of the company to enable the company in achieving its goals during the year.

The Directors also take this opportunity to place on record the valuable cooperation and continued support extended by shareholders, banks and financial institutions, business associates, suppliers and other stakeholders.

**FOR & ON BEHALF OF THE BOARD OF  
DIRECTORS OF JHAJJAR POWER LIMITED**

**RAJIV MISHRA  
MANAGING DIRECTOR  
DIN: 00131207**



**DATE: 11 AUGUST 2017  
PLACE: MUMBAI**

**Annexure – 1**

**FORM NO. MGT.9**

**EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31 March 2016

*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]*

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN:- U40104HR2008SGC037809
- ii) Registration Date: 09-04-2008
- iii) Name of the Company: Jhajjar Power Limited
- iv) Category / Sub-Category of the Company: Public Limited Company
- v) Address of the registered office and contact details:  
Village Khanpur, Tahsil Matenhail, Jhajjar - 124142, Haryana, Telephone with STD – 01251 – 305000, Fax Number – 01251 – 305005, Email Address – [jayant.patil@clpindia.in](mailto:jayant.patil@clpindia.in)
- vi) Whether listed company Yes / No: Yes, listed under debt listing agreement
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any –  
Mr. P A Varghese (Zonal Head-Corporate Registry)  
Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, Telephone Number – 040 - 44655140

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY –**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Sale of Electrical Energy	35106	100%
2			

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

Sr. No	NAME AND ADDRESS OF THE	CIN	HOLDING	% of shares held	Applicable Section

	COMPANY				
1	CLP INDIA PRIVATE LIMITED Address: 6th Floor, "Chanakya", Off Ashram Road, Ahmedabad - 380009, Gujarat	U40100GJ1992PTC018284	Ultimate Holding Company	100% of Compulsory Convertible Preference Shares	Section 2(87)(i) of the Companies Act, 2013
2	CLP POWER INDIA PRIVATE LIMITED Address: 6th Floor, "Chanakya", Off Ashram Road, Ahmedabad - 380009, Gujarat	U40100GJ1995PTC042939	Holding Company	100% of Equity Shares	Section 2(87)(ii) of the Companies Act, 2013

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF									
b) Central Govt.									
c) State Govt.(s)									
d) Bodies Corp.	20,000,000		20,000,000	100%	20,000,000		20,000,000	100%	No Change
e) Banks/FI									
f) Any Other									
<b>Sub-total (A) (1):-</b>	<b>20,000,000</b>		<b>20,000,000</b>	<b>100%</b>	<b>20,000,000</b>		<b>20,000,000</b>	<b>100%</b>	
(2) Foreign									
a) NRIs	-								

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Individuals b) Other - Individuals c) Bodies Corp. d) Banks / FI e) Any Other.... <b>Sub-total (A) (2):-</b> <b>Total shareholding of Promoter (A) = (A)(1)+(A) (2)</b>	20,000,000		20,000,000	100%	20,000,000		20,000,000	100%	
B. Public Shareholding 1. Institutions a) Mutual Funds b) Banks/FI c) Central Govt. d) State Govt.(s) e) Venture Capital Funds f) Insurance Companies g) FIs h) Foreign Venture Capital Funds									
i) Others (specify) <b>Sub-total (B)(1):-</b> 2. Non-Institutions a) Bodies Corp. i) Indian ii) Overseas b) Individuals i) Individual shareholders holding nominal share capital up to Rs. 1 lakh ii) Individual									

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (specify)									
<b>Sub-total (B)(2):-</b>									
Total Public Shareholding (B) = (B)(1) + (B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	20,000,000		20,000,000		20,000,000		20,000,000		

(ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Equity Shareholding at the beginning of the year			Equity Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	CLP Power India Private Limited	20,000,000	100%	100%	20,000,000	100%	100%	No Change
2								
3								
	Total	20,000,000	100%	100%	20,000,000	100%	100%	

- (iii) Change in Promoters' Shareholding (please specify, if there is no change) – **Not Applicable as there is no change in % of Shareholding during the year**

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):				
	At the End of the year				

- (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): **Not Applicable**

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase/Decrease in Shareholding during the year Specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):				

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the End of the year (or on the date of separation, if separated during the year)				

(v) Shareholding of Directors and Key Managerial Personnel: **Not Applicable**

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the End of the year				

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment –

(Figures in INR Million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	36,449	-	-	36,449
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	353	-	-	353
<b>Total (i+ii+iii)</b>	<b>36,802</b>	<b>-</b>	<b>-</b>	<b>36,802</b>
Change in Indebtedness during the financial year				
• Addition	4,900	-	-	4,900
• Reduction	(8,041)	-	-	(8,041)
Net Change	<b>(3,141)</b>	<b>-</b>	<b>-</b>	<b>(3,141)</b>
Indebtedness at the end of the financial year				
i) Principal Amount	33,060	-	-	33,060
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	487	-	-	487
<b>Total (i+ii+iii)</b>	<b>33,547</b>	<b>-</b>	<b>-</b>	<b>33,547</b>

**\*VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Amount in INR Million

Sr. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. Rajiv Mishra, Managing Director	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	32.17	32.17
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under	Nil	Nil

	section 17(3) Income- tax Act, 1961				
2.	Stock Option	Nil			Nil
3.	Sweat Equity	Nil			Nil
4.	Commission - as % of profit - others, specify	Nil			Nil
5.	Others, please specify				
	Total (A)	32.17			32.17
	Ceiling as per the Act	~85 Million			

B. Remuneration to other directors: Amount in INR Million

Sr. no.	Particulars of Remuneration	Name of Directors		Total Amount
	1. Independent Directors	Mr. Mohammed Shahid Aftab	Ms. Nishita Bakshi	
	• Fee for attending board committee meetings • Commission • Others, please specify	0.5	0.5	1
	Total (1)	0.5	0.5	1
	2. Other Executive/Non-Executive Directors			
	• Fee for attending board committee meetings • Commission • Others, please specify Total Salary			
	Total (2)			
	Total (B) = (1 + 2)	0.5	0.5	1
	Total Managerial Remuneration			
	Overall Ceiling as per the Act	Not Applicable		

**B. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD –**  
Amount in INR Million

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		4	11	15
				Nil	Nil
2.	Stock Option		NIL	NIL	NIL
3.	Sweat Equity		NIL	NIL	NIL
4.	Commission - as % of profit - others, specify		NIL	NIL	NIL
5.	Others, please specify		NIL	NIL	NIL
	Total		4	11	15

\*Managerial Remunerations (except of Independent Directors) are in accordance with cost sharing agreement with group companies

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: Not Applicable**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/C OURT]	Appeal made, if any (give Details)
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

**FOR & ON BEHALF OF THE BOARD OF DIRECTORS OF JHAJJAR POWER LIMITED**

**DATE: 11 AUGUST 2017**  
**PLACE: MUMBAI**

*Rajiv Mishra*  
**RAJIV MISHRA**  
**MANAGING DIRECTOR**  
**DIN: 00131207**



**Annexure-5**

**Details of Technology Absorption during the year 2016-17**

Sr. No.	Technology Absorption	Earlier/Existing system	New system	Benefits to the company	Month of Transaction
1	Railway Electrification Work	Presently Railway is operating on Diesel engine	Electric operated engine will be used	Compliances with regulatory requirements. Minimisation of Air pollution	Jan, 2017
2	Upgrade of DCS from XP to Window 7	Existing DCS operates on Window XP.	New system will operate on Window 7	DCS system was becoming obsolete since it was on Window XP. Additionally upgrade was required from Cyber security enhancement perspective.	Mar, 2017
3	Energy Management System for auxiliary power monitoring	Earlier auxiliary power consumption used to be calculated & evaluated manually	Computerised based monitoring of auxiliary boiler	Better analysis & monitoring, hence opportunity for reduction in auxiliary power	Mar, 2017
4	Coal Fog Dust Suppression System	Earlier water sprinkler system was used.	Fog based dust suppression	Better coal dust control	Mar, 2017
5	Hot Vulcanization machine	Cold jointing of conveyor belt	Hot jointing of conveyer belt	Saves time. Jointing becomes more effective.	Aug, 2016
6	Oil Purifier for Compressor Oil	Less number of machines for Compressor Oil purification	Adequate number of Oil purification machines	Helps in removing moisture from Oil.	Dec, 2016
7	Improvement for Instrument Air Quality	Available equipment were inadequate	Additional filter & separators were installed	Better quality of instrument air.	Dec, 2016
8	Piezometer project in ash dyke for ground water monitoring	No equipment available for ground water monitoring	Piezometer installed for ground water monitoring	Ground water monitoring can be done. Statutory requirement is met	Jan, 2017

9	Water sprinkling system for ash dyke	No system in ash dyke for water sprinkling	Water sprinkling system installed	Controls fugitive Ash emission	Aug, 2016
10	Automation of service water system	Manual system	Automated system	Better control during plant emergency.	Oct, 2016
11	Rain Water Harvesting structure in the township	Water used to flow on ground & going to a pond	Ground water recharging wells have been erected	Better rain harvesting. One of the binding conditions for environmental clearance	Feb, 2017
12	VFD Raw water pump	Not available earlier	VFD is available for raw water pump	Energy saving	Dec, 2016

FOR & ON BEHALF OF THE BOARD OF DIRECTORS OF JHAJJAR POWER LIMITED

*Rajiv Mishra*  
**RAJIV MISHRA**  
**MANAGING DIRECTOR**  
**DIN: 00131207**



DATE: 11 AUGUST 2017  
 PLACE: MUMBAI

## Annexure – 6

## Annual Report on CSR Activities - FY 2016-2017

## Jhajjar Power Limited

**1. BRIEF OUTLINE OF THE CSR POLICY AND PROGRAMS****Health and Sanitation**

Mobile Health outreach van running in 5 villages provided free of cost domiciliary medical assistance to 17318 people.

Multidisciplinary health camps were organized in villages during the year. The program served more than 1542 people for various eye, dental and general health problems. Free medicines and eye glasses were provided to the needy patients.

School Health Camp were organized, health indices like Hb, Weight, Blood Grouping were captured of 573 students in the age group. 109 Number of students who were found to have refractive disorders were provided spectacles.

We have continued delivering potable drinking water to 6 schools and 12 Anganwadis of total 4 villages.

6 Toilet block, with 3 blocks for boys 3 for girls were constructed in 4 Government Schools. One toilet block was renovated for girls at Khanpur Kalan School.

**Total spending: INR 3.55 Million.**

**Sustainable Communities**

Exposure visits of the farmers were organized to Center of Excellence for Fruits, Sirsa to help them learn new technologies and agriculture diversification; 11 farmers participated, out of which six farmers' availed benefit of our Horticulture Promotion programme under which 50% cash subsidy was given to these farmers.

663 cattle were attended and were provided free medicines and nutritional supplements in the veterinary camps facilitated by qualified and experienced veterinary doctors.

1 Playground was developed in Khanpur Kalan villages by land filling. This facility used by villagers for outdoor games.

To address the emergency water shortage in village Khanpur Khurd Borewell installation was conducted.

164 Ladies were trained under the NEISBUD accredited 3 month duration free of cost 'Beautician Training Program'.

A 50 bedded hospital at Matenhail village is being constructed for Govt. of Haryana. Handing over of this World Class facility, to the Govt. is being processed.

**Total spending: INR 15.95 Million (Including 12.4 Million for Matenhail Hospital)**

### Education & Training

12 Anganwadi centers of 4 villages have been provided desired assets like cooking range, learning material, and power back up. In addition to this, we have associated with District Administration to support 25 Anganwadis in District Jhajjar; our company has provided education material like white board, chart papers, school bags. The project is implemented by the District Administration.

The READ INDIA programme with Pratham Education (NGO) is being implemented to address the educational deficiencies of 150 students of 1<sup>st</sup> to 5<sup>th</sup> standard in two Government Middle Schools. Science fairs were organized in three government schools to help the students from class 6<sup>th</sup> to 8<sup>th</sup> understand basic science concepts 85 students of three schools have benefitted

Khanpur Akhada / Wrestling Academy is running in Village Khanpur Khurd is providing free of cost training to 60 trainees, includes 7 females.

Basketball training academy is running in village Jhamri, 60 youngsters are enrolled

Computer training programme is running in association with Pratham InfoTech in two Government Schools and 200 students starting 1<sup>st</sup> standard to VIII are learning computers here.

Electrification works was carried out in two Government schools of Khanpur Khurd

**Total spending: INR 3.54 Million**

### 2. COMPOSITION OF CSR COMMITTEE

Sr. No.	Name of the CSR Committee Member
1	Mr. Rajiv Mishra
2	Mr. Naveen Munjal
3	Mr. Samir Ashta
4	Ms. Nishita Bakshi

### 3. Financial Details

Sr. No.	Particulars	Amount in INR Million
1	Average Net Profit of the Company for the last 3 financial years	519.87
2	Prescribed CSR Expenditure (2% of the Average Net Profit)	10.40
3	Total Amount Spent	23
4	Amount unspent	Nil

1	2	3	4	5	6	7	8
Sr. No.	CSR project or activity identified	Sector in which the Project covered	Projects or Programmes 1. Local area or other 2. Specify the state and district where project or programme was undertaken	Amount outlay (budget) project or programme wise (INR)	Amount spent on the projects or programs Subheads: 1) Direct expenditure on projects or programs 2) Overheads:	Cumulative expenditure up to the reporting period.(INR)	Amount spent: Direct or through implementing agency *
1	Mobile Health Out-Reach Program	Health & Sanitation	Program in local area - District Jhajjar, Haryana	15,00,000	Direct Expenditures	15,00,600	Wockhardt Foundation
2	RO Drinking Water for School & Anganwari Children	Health & Sanitation	Program in local area - District Jhajjar, Haryana	1,60,000	Direct Expenditures	2,04,588	Direct
3	Learning Enhancement Project for 6 Govt. Read India (learning camp), Libraries and Science Program - through NGO (Pratham)	Education & training	Program in local area - District Jhajjar, Haryana	13,32,000	Direct Expenditures	13,04,454	Pratham Education Foundation
4	Computer Literacy Program for School & village youth through NGO (Pratham)	Education & training	Program in local area - District Jhajjar, Haryana	9,60,000	Direct Expenditures	9,94,153	Pratham Info-tech Foundation
5	Veterinary Camp	Sustainable Communities	Villages in District Jhajjar, Haryana	1,15,000	Direct Expenditures	1,03,793	Direct
6	Health Camps - Eye, Dental & General Camps in villages	Health & Sanitation	Villages in District Jhajjar, Haryana	3,00,000	Direct Expenditures	3,80,809	Direct

7	Upliftment of Anganwadis - Providing Fun & Learn Toys and other materials.	Education & training	Villages in District Jhajjar, Haryana	80,000	Direct Expenditures	3,51,726	Direct
8	Promoting Education - "Education Enhancement at Primary level with K - YAN"	Education & training	Four Govt. Schools, District Jhajjar, Haryana	36,000			
9	School Enrolment Program - Kit for Nursery students	Education & training	Four Govt. Schools, District Jhajjar, Haryana	40,000			
10	Provision of Educational & Learning Assets to school	Education & training	Four Govt. Schools, District Jhajjar, Haryana	50,000	Direct Expenditures	85,825	Direct
12	"Women Empowerment Program"- Beauticians Training	Sustainable Communities	Villages in District Jhajjar, Haryana	3,00,000	Direct Expenditures	3,21,816	Direct
13	Agriculture Training & Awareness program for farmers	Sustainable Communities	Villages in District Jhajjar, Haryana	30,000			
14	Exposure Visit of Farmers	Sustainable Communities	Villages in District Jhajjar, Haryana	17,000	Direct Expenditures	5,623	Direct
16	Supporting Sports in Villages/Schools - "Sports Tournaments"	Education & training	Village - Khanpur Khurd, District Jhajjar, Haryana	1,00,000			
17	Supporting Sports in villages - "Wrestling Tournament"	Education & training	Village - Khanpur Khurd, District Jhajjar, Haryana	2,25,000	Direct Expenditures	4,27,000	Direct
18	Toilet construction & repair with bore well water supply for govt. schools., Misc. repair works like in schools, pump repair etc. , Water line in needy places	Health & Sanitation	In govt. Schools of nearby villages	26,00,000	Direct Expenditures	12,74,328	Direct
19	Promoting & Supporting Sports - Playground for Village	Education & training	Village - Bajitpur, District Jhajjar, Haryana	3,00,000	Direct Expenditures	2,95,517	Direct

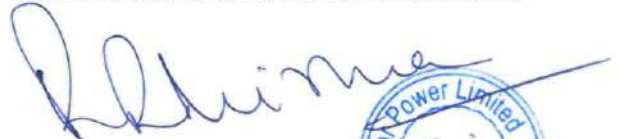
20	Supporting Sports in Villages - "Sports Items for village youth"	Education & training	Village Khanpur Khurd, District Jhajjar, Haryana	80,000			
21	Wrestling Training Program	Education & training	Village Khanpur Khurd, District Jhajjar, Haryana	3,12,000	Direct Expenditures	1,84,000	Direct
22	Basketball Training Program	Education & Training	Village Khanpur Khurd, District Jhajjar, Haryana	1,25,000	Direct Expenditures	1,94,248	Direct
23	Bore well & water line for village Khanpur Khurd	Sustainable Communities	Village-Khanpur Khurd, District Jhajjar, Haryana		Direct Expenditures	1,90,000	Direct
24	School health camp; Health Cards, Spectacles	Health & Sanitation	Villages in District Jhajjar, Haryana	1,20,000	Direct Expenditures	1,53,749	Direct
25	Plantation of Trees in Villages & Schools	Sustainable Communities	Villages in District Jhajjar, Haryana	50,000			
26	Horticulture Promotion Program; Subsidy scheme for plantation of fruit bearing trees and expert consultation	Sustainable Communities	Villages in District Jhajjar, Haryana	1,35,000	Direct Expenditures	81,884	Direct
27	Other Infrastructure related work etc.; Electrification works, LED bulbs & furniture in school	Sustainable Communities	Villages in District Jhajjar, Haryana	13,00,000	Direct Expenditures	25,48,076	Direct
28	Honorarium cost for Extension Volunteers in villages	Sustainable Communities		1,08,000			
29	Construction of 50 Bedded Hospital at Matenhail	Sustainable Communities	Matenhail	1,24,00,000	Direct Expenditures	1,24,00,000	Direct
			<b>Total Budgeted Expenditure</b>	<b>2,34,00,000</b>	<b>Total Actual Expenditure</b>	<b>2,30,02,156</b>	

In accordance with Section 135 of the Companies Act, 2013 and rules thereunder the Company is required to incur expenditure towards Corporate Social Responsibilities ("CSR") amounting to INR 10.40 Million. The company has incurred CSR expenditure amounting to INR 23 Million.

**4. Responsibility Statement**

We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of CSR Projects and activities in compliance with our CSR objectives.

**FOR & ON BEHALF OF THE BOARD OF  
DIRECTORS OF JHAJJAR POWER LIMITED**



**RAJIV MISHRA  
MANAGING DIRECTOR  
DIN: 00131207**



**DATE: 11 AUGUST 2017  
PLACE: MUMBAI**



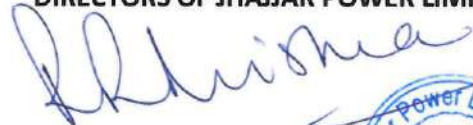
**ANNEXURE - 7**

**Ratio of remuneration**

(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	None of directors are being paid remuneration from the company. Mr. Rajiv Mishra, Mr. Samir Ashta and Mr. Naveen Munjal are appointed by CLP India Private limited and their proportionate employment cost is being allocated to the Company which is shown in notes to accounts. So this ratio calculation is not applicable.
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	For Directors, refer note in point (i) above. For the Company Secretary the percentage increase in remuneration during the financial year was 8.5%
(iii) the percentage increase in the median remuneration of employees in the financial year;	12.7%
(iv) the number of permanent employees on the rolls of company;	238 employees in JPL as on 31 March 2017
(v) the explanation on the relationship between average increase in remuneration and company performance;	An independent survey of compensation in CLP India entities vis-à-vis the market is carried out every year. The salary increase is based on market projections and our positioning which is approved by the Human Resource & Remuneration Committee (HR & RC) of CLP Holdings. The Actual Annual Incentive for employees is a function of Individual and Organizational performance. The organization score is approved by the HR & RC for CLP India entities. The organization score is based on our performance targets for 2016 which is a combination of financial and operational measures.
(vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	Refer note in point (v) above.
(vii), and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	Not Applicable

(viii) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	The performance and positioning for all employees (including managerial personnel) is reviewed. Differentiation is made on performance and positioning as discussed and agreed by the IEX within the overall approved budgets. There are no exceptional circumstances for increase in the managerial remuneration.
(ix) comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	Refer note in point (v) above.
(x) the key parameters for any variable component of remuneration availed by the directors;	Refer note in point (i)
(xi) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	Refer note in point (i). No employee has a remuneration which is more than that of the Director.
(xii) Affirmation that the remuneration is as per the remuneration policy of the company.	Yes

FOR & ON BEHALF OF THE BOARD OF DIRECTORS OF JHAJJAR POWER LIMITED



**RAJIV MISHRA**  
**MANAGING DIRECTOR**  
**DIN: 00131207**



**DATE: 11 AUGUST 2017**  
**PLACE: MUMBAI**

**Jhajjar Power Limited**

**Statement of Accounts for year ended March 31, 2017**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF Jhajjar Power Limited**

#### **Report on the Indian Accounting Standards (Ind AS) Financial Statements**

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

#### **Management's Responsibility for the Ind AS Financial Statements**

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

#### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. 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 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.



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

### Opinion

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

### Other Matter

9. The comparative financial information of the company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies(Accounting standards) Rules,2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated August 8, 2016 and August 19, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of these matters.

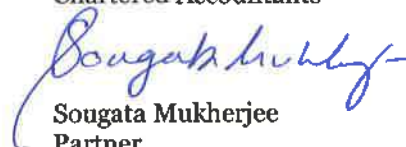
### Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. 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 (including other comprehensive income), the Cash Flow Statement and the 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 specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.



- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its Ind AS financial statements – Refer Note 36;
  - ii. The Company has long-term contracts including derivative contracts as at March 31, 2017 for which there were no material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.
  - iv. The company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank notes during the period from 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016. Based on our audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced by the Management- Refer note 41.

For Price Waterhouse  
Firm Registration Number: FRN 301112E  
Chartered Accountants



Sougata Mukherjee  
Partner  
Membership Number: 057084

Place: Gurgaon  
Date: August 11, 2017

## **Annexure A to Independent Auditors' Report**

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Jhajjar Power Limited on the financial statements as of and for the year ended March 31, 2017.

Page 1 of 2

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls over financial reporting of Jhajjar Power Limited ("the Company") as of March, 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

2. 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 (ICAI). 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 Act.

#### **Auditors' Responsibility**

3. 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 deemed to be prescribed under section 143(10) of the Act 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 ICAI. 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.
4. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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**

6. 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



**Annexure A to Independent Auditors' Report**

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Jhajjar Power Limited on the financial statements as of and for the year ended March 31, 2017.

Page 2 of 2

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**

7. 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**

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

For Price Waterhouse  
Firm Registration Number: 301112E  
Chartered Accountants



Sougata Mukherjee  
Partner  
Membership Number: 57084

Place: Gurgaon  
Date: August 11, 2017

**Annexure B to Independent Auditors' Report**

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Jhajjar Power Limited on the financial statements as of and for the year ended March 31, 2017.

Page 1 of 2

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.  
(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.  
(c) The title deeds of immovable properties, as disclosed in Note 3 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii) (a), (iii) (b) and (iii) (c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.  
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, duty of customs, and duty of excise or value added tax which have not been deposited on account of any dispute.
- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across an instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.



**Annexure B to Independent Auditors' Report**

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Jhajjar Power Limited on the financial statements as of and for the year ended March 31, 2017.  
Page 2 of 2

- xi. The Company has 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. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statement (Refer Note 35) as required under Ind AS 24 Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are 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. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse  
Firm Registration Number: 301112E  
Chartered Accountants



Sougata Mukherjee  
Partner

Membership Number: 57084

Place: Gurgaon  
Date: August 11, 2017

**Jhajjar Power Limited****Balance Sheet**

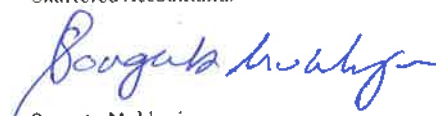
(All amount in Rs. Million, unless otherwise stated)

	Notes	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	46,948.90	49,386.01	51,382.97
Capital work-in-progress	3	157.58	132.66	173.16
Other Intangible assets	4	4.93	13.72	25.54
Financial Assets-Others	5	2,779.38	3,602.64	3,203.25
Deferred tax assets (net)	6	2,029.46	511.40	331.80
Other non-current assets	7	376.56	740.08	946.89
<b>Total non-current assets</b>		<b>52,296.81</b>	<b>54,386.51</b>	<b>56,063.61</b>
<b>Current assets</b>				
Inventories	8	4,219.36	4,240.25	2,711.86
Financial Assets				
i. Trade receivables	9 (a)	3,823.74	4,566.60	6,243.05
ii. Cash and cash equivalents	9(b)	78.86	32.70	374.25
iii. Others	9(c)	613.54	443.71	1,532.20
Current Tax Assets (Net)	10	69.79	49.13	49.09
Other Current assets	11	1,619.69	1,329.93	5,309.33
<b>Total current assets</b>		<b>10,424.98</b>	<b>10,662.32</b>	<b>16,219.78</b>
<b>Total assets</b>		<b>62,721.79</b>	<b>65,048.83</b>	<b>72,283.39</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	12	23,448.82	23,448.82	23,448.82
Other Equity	13	(3,724.16)	(5,641.47)	(7,140.17)
<b>Total equity</b>		<b>19,724.66</b>	<b>17,807.35</b>	<b>16,308.65</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial Liabilities				
i. Borrowings	14(a)	32,007.85	35,048.20	35,955.22
ii. Other financial liabilities	14(b)	1,258.01	1,430.00	1,281.81
Employee benefit obligations	15	23.95	19.73	20.22
<b>Total non-current liabilities</b>		<b>33,289.81</b>	<b>36,497.93</b>	<b>37,257.25</b>
<b>Current liabilities</b>				
Financial Liabilities				
i. Borrowings	16(a)	4,062.69	5,430.63	8,966.02
ii. Trade payables	16(b)	1,254.57	1,406.62	5,539.90
iii. Other financial liabilities	16(c)	4,009.06	3,721.84	3,977.83
Other current liabilities	17	354.32	179.28	229.22
Employee benefit obligations	18	6.06	5.18	4.52
Current tax liabilities (Net)	19	20.62	-	-
<b>Total current liabilities</b>		<b>9,707.32</b>	<b>10,743.55</b>	<b>18,717.49</b>
<b>Total liabilities</b>		<b>42,997.13</b>	<b>47,241.48</b>	<b>55,974.74</b>
<b>Total equity and liabilities</b>		<b>62,721.79</b>	<b>65,048.83</b>	<b>72,283.39</b>

The accompanying notes are an integral part of these financial statements

This is the Balance Sheet referred to in our report of even date

For Price waterhouse  
Firm Registration Number: 301112E  
Chartered Accountants

  
Sougata Mukherjee  
Partner  
Membership No : 57084  
Place: Gurgaon  
Date: 11 August 2017

For and on behalf of the Board of Directors

  
Rajiv Mishra  
Managing Director

  
Samir Ashta  
Director

  
Jayant Patil  
Company secretary  
Place: Mumbai  
Date: 11 August 2017


**Jhajjar Power Limited**  
**Statement of Profit and Loss**  
 (All amount in Rs. Million, unless otherwise stated)

	Notes	As at March 31, 2017	As at March 31, 2016
Revenue from operations	20	17,623.20	25,014.00
Other income and other gains	21	977.40	1,302.16
<b>Total Income</b>		<b>18,600.60</b>	<b>26,316.16</b>
<b>Expenses</b>			
Cost of material consumed	22	9,142.94	16,010.27
Employee benefits expense	23	441.13	359.61
Depreciation and amortisation expense	24	2,583.54	2,567.32
Other expenses	25	1,438.65	1,084.93
Finance costs	26	4,222.03	4,374.74
<b>Total expenses</b>		<b>17,828.29</b>	<b>24,396.87</b>
<b>Profit before tax</b>		<b>772.31</b>	<b>1,919.29</b>
<b>Income tax expense</b>			
-Current tax	27	69.79	-
-MAT credit	27	(69.79)	-
-Deferred tax expense/ (saving)	27	(1,389.79)	28.11
<b>Total tax expense</b>		<b>(1,389.79)</b>	<b>28.11</b>
<b>Profit for the year</b>		<b>2,162.10</b>	<b>1,891.18</b>
<b>Other Comprehensive Income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Reameasurements of post-employment benefit obligations	13	(3.71)	1.03
Income tax Relating to above item		1.29	(0.36)
<i>Items that may be reclassified to profit or loss</i>			
Net movement on cash flow hedges	13	(370.60)	(601.21)
Income tax Relating to above item		128.24	208.06
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>(244.78)</b>	<b>(392.48)</b>
<b>Total comprehensive income for the year</b>		<b>1,917.32</b>	<b>1,498.70</b>
<b>Earnings per equity share:</b>			
Basic earnings per share	28	108.10	94.56
Diluted earnings per share	28	0.92	0.81

The accompanying notes are an integral part of these financial statements

This is the Statement of Profit and Loss referred to in our report of even date


For Price waterhouse  
 Firm Registration Number: 301112E  
 Chartered Accountants

  
 Sougata Mukherjee  
 Partner  
 Membership No : 57084  
 Place: *Comptown*  
 Date: *11 Aug 2017*

For and on behalf of the Board of Directors

  
 Rajiv Mishra  
 Managing Director

  
 Samir Ashta  
 Director

  
 Jayant Patil  
 Company secretary  
 Place: *Mumbai*  
 Date: *11 Aug 2017*

**Jhajar Power Limited**  
**Statement of cash flows**

(All amount in Rs. Million, unless otherwise stated)

**31 March, 2017**      **31 March, 2016**

**(A) Cash flows from operating activities**

Profit before income tax from	772.30	1,919.28
<b>Adjustments for:</b>		
Depreciation and amortization expense	2,583.55	2,567.32
Finance costs	3,657.34	3,930.10
Amortisation of forward premium	564.69	444.64
Interest Income	-	(3.91)
Net exchange differences	(786.23)	(213.59)
Loss on disposal of property, plant and equipment	1.50	-
Provision for Gratuity and Compensated Absences	1.39	1.19
Provision for bad & doubtful debts	52.01	107.41
Mark to market derivatives	424.25	(394.16)
<b>Operating profit before working capital changes</b>	<b>7,270.80</b>	<b>8,358.28</b>

**Change in operating assets and liabilities**

Increase / (Decrease) in trade payables	(152.02)	(4,133.31)
Increase / (Decrease) in other current financial liabilities	(11.12)	7.91
Increase / (Decrease) in other non current financial liabilities	(127.49)	70.86
(Increase) / Decrease in trade receivables	690.86	1,569.03
(Increase) / Decrease in inventories	20.88	(1,528.40)
(Increase) / Decrease in other current assets	(289.76)	3,979.14
Increase / (Decrease) in other current liabilities	175.06	(49.46)
(Increase) / Decrease in other current financial assets	(118.55)	1,191.18
(Increase) / Decrease in other non current financial assets	156.61	(456.18)
(Increase) / Decrease in other non current assets	(248.70)	565.01

**Cash generated from operations**      **7,366.57**      **9,574.05**

Income Tax paid      (0.04)      -

**Net cash inflow from operating activities**      **7,366.53**      **9,574.05**

**(B) Cash flows from investing activities**

Payment for property, plant & equipment	(159.46)	(172.50)
Interest received	-	3.94

**Net Cash outflow from investing activities**      **(159.46)**      **(168.56)**

**(C) Cash flow from financing activities**

Proceeds from borrowings	4,868.56	4,712.63
Repayment of long term borrowings	(7,695.69)	(7,453.64)
Repayment of short term borrowings (including working capital demand loan)	(1,426.18)	(3,535.39)
Interest paid	(2,965.84)	(3,470.65)

**Net Cash outflow from financing activities**      **(7,219.15)**      **(9,747.05)**

**Net decrease in cash & cash equivalents**      **(12.08)**      **(341.55)**

Cash and cash equivalents at the beginning of the financial year      **32.70**      **374.25**

**Cash and cash equivalents at the end of the year**      **20.62**      **32.70**



## Reconciliation of cash and cash equivalents as per the cash flow statement

Cash and cash equivalents as per above comprise of the following

	31 March, 2017	31 March, 2016
Cash and cash equivalents [note 9(b)]	78.86	32.70
Bank overdrafts [note 17(a)]	(58.24)	-
<b>Balances per statement of cash flows</b>	<b>20.62</b>	<b>32.70</b>

### Notes:

- 1 Figures in bracket indicate cash outflow.
- 2 The above Cash Flow Statement has been prepared under the "Indirect Method " as set out in the Indian Accounting Standard (Ind AS-7) Statement of Cash flows notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015.
- 3 The accompanying notes are an integral part of these financial statements

This is the Cash Flow Statement referred to in our report of even date

For Price waterhouse  
Firm Registration Number: 301112E  
Chartered Accountants



Songata Mukherjee  
Partner  
Membership No : 57084  
Place: *Gurgaon*  
Date: *11 August 2017*

For and on behalf of the Board of Directors



Rajiv Mishra  
Managing Director



Samir Ashta  
Director



Jayant Patil  
Company secretary  
Place: *Mumbai*  
Date: *11 August 2017*

**Jhajjar Power Limited**  
**Statement of changes in equity**  
 (All amount in Rs. Million, unless otherwise stated)

**A. Equity share Capital**

	Note	Amount
As at April 1, 2015	12	23,448.82
Changes in equity share capital	12	-
As at March 31, 2016	12	23,448.82
Changes in equity share capital	12	-
As at March 31, 2017		23,448.82

**B. Other Equity**

	Notes	Reserves and Surplus			Other Reserves				Total other equity
		Securities premium reserve	Debenture Redemption Reserve	Retained earnings	Equity component of compound financial instrument	Equity component of corporate guarantee	Cash flow hedging reserve	Cost of hedging reserve	
<b>Balance as at April 1, 2015</b>		1,504.85	-	(10,819.80)	1,976.77	198.01	-	-	(7,140.17)
Profit for the year	13	-	-	1,891.18	-	-	-	-	1,891.18
Other comprehensive income	13	-	-	0.67	-	-	(54.85)	(338.30)	(302.48)
<b>Total comprehensive income for the year</b>		-	-	1,891.85	-	-	(54.85)	(338.30)	1,498.70
Transfer to debenture redemption reserve		-	113.59	(113.59)	-	-	-	-	-
<b>As at March 31, 2016</b>		1,504.85	113.59	(9,041.54)	1,976.77	198.01	(54.85)	(338.30)	(5,641.47)
Profit for the year	13	-	-	2,162.10	-	-	310.41	-	2,162.10
Other comprehensive income	13	-	-	(2.42)	-	-	-	(552.77)	(244.78)
<b>Total comprehensive income for the year</b>		-	-	2,159.68	-	-	310.41	(552.77)	1,917.32
Transfer to debenture redemption reserve		-	293.50	(293.50)	-	-	-	-	-
<b>As at March 31, 2017</b>		1,504.85	407.09	(7,175.36)	1,976.77	198.01	255.56	(891.07)	(3,724.15)

The accompanying notes are an integral part of these financial statements

This is the Statement of changes in equity referred to in our report of even date

For Price waterhouse  
 Firm Registration Number: 301112E  
 Chartered Accountants

*Sougata Mukherjee*  
 Sougata Mukherjee  
 Partner

Membership No : 57084  
 Place: *Mumbai*  
 Date: *11 August 2017*

For and on behalf of the Board of Directors

*Rajiv Mishra*

Rajiv Mishra  
 Managing Director

*Samir Ashita*

Samir Ashita  
 Director

Jayant Patil  
 Company secretary

Place: *Mumbai*  
 Date: *11 August 2017*

## **Jhajjar Power Limited**

(All amount in Rs. Million, unless otherwise stated)

### **Notes to the financial statements**

#### **Background**

Jhajjar Power Limited was incorporated on April 9, 2008. Jhajjar Power Limited is engaged in the business of generation and sale of electricity. The Company has set up 1320 MW thermal power plant at Jhajjar, Haryana. The first unit and second unit (660 MW each) has been commissioned on March 29, 2012 and July 19, 2012 respectively.

#### **Note 1: Significant accounting policies**

This note provides a list of significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **a. Basis of preparation**

###### **(i) Compliance with Ind AS**

The financial statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements upto year ended March 31, 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the company under Ind AS. Refer note 41 for first time adoption, for an explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cashflows.

###### **(ii) Historical cost convention**

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) are measured at fair value;
- defined benefit plans- plan assets measured at fair value

##### **b. Segment Reporting**

The Company operates under single reportable operating segment viz. distribution of electricity. Accordingly, disclosure relating to operating reportable segment as required under Ind AS 108 are not applicable.

##### **c. Foreign currency translation**

###### **(i) Functional and presentation currency**

Items included in the financial statement of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the company's functional and presentation currency.

###### **(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/ (losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

##### **d. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amount disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates and value added taxes etc.

##### **Sale of electricity**

Revenue from sale of electricity is recognized in accordance with the Power Purchase Agreement ('PPA') entered into with respective customers. Amounts accrued under the terms of the PPA which are invoiced subsequent to year end on reconciliation/actualization basis are disclosed as unbilled revenue and are included under other current financial assets in the balance sheet. Revenue from sale of electricity is based on the tariff rate as specified in Power Purchase Agreement ('PPA'), net of rebate offered at the time of sale.



## **Jhajjar Power Limited**

(All amount in Rs. Million, unless otherwise stated)

### **Notes to the financial statements**

#### **Revenue from lease of plant**

Income from lease of plant is recognized in accordance with the Power Purchase Agreement ('PPA') entered into with Haryana Power Purchase Centre. Income from lease of plant is based on the tariff rate (fixed charges) as specified in Power Purchase Agreement ('PPA') entered into with Haryana Power Purchase Centre.

#### **Sale of fly ash**

Revenue from sale of fly ash is recognized in accordance with the contracts entered into with respective customers. Fly ash sale is invoiced as per the price agreed with different customers, as and when merchandise is supplied, it is recognized in the books of accounts. Revenue from sale of fly ash is based on the per MT prices agreed with the customers contractually which are also being specified in contracts entered with them, discounts, if any based on the off-taking of fly ash more than the specified limit, is also provided by raising credit note to them.

#### **e. Income Taxes**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

#### **f. Leases**

##### *As a lessor*

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

#### **g. Impairment of assets**

Property, plant and Equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Nonfinancial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.



## Jhajjar Power Limited

(All amount in Rs. Million, unless otherwise stated)

### Notes to the financial statements

#### h. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash & cash equivalents include cash on hand, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

#### i. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

#### j. Inventories

Inventories are stated at lower of cost and net realizable value. Cost for the purpose of valuation of fuel and stores & spares are determined on Weighted Average basis. Cost of stores and spares comprises of expenditure incurred in bringing the stock to present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

#### k. Investments and other financial assets

##### (i) Classification

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

##### (ii) Measurement

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

##### Financial assets

Subsequent measurement of financial assets depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its financial assets:

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a financial asset that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/ (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

##### (iii) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 32 details how the company determines whether there has been a significant increase in credit risk.

##### (iv) Derecognition of financial assets

A financial asset is derecognised only when:

- The company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.



## **Jhajjar Power Limited**

(All amount in Rs. Million, unless otherwise stated)

### **Notes to the financial statements**

#### **1. Derivative financial instruments and hedging activities**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

The company designates its derivatives as hedges of foreign exchange risk associated with the cash flows of highly probable forecast transactions and variable interest rate risk associated with borrowings (cash flow hedges).

The company documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The company documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

#### **Cash flow hedges**

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

When option contracts are used to hedge forecast transactions, the company designates only the intrinsic value of the option contract as the hedging instrument.

Gains or losses relating to the effective portion of the change in intrinsic value of the option contracts are recognised in the cash flow hedging reserve within equity. The changes in the time value of the option contracts that relate to the hedged item ('aligned time value') are recognised within other comprehensive income in the costs of hedging reserve within equity.

When forward contracts are used to hedge forecast transactions, the company generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in other comprehensive income in cash flow hedging reserve within equity. The change in the forward element of the contract that relates to the hedged item ('aligned forward element') is recognised within other comprehensive income in the costs of hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged items affect profit or loss. Such reclassification from equity will offset the effect on profit or loss of the corresponding hedged item to achieve the overall hedging result. However, when the highly probable forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or fixed assets), the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset at the time of acquisition. The deferred amounts are ultimately recognised in cost of goods sold in the case of inventory or in depreciation in the case of fixed assets.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses).

#### **Derivatives not designated as hedges**

Under the previous GAAP, the company applied the requirements of Accounting Standard 11 The effects of changes in foreign exchange rates to account for principal swap entered for hedging foreign exchange risk related to recognised borrowings. At the inception of swap, the forward premium was separated and amortised as expense over the tenure of the swap. The underlying borrowing and the swap were reinstated at the closing spot exchange rate.

Under Ind AS, derivatives (principal swap) which are not designated as hedging instruments are fair valued with resulting changes being recognised in profit or loss.



## **Jhajjar Power Limited**

(All amount in Rs. Million, unless otherwise stated)

### **Notes to the financial statements**

#### **m. Property, Plant and equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

#### **Transition to Ind AS**

On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

#### **Depreciation methods, estimated useful lives and residual value**

Depreciation on assets other than Plant & Machineries used in generation of electricity is provided on a pro-rata basis on 'Straight Line Method' over the estimated useful lives of the said assets which are similar to the rates prescribed under Schedule II to the Companies Act, 2013. The useful lives of plant & machinery have been determined based on technical evaluation done by the management's expert which are higher than those specified under Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual value are not more than 5% of the original cost of assets. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in profit or loss within other gains/(losses).

#### **n. Intangible assets**

The company amortises intangible assets with a finite useful life using the straight line method over the following periods:

- Computer software : 5 years

#### **Transition to Ind AS**

On transition to Ind AS, the company has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.



## **Jhajjar Power Limited**

(All amount in Rs. Million, unless otherwise stated)

### **Notes to the financial statements**

#### **o. Trade and other payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

#### **p. 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 to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

#### **q. Financial Liability**

##### *i. Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables. All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, borrowings including bank overdrafts.

##### *ii. Subsequent measurement*

The measurement of financial liabilities depends on their classification, as described below:

##### **a. Financial Liabilities at fair value through profit or loss:**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

##### **b. Gains or losses on liabilities held for trading are recognised in the profit or loss.**

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

#### **r. Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.



## **Jhajjar Power Limited**

(All amount in Rs. Million, unless otherwise stated)

### **Notes to the financial statements**

#### **s. Provisions**

Provisions for legal claims are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

#### **t. Employee benefits**

##### *(i). Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

##### *(ii). Other long-term employee benefit obligations*

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

##### *(iii). Post-employment obligations*

The company operates the following post-employment schemes:

- (a) defined benefit plan such as gratuity; and
- (b) defined contribution plan such as provident fund.

##### *Gratuity obligation*

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

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

##### *Defined contribution plan*

The company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### **u. Earnings per share**

##### *(i) Basic earnings per share*

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares (note 40).

##### *(ii) Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares



## **Jhajjar Power Limited**

(All amounts in Rs. Million, unless otherwise stated)

### **Notes to the financial statements**

#### **v. Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest million upto two decimals as per the requirement of Schedule III, unless otherwise stated.

#### **w. Recent accounting pronouncements**

##### **Standards issued but not yet effective**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Company from April 1, 2017.

##### **Amendment to Ind AS 7:**

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The said amendment will not have any impact on the Company's cash flow, since the amendment requires only additional disclosures.

##### **Amendment to Ind AS 102:**

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. Since the Company does not have any share based payments plan at the reporting date, the above mentioned amendment will not have any impact on the financial statements of the Company.

There are no other Ind ASs that are not yet effective that would be expected to have a material impact on the Company.



**Jhajjar Power Limited**

(All amount in Rs. Million, unless otherwise stated)

**Notes to the financial statements****Note 2: Critical estimates and judgements**

In preparing the financial statements, management is required to exercise significant judgements in selection and application of accounting principles, as well as in making key estimates and assumptions. The following is a review of the more significant judgements and uncertainties made, in respect of which different amounts may be reported under a different set of conditions or using different assumptions.

**a. Recognition of revenue**

The application of Ind AS 17 Leases in determining whether an Arrangement contains a Lease has resulted in operating lease accounting being applied to Jhajjar Power Limited as lessor for the Power Purchase Agreement (PPA) with its offtaker. In determining whether an arrangement contains a lease, the company considers the right to use an asset is conveyed if the purchaser has the ability or right to operate the asset or to control physical access to the underlying assets while obtaining or controlling more than an insignificant amount of the output of the asset or that it is remote that parties other than the purchaser will take more than an insignificant amount of the output and the price paid is neither contractually fixed per unit of output nor equal to the current market price per unit of output as of the time of delivery.

**b. Deferred tax assets**

Deferred tax assets has been recognised to the extent that it is probable that taxable profits will be available in the future against which temporary differences will be utilised. Future taxable profits are based on latest available profit forecasts. In case of, temporary differences related to losses relevant tax law has been considered to determine the availability of the losses to offset against the future taxable profits.



**Jhajjar Power Limited**
**Notes to the financial statements**

(All amount in Rs. Million, unless otherwise stated)

**Note 3: Property plant and equipment**

Particulars	Gross carrying amount				Depreciation				Net carrying amount
	As at 1 April, 2016	Additions during the year	Disposals/ Adjustments during the year	As at 31 March, 2017	As at April 1, 2016	For the year	Disposals/ Adjustments during the year	As at 31 March, 2017	As at March 31, 2017
<b>Tangible Assets</b>									
Land (Freehold) (Note 1 below)	3,225.61	-		3,225.61	-	-	-	-	3,225.61
Building	6,310.62	8.87	2.70	6,316.79	242.24	239.45	2.64	479.05	5,837.74
Plant & Machinery	42,288.62	92.64	0.02	42,381.24	2,291.85	2,306.94	0.01	4,598.78	37,782.46
Furniture & Fixtures	38.89	7.66	2.51	44.04	6.40	6.95	1.68	11.67	32.37
Computers & Office Equipment	38.36	21.01	2.33	57.04	9.46	14.25	1.85	21.86	35.18
Vehicles	39.41	8.62	0.91	47.12	5.55	6.70	0.67	11.58	35.54
<b>Total</b>	<b>51,941.51</b>	<b>138.80</b>	<b>8.47</b>	<b>52,071.84</b>	<b>2,555.50</b>	<b>2,574.29</b>	<b>6.85</b>	<b>5,122.94</b>	<b>46,948.90</b>
Capital work in progress	132.66	163.72	138.80	157.58					157.58
<b>Total</b>	<b>132.66</b>	<b>163.72</b>	<b>138.80</b>	<b>157.58</b>					<b>157.58</b>

Particulars	Gross carrying amount				Depreciation				Net carrying amount
	Decmed Cost as at 1-April-2015	Additions during the year	Disposals/ Adjustments during the year	Closing Gross Carrying Amount	Accumulated Depreciation	For the year	Disposals/ Adjustments during the year	Closing Accumulated Depreciation	As at March 31, 2016
<b>Tangible Assets</b>									
Land (Freehold) (Refer Note 1 below)	3,225.61	-	-	3,225.61	-	-	-	-	3,225.61
Building	6,194.87	115.75	-	6,310.62	-	242.24	-	242.24	6,068.38
Plant & Machinery (Refer note 2 below)	41,860.51	428.11	-	42,288.62	-	2,291.85	-	2,291.85	39,996.77
Furniture & Fixtures	35.57	3.32	-	38.89	-	6.40	-	6.40	32.49
Computers & Office Equipment	28.52	9.84	-	38.36	-	9.46	-	9.46	28.90
Vehicles	37.89	1.52	-	39.41	-	5.55	-	5.55	33.86
<b>Total</b>	<b>51,382.97</b>	<b>558.54</b>	<b>-</b>	<b>51,941.51</b>	<b>-</b>	<b>2,555.50</b>	<b>-</b>	<b>2,555.50</b>	<b>49,386.01</b>
Capital work in progress	173.16	518.03	558.54	132.66					132.66
<b>Total</b>	<b>173.16</b>	<b>518.03</b>	<b>558.54</b>	<b>132.66</b>					<b>132.66</b>

**Notes:**

- Original title deeds of freehold land is held by Power Finance Corporation Limited as security agent on behalf of lenders of the Company.
- The carrying amount of fixed assets has been reduced by the amount of processing cost (net of cumulative depreciation impact), out of which the amortised amount as at 1 April 2015 has been adjusted with retained earnings and the balance reduced from borrowings. Depreciation on the above amount was reduced from depreciation expenses of year 2015-16.



**Jhajjar Power Limited**  
**Notes to the financial statements**  
 (All amount in Rs. Million, unless otherwise stated)

**Note 4: Intangible assets**

Particulars	Gross carrying amount			Amortisation				Net carrying amount
	As at 1 April, 2016	Additions during the year	As at March 31, 2017	As at April 1, 2016	Depreciation for the year	Deletions	As at March 31, 2017	As at March 31, 2017
Other Intangible assets: Computer Software	25.54	0.46	26.00	11.82	9.25	-	21.07	4.93
<b>Total</b>	<b>25.54</b>	<b>0.46</b>	<b>26.00</b>	<b>11.82</b>	<b>9.25</b>	<b>-</b>	<b>21.07</b>	<b>4.93</b>

Particulars	Gross carrying amount			Amortisation				Net carrying amount
	Deemed Cost as at 1-April-2015	Additions during the year	Closing Gross Carrying Amount	As at April 1, 2015	Depreciation for the year	Deletions	As at March 31, 2016	As at March 31, 2016
Other Intangible assets: Computer Software	25.54	-	25.54	-	11.82	-	11.82	13.72
<b>Total</b>	<b>25.54</b>	<b>-</b>	<b>25.54</b>	<b>-</b>	<b>11.82</b>	<b>-</b>	<b>11.82</b>	<b>13.72</b>



**Jhajjar Power Limited**  
Notes to the financial statements  
(All amount in Rs. Million, unless otherwise stated)

**5 Note 5 : Other non-current financial assets**

	31 March, 2017	31 March, 2016	1 April, 2015
<b>(i) Derivatives</b>			
Foreign currency options	172.10	322.62	198.01
Foreign exchange forward contracts	437.73	1,107.41	1,209.06
Interest Rate Swaps	334.41	-	-
Principal only swap	1,713.76	2,160.92	1,788.06
<b>(ii) Others</b>			
Security Deposits	11.77	11.69	8.11
Balance with Customs	-	-	0.01
Other Receivables	109.61	-	-
<b>Total other non-current financial assets</b>	<b>2,779.38</b>	<b>3,602.64</b>	<b>3,203.25</b>

**6 Deferred tax asset (net)**

The balance comprises temporary differences attributable to:

	31 March, 2017	31 March, 2016	1 April, 2015
<b>Deferred tax liabilities on account of:</b>			
Change in WDV	6,117.73	6,167.26	5,485.37
Borrowings measured at amortised cost	284.82	464.74	583.69
Derivatives	59.41	173.96	-
<b>Total deferred tax liabilities (A)</b>	<b>6,461.96</b>	<b>6,805.96</b>	<b>6,069.06</b>
<b>Deferred tax assets on account of:</b>			
Tax losses	7,234.49	6,212.65	5,576.46
Employee benefits	10.37	8.62	8.56
Derivatives	-	-	13.23
Provision for doubtful debts	352.81	334.81	291.92
Forward Premium Payable	551.38	543.26	491.44
Others	6.02	9.95	19.25
<b>Other comprehensive income:</b>			
Derivatives	336.33	208.07	-
Others	-	-	-
<b>Total deferred tax asset (B)</b>	<b>8,491.40</b>	<b>7,317.36</b>	<b>6,400.86</b>
<b>Net deferred tax asset/(liability) (B)-(A)</b>	<b>2,029.44</b>	<b>511.40</b>	<b>331.80</b>

**Movement in deferred tax assets**

	Tax losses	Employee benefits	Derivatives	Provision for doubtful debts	Forward Premium Payable	Others	Total
<b>As at 1 April, 2015</b>	5,576.46	8.56	13.23	291.92	491.44	19.25	6,400.86
(Charged)/credited:							
- to profit or loss	636.49	0.06	(13.23)	42.89	51.82	(9.30)	708.43
- to other comprehensive income	-	-	208.07	-	-	-	208.07
<b>As at 31 March, 2016</b>	<b>6,212.65</b>	<b>8.62</b>	<b>208.07</b>	<b>334.81</b>	<b>543.26</b>	<b>9.95</b>	<b>7,317.36</b>
(Charged)/credited:							
- to profit or loss	1,021.84	1.75	-	18.00	8.12	(3.93)	1,045.78
- to other comprehensive income	-	-	128.26	-	-	-	128.26
<b>As at 31 March, 2017</b>	<b>7,234.49</b>	<b>10.37</b>	<b>336.33</b>	<b>352.81</b>	<b>551.38</b>	<b>6.02</b>	<b>8,491.40</b>

**Movement in deferred tax liabilities**

	Change in WDV	Borrowings measured at amortised cost	Derivatives	Total
<b>As at 1 April, 2015</b>	5,485.37	583.69	-	6,069.06
(Charged)/credited:				
- to profit or loss	681.89	(118.95)	173.96	736.90
- to other comprehensive income	-	-	-	-
<b>As at 31 March, 2016</b>	<b>6,167.26</b>	<b>464.74</b>	<b>173.96</b>	<b>6,805.96</b>
(Charged)/credited:				
- to profit or loss	(49.53)	(179.92)	(114.55)	(344.00)
- to other comprehensive income	-	-	-	-
<b>As at 31 March, 2017</b>	<b>6,117.73</b>	<b>284.82</b>	<b>59.41</b>	<b>6,461.96</b>



**Jhajjar Power Limited**  
**Notes to the Financial Statements**  
(All amount in Rs. Million, unless otherwise stated)

**Note 7 : Other non- current assets**

**Other non-current assets**

	31 March, 2017	31 March, 2016	1 April, 2015
Prepaid expenses	160.65	178.03	180.65
Deferred Premium Assets	194.08	542.42	765.95
Capital advances	21.83	19.63	0.29
<b>Total other non- current assets</b>	<b>376.56</b>	<b>740.08</b>	<b>946.89</b>

**Note 8 : Inventories**

	31 March, 2017	31 March, 2016	1 April, 2015
Coal [Includes stock in transit Rs. 100.15 Million (March 31, 2016: Rs. 108.44 Million, March 31, 2015 : Rs 476.62 Million)]	3,590.37	3,727.93	2,223.67
Stores and spares	628.99	512.32	488.19
<b>Total Inventories</b>	<b>4,219.36</b>	<b>4,240.25</b>	<b>2,711.86</b>

**Note 9(a) : Trade receivables**

	31 March, 2017	31 March, 2016	1 April, 2015
<b>Trade Receivables</b>			
Unsecured, considered good	3,823.74	4,566.60	6,243.05
Unsecured, considered doubtful	1,019.43	967.42	860.01
Less : Allowance for doubtful debts	(1,019.43)	(967.42)	(860.01)
<b>Total receivables</b>	<b>3,823.74</b>	<b>4,566.60</b>	<b>6,243.05</b>
Current portion	3,823.74	4,566.60	6,243.05
Non-current portion	-	-	-

**Note 9(b) : Cash and cash equivalents**

	31 March, 2017	31 March, 2016	1 April, 2015
Cash on hand	0.32	0.22	0.06
Balance with banks in Current Accounts	78.54	32.48	374.19
<b>Total cash and cash equivalents</b>	<b>78.86</b>	<b>32.70</b>	<b>374.25</b>

**Note 9(c) : Other current financial assets**

	31 March, 2017	31 March, 2016	1 April, 2015
<b>(i) Derivatives</b>			
Foreign currency options	42.77	73.82	42.12
Foreign exchange forward contracts	88.61	289.17	202.81
Interest rate swaps	17.47	-	-
Principal only swap	103.64	80.72	59.44
Coupon only swaps	-	-	5.11
<b>(ii) Others</b>			
Unbilled Revenue	361.05	-	1,222.72
<b>Total other current financial assets</b>	<b>613.54</b>	<b>443.71</b>	<b>1,532.20</b>

**Note 10 : Current Tax assets (Net)**

	31 March, 2017	31 March, 2016	1 April, 2015
Advance Income Tax [net of provision of tax Rs. Nil ( March 31,2016 : Rs.20.31 Mn and March 31, 2015: Rs. 20.31 Mn)]	-	49.13	49.09
MAT credit Entitlement	69.79	-	-
<b>Total Current tax assets (net)</b>	<b>69.79</b>	<b>49.13</b>	<b>49.09</b>

**Note 11 : Other current assets**

	31 March, 2017	31 March, 2016	1 April, 2015
Advances recoverable in cash or kind	1,306.31	963.71	5,116.91
Deferred Premium Assets	204.73	243.91	86.86
Balance with Customs	18.17	6.23	2.58
Prepaid expenses	90.48	116.08	102.98
<b>Total other current assets</b>	<b>1,619.69</b>	<b>1,329.93</b>	<b>5,309.33</b>



Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Note 12: Equity Share Capital</b>			
<b>a. Authorised :</b>			
500,000,000 (March 31, 2016: 500,000,000 , April 01, 2015: 500,000,000) Equity Shares of Rs.10/- each	5,000.00	5,000.00	5,000.00
2,700,000,000 (March 31, 2016: 2,700,000,000, April 01, 2015: 2,700,000,000) Compulsory Convertible Preference Shares of Rs.10/- each	27,000.00	27,000.00	27,000.00
<b>TOTAL</b>	<b>32,000.00</b>	<b>32,000.00</b>	<b>32,000.00</b>
<b>b. Issued and Subscribed and Paid up:</b>			
20,000,000 (March 31, 2016: 20,000,000, April 01, 2015: 20,000,000) Equity Shares of Rs.10/- each fully paid up	200.00	200.00	200.00
2,324,882,458 (March 31, 2016: 2,324,882,458, April 01, 2015: 2,324,882,458) Compulsory Convertible Preference Shares of Rs 10/- each fully paid up	23,248.82	23,248.82	23,248.82
<b>TOTAL</b>	<b>23,448.82</b>	<b>23,448.82</b>	<b>23,448.82</b>
<b>c. Reconciliation of number of shares outstanding at the beginning and end of the year :</b>			
<b>Equity share :</b>			
Outstanding at the beginning of the year (nos)	20,000,000	20,000,000	20,000,000
Issued during the year (nos)	-	-	-
Outstanding at the end of the year (nos)	20,000,000	20,000,000	20,000,000
<b>Compulsory Convertible Preference Shares :</b>			
Outstanding at the beginning of the year (nos)	2,324,882,458	2,324,882,458	2,324,882,458
Issued during the year (nos)	-	-	-
Outstanding at the end of the year (nos)	2,324,882,458	2,324,882,458	2,324,882,458

**d. Terms / Rights attached to each classes of shares**

**1. Terms / Rights attached to Equity shares**

The Company has only one class of equity shares having a par value of Rs. 10/ per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**2. Terms / Rights attached to Preference shares**

The Compulsory Convertible Preference Shares ("CCPS") are convertible into equity shares at any time before 20 years from the date of first allotment of CCPS at the option of the Company with a right to Investor to call for conversion at any /time after 15 years. Subject to regulatory restrictions conversion at any time within 15 years at the sole option of the Company will be at a premium of 5% to the Fair Market Value of the equity share of the Company prevailing on the date of conversion into equity shares and anytime after 15 years, the conversion will take place at a premium of 5% to Fair Market Value for each year of holding of CCPS. The CCPS on conversion into equity shares shall rank pari passu with existing equity shares in all respect.

**e. Shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by subsidiaries or associates of the holding company or the ultimate holding company in aggregate**

Equity shares	As at March 31, 2017		As at 31 March 2016		As at April 1, 2015	
	No. of Shares	Amount in INR	No. of Shares	Amount in INR	No. of Shares	Amount in INR
<b>Equity Shares:</b>						
Shares held by CLP Power India Private Limited, the Holding Company, and its nominees	20,000,000	200	20,000,000	200	20,000,000	200
<b>Compulsory Convertible Preference Shares ('CCPS'):</b>						
CCPS held by CLP India Private Limited, the Holding Company of CLP Power India Private Limited	2,324,882,458	23,248.82	2,324,882,458	23,248.82	2,324,882,458	23,248.82

**f. Shareholders holding more than 5% shares in the company is set out below:**

Equity share	As at March 31, 2017		As at 31 March 2016		As at April 1, 2015	
	No. of Shares	No of shares %	No. of Shares	No of shares %	No. of Shares	No of shares %
<b>Equity Shares:</b>						
Shares held by CLP Power India Private Limited, the Holding Company, and its nominees	20,000,000	100%	20,000,000	100%	20,000,000	100%
<b>Compulsory Convertible Preference Shares:</b>						
CCPS held by CLP India Private Limited, the Holding Company of CLP Power India Private Limited	2,324,882,458	100%	2,324,882,458	100%	2,324,882,458	100%



**Jhajjar Power Limited**  
**Notes to the Financial Statements**  
(All amount in Rs. Million, unless otherwise stated)

**Note 13 : Other Equity**

	31 March, 2017	31 March, 2016	1 April, 2015
Securities premium reserve	1,504.85	1,504.85	1,504.85
Debenture Redemption Reserve	407.09	113.59	-
Equity component of compound financial instrument	1,976.77	1,976.77	1,976.77
Equity component of Corporate Guarantee	198.01	198.01	198.01
Retained earnings	(7,175.36)	(9,041.54)	(10,819.80)
Other Reserves	(635.51)	(393.15)	-
<b>Total reserves and surplus</b>	<b>(3,724.16)</b>	<b>(5,641.47)</b>	<b>(7,140.17)</b>

<b>Debenture Redemption Reserve</b>			
Opening Balance	113.59	-	-
Appropriation during the year	293.50	113.59	-
<b>Closing balance</b>	<b>407.09</b>	<b>113.59</b>	<b>-</b>

	As at March 31, 2017	As at March 31, 2016
<b>Retained earnings</b>	<b>(9,041.54)</b>	<b>(10,819.80)</b>
Opening Balance	2,162.10	1,891.18
Net profit for the period	-	-
Items of other comprehensive income recognised directly in retained earnings	-	-
Remeasurement of post employment benefit obligation, net of tax	(2.42)	0.67
Transfer to debenture redemption reserve	(293.50)	(113.59)
<b>Closing balance</b>	<b>(7,175.36)</b>	<b>(9,041.54)</b>

	Cash Flow Hedging reserve	Cost of hedging reserve	Total Other Reserves
As at 1 April 2015	-	-	-
Deferred hedging gains/(losses) and cost of hedging	574.50	(517.35)	57.15
Deferred Tax Asset/(Liability)	(198.82)	179.05	(19.77)
Reclassification to profit or loss	(658.37)	-	(658.37)
Deferred Tax Asset/(Liability)	227.84	-	227.84
<b>As at 31 March 2016</b>	<b>(54.85)</b>	<b>(338.30)</b>	<b>(393.15)</b>
Deferred hedging gains/(losses) and cost of hedging	268.00	(845.30)	(577.30)
Deferred Tax Asset/(Liability)	(92.75)	292.53	199.78
Reclassification to profit or loss	206.70	-	206.70
Deferred Tax Asset/(Liability)	(71.54)	-	(71.54)
<b>As at 31 March 2017</b>	<b>255.56</b>	<b>(891.07)</b>	<b>(635.51)</b>

**Notes :**

**Nature and purpose of Reserves:**

**(i) Securities premium account**

Securities premium reserve represents the amount towards premium on issue of shares. The reserve shall be utilised in accordance with the provisions of the Companies Act.

**(ii) Debenture Redemption reserve**

The company has created debenture redemption reserve out of the profits for purpose of redemption of debentures.

**(iii) Equity component of compound financial instrument**

Refer Note 40.

**(iv) Equity component of Corporate Guarantee**

Refer Note 40.

**(v) Cash flow Hedging reserve**

The company uses hedging instruments as part of its management of foreign currency risk associated with its foreign currency loan payments and interest rate risk associated with variable interest rate borrowings as described within note 31. For hedging foreign currency risk, the company uses foreign currency forward contracts and foreign currency option contracts, both of which are designated as cash flow hedges. For hedging interest rate risk, the company uses interest rate swaps which is also designated as cash flow hedge. To the extent these hedges are effective; the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to profit or loss when the hedged item affects profit or loss (e.g. interest payments).

**(vi) Cost of hedging reserve**

The company designates the spot component of foreign currency forward contracts and the intrinsic value of foreign currency option contracts as hedging instruments in cash flow hedge relationships. The company defers changes in the forward element of foreign currency forward contracts and the time value element of foreign currency option contracts in the costs of hedging reserve.



**Jhajjar Power Limited**  
**Notes to the Financial Statements**  
(All amount in Rs. Million, unless otherwise stated)

**Note 14 : (a) Non- Current Borrowings**

Secured Borrowings	31 March, 2017	31 March, 2016	1 April, 2015
Debentures	9,963.11	4,909.55	-
<b>Term Loans-</b>			
<i>From banks</i>			
Ruppee Loan	3,428.76	3,799.98	5,036.18
Foreign Currency Loan	9,824.41	16,644.83	17,417.93
<i>From financial institutions</i>			
Ruppee Loan	3,646.32	4,172.07	8,675.09
Foreign Currency Loan	6,305.16	6,678.63	6,503.20
<b>Unsecured</b>			
Loan from Related Party (Refer note 35)	2,496.65	2,247.83	2,023.23
Current maturities of long term debt (included in note 16(c)(ii))	(3,169.43)	(3,052.17)	(3,436.77)
Interest accrued (included in note 16(c)(ii))	(487.13)	(352.52)	(263.64)
<b>Total non current borrowings</b>	<b>32,007.85</b>	<b>35,048.20</b>	<b>35,955.22</b>

**(a) Nature of Security and terms of repayment for secured borrowings**

**Nature of Security**

Non convertible debentures are secured by:

- (a) first pari passu charge on movable, immovable assets, current assets (both present and future).
- (b) assignment or first pari passu charge on all project documents, LC, guarantees etc for project, clearances for project, insurance contracts and proceeds.
- (c) first pari passu charge on intangible assets of the Company.
- (d) first pari passu charge on bank accounts of the Company.
- (e) guarantee given by a group company for Issue I debentures.
- (f) first pari passu pledge of atleast 51% of equity shares and compulsory convertible Preference shares of the Company.
- (g) any other security as per demand by the debenture holders.

**Terms of Repayment**

1. (a) Series I Debentures amounting to Rs. 2,380 Mn repayable on 30th April 2025 and interest paid on:
  - Half yearly basis at 9.99% p.a.
- (b) Series II Debentures amounting to Rs. 2,380 Mn repayable on 30th April 2026 and interest paid on:
  - Half yearly basis at 9.99% p.a.
2. (a) Series I Debentures amounting to Rs. 900 Mn repayable on 28th April 2023 and interest paid on:
  - Annual basis at 9.91% p.a.
- (b) Series II Debentures amounting to Rs. 1,300 Mn repayable on 30th April 2024 and interest paid on:
  - Annual basis at 9.91% p.a.
3. (a) Series I Debentures amounting to Rs. 1,800 Mn repayable on 30th April 2022 and interest paid on:
  - Annual basis at 8.70% p.a.
- (b) Series II Debentures amounting to Rs. 900 Mn repayable on 30th April 2023 and interest paid on:
  - Annual basis at 8.70% p.a.

Term Loans are secured by a first mortgage and charge in favour of the lenders of all the immovable properties both present and future of the Company on pari passu basis and a first charge by way of hypothecation on movable properties, machinery, machinery spares, tools and accessories present and future subject to prior charge created in favour of the bankers.

**From Banks**

**Ruppee Loan**

- (1) Repayable 82% of the principal amount in first 43 equal quarterly instalments and 18% of the principal amount in the last installment from the date of first disbursement with maturity date of loan as 30th November 2023 and interest paid on:
  - (a) Monthly basis at average rate of 10.65 % p.a.

**Foreign Currency Loan**

- (1) Initially loan was repayable in 44 equal quarterly instalments from the date of first disbursement with maturity date of 29th October 2023. 11 installements have been prepaid during the year (5 installements in July'16 and 6 installements in Jan'17). Consequently balance loan is repayable in 33 equal quarterly instalments with maturity date of 29th January 2021 and interest paid on:
  - (a) Interest on quaterly basis at 3 month libor + 350bps p.a.
  - (b) Interest on quaterly basis at 3 month libor + 300bps p.a.
- (2) Repayable in 44 quarterly instalments from the date of first disbursement as follows
  - First 8 installment of 1.5% each, Next 8 Installment of 1.25% each, Next 8 Installment of 1.50% each, Next 4 Installment of 2% each, Next 4 Installment of 3% each, Next 8 Installment of 3.75% each, Next 4 Installment of 4% each and interest paid on :
    - (a) Interest on quaterly basis at 3 month libor + 350bps p.a.



**From Financial Institutions**

**Rupee Loan:**

(1) Repayable in 44 equal quarterly instalments from the date of first disbursement with maturity date of 30th November 2023 & 31st December 2023 respectively and interest paid on:  
(a) Monthly basis at average rate of 10.42% p.a.

**Foreign Currency Loan:**

(1) Repayable in 44 quarterly instalments from the date of first disbursement as follows with maturity date of 1st November 2023:  
First 16 installment of 0.75% each, Next 3 Installment of 1% each, Next 14 Installment of 1.50% each, Next 4 Installment of 2.5% each, Next 6 Installment of 3% each, Last 1 Installment of 36% each and interest paid on :  
(a) Monthly basis at 6 month libor + 220bps p.a.

**Note 14(b) Other non-current financial liabilities**

	31 March, 2017	31 March, 2016	1 April, 2015
<b>(i) Derivatives</b>			
Interest rate swaps	-	127.44	56.58
<b>(ii) Others</b>			
Forward Premium Payable	1,254.74	1,299.24	1,217.73
Capital Creditors	3.15	3.15	3.15
Retention amount payable to Creditors	0.12	0.17	4.35
<b>Total other non- current financial liabilities</b>	<b>1,258.01</b>	<b>1,430.00</b>	<b>1,281.81</b>

\* amount below rounding off norms

**Note 15 : Employee Benefit obligations (Non-Current)**

	31 March, 2017	31 March, 2016	1 April, 2015
Provision for Gratuity (Refer note 29)	3.46	1.98	3.23
Provision for Compensated Absences (Refer note 29)	20.49	17.75	16.99
<b>Total Employee Benefit Obligations (Non - Current)</b>	<b>23.95</b>	<b>19.73</b>	<b>20.22</b>



**Jhajjar Power Limited**  
**Notes to the Financial Statements**  
(All amount in Rs. Million, unless otherwise stated)

**Note 16 (a) : Borrowings - Current**

	31 March, 2017	31 March, 2016	1 April, 2015
Working Capital Loan repayable on demand from banks	2,569.96	3,436.08	5,490.35
Commercial Paper	1,500.00	2,000.00	3,500.00
Interest accrued (included in note 16(c)(ii))	(7.27)	(5.45)	(24.33)
<b>Total current borrowings</b>	<b>4,062.69</b>	<b>5,430.63</b>	<b>8,966.02</b>

**(a) Nature of Security and terms of repayment for secured borrowings**

Nature of Security	Terms of Repayment
Working Capital Loan repayable on demand from banks are secured by a first mortgage and charge in favour of the lenders of all the immovable properties both present and future of the Company on pari passu basis and a first charge by way of hypothecation on movable properties, machinery, machinery spares, tools and accessories present and future subject to prior charge created in favour of the bankers. They are also secured by hypothecation of inventories, book debts and receivables.	Repayable within a period ranges from 5 to 180 days with interest rate ranges from 8.60% to 11.25%.
Commercial papers are unsecured in nature and no charge needs to be created in favour of commercial paper holders.	Repayable within a period ranges from 30 to 90 days with coupon rate ranges from 6.50% to 9.50%.

**Note 16(b) : Trade payables**

	31 March, 2017	31 March, 2016	1 April, 2015
Due to Micro, Small and Medium Enterprises( Refer note. 37)	-	-	-
Due to others	1,254.57	1,406.62	5,539.90
<b>Total Trade payables</b>	<b>1,254.57</b>	<b>1,406.62</b>	<b>5,539.90</b>

**Note 16(c) : Other current financial liabilities**

	31 March, 2017	31 March, 2016	1 April, 2015
<b>(i) Derivatives</b>			
Interest rate swaps	-	10.60	2.69
<b>(ii) Others</b>			
Current maturities of long term borrowings	3,169.43	3,052.17	3,436.77
Interest accrued but not due on borrowings	494.40	357.97	287.97
Unbilled Revenue Payable	-	0.51	-
Forward Premium Payable	338.47	270.51	202.28
Retention amount payable to Capital Creditors	5.53	9.90	12.68
Dues of Capital Creditors other than Micro, Small and Medium Enterprises	1.23	20.18	35.44
<b>Total other current financial liabilities</b>	<b>4,009.06</b>	<b>3,721.84</b>	<b>3,977.83</b>

**Note 17 : Other current liabilities**

	31 March, 2017	31 March, 2016	1 April, 2015
Statutory Dues including provident fund & tax deducted as source	20.75	6.92	37.21
Provision for other expenses	333.57	172.36	192.01
<b>Total other current liabilities</b>	<b>354.32</b>	<b>179.28</b>	<b>229.22</b>

**Note 18 : Employee benefit obligations (Current)**

	31 March, 2017	31 March, 2016	1 April, 2015
Provision for Gratuity (Refer note 29)	4.94	4.18	3.62
Provision for Compensated Absences (Refer note 29)	1.12	1.00	0.90
<b>Total employee benefit obligations (Current)</b>	<b>6.06</b>	<b>5.18</b>	<b>4.52</b>

**Note 19 : Current tax liabilities (net)**

	31 March, 2017	31 March, 2016	1 April, 2015
Provision for tax (net of advance tax of Rs. 49.17 million)	20.62	-	-
<b>Total current tax liabilities (net)</b>	<b>20.62</b>	<b>-</b>	<b>-</b>



**Jhajjar Power Limited**  
**Notes to the Financial Statements**  
(All amount in Rs. Million, unless otherwise stated)

**Note 20 : Revenue from operations**

	31 March, 2017	31 March, 2016
Revenue from Sale of electricity [Including Rs. 7,951.01 million (March 31, 2016: Rs. 8,360.13 million) towards capacity charges which is in nature of operating lease income under Ind AS 17]	17,450.21	24,680.05
Other operating income: Sale of Fly Ash (inclusive of excise duty)	172.99	333.95
<b>Total revenue from operations</b>	<b>17,623.20</b>	<b>25,014.00</b>

**Note 21 : Other income and other gains**

	31 March, 2017	31 March, 2016
<b>Other income</b>		
Interest from others	0.58	3.91
Liabilities written back to the extent no longer required	-	649.02
Foreign Exchange Fluctuation (Net)	414.93	0.77
Miscellaneous income	189.19	41.05
<b>Other gains</b>		
Net gain on financial assets measured at fair value	372.70	213.25
Fair value gains on derivatives not designated as hedges	-	394.16
<b>Total other income and other gains</b>	<b>977.40</b>	<b>1,302.16</b>

**Note 22 : Cost of material consumed**

	31 March, 2017	31 March, 2016
Consumption of Coal	8,755.71	15,461.60
Consumption of HSD	110.34	73.20
Consumption of Stores and Spares	242.68	417.38
Water Charges	30.65	51.19
Excise Duty	3.56	6.90
<b>Total cost of material consumed</b>	<b>9,142.94</b>	<b>16,010.27</b>

**Note 23 : Employee benefit expenses**

	31 March, 2017	31 March, 2016
Salaries, Wages and Bonus	399.30	326.41
Contribution to Provident and Other Funds	11.91	10.34
Contribution to Gratiuty fund	4.61	2.14
Staff Welfare Expenses	25.31	20.72
<b>Total employee benefit expenses</b>	<b>441.13</b>	<b>359.61</b>



**Jhajjar Power Limited****Notes to the Financial Statements**

(All amount in Rs. Million, unless otherwise stated)

**Note 24 : Depreciation and amortisation expense**

	<b>31 March, 2017</b>	<b>31 March, 2016</b>
Depreciation of property, plant and equipment (Refer note 3)	2,574.29	2,555.50
Amortization of intangible assets (Refer note 4)	9.25	11.82
<b>Total employee benefit expenses</b>	<b>2,583.54</b>	<b>2,567.32</b>

**Note 25 : Other expenses**

	<b>31 March, 2017</b>	<b>31 March, 2016</b>
Repairs and Maintenance - Plant	206.98	213.91
Repairs and Maintenance - Building	12.25	11.93
Repairs and Maintenance - Others	106.69	210.10
Plant Utilities	0.92	0.97
Unscheduled Intercharges	57.68	-
Rent	19.73	21.99
Insurance	90.34	93.51
Traveling and Conveyance	31.52	28.19
Legal and Professional	42.40	44.40
Provision for Bad and Doubtful Debts	52.01	107.41
Auditors' Remuneration (Refer note 38)	9.35	9.03
Rates and Taxes	1.73	11.79
Expenditure towards Corporate Social Responsibilities (CSR) activities (Refer note 39)	23.00	4.69
Bank Charges	5.33	7.67
Donations	0.01	0.14
Foreign Exchange Fluctuation (Net)	1.52	-
Derivative Mark to market	424.25	-
Communication Expenses	1.79	2.92
IT operating costs	30.04	28.75
Office expenses	35.36	25.49
Security Expenses	29.02	23.14
Site Expenses	-	0.12
Contract staff	184.98	150.91
Miscellaneous Expenses	71.75	87.87
<b>Total other expenses</b>	<b>1,438.65</b>	<b>1,084.93</b>

**Note 26 : Finance cost**

	<b>31 March, 2017</b>	<b>31 March, 2016</b>
Interest on Long Term Borrowings	2,833.69	2,781.66
Interest on Short Term and Working Capital Loans	289.54	621.53
Finance Charges	534.11	526.91
Forward premium amortisation	564.69	444.64
<b>Total finance cost</b>	<b>4,222.03</b>	<b>4,374.74</b>



**Jhajjar Power Limited**  
**Notes to the Financial Statements**  
(All amount in Rs. Million, unless otherwise stated)  
**27 Income tax expense**

	31 March 2017	31 March 2016
<b>(a) Income tax expense</b>		
Current tax		
Current tax on profits for the year	69.79	-
MAT credit entitlement	(69.79)	-
<b>Total current tax expense</b>	<b>-</b>	<b>-</b>
Deferred tax		
Decrease/(increase) in deferred tax assets	(1,045.79)	(708.79)
(Decrease)/increase in deferred tax liabilities	(344.00)	736.90
<b>Total deferred tax expense/(benefit)</b>	<b>(1,389.79)</b>	<b>28.11</b>
<b>Total income tax expense/(benefit) for the year</b>	<b>(1,389.79)</b>	<b>28.11</b>

**(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:**

	31 March 2017	31 March 2016
Profit before tax and after net movements in regulatory deferral account balances	772.31	1,919.30
<b>Tax at the Indian tax rate of 34.608% (2015-2016 – 34.608%)</b>	<b>267.28</b>	<b>664.23</b>
<b>Adjustments not allowed in Income tax computation</b>		
- Ind AS Adjustments	289.26	(51.03)
- Provision for Retirement benefits	2.87	1.63
- Depreciation as per Companies Act	894.11	888.29
- Forward Cover Premium	111.03	130.86
- Provision for doubtful debts	18.00	37.17
- Corporate Social Responsibility expense	7.96	0.05
-Penalty Paid under service tax Act	-	0.71
<b>Adjustments allowed in Income tax computation</b>		
-Depreciation as per Income Tax	(1,462.73)	(1,617.00)
-Payment of Retirement Benefits	(1.10)	-
-Tax loss adjusted against tax liability	(126.68)	9.72
-Provision for SEOD penalty disallowed earlier	-	(64.85)
<b>Deferred tax adjustments</b>		
Adjustments resulting in decrease/(increase) in deferred tax assets		
-Tax losses	(1,021.84)	(636.19)
-Employee benefits	(1.76)	(0.05)
-Provision for Doubtful debts	(18.00)	(42.89)
-Forward Premium payable	(8.12)	(51.82)
-Others	3.94	9.29
Adjustments resulting in (decrease)/increase in deferred tax liabilities		
-Change in WDV	(49.53)	681.89
-Borrowings measured at amortised cost	(179.92)	(118.95)
-Derivatives	(114.55)	187.05
<b>MAT adjustments</b>		
-Tax liability under MAT	69.79	-
-MAT credit entitlement	(69.79)	-
<b>Income tax expense reported in statement of profit &amp; loss</b>	<b>(1,389.79)</b>	<b>28.11</b>



**Jhajjar Power Limited**  
**Notes to the Financial Statements**  
 (All amount in Rs. Million, unless otherwise stated)

**Note 28 : Earnings per share (EPS)**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

**i. Profit attributable to Equity holders of the Company**

	March 31, 2017	March 31, 2016
Profit attributable to equity holders:	2,162.10	1,891.18
<b>Profit attributable to equity holders adjusted for the effect of dilution</b>	<b>2,162.10</b>	<b>1,891.18</b>

**Reconciliation of earnings used in calculating earnings per share**

Basic Earning per share

Profit attributable to equity holders used in calculating basic earnings per share:	2,162.10	1,891.18
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Diluted Earning per share

Profit attributable to equity holders used in calculating diluted earnings per share:	2,162.10	1,891.18
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**ii. Weighted average number of shares used as the denominator**

	March 31, 2017	March 31, 2016
Weighted average number of equity shares used as the denominator in calculating basic EPS	20,000,000	20,000,000
Adjustment for calculation of diluted earnings per share:		
Compulsory convertible preference shares	2,324,882,458	2,324,882,458
<b>Weighted average number of equity shares &amp; potential equity shares used as the denominator in calculating diluted earnings per share</b>	<b>2,344,882,458</b>	<b>2,344,882,458</b>

**Basic and Diluted earnings per share**

	March 31, 2017	March 31, 2016
Basic earnings per share	108.10	94.56
Diluted earnings per share	0.92	0.81



**Note 29: Defined Benefit Obligation**

**(i) Defined Contribution Plan:**

The Company has a defined contribution plan. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is Rs. 11.85 Million (March 31, 2016: Rs.10.29 Million).

**(ii) Defined Benefit Plan:**

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/resignation or death of employee is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The Company makes annual contributions to the Group Gratuity cum Life Assurance Schemes administered by the LIC of India, a funded defined benefit plan for qualifying employees. The group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments. The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2017. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(A) Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

Note	March 31, 2017	March 31, 2016	April 1, 2015
Net defined benefit asset	14.06	12.21	9.97
<b>Total employee benefit asset (A)</b>	<b>14.06</b>	<b>12.21</b>	<b>9.97</b>
Net defined benefit liability			
Liability for Gratuity	22.45	18.37	16.82
<b>Total employee benefit liabilities (B)</b>	<b>22.45</b>	<b>18.37</b>	<b>16.82</b>
<b>Net defined benefit liability (B)- (A)</b>	<b>15, 18</b>	<b>8.39</b>	<b>6.16</b>
Non-current	3.46	1.99	3.23
Current	4.93	4.17	3.62

**B. Movement in net defined benefit (asset)/ liability**

The following table shows a reconciliation from the opening balances to the

**(a) Gratuity (Funded)**

Opening balance	Present value of obligation	Fair Value Of Plan Assets	Net Defined Benefit Obligation
<b>April 1, 2015</b>	<b>16.82</b>	<b>9.97</b>	<b>(6.85)</b>
Adjustment to opening fund	-	-	-
Transfer in/ (out) obligation	(1.34)	-	1.34
Service cost	3.96	-	(3.96)
Interest cost/ (income)	1.34	0.92	(0.42)
Expense deducted from fund	-	(0.28)	(0.28)
Expected return	-	-	-
<b>Total amount recognised in profit or loss</b>	<b>3.96</b>	<b>0.64</b>	<b>(3.32)</b>
Remeasurement loss (gain):			
Actuarial loss (gain) arising from:			
Financial assumptions	(0.32)	-	0.32
Experience adjustment	(0.60)	-	0.60
Return on plan assets excluding interest income	-	0.11	0.11
<b>Total amount recognised in other comprehensive income</b>	<b>(0.92)</b>	<b>0.11</b>	<b>1.03</b>
Benefits paid	(1.49)	(1.49)	-
Contributions	-	2.98	2.98
<b>March 31, 2016</b>	<b>18.37</b>	<b>12.21</b>	<b>(6.16)</b>



**Jhajjar Power Limited**  
**Notes to the financial statements**  
 (All amount in Rs. Million, unless otherwise stated)

	Present value of obligation	Fair Value Of Plan Assets	Net Defined Benefit Obligation
<b>April 01,2016</b>	<b>18.37</b>	<b>12.21</b>	<b>(6.16)</b>
Adjustment to opening fund	-	-	-
Transfer in/ (out) obligation	(3.35)	-	3.35
Service cost	4.00	-	(4.00)
Interest cost/ (income)	1.38	1.13	(0.25)
Expense deducted from fund	-	-	-
Expected return	-	-	-
<b>Total amount recognised in profit or loss</b>	<b>2.03</b>	<b>1.13</b>	<b>(0.90)</b>
Remeasurement loss (gain):			
Actuarial loss (gain) arising from:			
Demographic assumptions	-	-	-
Financial assumptions	2.29	-	(2.29)
Experience adjustment	1.09	-	(1.09)
Return on plan assets excluding interest income	-	(0.32)	(0.32)
<b>Total amount recognised in other comprehensive income</b>	<b>3.38</b>	<b>(0.32)</b>	<b>(3.70)</b>
Benefits paid	(1.33)	(1.33)	-
Contributions	-	2.37	2.37
<b>March 31,2017</b>	<b>22.45</b>	<b>14.06</b>	<b>(8.39)</b>

**(b) Leave obligations**

The leave obligation covers the company's liability for sick and earned leave. The amount of the provision of INR 21.60 (31 March 2016 INR 18.75, 1 April 2015 INR 17.66) is presented as current (leave obligations expected to be settled within the next 12 months) and non current. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

**Leave Liability (Unfunded)**

	Defined benefit obligation		
	March 31, 2017	March 31, 2016	April 1, 2015
<b>Opening balance</b>	<b>11.57</b>	<b>11.53</b>	<b>8.45</b>
Adjustment to opening fund			
Service cost	1.99	2.49	3.35
Interest cost	0.92	0.90	0.70
Transfer in (out) obligation	-	(0.22)	0.06
Liabilities assumed in amalgamation in nature of purchase	(1.86)	-	-
Charge for sick leave	-	-	-
<b>Total amount recognised in profit or loss</b>	<b>1.05</b>	<b>3.17</b>	<b>4.11</b>
Remeasurement loss (gain):			
Actuarial loss (gain) arising from:			
Demographic assumptions	-	-	0.60
Financial assumptions	1.44	(0.22)	-
Experience adjustment	(0.42)	(0.85)	-
Return on plan assets excluding interest income	-	-	-
<b>Total amount recognised in other comprehensive income</b>	<b>1.02</b>	<b>(1.07)</b>	<b>0.60</b>
Benefits paid	(0.82)	(2.07)	(1.63)
Contributions	-	-	-
<b>Defined benefit obligation for Personal Leave Liability</b>	<b>12.82</b>	<b>11.56</b>	<b>11.53</b>
Defined Benefit Obligation for Sick Leave Liability	8.79	7.19	6.36
Defined Benefit Obligation for Leave Liability	21.61	18.75	17.89



**Jhajjar Power Limited**  
**Notes to the financial statements**  
 (All amount in Rs. Million, unless otherwise stated)

**C. Plan assets**

Plan assets comprise the following

	March 31, 2017	March 31, 2016	April 1, 2015
Insurance policy	100%	100%	100%
	100%	100%	100%

**D. Defined benefit obligations**

**i. Actuarial assumptions**

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	March 31, 2017	March 31, 2016	April 1, 2015
Discount rate	7.30%	8.02%	7.90%
Return on Plan Assets	7.30%	8.02%	9.10%
Salary escalation rate	8.00%	8.00%	8.00%

Assumptions regarding future mortality have been based on standard published statistics and mortality tables.

**ii. Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Change in Assumption		Impact on Defined Benefit Obligation			
			Increase in assumption		Decrease in assumption	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Discount rate (0.5% movement)	0.50%	0.50%	-7.51%	-7.00%	8.35%	7.76%
Future salary growth (0.5% movement)	0.50%	0.50%	8.26%	7.72%	-7.50%	-7.03%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The method and types of assumption used in preparing the sensitivity analysis

**E. Risk exposure**

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

**Credit Risk:** As the scheme is insured and fully funded on Projected Unit Credit basis, there is a credit risk to the extent the insurer(s) is/ are unable to discharge their obligations including failure to discharge in timely manner.

**Discount Rate risk:** The Company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase in the ultimate cost of providing the above benefit thereby increasing the value of the liability.

**Future Salary Increase Risk:** The Scheme cost is very sensitive to the assumed future salary escalation rates for all final salary defined benefit Schemes. If actual future salary escalations are higher than that assumed in the valuation actual Scheme cost and hence the value of the liability will be higher than that estimated.

Expected contribution to the fund for the year ending March 31, 2018 is not presently ascertainable and hence the contribution expected to be paid to the plan during the annual period beginning after the reporting date are not disclosed.

The weighted average duration of the defined benefit obligation is 16 years (2016 - 15.37 years, 2015- 27.05 years). The expected maturity analysis of gratuity is as follows:

Defined benefit obligation (Gratuity)	Less than a year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
31 March 2017	0.40	0.43	2.76	4.48	8.07
31 March 2016	0.38	0.41	2.50	4.55	7.84
1 April 2015	0.26	0.46	2.78	14.22	17.72



**Jhajjar Power Limited****Notes to the financial statements**

(All amount in Rs. Million, unless otherwise stated)

**Note 30: Operating leases****A. Leases as lessee**

i). The Company has taken office premises under operating leases. The initial tenure of the lease is generally between 12 months to 60 months. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

*Rental expense relating to operating lease*

	March 31, 2017	March 31, 2016	March 31, 2015
Minimum lease payments	19.06	18.61	19.35
Total rental expense relating to operating leases	<b>19.06</b>	<b>18.61</b>	<b>19.35</b>

**B. Leases as Lessor**

ii). The 25-year power purchase arrangements between Jhajjar and its offtakers are accounted for as operating leases. Under the agreements, the offtakers are obliged to purchase the output of Jhajjar power plant at predetermined prices. The future aggregate minimum lease receipts under non-cancellable operating leases are as follows.

	March 31, 2017	March 31, 2016	March 31, 2015
Within one year	5,909.06	5,886.13	6,466.12
Later than one year but not later than five years	23,041.78	23,681.65	24,144.25
Over five years	51,160.90	56,430.10	61,853.63
	<b>80,111.74</b>	<b>85,997.88</b>	<b>92,464.00</b>



**Jhajjar Power Limited**  
**Notes to the financial statements**  
 (All amount in Rs. Million, unless otherwise stated)

**Financial instruments – Fair values and risk management**

**Note 31: Accounting classification and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

**A. Financial Instruments by category**

Particulars	March 31, 2017			March 31, 2016			April 1, 2015		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial assets</b>									
Other Non-current financial asset	1,713.76	944.23	121.38	2,160.92	1,430.03	11.69	1,788.06	1,407.07	8.12
Trade and other receivables	-	-	3,823.74	-	-	4,566.60	-	-	6,243.05
Cash and cash equivalents	-	-	78.86	-	-	32.70	-	-	374.25
Other Current financial asset	103.64	148.85	361.05	80.72	362.99	-	59.44	244.93	1,227.83
	<b>1,817.40</b>	<b>1,093.08</b>	<b>4,385.03</b>	<b>2,241.64</b>	<b>1,793.02</b>	<b>4,610.99</b>	<b>1,847.50</b>	<b>1,652.00</b>	<b>7,853.25</b>
<b>Financial liabilities</b>									
Long-term borrowings	-	-	32,007.85	-	-	35,048.20	-	-	35,955.22
Other Non-Current financial liabilities	-	-	1,258.01	127.44	-	1,302.56	56.58	-	1,225.23
Short term Borrowings	-	-	4,062.69	-	-	5,430.63	-	-	8,966.02
Trade and other payables	-	-	1,254.57	-	-	1,406.62	-	-	5,539.90
Other Current financial liabilities	-	-	4,009.06	10.60	-	3,711.24	2.69	-	3,975.14
	-	-	<b>42,592.18</b>	<b>138.04</b>	-	<b>46,899.25</b>	<b>59.27</b>	-	<b>55,661.51</b>

**B. 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 the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

**Financial assets and liabilities measured at fair value- recurring fair value measurements**

At 31 March 2017	Notes	Level 1	Level 2	Level 3	Total Carrying Amount
<b>Financial assets</b>					
<i>Financial assets at FVTPL</i>					
Principal only swap	5, 9(c)	-	1,817.40	-	1,817.40
<i>Financial assets at FVOCI</i>					
<i>Derivatives designated as hedges</i>					
Interest rate swaps	5, 9(c)	-	351.88	-	351.88
Foreign currency options	5, 9(c)	-	214.87	-	214.87
Foreign exchange forward contracts	5, 9(c)	-	526.34	-	526.34
<b>Total Financial Assets</b>		-	<b>2,910.49</b>	-	<b>2,910.49</b>



**Jhajar Power Limited**  
**Notes to the financial statements**  
 (All amount in Rs. Million, unless otherwise stated)

<b>Assets and liabilities which are measured at amortised cost for which fair values are disclosed</b>					
<b>At 31 March 2017</b>	<b>Notes</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total Carrying Amount</b>
Other financial assets	5, 9(c)	-	-	482.43	482.43
Trade and other receivables	9(a)	-	-	3,823.74	3,823.74
Cash and cash equivalents	9(b)	-	-	78.86	78.86
<b>Total Financial Assets</b>		-	-	<b>4,385.03</b>	<b>4,385.03</b>
<b>Financial liabilities</b>					
Long-term borrowings	14(a)	-	-	32,007.85	32,007.85
Other financial liabilities	14(b), 16(c)	-	-	5,267.07	5,267.07
Short term Borrowings	16(a)	-	-	4,062.69	4,062.69
Trade and other payables	16(b)	-	-	1,254.57	1,254.57
<b>Total Financial Liabilities</b>		-	-	<b>42,592.18</b>	<b>42,592.18</b>

<b>Financial assets and liabilities measured at fair value- recurring fair value measurements</b>					
<b>At 31 March 2016</b>	<b>Notes</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Carrying Amount</b>
<b>Financial assets</b>					
<i>Financial assets at FVTPL</i>					
Principal only swap	5, 9(c)	-	2,241.64	-	2,241.64
<i>Financial assets at FVOCI</i>					
<i>Derivatives designated as hedges</i>					
Foreign currency options	5, 9(c)	-	396.44	-	396.44
Foreign exchange forward contracts	5, 9(c)	-	1,396.58	-	1,396.58
<b>Total Financial Assets</b>		-	<b>4,034.66</b>	-	<b>4,034.66</b>
<b>Financial liabilities</b>					
<i>Financial liabilities at FVTPL</i>					
<i>Derivatives designated as hedges</i>					
Interest rate swaps	14(b), 16(c)	-	138.04	-	138.04
<b>Total Financial Liabilities</b>		-	<b>138.04</b>	-	<b>138.04</b>

<b>Assets and liabilities which are measured at amortised cost for which fair values are disclosed</b>					
<b>At 31 March 2016</b>	<b>Notes</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Carrying Amount</b>
Other financial assets	5, 9(c)	-	-	11.69	11.69
Trade and other receivables	9(a)	-	-	4,566.60	4,566.60
Cash and cash equivalents	9(b)	-	-	32.70	32.70
Short term loans and advances		-	-	-	-
<b>Total Financial Assets</b>		-	-	<b>4,610.99</b>	<b>4,610.99</b>
<b>Financial liabilities</b>					
Long-term borrowings	14(a)	-	-	35,048.20	35,048.20
Other financial liabilities	14(b), 16(c)	-	-	5,013.80	5,013.80
Short term Borrowings	16(a)	-	-	5,430.63	5,430.63
Trade and other payables	16(b)	-	-	1,406.62	1,406.62
<b>Total Financial Liabilities</b>		-	-	<b>46,899.25</b>	<b>46,899.25</b>



**Jhajar Power Limited**  
**Notes to the financial statements**  
 (All amount in Rs. Million, unless otherwise stated)

**Financial assets and liabilities measured at fair value- recurring fair value measurements**

At April 1, 2015	Notes	Level 1	Level 2	Level 3	Carrying Amount
<b>Financial assets</b>					
<i>Financial assets at FVTPL</i>					
Principal only swap	5, 9(c)	-	1,847.50	-	1,847.50
<i>Financial assets at FVOCI</i>					
<i>Derivatives designated as hedges</i>					
Foreign currency options	5, 9(c)	-	240.13	-	240.13
Foreign exchange forward contracts	5, 9(c)	-	1,411.87	-	1,411.87
<b>Total Financial Assets</b>		-	<b>3,499.49</b>	-	<b>3,499.50</b>
<b>Financial liabilities</b>					
<i>Financial liabilities at FVTPL</i>					
<i>Derivatives designated as hedges</i>					
Interest rate swaps	14(b), 16(c)	-	59.27	-	59.27
<b>Total Financial Liabilities</b>		-	<b>59.27</b>	-	<b>59.27</b>

**Assets and liabilities which are measured at amortised cost for which fair values are disclosed**

At April 1, 2015	Notes	Level 1	Level 2	Level 3	Carrying Amount
Other financial assets	5, 9(c)	-	-	1,235.95	1,235.95
Trade and other receivables	9(a)	-	-	6,243.05	6,243.05
Cash and cash equivalents	9(b)	-	-	374.25	374.25
<b>Total Financial Assets</b>		-	-	<b>7,853.25</b>	<b>7,853.25</b>
Long-term borrowings	14(a)	-	-	35,955.22	35,955.22
Other financial liabilities	14(b), 16(c)	-	-	5,200.37	5,200.37
Short term Borrowings	16(a)	-	-	8,966.02	8,966.02
Trade and other payables	16(b)	-	-	5,539.90	5,539.90
<b>Total Financial Liabilities</b>		-	-	<b>55,661.51</b>	<b>55,661.51</b>

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. The company has no such financial instruments.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**Notes:**

1. The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents and other current assets and liabilities are considered to be the same as their fair values, due to their short-term nature.

2. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

3. The fair value of the long-term Borrowings with floating-rate of interest is not impacted due to interest rate changes, and will not be significantly different from their carrying amounts as there is no significant change in the under-lying credit risk of the company's borrowing (since the date of inception of the loans).

4. There have been no transfers between Level 1 and Level 2 during the years under consideration.

**C. Valuation techniques and significant unobservable inputs**

Specific valuation techniques used to value financial instruments include :

-The fair values for borrowings are calculated based on cash flows discounted using lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

-the fair value of forward foreign exchange contracts, foreign currency options and principal swap is determined using forward exchange rates at the balance sheet date

- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves

- the fair value of foreign currency option contracts is determined using the Black Scholes valuation model the fair value of the remaining financial instruments is determined using discounted cash flow analysis



**Note 32: Financial risk management**

The company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the group, derivative financial instruments, such as foreign exchange forward contracts, foreign currency option contracts are entered to hedge certain foreign currency risk exposures and interest rate swaps to hedge variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Aging analysis	Diversification of bank deposits, credit limits, letters of credit and bank guarantee.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk foreign exchange	Import of goods and services etc	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts
Market risk interest rate	Borrowings at variable rates	Sensitivity analysis	Interest rate swaps

The company's risk management is carried out by a treasury department under the supervision of Senior Vice President of the Company. The treasury department identifies and evaluates financial risks in close co-operation with the company's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, liquidity risk etc.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

**(A) Credit risk**

**(i) Credit risk management**

Credit risk is managed on a company basis.

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and other financial assets.

The company has significant concentration of credit risk with respect to the sale of electricity as the company sells a majority of its electricity output to state electricity boards in India through Power Purchase Agreements (PPA) for 25 years. For the purpose of providing loss allowance, the company considers past trend and estimates the total amount expected to be recovered from the customers (by reviewing the status of disputed debtors and transit loss billed) and provide for loss allowance on the basis of life time expected credit loss.

A default on a financial asset is when the counterparty fails to make contractual payment within stipulated time of when they fall due.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

**Trade receivables**

	Carrying amount (in INR million)		
	March 31, 2017	March 31, 2016	April 1, 2015
Neither past due nor impaired	1,657.39	2,700.87	4,515.32
Past due 1-30 days	224.80	13.53	8.49
Past due 31-90 days	31.14	23.65	21.04
Past due 91-120 days	-	7.12	8.18
More than 120 days	1,910.41	1,821.43	1,690.02
	<b>3,823.74</b>	<b>4,566.60</b>	<b>6,243.05</b>

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

**ii. Reconciliation of loss allowance provision - Trade receivables**

Loss allowance on 1 April 2015	<b>860.01</b>
Changes in loss allowance	<u>107.41</u>
<b>Loss allowance on 31 March 2016</b>	<b>967.42</b>
Changes in loss allowance	<u>52.01</u>
<b>Loss allowance on 31 March 2017</b>	<b>1,019.43</b>

The increase in loss allowance for trade receivables is mainly attributable to the loss allowance on transit loss billed during the reporting period.



**Jhajjar Power Limited**

Notes to the financial statements

(All amount in Rs. Million, unless otherwise stated)

**(B) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and availability of funding through an adequate amount of committed credit facilities to reduce refinancing risk in any year and to fund working capital and debt servicing obligations when due. Due to the dynamic nature of the underlying business, Company's treasury maintains flexibility in funding through availability under committed credit lines. Management also monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at company level in accordance with practice and limits set by the company. In addition, the company's liquidity management policy involves close monitoring of liquidity position by monitoring cash collection and level of liquid assets necessary to meet cash outflow obligation, monitoring balance sheet liquidity ratios against external regulatory requirements and maintaining due financing plans.

**(i) Financing arrangements**

The company had access to the following undrawn borrowing facilities at the end of reporting period:

Particulars	31 March 2017	31 March 2016	1 April 2015
<b>Floating rate</b>			
- Expiring within one year (bank overdraft and other facilities)	16,437.32	13,108.38	3,864.13

The working capital loan facilities and bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

**(ii) Maturities of financial liabilities**

The table below analyses the company's financial liabilities into relevant maturity groupings based on their contractual maturities for : at the end of the reporting period of the groups non- derivative financial liabilities and derivative financial liabilities (both net settled and gross settled), which are based on contractual undiscounted cashflows:

- all non derivative financial liabilities, and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows.

**Contractual maturities of financial liabilities****March 31, 2017:**

	Not later than 1 year	Between 1 and 2 years	Between 2 and 5 years	Later than 5 years	Total
<b>Non-derivative financial liabilities</b>					
Rupee term loans from banks and financial institutions	907.14	907.14	2,721.43	2,577.54	7,113.25
Foreign currency term loans from banks and financial institutions	2,317.32	2,410.61	6,510.36	5,048.26	16,286.55
Debentures	-	-	-	9,660.00	9,660.00
Working capital loans from banks	2,562.68	-	-	-	2,562.68
Commercial papers	1,500.00	-	-	-	1,500.00
Trade payables	1,254.57	-	-	-	1,254.57
Other financial liabilities	2,097.64	-	-	-	2,097.64
<b>Total non- derivative liabilities</b>	<b>10,639.35</b>	<b>3,317.75</b>	<b>9,231.79</b>	<b>17,285.80</b>	<b>40,474.69</b>
<b>Derivative financial liabilities</b>					
Interest rate swaps					
- Outflow	(6,125.03)	(142.61)	(235.66)	-	(6,503.30)
- Inflow	6,348.78	237.67	467.00	-	7,053.45
Principal only swaps					
- Outflow	(435.64)	(269.26)	(578.08)	(3,260.09)	(4,543.07)
- Inflow	360.53	236.00	1,674.14	4,115.61	6,386.28
<b>Total derivative assets/(liabilities)</b>	<b>148.64</b>	<b>61.80</b>	<b>1,327.40</b>	<b>855.52</b>	<b>2,393.36</b>



**Jhajjar Power Limited**  
Notes to the financial statements  
(All amount in Rs. Million, unless otherwise stated)

**March 31, 2016:**

	Not later than 1 year	Between 1 and 2 years	Between 2 and 5 years	Later than 5 years	Total
<b>Non-derivative financial liabilities</b>					
Rupee term loans from banks and financial institutions	907.14	907.14	2,721.43	3,484.69	8,020.40
Foreign currency term loans from banks and financial institutions	2,207.69	2,369.48	7,755.45	11,335.69	23,668.31
Debentures	-	-	-	4,760.00	4,760.00
Working capital loans from banks	3,430.62	-	-	-	3,430.62
Commercial papers	2,000.00	-	-	-	2,000.00
Trade and other payables	1,406.62	-	-	-	1,406.62
Other Financial liabilities	1,961.63	-	-	-	1,961.63
<b>Total non derivative financial liabilities</b>	<b>11,913.70</b>	<b>3,276.62</b>	<b>10,476.88</b>	<b>19,580.38</b>	<b>45,247.58</b>
<b>Derivative financial liabilities</b>					
Interest rate swaps					
- Outflow	(2,745.86)	(20,139.48)	-	-	(22,885.34)
- Inflow	2,633.32	20,072.72	-	-	22,706.04
Principal only swaps					
- Outflow	(63.44)	(38.46)	4,137.30	(3,090.53)	944.87
- Inflow	(2.12)	31.90	(2,907.58)	4,304.55	1,426.75
<b>Total derivative assets/(liabilities)</b>	<b>(178.10)</b>	<b>(73.32)</b>	<b>1,229.72</b>	<b>1,214.02</b>	<b>2,192.32</b>

**March 31, 2015:**

	Not later than 1 year	Between 1 and 2 years	Between 2 and 5 years	Later than 5 years	Total
Rupee term loans from banks and financial institutions	1,452.60	1,452.60	4,357.79	6,437.28	13,700.27
Foreign currency term loans from banks and financial institutions	2,057.63	2,085.02	6,991.03	13,277.16	24,410.84
Working capital loans from banks	5,466.01	-	-	-	5,466.01
Commercial papers	3,500.00	-	-	-	3,500.00
Trade and other payables	5,539.90	-	-	-	5,539.90
Other financial liabilities	1,763.59	-	-	-	1,763.59
<b>Total non- derivative financial liabilities</b>	<b>19,779.73</b>	<b>3,537.62</b>	<b>11,348.82</b>	<b>19,714.44</b>	<b>54,380.61</b>
<b>Derivative financial liabilities</b>					
Interest rate swaps					
- Outflow	(409.89)	(1,533.91)	(6,400.89)	-	(8,344.69)
- Inflow	314.69	1,482.97	6,147.21	-	7,944.87
Principal only swaps					
- Outflow	(297.98)	(290.38)	(3,618.55)	-	(4,206.91)
- Inflow	209.58	225.12	5,683.99	-	6,118.69
<b>Total derivative assets/(liabilities)</b>	<b>(183.60)</b>	<b>(116.20)</b>	<b>1,811.76</b>	<b>-</b>	<b>1,511.96</b>



## Jhajar Power Limited

Notes to the financial statements

(All amount in Rs. Million, unless otherwise stated)

### (C) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk and interest rate risk. Thus, our exposure to market risk is a function of borrowing activities and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency costs.

#### a. Foreign Currency risk

The Company is exposed to currency risk on account of its borrowings and other payables in foreign currency. The functional currency of the Company is Indian Rupee. The Company uses forward exchange contracts and foreign currency options to hedge its currency risk.

The company also imports certain materials which are denominated in USD which exposes it to foreign currency risk. To minimise the risk of imports, the company hedges contracts with INR value above 5 crores up to 3 months in advance by entering into foreign exchange forward contracts

The company uses a combination of foreign currency option contracts and foreign exchange forward contracts to hedge its exposure in foreign currency risk. The company designates the spot element of forward contracts and the intrinsic value of foreign currency option contracts as the hedging instrument. The changes in the forward element that relate to the hedged item ('aligned forward element') and the changes in time value that relate to the hedged item ('aligned time value') are deferred in the costs of hedging reserve and recognised against the related hedged transaction when it occurs. The forward element and the time value relate to the respective hedged item if the critical terms of the forward or the option are aligned with hedged item. Any residual time value and forward points (the non-aligned portion) are recognised in the statement of profit and loss. During the years ended 31 March 2017 and 2016, the group did not have any hedging instruments with terms which were not aligned with those of the hedged items.

The spot component of forward contracts is determined with reference to relevant spot market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points.

The intrinsic value of foreign exchange option contracts is determined with reference to the relevant spot market exchange rate. The differential between the contracted strike rate and the spot market exchange rate is defined as the intrinsic value. Time value of the option is the difference between fair value of the option and the intrinsic value.

#### Foreign currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2017, March 31, 2016 and April 1, 2015 are as below:

##### March 31, 2017

	USD	EURO	CHF
<b>Financial liabilities</b>			
Long term borrowings	16,129.57	-	-
Trade payables	14.34	1.42	-
Derivative liabilities	-	-	-
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>16,143.91</b>	<b>1.42</b>	-
<b>Financial assets</b>			
Derivative assets	(2,910.48)	-	-
<b>Net exposure to foreign currency risk (assets)</b>	<b>(2,910.48)</b>	-	-

##### March 31, 2016

	USD	EURO	CHF
<b>Financial liabilities</b>			
Long term borrowings	23,323.46	-	-
Trade payables	(11.73)	(0.61)	(1.27)
Derivative liabilities	(138.05)	-	-
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>23,173.68</b>	<b>(0.61)</b>	<b>(1.27)</b>
<b>Financial assets</b>			
Derivative assets	(4,034.67)	-	-
<b>Net exposure to foreign currency risk (assets)</b>	<b>(4,034.67)</b>	-	-



**Jhajjar Power Limited**

Notes to the financial statements

(All amount in Rs. Million, unless otherwise stated)

**April 1, 2015**

	USD	EURO	CHF
<b>Financial liabilities</b>			
Long term borrowings	23,921.12	-	-
Trade payables	(5.76)	(0.04)	-
Derivative liabilities	(59.27)	-	-
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>23,856.09</b>	<b>(0.04)</b>	-
<b>Financial assets</b>			
Derivative assets	(3,504.60)	-	-
<b>Net exposure to foreign currency risk (assets)</b>	<b>(3,504.60)</b>	-	-

The following significant exchange rates have been applied during the year.

INR	Year-end spot rate		
	31 March 2017	31 March 2016	1 April 2015
USD	65	67	63

**Sensitivity analysis**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts, foreign exchange option contracts designated as cash flow hedges.

Effect in INR	Profit or loss		Impact on other components of equity (net of tax)	
	Strengthening	Weakening	Strengthening	Weakening
<b>March 31, 2017</b>				
<b>5% movement</b>				
USD	661.67	(661.67)	147.80	(147.80)
EURO	0.07	(0.07)	-	-
<b>Total</b>	<b>661.74</b>	<b>(661.74)</b>	<b>147.80</b>	<b>(147.80)</b>
<b>March 31, 2016</b>				
<b>5% movement</b>				
USD	956.95	(956.95)	203.16	(203.16)
EURO	(0.03)	0.03	-	-
CHF	(0.06)	0.06	-	-
<b>Total</b>	<b>956.86</b>	<b>(956.86)</b>	<b>203.16</b>	<b>(203.16)</b>



**Jhajjar Power Limited**

Notes to the financial statements

(All amount in Rs. Million, unless otherwise stated)

**b. Interest rate risk**

The company's interest rate risk arises from debt borrowings. Borrowings issued at variable rates expose the company to cash flow interest rate risk, whilst borrowings issued at fixed rates expose the company to fair value interest rate risk. The risks are managed by monitoring an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swaps.

**Exposure to interest rate risk**

The sensitivity analysis below presents the effects on the company's post-tax profit for the year (as a result of change in interest expense on floating rate borrowings) and equity (as a result of change in the fair value of derivative instruments which qualify as cash flow hedges). Such amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged items affect profit or loss, and offset one another in the profit or loss.

The analysis has been determined based on the exposure to interest rates for both derivative and non-derivative financial instruments at the end of the reporting period. For floating rate borrowings, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. The sensitivity to interest rates used is considered reasonable given the market forecasts available at the end of the reporting period and under the economic environments in which the company operates, with all other variables held constant.

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

	Nominal amount in INR		
	March 31, 2017	March 31, 2016	March 31, 2015
<b>Non-derivative Financial instruments</b>			
<b>Fixed-rate instruments</b>			
Debentures	9,963.11	4,909.55	-
	<b>9,963.11</b>	<b>4,909.55</b>	-
<b>Variable-rate instruments</b>			
Long term borrowings	22,044.73	30,138.65	35,955.22
Short term borrowings	4,062.69	5,430.63	8,966.02
	<b>26,107.42</b>	<b>35,569.28</b>	<b>44,921.24</b>
<b>Total</b>	<b>36,070.53</b>	<b>40,478.83</b>	<b>44,921.24</b>

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

Particulars	31 March 2017			31 March 2016			1 April 2015		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
	%			%			%		
Bank overdrafts, bank loans	9.7	26,107.42	72%	10.4	35,569.28	88%	12	44,921.24	100%
Interest rate swaps (notional principal amount)	4	(30,365.48)		4	(23,668.31)		4	(33,605.77)	
<b>Net exposure to cash flow interest rate risk</b>		<b>(4,258.06)</b>			<b>11,900.97</b>			<b>11,315.47</b>	

An analysis by maturities is provided in note 32(B)(ii) above. The percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total amount of borrowings.



**Jhajjar Power Limited**

Notes to the financial statements

(All amount in Rs. Million, unless otherwise stated)

**Fair value sensitivity analysis for fixed-rate instruments**

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the Company does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

**Cash flow sensitivity analysis for variable-rate instruments**

A reasonably possible change of 20 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

INR	Profit or loss		Equity, net of tax	
	20 bps	20 bps decrease	20 bps increase	20 bps decrease
<b>March 31, 2017</b>				
Variable-rate instruments			95.70	(95.70)
<b>Cash flow sensitivity (net)</b>	-	-	95.70	(95.70)
<b>March 31, 2016</b>				
Variable-rate instruments			257.67	(257.67)
<b>Cash flow sensitivity (net)</b>	-	-	257.67	(257.67)



**Jhajjar Power Limited**  
**Notes to the financial statements**  
 (All amount in Rs. Million, unless otherwise stated)

The Company's risk management policy is to hedge its foreign currency exposure in accordance with the exposure limits advised from time to time. The Company uses forward exchange contracts and options to hedge its currency risk and interest rate swaps to hedge its interest rate risk. Such contracts are generally designated as cash flow hedges.

The hedging instruments are denominated in the same currency as the highly probable future transaction value, therefore the hedge ratio is 1:1. The Company's policy is for the critical terms of the hedging instrument to align with the hedged item.

The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Company assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in the cash flows of the hedged item using the hypothetical derivative method.

In these hedge relationships, changes in timing of the hedged transactions is the main source of hedge ineffectiveness.

**a. Disclosure of effects of hedge accounting on financial position:**

**March 31, 2017**

Type of hedge	Nominal Value		Carrying amount of hedging instrument		Maturity date	Hedge ratio	Average strike price/ rate	Changes in fair value of the hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
<b>Cash Flow Hedges</b>									
<b>Foreign Exchange Risk</b>									
Forwards	6,474.62		526.64		Apr 17- Jul 22	1:1	67.92	(173.08)	173.08
Options	2,304.25		214.86		Apr 17- Jan 21	1:1	63.31	(33.23)	33.23
<b>Interest Rate Risk</b>									
Interest rate swaps	465.01		351.88		Apr 17- Jan 21	1:1		-	-

**March 31, 2016**

Type of hedge	Nominal Value		Carrying amount of hedging instrument		Maturity date	Hedge ratio	Average strike price/ rate	Changes in fair value of the hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
<b>Cash Flow Hedges</b>									
<b>Foreign Exchange Risk</b>									
Forwards	9,304.49		1,396.58		Apr 16- Jul 22	1:1	65.68	525.56	(525.56)
Options	6,184.20		396.44		Apr 16- Jan 21	1:1	64.33	132.81	(132.81)
<b>Interest Rate Risk</b>									
Interest rate swaps	354.48			138.05	Apr 16- Jan 18	1:1		-	-



**Jhajjar Power Limited**  
**Notes to the financial statements**  
 (All amount in Rs. Million, unless otherwise stated)  
**March 31, 2015**

Type of hedge	Nominal Value		Carrying amount of hedging instrument		Maturity date	Hedge ratio	Average strike price/ rate	Changes in fair value of the hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
<b>Cash Flow Hedges</b>									
<b>Foreign Exchange Risk</b>									
Forwards	10,631.00		1,411.87		Apr 16- Jul 22	1:1	64.27	-	-
Options	3,034.16		240.13		Apr 16- Jan 21	1:1	59.30	-	-
<b>Interest Rate Risk</b>									
Interest rate swaps	532.92			54.17	Apr 16- Jan 18	1:1		-	-

**b. Disclosure of effects of hedge accounting on financial performance**  
**March 31, 2017**

Type of hedge	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Line item in the statement of profit or loss that includes the hedge ineffectiveness	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit or loss because of the reclassification
<b>Cash Flow Hedge</b>					
(i) Foreign Exchange Risk	(845.30)	-	*	206.31	Other Income
(ii) Interest Rate Risk	474.68	15.24	Other Income	-	

**March 31, 2016**

Type of hedge	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Line item in the statement of profit or loss that includes the hedge ineffectiveness	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit or loss because of the reclassification
<b>Cash Flow Hedge</b>					
(i) Foreign Exchange Risk	(517.35)	-	*	658.37	Other Income
(ii) Interest Rate Risk	(83.88)	-	*	-	

\* These hedges are 100% effective and there is no hedge ineffectiveness.



**Jhajjar Power Limited**  
**Notes to the financial statements**  
 (All amount in Rs. Million, unless otherwise stated)

c. The following table provides a reconciliation by risk category of components of equity and analysis of OCI items, net of tax, resulting from cash flow hedge accounting:

Movements in cash flow hedging reserve	Foreign Currency Risk		Interest Rate Risk	Total
	Forwards	Options	Interest rate swap	
<b>Balance at 1 April 2015</b>	-	-	-	-
Add :Changes in discounted spot element of foreign exchange forward contracts	525.56	-	-	525.56
Add :Changes in intrinsic value of foreign currency options	-	132.81	-	132.81
Add: Changes in fair value of interest rate swaps	-	-	(83.88)	(83.88)
Less : Amounts reclassified to profit or loss	(525.56)	(132.81)	-	(658.37)
Less: Deferred tax relating to the above	-	-	29.03	29.03
<b>As at March 31, 2016</b>	-	-	<b>(54.85)</b>	<b>(54.85)</b>
Add :Changes in discounted spot element of foreign exchange forward contracts	(173.47)	-	-	(173.47)
Add :Changes in intrinsic value of foreign currency options	-	(33.23)	-	(33.23)
Add: Changes in fair value of interest rate swaps	-	-	474.69	474.69
Less : Amounts reclassified to profit or loss	173.47	33.23	-	206.70
Less: Deferred tax relating to the above	-	-	(164.28)	(164.28)
<b>As at March 31, 2017</b>	-	-	<b>255.56</b>	<b>255.56</b>

Movements in cost of Hedging reserve	Foreign Currency Risk		Interest Rate Risk	Total
	Forwards	Options	Interest rate swap	
<b>Balance at 1 April 2015</b>	-	-	-	-
Add Deferred forward points relating to foreign exchange	(540.85)	-	-	(540.85)
Add: Deferred time value of foreign currency option contracts	-	23.50	-	23.50
Less: Included in the carrying amount of hedged item	-	-	-	-
Less: Deferred tax relating to the above	187.18	(8.13)	-	179.05
<b>As at March 31, 2016</b>	<b>(353.67)</b>	<b>15.37</b>	-	<b>(338.30)</b>
Add Deferred forward points relating to foreign exchange	(696.95)	-	-	(696.95)
Add: Deferred time value of foreign currency option contracts	-	(148.35)	-	(148.35)
Less: Included in the carrying amount of hedged item	-	-	-	-
Less: Deferred tax relating to the above	241.20	51.33	-	292.53
<b>As at March 31, 2017</b>	<b>(809.42)</b>	<b>(81.65)</b>	-	<b>(891.07)</b>



**Jhajjar Power Limited****Notes to the financial statements**

(All amount in Rs. Million, unless otherwise stated)

**Note 33: Capital Management****(a) Risk management**

The primary objective of the company's capital management is to safeguard the company's ability to continue as a going concern, maintain a strong credit rating and a healthy capital ratio to support the business and to enhance shareholder value.

The company manages its capital structure and makes adjustments to it in light of changes in economic conditions and business strategies to maintain or adjust the capital structure, issue new shares or raise and repay debts. The company's capital management objectives, policies or processes were unchanged during the year ended March 31, 2015, March 31 2016 and March 31, 2017.

The company monitors capital using 'total debt to total capital' and 'net debt to total capital' ratios. These ratios are as follows:

	As at March 31, 2017	As at March 31, 2016	As at 1 April, 2015
Total Debt	39,239.97	43,531.00	48,358.01
Net Debt	39,161.11	43,498.30	47,983.76
<b>Total equity</b>			
Total capital (based on total debt)	58,964.63	61,338.35	64,666.66
Total capital (based on net debt)	58,885.78	61,305.65	64,292.41
Total debt to total capital(based on total debt) ratio (%)	67%	71%	75%
Net debt to total capital(based on net debt) ratio (%)	67%	71%	75%

**(i) Loan covenants**

The Company has complied with loan covenants in accordance with loan agreements.

**Note 34: Segment Reporting**

The company operates under a single (primary) business segment viz. " Electricity Generation" . Further, the company is operating in a single geographical segment. Accordingly, disclosures relating to primary and secondary business segments under the Indian Accounting Standard on Operating segments (Ind AS-108) notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Accounts) Rules, 2015 of are not required.



**Jhajjar Power Limited**

**Notes to the financial statements**

(All amount in Rs. Million, unless otherwise stated)

**Notes 35: Related party relationships, transactions and balances**

**(a) List of Related Parties and Relationships**

Related parties where control exists or with whom transactions have taken place during the year are given below:

Nature of relationship	Nature
Ultimate Holding Company	CLP Holdings Limited, Hong Kong
Holding Company of CLP Power India Private Limited	CLP India Private Limited (CLPIPL)
Holding Company	CLP Power India Private Limited (CLPPIPL)
Fellow Subsidiaries	CLP Wind Farms (India) Private Limited CLP Wind Farms (Theni - Project II) Private Limited CLP Wind Farms (Theni - Project III) Private Limited CLP Wind Farms (Theni - Project IV) Private Limited CLP Wind Farms (Khandke) Private Limited CLP India Foundation CLP Business Management and Support Limited CLP Power Projects II, Mauritius CLP Power (GPEC) Limited, Mauritius SE Solar Limited
Trust in which key managerial personnel have significant influence	The Trustee Jhajjar Power Limited Employee GGCA Scheme
Key Managerial Personnel	- Mr. Rajiv Mishra (Managing Director) - Mr. Naveen Munjal (Director) - Mr. Samir Ashra (Director) - Mr. Ian George Tuft (Director)

**(b) Related party transactions and balances**

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Nature of Transaction	Year	Ultimate Holding Company, Holding Company of CLPPIPL and Holding Company	Fellow subsidiaries
<b>Information Technology Services received from:</b>			
CLP Business Management and Support Limited	March 31, 2017	=	15.61
	March 31, 2016	=	15.16
<b>Net expense reimbursed to:</b>			
CLP India Private Limited (Refer Note 1 below)	March 31, 2017	166.06	=
	March 31, 2016	152.87	=
CLP Windfarms (India) Private Limited	March 31, 2017	=	=
	March 31, 2016	=	0.06
<b>Net expense reimbursed from:</b>			
CLP Windfarms (Khandke) Private Limited	March 31, 2017	=	0.02
	March 31, 2016	=	0.03
CLP Windfarms (India) Private Limited	March 31, 2017	=	0.38
	March 31, 2016	=	=
<b>Payable:</b>			
<b>Loan balance payable</b>			
CLP India Private Limited	March 31, 2017	2,496.65	=
	March 31, 2016	2,247.83	=
	March 31, 2015	2,023.23	=
<b>Equity component of compound financial instrument</b>			
CLP India Private Limited	March 31, 2017	1,976.77	=
	March 31, 2016	1,976.77	=
	March 31, 2015	1,976.77	=
<b>Equity component of corporate guarantee</b>			
CLP India Private Limited	March 31, 2017	198.01	=
	March 31, 2016	198.01	=
	March 31, 2015	198.01	=
<b>Outstanding bank &amp; corporate guarantee received by company's bankers from</b>			
CLP India Private Limited	March 31, 2017	5,460.00	=
	March 31, 2016	5,230.00	=
	March 31, 2015	3,220.00	=

Note:

(1) Includes Rs. 122.47 Million (Previous Year Rs. 90.29 Million) towards reimbursement of salary of Managing Director and other Directors in accordance with cost sharing agreement with group companies



**Jhajjar Power Limited**  
**Notes to the financial statements**

(All amount in Rs. Million, unless otherwise stated)

**Note 36: Contingent liabilities and commitments (to the extent not provided for)**

	March 31, 2017	March 31, 2016	April 1, 2015
<b>A. Contingent liabilities</b>			
a. Claims against the company not acknowledged as debts			
Contingent Liabilities (Refer Note below)	4,839.30	3,963.17	3,683.76

(a) Haryana Power Generation Corporation Limited ("HPGCL") had initiated a bidding process for selection of developers to implement and operate a coal based 1320 MW power plant at District Jhajjar, Haryana ("Project") under the tariff based competitive bidding mechanism, through the state distribution licensees of Haryana. CLP Power India Private Limited ("CLPPIPL"), the promoter, was selected as the successful bidder and the Project was implemented by Jhajjar Power Limited ("Company"), a fellow subsidiary of CLPPIPL.

The land required for setting up the project was acquired by Government of Haryana under the provisions of the Land Acquisition Act, 1894. The compensation was determined and paid to the land owners by the said Government.

(a) Some of the land owners from whom the land was acquired have filed petitions against the Government of Haryana and made the Company co-defendant seeking enhancement of the compensation as determined by the competent authority under the Act. The Hon'ble District Court of Jhajjar, Haryana enhanced the compensation vide orders dated March 30, 2013, April 29, 2013, May 30, 2013 and April 5, 2014 for the respective claims filed by land owners. JPL has appealed to the High Court of Punjab & Haryana against all orders of District court. The Hon'ble High Court has dismissed one of the appeals upholding the enhanced compensation awarded by the District Court. JPL has filed an appeal in the Supreme Court of India (SLP) challenging the judgments of the High Court of Punjab & Haryana and the District Court, Jhajjar. The payment of the enhanced compensation is stayed by the Supreme Court of India on March 24, 2014. In the remaining three appeals, on November 13, 2014, the Hon'ble High Court, granting stay of the lower court's orders, adjourned the matters as long as the Company's SLP pending before Supreme Court is finally decided.

(b) Some of the land owners who were not a party to the petition filed in District Court filed a review petition u/s 28(A) of Land Acquisition Act 1894 with Land Acquisition Collector, Jhajjar for review of the compensation originally awarded on the basis of the award passed by the District court. The matter was heard on December 30, 2014 when District Officer was informed of the stay orders passed by Supreme Court in JPL's SLP. In light of the stay orders granted by the Hon'ble Supreme Court, the review petitions are also adjourned as long as the Company's SLP is finally decided.

(c) Some land owners from whom the right of use was acquired for laying down of underground water pipelines as per the "Haryana Underground Pipelines (Acquisition of Right of User in Land), Act 2009" have filed petitions in the District Court of Jhajjar, Haryana against the Government of Haryana and JPL seeking enhanced compensation. The District Court has enhanced the compensation vide Orders dated December 24, 2014 and January 19, 2015 for the respective claims filed by land owners. The Company has filed appeals against these orders before the Hon'ble Punjab & Haryana High Court. On September 1, 2015, the Court has stayed the orders of the District Court in light of Supreme Court's stay order.

(d) Some land owners from whom the land was acquired for laying down of railway line and setting up of air valves have filed petitions in the District Court of Jhajjar, Haryana against the Government of Haryana and JPL seeking enhanced compensation. The District Court has enhanced the compensation vide Orders dated October 17, 2015 and November 23, 2015. The Company has challenged these orders by filing appeals before the Hon'ble Punjab & Haryana High Court where the Hon'ble Court was pleased to order that execution proceedings, if any, be stayed till the final disposal of the appeals.

Management has ascertained that the impact of enhanced compensation liability based on the said orders amounts to approximately Rs 719.82 Million (March 31, 2016: Rs. 674.20 Million, March 31, 2015: Rs. 607.59 Million).

Under the bidding document for the Project, the obligation to obtain the land was on the Government of Haryana. Also, in all the pending litigations, the Government of Haryana is the first respondent. Hence, if the case is decided in favor of the land owners, the liability to pay the enhanced compensation will be on the Government of Haryana and not on the Company.

Further during the bidding for the Project, the request for proposal had mentioned the tentative Declared Price of Land (compensation amount) at Rs. 3.2 billion. The Power Purchase Agreement ("PPA") provides that any increase in the declared price of Land after the bid date will be considered as a change in law and that the Company will be protected from any adverse effect on its economic position as follows:

"For every cumulative increase of each Rs. 160 million in the Capital Cost over the Construction Period, Non Escalable Capacity Charges shall be increased by 0.267%."

Based upon a legal opinion obtained by external counsels, the management believes that the Company has a strong case on merits (on facts as well as law) and that the orders granting enhanced compensation ought to be set aside by the Hon'ble Punjab & Haryana High Court. In the event Company is required to pay increased price for the project land to the land litigants, such increased cost will be a pass through under the PPA as a change in law. Hence, there would be no effect on the economic position of the Company and hence no provision has been made for the above Rs. 719.82 Million (March 31, 2016: Rs. 674.20 Million, March 31, 2015: Rs. 607.59 Million) at this stage.



**Jhajjar Power Limited****Notes to the financial statements**

(All amount in Rs. Million, unless otherwise stated)

(2). Disputes with Haryana Discoms and Tata Power Distribution Company Limited amounting to Rs. 4,580.22 Million (March 31, 2016: Rs. 3,926.38 Mn, March 31, 2015: Rs. 3,606.19 Million) and Rs. 330 Million (March 31, 2016: Rs. 330 Million, March 31, 2015: Rs. 330 Million) respectively.

The Company has disputes with Uttar Haryana Bijli Vitran Nigam Limited and Dakshin Haryana Bijli Vitran Nigam Limited (both referred here as 'Haryana Discoms') relating to (a) date of commercial operation of Unit 1, (b) applicable rate of capacity charges, (c) application of Unscheduled Interchange charges as per the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009, (d) penalty for lower than threshold availability, (e) payment of capacity charges for the availability lost due to delay in approving procurement of alternate coal by the Haryana Discoms, (f) payment of coal transit loss, and (g) payment of railway staff charges, bank guarantee charges and other costs incurred in the purchase and transportation of coal. As at March 31, 2017, the total amount under dispute is Rs. 4,580.22 Mn (March 2016 Rs 3,926.38 Million, March 31, 2015: Rs. 3,606.19 Million) out of which Rs. 2,953.3 Mn (March 2016 Rs 2,841.84 Million, March 31, 2015: Rs. 2,622.57 Million) is included under trade receivable and Rs. 1,626.92 Million (March 2016 Rs 1,084.54 Million, March 31, 2015: Rs. 983.62 Million) has been claimed by Haryana Discom. In respect of the stated disputes, the Company filed a petition with Central Electricity Regulatory Commission ('CERC') against the Haryana Discoms and pursuant to a direction by the CERC, Tata Power Delhi Distribution Limited ('TPDDL') and Tata Power Trading Company Limited ('TPTCL') were also impleaded. TPDDL also filed a petition against the Company claiming transmission charges purportedly incurred by it in Financial Year 2012-13 amounting to Rs. 330 Mn (March 2016 Rs 330 Million, March 31, 2015: Rs. 330 Million) owing to the low availability achieved by the Company in that year. Vide order dated January 25, 2016, the CERC has awarded its decision in respect of the said disputes. The disputes mentioned in (a) & (b) above amounting to Rs. 1,518.63 Mn (March 2016 Rs 1,518.63 Million, March 31, 2015: 1518.63 Million) has been decided in favour of the Company. For the dispute referred in (c) above, CERC has also upheld Company's contention for application of Unscheduled Interchange charges. For disputes referred in (d) to (g) above amounting to Rs. 1,434.7 Mn (March 2016 Rs 1,323.21 Million, March 31, 2015: Rs. 1103.91), CERC has decided that the Company is eligible for reimbursement of coal transit losses and other costs and the matter should be mutually settled with the Haryana Discom and referred to the Commission for approval. For the purpose of payment of capacity charges and application of penalty, the CERC has decided that Company is assumed to have achieved availability of 55.05% against actual availability of 31.05% and that prayed for of 75.56%.

In respect of the above disputes, the Company made a provision of Rs. 1,019.4 Mn (March 2016 Rs 967.42 Million, March 31, 2015: Rs. 763.28 Million) on a prudent basis in earlier years. In light of the CERC order, the Company has raised a claim of Rs. 6,480.1 Mn (March 2016 Rs 6,089.27 Million) and 253.5 Mn (March 2016:Rs 252.04 Million) with Haryana Discoms and Tata Power respectively towards capacity charges, refund of penalty deducted, surcharge and delayed payment charges. In view of Haryana Discom's appeal to the Appellate Tribunal for Electricity ('APTEL') against the said CERC order, no adjustment has been made in the books of accounts in light of the appeal filed at APTEL. The Company has also filed an appeal with the APTEL against the order of the CERC dated January 25, 2016 to the limited extent for considering the Plant's technical availability of 75.56% in FY 2012-13 as availability achieved for the purpose of computation of capacity charges and penalty. TPDDL has also filed an appeal against the same order seeking refund of transmission charges. In respect of the petition filed by TPDDL against the Company, the CERC through its order dated April 18, 2016 held that the Company is not liable to pay transmission charges to TPDDL and directed TPDDL and TPTCL to pay capacity charges and refund the excess penalty deducted by it to the Company assuming the Company's availability as 55.05%. In light of the said CERC order, the Company has raised a claim of Rs. 253.5 Mn (March 2016 Rs 252.04 Million) with TPTCL towards capacity charges, refund of penalty deducted and surcharge. No adjustment has been made in the books of accounts by the management till the case is finally decided. JPL has appealed against this order to the extent the same gives an incorrect finding on the availability of the plant during the relevant year. All cross appeals are pending before the APTEL and are scheduled for hearing in August 2017.

	March 31, 2017	March 31, 2016	April 1, 2015
<b>B. Commitments</b>			
a. Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances, tangible assets	100.79	63.70	58.77

**Note 37:**

Based on the information available with the Company there are no outstanding dues to micro, small and medium enterprises as at March 31, 2017. No interest is paid / payable by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.

	March 31, 2017	March 31, 2016
<b>Note 38: Auditors' Remuneration (including service tax)</b>		
Audit Fees	8.88	7.25
Other Services	0.38	0.33
Reimbursement of expenses and taxes	0.09	1.45
<b>Total</b>	<b>9.35</b>	<b>9.03</b>

**Note 39 : Corporate social responsibility**

In accordance with Section 135 of Companies Act 2013 and rules thereunder Company is not required to incur expenditure towards corporate social responsibility ('CSR'). The Company has voluntarily incurred expenditure amounting to Rs. 23 Million (March 31, 2016: Rs. 4.69 Million) for CSR. The details of CSR expenditure are provided below:

Particulars	March 31, 2017	March 31, 2016
<b>Amount Spent during the year on CSR:</b>		
(i) Construction/acquisition of any asset*	12.00	-
(ii) On Purpose other than (i) above	11.00	4.69
<b>Total</b>	<b>23.00</b>	<b>4.69</b>

\*Includes construction of Hospital at Jhajjar, Haryana



**Jhajar Power Limited**  
**Notes to the financial statements**

**Note 40: First-time adoption of Ind AS**

**Transition to Ind AS:**

These are the company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the company's date of transition). In preparing its opening Ind AS balance sheet, the company have adjusted amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP). An explanation of how the transition from the previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

**A. Exemptions and exceptions availed**

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS

**A.1. Ind AS optional exemptions**

**A.1.1 Deemed Cost**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

**A.1.2 Leases**

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The company has elected to apply this exemption for such contracts/arrangements.

**A.2. Ind AS mandatory exceptions**

**A.2.1 Hedge accounting**

Hedge accounting can only be applied prospectively from the transition date to transactions that satisfy the hedge accounting criteria in Ind AS 109, at that date. Hedging relationships cannot be designated retrospectively, and the supporting documentation cannot be created retrospectively. Under Ind AS, the entity had assessed hedging relationship for hedges which qualifies for hedge accounting as per Ind AS 109. As a result, only hedging relationships that satisfied the hedge accounting criteria are reflected as hedges in the company's results under Ind AS.

**A.2.2 Estimates**

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

(a) Impairment of financial assets based on expected credit loss model.

**A.2.3 Derecognition of financial assets and liabilities**

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

**A.2.4 Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.



**Jhajar Power Limited**  
Notes to the financial statements

**B. Reconciliation between previous GAAP and Ind AS**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cashflows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS:

(I) **Reconciliation of total equity as at 31 March 2016 and 1 April 2015**

	Notes	31 March 2016	1 April 2015
Total equity (shareholder's funds) as per previous GAAP		16,080.42	14,384.12
<b>Adjustments</b>			
Borrowings measured at amortised cost	1	595.71	742.38
Shareholder's loan measured at amortised cost	2	1,752.17	1,976.77
Adjustment to PPE as per Ind AS 101	3	(1,185.16)	(1,230.58)
Fair valuation of derivatives	4	(98.58)	(38.24)
Recognition of Corporate Guarantee	5	180.16	198.01
Rebate	6	(28.75)	(55.58)
Deferred Tax Asset/ (Liability)	7	511.39	331.77
<b>Total adjustments</b>		<b>1,726.94</b>	<b>1,924.53</b>
<b>Total equity as per Ind AS</b>		<b>17,807.36</b>	<b>16,308.65</b>

(II) **Reconciliation of total comprehensive income for the year ended 31 March, 2016**

	Notes	March 31, 2016
Profit after tax as per previous GAAP		1,696.30
<b>Adjustments</b>		
Borrowings measured at amortised cost	1	(146.67)
Interest expense on shareholder's loan	2	(224.61)
Adjustment to PPE as per Ind AS 101	3	45.41
Fair valuation of derivatives	4	540.89
Amortisation of prepaid corporate guarantee	5	(17.85)
Rebate	6	26.84
Deferred Tax Asset/ (Liability)	7	(28.10)
Remeasurement of Post-employment benefit obligations	8	(1.03)
<b>Total adjustments</b>		<b>194.88</b>
<b>Profit after tax as per Ind AS</b>		<b>1,891.18</b>
Other comprehensive income (Net of Tax)	9	(392.48)
<b>Total comprehensive income as per Ind AS</b>		<b>1,498.70</b>

(III) **Impact of Ind AS adoption on cash flow statement\***

	Amount as per IGAAP	Adjustments	Amount as per Ind AS
Net cash flow from operating activities	9,525.63	48.42	9,574.05
Net cash flow from investing activities	(168.71)	0.15	(168.56)
Net cash flow from financing activities	(9,698.47)	(48.58)	(9,747.05)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(341.55)</b>	<b>(0.00)</b>	<b>(341.55)</b>
<b>Cash and cash equivalents as at April 1, 2015</b>	<b>374.25</b>		<b>374.25</b>
<b>Cash and cash equivalents as at March 31, 2016</b>	<b>32.70</b>		<b>32.70</b>

\*The impact in cash flow statement are due to adjustments explained below.



**Notes to first time adoption:**

**1 Borrowings measured at amortised cost:**

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred. Pursuant to requirements of Ind AS 109, the carrying amount of fixed assets has been reduced by the amount of processing cost (net of cumulative depreciation impact), out of which the amortised amount as at 1 April 2015 has been adjusted with retained earnings and the balance reduced from borrowings. Depreciation on the above amount was reduced from depreciation expenses of year 2015-16.

**2 Shareholder's loan measured at amortised cost:**

Ind AS 109 requires interest free loan received from parent to be accounted at amortised cost. On transition date April 01, 2015, the company has recorded shareholder's loan at amortised cost with corresponding effect on other equity. Subsequent to transition date, each year interest expense has been recognised in statement of profit and loss with corresponding effect on shareholder's loan.

**3 Property, Plant and Equipment:**

Refer note 1 above.

**4 Derivatives:**

Under the previous GAAP, the company applied the requirements of Accounting Standard 11 The effects of changes in foreign exchange rates to account for forward contracts entered for hedging foreign exchange risk related to borrowings. At the inception of forward contracts, premium was separated and amortised as expense over the tenure of the forward contract respectively. The underlying borrowing and forward contract was restated every year at the year end spot exchange rate. Company has adopted hedge accounting to designate derivatives meeting principles of hedge accounting. Derivatives has been recorded in books of accounts at fair value with corresponding effect in other comprehensive income and statement of profit and loss, if any. Derivatives which are not designated as hedging instruments are fair valued with resulting changes being recognised in profit or loss. The forward receivable as at March 31, 2015 and March 31, 2016 has been reversed with corresponding effect in retained earnings and statement of profit and loss respectively.

**5 Corporate Guarantee:**

Under Ind AS, guarantees provided by parent Company on behalf of Company has been recognised in the books of accounts as prepaid expenses, out of this the amortised portion has been recognised in other equity and rest amount is amortised in statement of profit and loss over the period of corporate guarantees.

**6 Rebate:**

Under Ind AS, rebate has been accounted in the year in which revenue has been recognised.

**7 Deferred tax asset/(liability):**

Under Ind AS, deferred tax asset/(liability) has been recognised on brought forward unabsorbed losses and adjustments made on transition to Ind AS.

**8 Remeasurement of Post-employment benefit obligations:**

Under Ind AS, actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income.

**9 Remeasurement of Post-employment benefit obligations:**

Under Ind AS, Company has recognised remeasurements of defined benefit plans and foreign exchange differences arising on effective portion of gains and losses on cash flow hedging instruments under other comprehensive income.

**10 Excise Duty:**

Under Ind AS, revenue from sale of goods is presented inclusive of excise duty.



## Jhajjar Power Limited

### Notes to the financial statements

(All amount in Rs. Million, unless otherwise stated)

#### Note 41: Disclosure on Specified Bank Note (SBN\*)

Details of SBN and Non-SBN held by the Company and transactions made therewith during the period 8th November,2016 to 30th December,2016 is provided below:-

Particulars	SBN	Non-SBN	Total
Closing cash in hand as on 8th November 2016	0.18	0.01	0.19
Add : permitted receipts	-	0.28	0.28
Less : permitted payments	-	0.24	0.24
Less : Amount Deposited in Banks	0.18	-	0.18
Closing cash in hand as on 30 December 2016	-	0.05	0.05

\*Specified Bank Notes (SBN) are the notes as defined in the notification no. S.O. 3407 (E) dated 8 November, 2016 issued by Department of Economic Affairs in the Ministry of Finance, Government of India.

#### Note 42:

The Company could not meet the minimum offtake quantity obligation with its coal suppliers, during the year, due to lower than threshold power despatches sought by its customers. The agreement with the suppliers stipulate a charge in case of a shortfall in minimum offtake quantity and simultaneously the power purchase agreement with the customers stipulates such A charge being a "pass-through" in case the shortfall is due to lower than threshold power despatches sought by its customers. The company has made a provision of Rs. 164.63 million (March 31, 2016: Rs. Nil, March 31, 2015: Rs. Nil) towards such charge, consequent to completion of reconciliation exercise with one of the suppliers, and has also accounted for a corresponding unbilled revenue. Pending reconciliation with the other suppliers, no such provision and corresponding unbilled revenue has been accounted for. This does not have any impact on the profit / net assets of the company.

For Price waterhouse  
Firm Registration Number: 301112E  
Chartered Accountants

  
Sougata Mukherjee  
Partner

Membership No : 57084

Place: *Ampaon*

Date: *11 August 2017*

For and on behalf of the Board of Directors

  
Rajiv Mishra  
Managing Director

  
Samir Ashta  
Director

  
Jayant Patil  
Company secretary

Place : *Mumbai*  
Date : *11 August 2017*

# NILESH SHAH & ASSOCIATES

## Company Secretaries

Ref.: \_\_\_\_\_

### FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**Jhajjar Power Limited**  
Village - Khanpur,  
Tahsil Matenhail,  
Jhajjar, Haryana- 124142

Dear Sir / Madam,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good Corporate Governance practice by Jhajjar Power Limited (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed with regulatory authorities and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We further report that maintenance of proper and updated books, papers, minutes books, filing of forms and returns with applicable regulatory authorities and maintaining other records is the responsibility of management and of the Company. Our responsibility is to verify the content of the documents and returns produce before us, make objective evaluation of the content in respect of compliance and report thereon.

We have examined on test basis, the books, papers, minute books, forms and returns filed and other records maintained by the Company and produced before us for the financial year ended 31<sup>st</sup> March, 2017, according to the provisions of:



# NILESH SHAH & ASSOCIATES

## Company Secretaries

Ref.: \_\_\_\_\_

- (i) The Companies Act, 2013 and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB), to the extent applicable to the Company;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (to the extent applicable);
  - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client.
  - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015;
  - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

We have also in-principally verified systems and mechanism which is in place and followed by the Company to ensure Compliance of other applicable Laws like Labour Laws, etc. (in addition to the above mentioned Laws) as applicable to the Company). We have also relied on the representations made by the Company and its Officers in respect of systems and mechanism formed / followed by the Company for compliances of other applicable Acts, Laws and Regulations and found the satisfactory operation of the of the same.



# NILESH SHAH & ASSOCIATES

## Company Secretaries

Ref.: \_\_\_\_\_

We have also examined compliance with the applicable clauses of:

- (a) Secretarial Standards issued by the Institute of Company Secretaries of India under the provisions of Companies Act, 2013; and
- (b) The Debt Listing Agreements entered into by the Company with Stock Exchange(s).

We further Report that, during the year, either there was no event attracting the below mentioned provisions or it was not mandatory on the part of the Company to comply with the following Provisions, Regulations / Guidelines:

- (a) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (b) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;

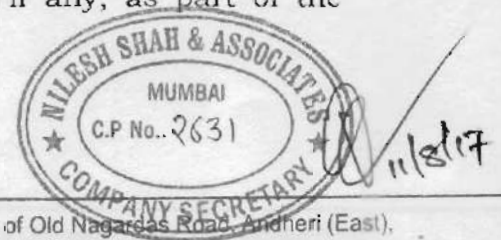
Based on the above said information provided by the Company, we report that during the financial year under report, the Company has materially complied with the substantial provisions of the above mentioned Act/s including applicable provisions of the Companies Act, 2013 and Rules, Regulations, Guidelines, Standards, etc. as mentioned above and we have no material observation of instances of non Compliance in respect of the same.

### **We further report that:**

The Board of Directors of the Company is duly constituted. There were no changes in the Board of Directors during the year.

We also report that adequate notice/s were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda and the same was sent at least seven days in advance, and a reasonable system exists for Board Members for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Based on the representation made by the Company and its officer, we herewith report that the majority decision is carried through and we have been informed that proper system is in place which facilitates / ensure to capture and record, the dissenting member's views, if any, as part of the minutes.



# NILESH SHAH & ASSOCIATES

Company Secretaries

Ref.: \_\_\_\_\_

Based on the representation made by the Company and its Officers explaining us in respect of internal systems and mechanism established by the Company which ensures compliances of other Acts, Laws and Regulations applicable to the Company, we report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the following specific events / action had a major bearing on the Company's affairs and statutory compliances in pursuance of the above referred laws, rules, regulations, guidelines etc. viz.

- (i) Issue of 490 - 9.99% Secured Partially Guaranteed Redeemable Non Convertible Debentures of Rs.1,00,00,000/- each on Private Placement basis and consequent listing of said debenture on the Bombay Stock Exchange.

Note: This Report is to be read along with attached Letter provided as "Annexure - A".

Date: 11/8/17.

Place: Mumbai

Signature:-

Name:- Nilesh Shah

For:- **Nilesh Shah & Associates**

**FCS : 4554**

**C.P. : 2631**



# NILESH SHAH & ASSOCIATES

Company Secretaries

Ref.: \_\_\_\_\_

## 'ANNEXURE A'

To  
The Members,  
**Jhajjar Power Limited**  
Village - Khanpur,  
Tahsil Matenhail,  
Jhajjar, Haryana- 124142

Dear Sir / Madam,

**Sub : Our Report of even date is to be read along with this letter.**

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis (by verifying records as was made available to us) to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company and we rely on Auditors Independent Assessment on the same.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of process followed by Company to ensure adequate Compliance.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Date:- 11/8/17  
Place:- Mumbai

Signature:-  
Name:- Nilesh Shah  
For:- **Nilesh Shah & Associates**  
**FCS : 4554 C.P. : 2631**



H.O. : 257, ELLISBRIGDE SHOPPING CENTRE,  
OPP. M.J. LIBRARY, AHMEDABAD - 380 006  
TEL.: (079) 26576488

BRANCH : 002, YOGI NANDAN BLDG., 13, NANDANVAN SOCY.,  
B/H RLY. STATION, ALKAPURI, BARODA - 390 005

E - mail : kjmehta1977@gmail.com, kiranjmehta@rediffmail.com,

**COST AUDIT REPORT (FORM-CRA-3)**

We Kiran J. Mehta & Co. having been appointed as Cost Auditors under section 148(3) of the Companies Act, 2013 (18 of 2013) of **JHAJJAR POWER LIMITED** having its registered office at Village – Khanpur, Tehsil – Matenhail, Jhajjar, PIN – 124 142, Haryana (hereinafter referred to as the company), have audited the Cost Records maintained under section 148 of the said Act, in compliance with the cost auditing standards, in respect of **Electricity** for the year 2016-17 maintained by the company and report, in addition to our observations and suggestions in Para 2.

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of this audit.
- (ii) In our opinion, proper cost records, as per Rule 5 of the Companies (Cost Records and Audit) Rules, 2014 have been maintained by the company in respect of the product under reference.
- (iii) In our opinion, proper returns adequate for the purpose of the Cost Audit have been received from the branches not visited by us.
- (iv) In our opinion and to the best of our information, the said books and records give the information required by the Companies Act, 2013, in the manner so required.
- (v) In our opinion, the company has adequate system of internal audit of cost records which to our opinion is commensurate to its nature and size of its business.
- (vi) In our opinion, information, statements in the annexure to this cost audit report gives a true and fair view of the cost of production of product, cost of sales, margin and other information relating to product under reference.
- (vii) Detailed product-wise cost statements and schedules thereto in respect of the product under reference of the company duly audited and certified by us are kept in the company.



**KIRAN J. MEHTA & CO.**  
**COST ACCOUNTANTS**

H.O. : 257, ELLISBRIGDE SHOPPING CENTRE,  
OPP. M.J. LIBRARY, AHMEDABAD - 380 006  
TEL.: (079) 26576488

BRANCH : 002, YOGI NANDAN BLDG., 13, NANDANVAN SOCY.,  
B/H RLY. STATION, ALKAPURI, BARODA - 390 005

E - mail : kjmehta1977@gmail.com, kiranjmehta@rediffmail.com,

2 Observations and suggestions, if any, of the Cost Auditor, relevant to the cost audit.

The Company is an electricity generation unit only. There is no distribution/service activity relating to or subsequent to the transfer of electricity at one point sale into Grid. The sale of electricity is done under PPA only. There are therefore no details relating to Part-C of the Annexure to the Cost Audit Report.

The current year (2016-17) details are taken from Annual Accounts which are prepared based on IND AS.

We have not come across any other details or information, which are in the nature of observations and suggestions.

Dated: this 11<sup>th</sup> day of August, 2017 at Ahmedabad

For: Kiran J Mehta and Co. (FRN - 000025)  
(Cost Auditor)

*Kiran J Mehta*

(Partner)  
(Kiran J. Mehta - Fellow, M/4733)



Name of The Company : JHAJJAR POWER LIMITED For the Year 2016-17 ANNEXURE TO THE COST AUDIT REPORT	
Part - A1	
GENERAL INFORMATION :	
1.	Corporate identity number or foreign company registration : CIN - U40104HR2008SGC037809
2.	Name of the company : JHAJJAR POWER LIMITED
3.	Address of registered office or of principal place of business In India of company : Village – Khanpur, Tehsil – Matenhail, Jhajjar, PIN – 124 142, Haryana
4.	Address of corporate office of company : 15th Floor, Oberoi Commerz International Business Park, Off Western Express Highway, Mumbai, PIN - 400 063 (Maharashtra)
5.	E-mail address of the company : mitesh.trivedi@clpindia.in
6.	Date of beginning of reporting Financial Year : 01-04-2016
7.	Date of end of reporting Financial Year : 31-03-2017
8.	Date of beginning of previous financial year : 01-04-2015
9.	Date of end of previous financial year : 31-03-2016
10.	Level of rounding used In cost statements : Absolute
11.	Reporting currency of entity : INR
12.	Number of cost auditors for reporting period : 1 (One)
13.	Date of board of directors meeting in which annexure to cost audit report was approved : 11-08- 2017
14.	Whether cost auditors report has been qualified or has any reservations or contains adverse remarks : No
15.	Consolidated qualifications, reservations or adverse remarks of all cost auditors : Nil
16.	Consolidated observations or suggestions of all cost auditors : Nil
17.	Whether company has related party transactions for sale or purchase of goods or services : Yes



Name of The Company : JHAJJAR POWER LIMITED  
 For the Year 2016-17  
 ANNEXURE TO THE COST AUDIT REPORT

Part - A2

General Details of Cost Auditor

1.	Whether cost auditor is lead auditor : Yes
2.	Category of cost auditor : Partnership Firm
3.	Firm's registration number : FRN- 000025
4.	Name of cost auditor/cost auditor's firm : Kiran J. Mehta & Co.
5.	PAN of cost auditor/cost auditor's firm : AAGFK4797E
6.	Address of cost auditor or cost auditor's firm : 257, Ellisbridge Shopping Centre, Opp. M. J. Library, Ahmedabad - 380 006, Gujarat
7.	Email id of cost auditor or cost auditor's firm : kjmehta1977@gmail.com
8.	Membership number of member signing report : Membership No.- Fellow, M/4733
9.	Name of member signing report : Mr. Kiran J. Mehta
10.	Name(s) of product(s) or services(s) with CETA heading : Electricity, CETA Chapter Heading - 2716
11.	SRN number of Form 23C / CRA-2 : CRA-2 : G 10 87 86 68 Dated : 08 - 09 - 2016
12.	Number of audit committee meeting attended by cost auditor during year : Invited - NIL, Attended - NIL
13.	Date of signing cost audit report and annexure by cost auditor : 11-08- 2017
14.	Place of signing cost audit report and annexure by cost auditor : Ahmedabad



Cost Accounting Policy

1(a) Identification of cost centres/cost objects and cost drivers.

The Company has single plant engaged in generation of Electricity. For the purpose of cost records, the company is divided into following Cost Centres for the purpose of ascertaining the cost, cost of sales.

- Production Cost Centers - Power Generation, Power Transmission
- Service Cost Centers -Water, Cooling tower, D.M. Water, Ash handling
- Overheads - Operational, Administrative, Selling & Distribution, Financial Overheads

The methodology followed is Process costing. Firstly all conversion cost elements are traced to respective Process Activities and then within each Process, Product group wise cost allocation is done on appropriate basis.

(b) Accounting for material cost including packing materials, stores and spares , employee cost, utilities and other relevant cost components.

The Company has coal based power plant. There are two units. Each unit is with the installed capacity of 660 MW. The process also consumes Diesel during the operations. The power generated is sold through two PPA , one with State Electricity Board (to provide 90% of power available for sale) and Tata Power Corporation (10% of power available for sale). There is no direct consumer billing. The Company maintains Inward, Consumption and Stock records for coal and diesel. Entire set up is working through operation and maintenance contract with Company officials as supervisor.

The company has single business and geographical segment.

The expenses collected under various utility cost centres are allocated to other cost centres on the basis of the services rendered to those cost centres.

The Company has adopted the method of reporting in the financial accounts based on Indian AS effects. The fixed receipts due to PPA agreement are shown as leasing Income. This is taken as part of total revenue from the PPA arrangements for the sale of electricity.

(c) Accounting, allocation and absorption of overheads

The operational overheads are charged to the generation and transmission cost centres and administration overheads are charged to Cost of Sales.

The selling and distribution overheads and financial overheads are also charged to Cost of Sales before margin calculations.



(d)	<p><b>Accounting for Depreciation/Amortization</b></p> <p>Depreciation provided in the books of accounts are absorbed as part of manufacturing cost, administrative cost or selling and distribution overheads in the costing depending on the nature and use of the asset.</p>
(e)	<p><b>Accounting for by-products/joint-products or services, scraps, wastage etc.</b></p> <p>The production value of the scrap, wastage etc. wherever occurred is based on the realisation value. It is credited to the cost of main products to arrive the net cost of manufacture.</p>
(f)	<p><b>Basis for Inventory Valuation</b></p> <p>In financial account, inventory has been valued at lower of cost or net realizable value. Cost for the purpose of valuation of Fuel and Stores &amp; Spares is determined on Weighted Average basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.</p> <p>There are no opening, closing stocks of finished goods.</p>
(g)	<p><b>Methodology for valuation of Inter-Unit/Inter Company and Related Party transactions.</b></p> <p>Inter unit/Inter company transactions wherever are valued at cost for the purpose of costing of the cost audit.</p> <p>Related Party transactions - As per method indicated in Part - D5.</p>
(h)	<p><b>Treatment of abnormal and non-recurring costs including classification of other non-cost items.</b></p> <p>The abnormal and non-recurring costs including classification of other non-cost items are not included in costing and are directly charged to Costing Profit and Loss and shown in reconciliation statement.</p>
(i)	<p><b>Other relevant cost accounting policy adopted by the Company.</b></p> <p>The Company is following historical system of Cost Accounting to determine the Cost of Production and Cost of Sales for the Electricity product viz. generation of Electricity.</p> <p>Cost statements are prepared at the end of the year. The cost statements are in line with the process of manufacture and methodology.</p> <p>The various items of Incomes and Expenses and other details of financial records are taken as basis for its inclusion in Cost Accounts.</p>
2	<p><b>Briefly specify the changes, if any, made in the cost accounting policy for the product(s)/service(s) under audit during the current financial year as compared to the previous financial year.</b></p> <p>The Company has not done any major change in the cost accounting policies during the current financial year as compared to the previous financial year.</p>
3	<p><b>Observations of the Cost Auditor regarding adequacy or otherwise of the Budgetary Control System, if any, followed by the company.</b></p> <p>The Company has estimates and controls for the raw materials, production planning, capital expenditure, cash flow requirements etc. These are in the nature of the budgetary controls.</p>



Name Of The Company : JHAJJAR POWER LIMITED  
Registered Office : Village – Khanpur, Tehsil – Matenhail, Jhajjar, PIN – 124 142, Haryana  
For the Year : 1st April, 2016 to 31st March, 2017

Part - A4

PRODUCT/SERVICE DETAILS (for the company as a whole)

Sr.	Name of Product(s) /Service(s)	UOM	CETA heading (wherever applicable)	Whether Covered under Cost Audit (Yes/No)	Net Operational Revenue (net of taxes, duties etc.)	
					2016-17 (Rs.)	2015-16 (Rs.)
A	1 Electricity 2 Operating Lease Income under PPA	Units	2716	Yes	9,47,04,55,593 7,95,10,12,511	24,96,46,03,096
B	Total net revenue from operations				17,42,14,68,104	24,96,46,03,096
C	Other Incomes of company				1,17,91,28,968	1,02,50,56,289
D	Total revenue as per financial Accounts				18,60,05,97,072	25,98,96,59,385
E	Extra ordinary income, If any				-	-
F	Total revenue Including extra ordinary income, if any				18,60,05,97,072	25,98,96,59,385
G	Turnover as per Excise/Service Tax Records				Not Applicable to Power Generation	Not Applicable to Power Generation



Name Of The Company : JHAJJAR POWER LIMITED  
Registered Office : Village – Khanpur, Tehsil – Matenhail, Jhajjar,  
PIN – 124 142, Haryana  
For the Year : 1st April, 2016 to 31st March, 2017

Part - B1

Name of Product : Electricity  
CETA Heading : 2716

**QUANTITATIVE INFORMATION**

Sr.	Particulars	UOM	2016-17	2015-16
<b>1</b>	<b>Available Capacity :</b>			
(a)	Installed Capacity	Units	10,81,92,21,068	10,86,05,81,384
(b)	Capacity enhanced during the year, if any			
(c)	Capacity available through leasing arrangements, if any			
(d)	Capacity available through loan license /third parties			
(e)	Total available Capacity		10,81,92,21,068	10,86,05,81,384
<b>2</b>	<b>Actual production :</b>			
(a)	Self manufactured	Units	2,70,93,90,000	4,63,85,70,000
(b)	Produced under leasing arrangements			
(c)	Produced on loan license/by third parties on job work			
(d)	Total Production		2,70,93,90,000	4,63,85,70,000
<b>3</b>	<b>Production as per Excise Records</b>		NA	NA
<b>4</b>	<b>Capacity Utilization (in-house)</b>	%	25.04	42.71
<b>5</b>	<b>Finished Goods Purchased</b>			
(a)	Domestic purchase			
(b)	Imports			
(c)	Total Purchases	Units	-	-
<b>6</b>	<b>Stock &amp; Other Adjustments :</b>			
(a)	Change in Stock of Finished Goods	Units		
(b)	Self/Captive Consumption			
(c)	Other Quantitative Adjustments, if any			
(d)	Total Adjustments	Units	-	-
<b>7</b>	<b>Total Available Quantity for Sales [2(d)+5(c)-6(d)]</b>	Units	2,70,93,90,000	4,63,85,70,000
<b>8</b>	<b>Actual Sales :</b>			
(a)	Domestic Sales of Product	Units	2,70,93,90,000	4,63,85,70,000
(b)	Domestic Sales of Traded Product			
(c)	Export Sales of Product	Units		
(d)	Export Sales Traded Product			
(e)	Total Quantity Sold	Units	2,70,93,90,000	4,63,85,70,000



Name Of The Company : JHAJJAR POWER LIMITED  
Registered Office : Village – Khanpur, Tehsil – Matenhail, Jhajjar, PIN – 124 142, Haryana  
For the Year : 1st April, 2016 to 31st March, 2017

Name of Product : Electricity  
CETA Heading : 2716  
Unit of Measure : Units

Part - B2  
Page - 1

ABRIDGED COST STATEMENT

Sr.	Year	Production	Finished Goods Purchased	Finished Stock Adjustment	Captive Consumption	Other Adjustments	Quantity Sold
1	2016-17	2,70,93,90,000	-	-	-	-	2,70,93,90,000
2	2015-16	4,63,85,70,000	-	-	-	-	4,63,85,70,000

Sr.	Particulars	2016-17		2015-16	
		Amount (Rs.)	Rate Per Unit (Rs.)	Amount (Rs.)	Rate Per Unit (Rs.)
1	Materials Consumed (specify details as per Part B-2A)	8,76,43,56,818	3.23	15,47,39,45,978	3.34
2	Process Materials/Chemicals	12,40,17,910	0.05	9,42,78,575	0.02
3	Utilities (specify details as per Part B-2B )	26,60,14,404	0.10	28,16,17,090	0.06
4	Direct Employees Cost	33,24,69,107	0.12	28,62,13,817	0.06
5	Direct Expenses	-	-	-	-
6	Consumable Stores and Spares	22,03,61,356	0.08	38,39,54,721	0.08
7	Repairs and Maintenance	18,32,88,838	0.07	19,00,28,762	0.04
8	Quality Control Expenses	-	-	-	-
9	Research and Development Expenses	-	-	-	-
10	Technical know-how Fee / Royalty	-	-	-	-
11	Depreciation/Amortization	2,05,93,81,060	0.76	2,05,94,07,401	0.44
12	Other Production Overheads	47,74,43,306	0.18	45,28,83,395	0.10
13	Industry Specific Operating Expenses (specify details as per Part B-2C)	-	-	-	-
14	Total (1 to 13)	12,42,73,32,799	4.59	19,22,23,29,739	4.14
15	Increase/Decrease in Work-in-Progress	-	-	-	-
16	Less: Credits for Recoveries, if any	(9,81,98,507)	(0.04)	(26,06,87,553)	(0.06)
17	Primary Packing Cost	-	-	-	-
18	Cost of Production/Operations (14 + 15 to 17)	12,32,91,34,292	4.55	18,96,16,42,187	4.09
19	Cost of Finished Goods Purchased	-	-	-	-
20	Total Cost of Production and Purchases (18 + 19)	12,32,91,34,292	4.55	18,96,16,42,187	4.09
21	Increase/Decrease in Stock of Finished Goods	-	-	-	-
22	Less: Self/Captive Consumption	-	-	-	-
23	Other Adjustments (if any)	-	-	-	-
24	Cost of Production/Operation of Product Sold (20 + 21 to 23)	12,32,91,34,292	4.55	18,96,16,42,187	4.09
25	Administrative Overheads	58,32,39,399	0.22	65,15,34,940	0.14
26	Secondary Packing Cost	-	-	-	-
27	Selling and Distribution Overheads	6,19,43,323	0.02	31,82,33,971	0.07
28	Cost of Sales before Interest (24 to 27)	12,97,43,17,014	4.79	19,93,14,11,097	4.30
29	Interest and Financing Charges	3,42,78,30,023	1.27	3,89,63,35,859	0.84
30	Cost of Sales (28 + 29)	16,40,21,47,036	6.05	23,82,77,46,956	5.14
31	Net Sales Realisation (Net of Taxes and Duties)	17,42,47,28,426	6.43	24,96,46,03,096	5.38
32	Margin [Profit/Loss] as per Cost Accounts] (31 - 30)	1,02,25,81,389	0.38	1,13,68,56,140	0.25



Name Of The Company : JHAJJAR POWER LIMITED  
 Registered Office : Village – Khanpur, Tehsil – Matenhail, Jhajjar, PIN – 124 142, Haryana  
 For the Year : 1st April, 2016 to 31st March, 2017

Name of Product : Electricity  
 CETA Heading : 2716

Part - B2  
Page - 2

A. Details of Materials Consumed

Sr.	Description of Material	Category	UOM	2016-17			2015-16		
				Quantity	Rate Per Unit (Rs.)	Amount (Rs.)	Quantity	Rate Per Unit (Rs.)	Amount (Rs.)
1	Coal	Indigenous	MT	16,15,836	4,923	7,95,43,30,383	28,00,588	4,677	13,09,72,21,588
2	Coal	Imported	MT	1,48,139	5,410	80,13,77,973	4,14,554	5,703	2,36,43,81,367
3	Coal - Other Exps.	Indigenous		-	-	86,48,462	-	-	1,23,43,023
	Total					8,76,43,56,818			15,47,39,45,978

Name Of The Company : JHAJJAR POWER LIMITED  
 Registered Office : Village – Khanpur, Tehsil – Matenhail, Jhajjar, PIN – 124 142, Haryana  
 For the Year : 1st April, 2016 to 31st March, 2017

Name of Product : Electricity  
 CETA Heading : 2716

B. Details of Utilities Consumed

Sr.	Description of Utilities	UoM	2016-17			2015-16		
			Quantity	Rate Per Unit (Rs.)	Amount (Rs.)	Quantity	Rate Per Unit (Rs.)	Amount (Rs.)
1	Water	M <sup>3</sup>	73,59,994	4.16	3,06,50,585	1,16,29,345	4.24	4,92,75,663
2	Water - Other exps.				23,53,63,819			23,23,41,427
	Total				26,60,14,404			28,16,17,090

Name Of The Company : JHAJJAR POWER LIMITED  
 Registered Office : Village – Khanpur, Tehsil – Matenhail, Jhajjar, PIN – 124 142, Haryana  
 For the Year : 1st April, 2016 to 31st March, 2017

Name of Product : Electricity  
 CETA Heading : 2716

C. Details of Industry Specific Operating Expenses

Sr.	Description of Industry Specific Operating Expenses	UOM	2016-17	2015-16
			Amount (Rs.)	Amount (Rs.)
	NIL			



PART - C  
For Service Sector

11

Name Of The Company : JHAJJAR POWER LIMITED

Registered Office : Village – Khanpur, Tehsil – Matenhail, Jhajjar,  
PIN – 124 142, Haryana

For the Year : 1st April, 2016 to 31st March, 2017

The Company is an electricity generation unit only. There is no distribution/service activity relating to or subsequent to the transfer of electricity at one point sale into Grid. There are therefore no details relating to Part-C of the Annexure to the Cost Audit Report.



Name Of The Company : JHAJJAR POWER LIMITED  
Registered Office : Village – Khanpur, Tehsil – Matenhail, Jhajjar, PIN – 124 142, Haryana  
For the Year : 1st April, 2016 to 31st March, 2017

Part - D1

**PRODUCT AND SERVICE PROFITABILITY STATEMENT**  
(for audited products/services)

Sr.	Particulars	2016-17			2015-16		
		Sales (Rs.)	Cost of Sales (Rs.)	Margin (Rs.)	Sales (Rs.)	Cost of Sales (Rs.)	Margin (Rs.)
1	Electricity	17,42,47,28,426	16,40,21,47,036	1,02,25,81,389	24,96,46,03,096	23,82,77,46,956	1,13,68,56,140
	Total	17,42,47,28,426	16,40,21,47,036	1,02,25,81,389	24,96,46,03,096	23,82,77,46,956	1,13,68,56,140



Name Of The Company : JHAJJAR POWER LIMITED

Registered Office : Village – Khanpur, Tehsil – Matenhail, Jhajjar, PIN –  
124 142, Haryana

For the Year : 1st April, 2016 to 31st March, 2017

Part - D2

PROFIT RECONCILIATION (for the company as a whole)

Sr.	Particulars	2016-17 (Rs.)	2015-16 (Rs.)
1	Profit/Loss as per Cost Accounting Records		
	(a) For the audited product(s)/service(s)	1,02,25,81,389	1,13,68,56,140
	(b) For the un-audited product(s)/service(s)	-	-
2	Add: Incomes not considered in cost accounts:		
	(a) Foreign Exchange Fluctuation (Net)	41,34,15,947	7,71,653
	(b) Gain / Loss on MF	-	39,37,149
	(c) Miscellaneous Income	21,42,20,502	4,37,30,713
	(d) Liabilities written back to the extent no longer required	-	64,90,23,310
3	Less: Expenses not considered in cost accounts:		
	(a) Provision for Doubtful Debts	(5,20,13,021)	(10,74,10,036)
	(b) Donations	(11,000)	(1,40,101)
	(c) Loss on Sale of Assets	(14,95,710)	-
	(d) Expenditure towards CSR activities	(2,30,02,156)	-
	(e) Other IND AS Adjustments (Net Effects)	(80,13,85,818)	-
4	Add Difference in Valuation of stock between Financial accounts /Less: and Cost accounts	-	-
5	Other adjustments, if any	-	-
6	Profit/Loss as per Financial Accounts	77,23,10,133	1,72,67,68,828



14

Name Of The Company : JHAJJAR POWER LIMITED  
Registered Office : Village – Khanpur, Tehsil –  
Matenhail, Jhajjar, PIN – 124 142, Haryana  
For the Year : 1st April, 2016 to 31st March, 2017

Part - D3

**VALUE ADDITION AND DISTRIBUTION OF EARNINGS**  
(for the company as a whole)

Sr.	Particulars	2016-17 (Rs.)	2015-16 (Rs.)
	<b>Value Addition:</b>		
1	Gross Sales (excluding sales returns)	17,42,14,68,104	24,96,46,03,096
2	Less: Excise duty, etc.	-	-
3	Net Sales	17,42,14,68,104	24,96,46,03,096
4	Add: Export Incentives	-	-
5	Add/Less: Adj. in Stocks [Increase/(Decrease)]	-	-
6	Less: Cost of bought out inputs		
	(a) Cost of Materials Consumed	8,75,57,08,356	15,46,16,02,956
	(b) Process Materials/Chemicals	13,26,66,372	10,66,21,598
	(c) Consumption of Stores & Spares	22,03,61,356	38,39,54,721
	(d) Utilities (e.g. power & fuel)	3,15,65,757	5,21,56,308
	(e) Others, if any	1,44,12,83,011	1,39,86,01,061
	Total cost of bought out inputs	10,58,15,84,852	17,40,29,36,644
7	Value Added	6,83,98,83,252	7,56,16,66,452
8	Add: Income from any other sources	1,17,91,28,968	1,02,50,56,289
9	Add: Extra Ordinary Income	-	-
10	Earnings available for distribution	8,01,90,12,220	8,58,67,22,741
	<b>Distribution of Earnings to:</b>		
1	Employees as salaries & wages, retirement benefits, etc.	44,11,29,033	35,85,68,880
2	Shareholders as dividend	-	-
3	Company as retained funds	3,35,58,45,673	4,33,95,17,093
4	Government as taxes	-	-
5	Extra Ordinary Expenses	-	-
6	Others, if any (Finance Cost)	4,22,20,37,514	3,88,86,36,768
7	Total distribution of earnings	8,01,90,12,220	8,58,67,22,741



Name Of The Company : JHAJJAR POWER LIMITED  
Registered Office : Village – Khanpur, Tehsil – Matenhail,  
Jhajjar, PIN – 124 142, Haryana  
For the Year : 1st April, 2016 to 31st March, 2017

Part - D4

## FINANCIAL POSITION AND RATIO ANALYSIS (for the company as a whole)

Sr.	Particulars	UOM	2016-17	2015-16
<b>A.</b>	<b>Financial Position</b>			
1	Paid-up Capital	Rs.	23,44,88,24,580	23,44,88,24,580
2	Reserves & Surplus	Rs.	(3,72,41,62,323)	(7,33,79,28,223)
3	Long Term Borrowings	Rs.	32,00,78,47,467	37,33,38,79,527
4	(a) Gross Assets	Rs.	52,25,54,22,477	61,37,78,75,794
	(b) Net Assets	Rs.	47,11,14,15,130	50,71,78,31,097
5	(a) Current Assets	Rs.	10,42,49,71,536	10,51,45,28,412
	(b) Less: Current Liabilities	Rs.	9,70,73,19,793	10,76,68,08,488
	(c) Net Current Assets	Rs.	71,76,51,742	(25,22,80,076)
6	Average Capital Employed	Rs.	51,83,11,22,366	50,40,31,13,859
7	Net Worth	Rs.	19,72,46,62,257	16,11,08,96,357
<b>B.</b>	<b>Financial Performance</b>			
1	Value Added	Rs.	6,83,98,83,252	7,56,16,66,452
2	Net Revenue from Operations of Company	Rs.	17,42,14,68,104	24,96,46,03,096
3	Profit before Tax (PBT)	Rs.	77,23,10,133	1,72,67,68,828
<b>C.</b>	<b>Profitability Ratios</b>			
1	PBT to Average Capital Employed	%	1.49	3.43
2	PBT to Net Worth	%	3.92	10.72
3	PBT to Value Added	%	11.29	22.84
4	PBT to Net Revenue from Operations	%	4.43	6.92
<b>D.</b>	<b>Other Financial Ratios</b>			
1	Debt-Equity Ratio	Ratio	1.62	2.32
2	Current Assets to Current Liabilities	Ratio	1.07	0.98
3	Valued Added to Net Revenue from Operations	%	39.26	30.29
<b>E.</b>	<b>Working Capital Ratios</b>			
1	Raw Materials Stock to Consumption	Months	4.92	2.89
2	Stores & Spares to Consumption	Months	21.38	12.53
3	Finished Goods Stock to Cost of Sales	Months	-	-



Name Of The Company : JHAJJAR POWER LIMITED  
Registered Office : Village – Khanpur, Tehsil – Matenhail, Jhajjar, PIN – 124 142,  
Haryana  
For the Year : 1st April, 2016 to 31st March, 2017  
Part - D5  
RELATED PARTY TRANSACTIONS (For the Company as a whole)

Sr.	Name and Address of the Related party	Name of Product / Service	Nature of transaction (Sales/Purchase etc.)	Quantity	Transfer Price (Rs.)	Amount (Rs.)	Normal Price (Rs.)	Basis adopted to determine Normal price
1	CLP Business Management and Support Limited, Hong Kong	Information Technology Services	Services Received	-	-	1,56,07,336	-	Comparable Uncontrolled Price Method

Note: The details in this para are as per the information provided by the Company for related party transactions for purchase and sale of goods and services.



Name Of The Company : JHAJJAR POWER LIMITED  
 Registered Office : Village – Khanpur, Tehsil – Matenhail, Jhajjar,  
 PIN – 124 142, Haryana  
 For the Year : 1st April, 2016 to 31st March, 2017

Part - D6

RECONCILIATION OF INDIRECT TAXES (for the company as a whole)

Sr.	Particulars	Assessable Value (Rs.)	Excise Duty (Rs.)	Service Tax (Rs.)	Cess & Others (Rs.)	VAT, CST,Others (Rs.)
	<b>Duties/Taxes Payable</b>					
	Excise Duty					
1	Domestic	-	-	-	-	-
2	Export	-	-	-	-	-
3	Stock Transfers (Net)	-	-	-	-	-
4	Others - Fly Ash	17,67,65,183	35,63,769	-	-	-
5	Total Excise Duty (1 to 4)	17,67,65,183	35,63,769	-	-	-
6	Service Tax			90,52,614	6,01,285	
7	VAT, CST etc.					92,71,486
8	Other State Taxes, If any (WCT)					17,13,412
9	<b>Total Duties / Taxes Payable (5 to 8)</b>	17,67,65,183	35,63,769	90,52,614	6,01,285	1,09,84,898
	<b>Duties/Taxes Paid</b>					
10	Cenvat/VAT Credit Utilised - Inputs		-			-
11	Cenvat/VAT Credit Utilised - Capital Goods		-			-
12	Cenvat/VAT Credit Utilised - Input Services		-	53,340	718	
13	Cenvat/VAT Credit Utilised - Others		-			
14	Total (10 to 13)		-	53,340	718	-
15	Paid through PLA/Cash		35,64,320	89,99,274	6,00,567	1,09,84,898
16	<b>Total Duties Taxes Paid (14 + 15)</b>		35,64,320	90,52,614	6,01,285	1,09,84,898
17	Duties/Taxes Recovered		35,63,769	52,346	3,583	1,09,84,898
18	Difference between Duties/Taxes Paid and Recovered		551	90,00,268	5,97,702	-
19	Interest/Penalty/Fines Paid		-	-	-	-

Note 1: Reconciliation of Indirect Taxes for the company as a whole (Part - D6) are prima facie reviewed by us, but detailed Audit of the same has not been carried out by us.

Note 2: Difference between service tax paid and recovered is on account of service tax payable under Reverse Charge Mechanism.

Signature to the Annexure to the Cost Audit Report Part A to D

Kiran J. Mehta and Co. (FRN-000025)  
 Cost Auditor

For: Jhajjar Power Limited

For: Jhajjar Power Limited

*Kiran J. Mehta*

*J. Patil*

(Partner)  
 (Kiran J. Mehta)  
 (Membership No. - Fellow, M/4733)

(Company Secretary)  
 (Jayant Patil)  
 (Membership No.- A14418)

(Director)  
 (Samir Ashta)  
 (DIN - 01957618)

Place: Ahmedabad  
 Date: 11-08-2017



Place: Mumbai  
 Date: 11-08-2017

Place: Mumbai  
 Date: 11-08-2017

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