

JHAJJAR POWER LIMITED

Annual Report 2019-20

Corporate Information

Board of Directors	Mr. Rajiv Mishra (DIN: 00131207) – Managing Director Mr. Mohammed Shahid Aftab (DIN: 01363518) – Independent Director Ms. Nishita Bakshi (DIN: 07238597) – Independent Director Mr. Naveen Munjal (DIN: 00230313) – Non-Executive Director Mr. Ian Tuft (DIN: 06899871) – Non-Executive Director Mr. Samir Ashta (DIN: 01957618) – Director & Chief Financial Officer
Company Secretary	Mr. Jayant Patil (ACS 14418)
Statutory Auditors	M/s. BSR & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/W-100022)
Registered Office	Village Khanpur, Tahsil Matenhail, Jhajjar - 124142
Corporate Office	7th Floor, Fulcrum, Sahar Road, Andheri (East), Mumbai 400 099
Corporate Identification Number	U40104HR2008SGC037809

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BOARD'S REPORT

To the Members,

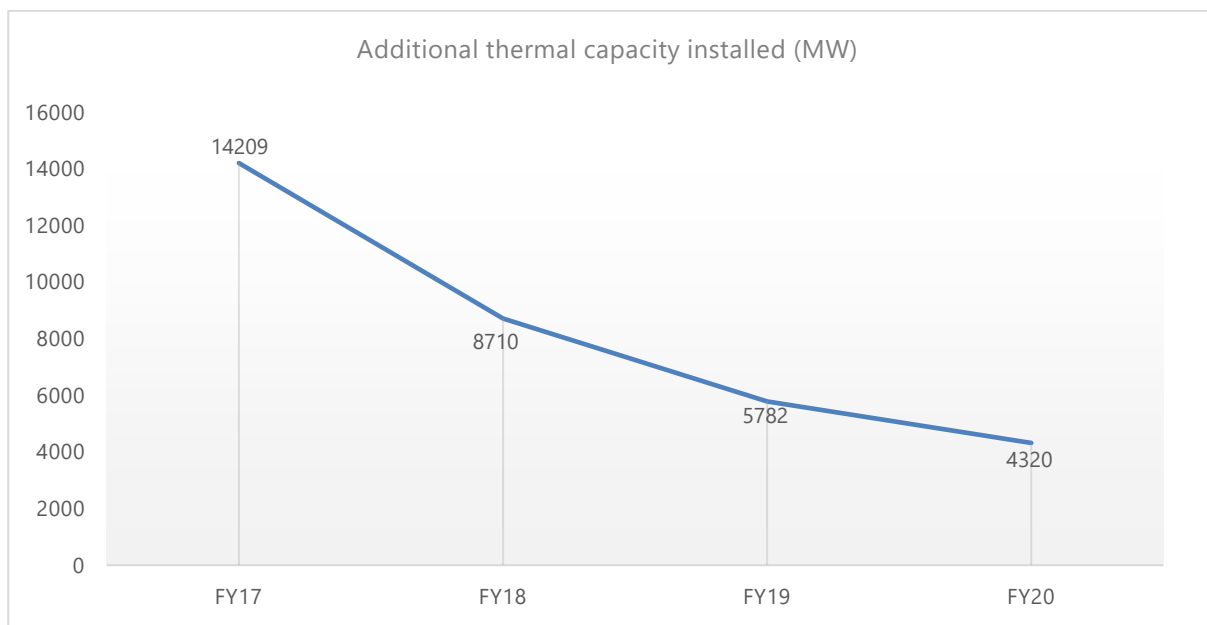
The Board of Directors of the Company has pleasure in presenting the Twelfth Annual Report and the Audited Standalone Financial Statements of the Company for the Financial Year ("FY") ended 31 March 2020.

1. BACKGROUND

Jhajjar Power Limited ("JPL" / "the Company") is a wholly owned subsidiary of CLP India Private Limited ("CLP India"). CLP India is owned by CLP Group, one of the largest investor-owned power businesses in Asia and Caisse de dépôt et placement du Québec (CDPQ), one of Canada's leading institutional fund managers. The Company has built and operates a 1,320 MW (Mega-Watts) super critical coal-fired thermal power plant at Jhajjar in the state of Haryana in India. The Jhajjar power plant is operational since FY 2012-13.

2. INDUSTRY AND ECONOMIC SCENARIO

With 230,600 MW of installed capacity, thermal power was the largest source of electricity generation in FY20. Despite an increase in installed capacity, the additional units of thermal power added per year has witnessed a slowdown.



Amongst all thermal sources, coal-based thermal power plants comprised 198,525 MW¹. However, the growth rate of coal production declined to 4.1% in March 2020 from 9.1% in March 2019, as a result of the COVID-19 outbreak. Coal India (“CIL”) also underachieved its annual target of 660 million tonnes (“MT”) for FY20 by 8%, producing only 607 MT. Even the lockdown altered the energy mix, with coal power generation reduced by 25% during the period² as Renewable Energy (“RE”) sources were granted ‘must-run’ status.

Outlook for FY21

Despite being an essential service, the Indian electricity sector has not remained unaffected by the COVID-19 pandemic.

Impact of extended nation-wide lockdown is visible in both Peak and Energy Demand numbers from 25 March 2020 onwards. However, the demand has been recovering in May 2020. Peak Demand, which had plummeted to lows of 110-115 GW in April 2020, gradually recovered to 145 - 150 GW by middle of May, although this was still lower by 10% from the demand in 2018-19 in the corresponding period. The energy demand was also above 3.3 BUs per day in May, but continued to be lower by 12 - 14%, as against the average demand in the previous during the corresponding period. Industries in the region were gradually commencing their operations, factories or construction sites had started operating partially and the manufacturers/companies were proactively resolving the labour and supply chain issues.

Despite a demand slump due to the pandemic and the increased emphasis on RE, the Government has indicated that coal is here to stay. This is potentially because some of the poorer states and sectors like the railways heavily depend on the coal economy. As a result, the Coal Ministry has maintained the production target for CIL at 710 MT for FY21, intending to increase it to 1 billion tonnes by FY24³. Initiatives like liberalizing the coal sector to attract investments from private entities are likely to boost domestic production.

¹ <https://powermin.nic.in/en/content/power-sector-glance-all-india>

² <https://www.prsindia.org/theprsblog/impact-covid-19-power-sector>

³ <https://pib.gov.in/PressReleasePage.aspx?PRID=1617419>

3. FINANCIAL RESULTS

(Amount in INR Million)

Particulars	Standalone	
	2019-20	2018-19
Revenue from Operations	29,545	31,260
Other Income	830	435
Profit before Depreciation, Finance Costs, Exceptional Items and Tax Expense	6,891	6,413
Less: Provision for Depreciation / Amortization / Impairment	(2,482)	(2,479)
Profit before Finance Costs, Exceptional Items and Tax Expense	4,409	3,934
Less: Finance Costs	(2,605)	(2,735)
Profit before Exceptional Items and Tax Expense	1,804	1,199
Add / Less: Exceptional Items	-	-
Net Profit before Tax Expense	1,804	1,199
Provision for Tax [including deferred tax (expense)/ saving]	(1,311)	(529)
Net Profit after Tax	493	670
Other Comprehensive Income (net of tax)	(227)	(22)
Total Comprehensive Income (A)	266	648
Balance of Profit/(loss) brought forward (B)	(5,897)	(6,251)
Balance available for appropriation (A+B)	(5,631)	(5,603)
Proposed Dividend on Equity Shares	-	-
Tax on proposed Dividend	-	-
Transfer to General Reserve	-	-
Transfer to debenture redemption reserve (C)	161	(294)
Retained Earnings + Other Reserve (A+B+C)	(5,470)	(5,897)

4. OPERATIONAL PERFORMANCE

During the year, the Company has achieved commercial availability of 91% (previous year 78%) and PLF of 51% (previous year 60%). During the year, the Company focused on operational excellence and took various initiatives, including the clearing of the bottom ash at the plant and operationalization of the Flue Gas Desulphurisation (“FGD”) from January 2019. The Company continues to remain focused on improving the heat rate and optimization of costs to make the plant cost effective. A separate contractor canteen has been made operational during the year for the benefit of the contract staff. The major overhaul of Unit II was completed over 26 days during the months of November - December 2019. However, the overhaul of Unit I planned for March 2020 has been deferred in view of the COVID-19 pandemic situation prevailing in the country.

5. TRANSFER TO RESERVES

During the financial year under review, the Board of Directors of your Company, have decided not to transfer any amounts to the Free Reserves and to the Debenture Redemption Reserve (“DRR”) (previous year transfer to DRR was INR 294 Mn.).

6. SHARE CAPITAL

During the financial year under review, there was no change in the Authorised and Paid up Share Capital of the Company. The paid-up Equity Share Capital of the Company as on 31 March 2020, was INR 0.2 Bn.

During the year, the entire equity share capital of the Company previously held by CLP Power India Private Limited and its nominees, was transferred to CLP India Private Limited, alongwith its joint holders. Consequently, effective 13 December 2019, the Company has become a direct wholly owned subsidiary of CLP India Private Limited.

7. DIVIDEND

The Board has decided not to recommend any dividend on equity shares of the Company for FY 2019-20 in order to conserve the resources of the Company. Further, the provisions of Section 125(2) of the Companies Act, 2013 (“the Act”), with respect to transfer of unclaimed dividend to Investor Education and Protection Fund, do not apply since no dividend has been declared and paid in respect of the equity shares issued by the Company, since incorporation.

8. LISTED NON-CONVERTIBLE DEBENTURES

The Company’s Non-Convertible Debentures (“NCD”) issued to the public, are listed on BSE Limited (“BSE”). The Company had the following series of NCDs issued and outstanding at the beginning of the year, i.e. on 01 April 2019:

Bond	Particulars of the Debentures Issued	Date of Issue	Date of Redemption	Issue Size
1	Privately Placed, Secured, Rated, Taxable, Redeemable, Non-Convertible Debentures	9 th April 2015	Series I – 30 th April 2025 Series II – 30 th April 2026	Series I – INR 2,380 Mn. Series II – INR 2,380 Mn.
2		28 th July 2016	Series I – 28 th April 2023 Series II – 30 th April 2024	Series I – INR 900 Mn. Series II – INR 1,300 Mn.
3		24 th January 2017	Series I – 30 th April 2022 Series II – 30 th April 2023	Series I – INR 1,800 Mn. Series II – INR 900 Mn.

During the year, one of the investors of Bond 3 exercised the option for early redemption and the bond was partially redeemed by repayment of INR 1,350 Mn. On 30 April 2020, the sole other investor in Bond 3 also exercised the option for early redemption and accordingly, the entire bond aggregating INR 2,700 Mn. stood redeemed as on that date. The Company has redeemed the said bonds by availing long term rupee term loans from private banks.

Details of Debenture Trustees and the Registrar and Transfer Agents for the NCDs issued by the Company, are as under:

Debenture Trustees

IDBI Trusteeship Services Limited

Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001.

Website: www.idbitrustee.com Tel: +91 22 4080 7000, Fax: +91 22 6631 1776.

e-mail: itsl@idbitrustee.com, response@idbitrustee.com

Registrar and Transfer Agents

Kfin Technologies Private Limited

Selenium Tower B, Plot 31-32, Gachibowli

Financial District, Nanakramguda

Hyderabad 500 032.

Website: <https://ris.kfintech.com/>

Tel: +91 040 6716 2222, Fax: +91 040 2342 0814

e-mail: einward.ris@kfintech.com

Pursuant to Section 124 of the Companies Act, 2013, there were no cases of unclaimed principal and/or interest amounts on the NCD's issued by the Company, which were required to be transferred to the Investor Education and Protection Fund.

9. OVERVIEW OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

As on 31 March 2020, the Company did not have any subsidiary, associate or joint venture.

10. CREDIT RATING

During the year under review, Rating Agencies reaffirmed / issued ratings to the Company, as under:

Instrument	Name of the credit rating agency	Date on which the credit rating was obtained	Original Credit Rating	Revision in the credit rating			Reasons provided by the rating agency for downward revision, if any
				Whether yes / no, if yes, date of revision	Revised credit rating	Whether revision upward or downward	
Rupee Long term Facility of INR 10,000 Mn.	CRISIL Limited	30 September 2019	CRISIL AA-	No	Not Applicable		
Commercial Paper of INR 8,000 Mn.			CRISIL A1+				
Rupee term loan Facility of INR 16,970 Mn.	India Ratings and Research Private Limited	30 November 2018	IND A+/Stable	Yes, 25 November 2019	IND AA-/Stable	Upward	Not Applicable
External commercial borrowing of INR 34,826 Mn. (\$ rate as on 31 March 2020)							
Working Capital Facility of INR 12,500 Mn.							
Non-convertible debentures of INR 4,760 Mn.		30 November 2018	IND AA+(CE) /Stable	No	Not Applicable		

Non-convertible debentures of INR 3,580 Mn.	India Ratings and Research Private Limited		IND A+/Stable	Yes, 25 November 2019	IND AA-/Stable	Upward
New Rupee Term Loan of INR 1,350 Mn.		03 March 2020	IND AA-/Stable	No	Not Applicable	
Commercial Paper of INR 8,000 Mn.		30 November 2018	IND A1+	No	Not Applicable	

11. RISK MANAGEMENT

Assessments to identify the risk areas are carried out, from time to time, and the Management is briefed on the risks in advance to enable the company to control risk through a properly defined plan. The Company has implemented appropriate risk identification, assessment and monitoring practices, supplemented by a risk reporting framework. 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 Company has an Enterprise Risk Management Framework for identification and mitigation of risks from time to time. The Audit Committee of the Board of Directors is also informed of the business risks and the actions taken to manage them, from time to time.

12. INTERNAL CONTROL SYSTEMS

The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. The internal control system is supported by an internal audit process for reviewing the design, adequacy and efficacy of the Company's internal controls, including its systems and processes and compliance with regulations and procedures. Internal Audit Reports are discussed with the Management and are reviewed by the Audit Committee of the Board, which also reviews the adequacy and effectiveness of the internal controls in the Company. The Company's internal control system is commensurate with the size, nature and operations of the Company.

13. INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

The Management has reviewed the design, adequacy and operating effectiveness of the Internal Financial Controls of the Company, broadly in accordance with the criteria established under the Internal Control - Integrated Framework (2013) issued by the

Committee of Sponsoring Organizations of the Treadway Commission (“COSO”). The documentation of process maps, key controls, standard operating procedures and risk registers has been completed for all businesses and functions.

Further, during FY 2019-20, Management testing has been conducted on a sample basis for all key processes. The Internal Controls team has also conducted a review of the Internal Financial Controls. There are no material unaddressed Internal Financial Controls related observations outstanding as at 31 March 2020.

Based on the above, the Board believes that adequate Internal Financial Controls exist and are effective.

14. HUMAN RESOURCES

The Company recognizes people as its most valuable asset and it has built an open and transparent culture to nurture this asset. The Company had 253 permanent employees on the rolls of the Company as at 31 March 2020. JPL is committed to maintain the highest standards of health, safety and security for its employees and business associates and to operate in a healthy and safe environment.

15. CORPORATE SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (“CSR”) is deeply rooted in the Company’s business philosophy. JPL, as part of its shared heritage of the CLP group, is committed to protection of environment as well as social culture. As per Section 135(5) of the Companies Act, 2013 and Rule 8 of the Companies (CSR Policy) Rules, 2014 and Schedule VII of the Companies Act, 2013, the Company has a duly constituted CSR Committee. The Company has defined a CSR Policy that outlines the thrust areas of focus which include, viz. Education and Training, Healthcare & Sanitation and Sustainable communities, as adopted by the CSR Committee and the Board of Directors of the Company, which is available on the Company’s website, https://www.clpindia.in/operations_jhajjar.html. Further details on the CSR budget and activities pursued in FY 2019-20 are provided in the Annual Report on CSR activities which is annexed to this Report as **Annexure ‘A’**.

16. DEPOSITS

The Company did not hold any public deposits at the beginning of the year nor has it accepted any public deposits during the year under review. Accordingly, the disclosures required pursuant to Rule 8(5)(iv) of Companies (Accounts) Rules, 2014 and Rule 2(1)(c) of Companies (Acceptance of Deposits) Rules, 2014 are not applicable to the Company.

17. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The provisions of Section 186 of the Act (excluding sub-section 1) pertaining to granting of loans to any persons or bodies corporate and giving of guarantees or providing security in connection with loans to any other bodies corporate or persons are not applicable to the Company, since the Company is engaged in the business of providing infrastructural facilities. The Company has not made loans or given guarantees or provided security to other bodies corporate, nor has it made any investments during the year under review.

18. DIRECTORS

There was no change in the composition of the Board of Directors in FY 2019-20. In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Naveen Munjal (DIN: 00230313), is liable to retire by rotation at the ensuing AGM and is eligible for re-appointment. The Members of the Company may refer to the accompanying Notice of the AGM of the Company, for the brief resume of Mr. Munjal.

The Company has received declarations from the Independent Directors, viz. Mr. Mohammed Shahid Aftab and Ms. Nishita Bakul Bakshi, stating that they meet the criteria of independence as provided in Section 149(6) of the Act. The Independent Directors have complied with the Code for Independent Directors prescribed under Schedule IV of the Act.

In terms of the recently introduced regulatory requirements providing for establishment of an on-line database of Independent Directors by Indian Institute of Corporate Affairs ("IICA"), every Independent Director appointed during the year, shall pass an online proficiency self-assessment test conducted by the Institute within a year of registering with the IICA. Both the Independent Directors, Mr. M. S. Aftab and Ms. Bakshi, have registered on the on-line database. Mr. M. S. Aftab is exempted from appearing for the proficiency test having served as a director in a listed public company / an unlisted public company having a paid-up share capital of INR 100 Mn. or more, for a period of more than ten years, as on the date of inclusion of his name in the databank. Ms. Bakshi shall be appearing for the proficiency test in due course.

None of the Directors of the Company had any pecuniary relationships or transactions with the Company during the year under review.

19. EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Act, the Board has carried out an annual evaluation of its own performance and of the individual Directors as well as an evaluation of the working of all the Committees of the Board. The Board of Directors was assisted by the Nomination and

Remuneration Committee of the Board of Directors (“NRC”). The performance evaluation was carried out by seeking inputs from all the Directors / Members of the Committees, as the case may be.

The feedback of the Independent Directors on their review of the performance of Non-Independent Directors and the Board as a whole and the assessment of the quality, quantity and timeliness of flow of information between the Company Management and the Board was taken into consideration by the Board in carrying out the performance evaluation.

20. KEY MANAGERIAL PERSONNEL

There was no change in the Key Managerial Personnel during the year. Mr. Rajiv Mishra, Managing Director, Mr. Samir Ashta, Director & Chief Financial Officer and Mr. Jayant Patil, Company Secretary, were the Key Managerial Personnel (“KMP”) of the Company during FY 2019-20.

21. DIRECTORS’ RESPONSIBILITY STATEMENT

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

- a) in the preparation of the annual accounts for FY 2019-20, the applicable accounting standards and guidance provided by The Institute of Chartered Accountants of India have been followed and that there are no material departures thereof;
- b) they have 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 cash flows of the Company for the year;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

22. CORPORATE GOVERNANCE

The Company recognizes its role as a corporate citizen and endeavors to adopt the best practices and the highest standards of corporate governance through transparency in business ethics, accountability to its customers, Government and others. The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them by adopting best practices.

a. Board of Directors

The Board of Directors, along with the Committees of the Board, provide leadership and guidance to the Company's Management as also directs and supervises the activities of the Company. The size of the Board is commensurate with the size and business of the Company. As on 31 March 2020, the Board comprised of six directors, as under:

Name of Director	Director Identification Number	Category
Mr. Rajiv Mishra	00131207	Managing Director
Mr. Mohammed Shahid Aftab	01363518	Independent Director
Ms. Nishita Bakshi	07238597	Independent Director
Mr. Naveen Munjal	00230313	Non-Executive Director
Mr. Ian Tuft	06899871	Non-Executive Director
Mr. Samir Ashta	01957618	Director & Chief Financial Officer

The Meetings of the Board are generally chaired by Mr. Mishra.

During FY 2019-20, four meetings of the Board of Directors were held on the following dates: 03 May 2019, 09 July 2019, 01 November 2019 and 20 February 2020. The details of Directors, their attendance at Board Meetings and at the previous AGM of the Company are, as under:

Name of Director	Board Meetings		Whether present at previous AGM held on 09 August 2019
	Held	Attended	
Mr. Rajiv Mishra	4	4	Yes
Mr. Mohammed Shahid Aftab	4	4	No
Ms. Nishita Bakshi	4	4	No
Mr. Naveen Munjal	4	3	Yes

Mr. Ian Tuft	4	3	No
Mr. Samir Ashta	4	4	Yes

Mr. Munjal, Chairman of the Audit Committee had attended the last AGM of the Company. Since none of the Members of NRC could attend the AGM, they had authorised Mr. Mishra to respond to queries of the shareholders, if any, pertaining to the NRC.

The Company paid Sitting Fees to the Independent Directors for attending meetings of the Board and the Committees of the Board within the maximum prescribed limits.

Details of Sitting Fees and Commission are, as under:

Name of Director(s)	Sitting Fees paid for attending Board and Committee Meetings during FY 2019-20*
Mr. Mohammed Shahid Aftab	INR 0.66 Mn. (Previous year INR 0.45 Mn.)
Ms. Nishita Bakshi	INR 0.72 Mn. (Previous year INR 0.62 Mn.)

* The sitting fees paid does not take into account the Goods and Services Tax thereon.

b. Committees of the Board

The Board has constituted Committees with specific terms of reference / scope to focus effectively on issues and ensure expedient resolution of diverse matters. These are the Audit Committee, NRC, CSR Committee, Funding & Treasury Committee and the Projects Committee. The Company Secretary is the Secretary of all the aforementioned Committees. The Board of Directors and the Committees also take decisions by circular resolutions which are noted by the Board / respective Committees of the Board at their subsequent meetings. The Minutes of the Meetings of all Committees of the Board are circulated to the Board of Directors, for their noting.

i) Audit Committee

The Audit Committee of JPL, as on 31 March 2020, comprised Mr. Naveen Munjal, as Chairman, Mr. Mohammad Shahid Aftab and Ms. Nishita Bakshi. The composition of the Audit Committee is in line with the provisions of Section 177 of the Act. All the Members have the ability to read and understand financial statements and have relevant finance and/or audit experience. Given below, *inter alia*, is a gist of the responsibilities of the Audit Committee:

- Recommend the appointment and removal of the Auditors and their remuneration, nature and scope of audit

- Ensure adequacy of internal controls and compliances and recommend remedial measures
- Review adequacy of the Internal Audit function
- Review and monitor the Auditors’ independence and performance and effectiveness of the audit process
- Oversee financial reporting process and disclosure of financial information
- Examine the financial statements and the Auditors’ Report thereon
- Evaluate internal financial controls and the risk management systems
- Act as a link between the Statutory Auditors, Internal Auditors and the Board of Directors
- Review accounting policies
- Monitor compliance with the Code of Conduct
- Approve any transactions of the Company with related parties or any subsequent modifications thereof
- Scrutinise inter-corporate loans and investments
- Evaluate the valuation of undertakings or assets of the Company, if necessary
- Monitoring the end use of funds raised through public offers and related matters
- Review findings of internal investigations, frauds, irregularities, etc.
- Carry out additional functions as contained in the Listing Agreement or other regulatory requirements applicable to the Company or in the terms of reference of the Audit Committee
- Carry out the responsibilities under the Code for Prevention of Insider Trading and Code of Fair Disclosure of Unpublished Price Sensitive Information.

During FY 2019-20, four meetings of the Audit Committee were held on the following dates: 03 May 2019, 09 July 2019, 01 November 2019 and 20 February 2020. The composition of the Audit Committee and the attendance of its Members at its Meetings held during the year is, as under:

Name of the Member	No. of Meetings	
	Held	Attended
Mr. Naveen Munjal	4	3
Ms. Nishita Bakshi	4	4
Mr. Mohammed Shahid Aftab	4	4

There was no change in the constitution of the Committee during the year.

Besides the Members of the Committee, Meetings of the Audit Committee are attended by the Managing Director, the Chief Financial Officer, the Company Secretary, the Statutory Auditors and the Internal Auditor. Further, Meetings of the Audit Committee for consideration of Financials are also attended by the other Directors, as Invitees.

The Board has accepted all the recommendations made by the Audit Committee during the year.

ii) Nomination and Remuneration Committee('NRC')

The NRC, as on 31 March 2020, comprised Mr. Mohammad Shahid Aftab as Chairman, Mr. Ian Tuft and Ms. Nishita Bakshi. The composition of the Committee is in line with the provisions of Section 178(1) of the Act. There was no change in the constitution of the Committee during the year. During FY 2019-20, one meeting of the NRC was held on 09 July 2019 and the attendance of its Members at the said Meeting is, as under:

Name of the Member	No. of Meetings	
	Held	Attended
Mr. Ian Tuft	1	Nil
Ms. Nishita Bakshi	1	1
Mr. Mohammed Shahid Aftab	1	1

The NRC, vide its terms of reference included in the charter adopted at the time of its constitution in 2015, has, *inter alia*, the following responsibilities:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- Recommend to the Board, remuneration including salary, perquisite and commission to be paid to the Company's Executive Directors on an annual basis or as may be permissible by laws applicable.
- Recommend to the Board, the Sitting Fees payable for attending the meetings of the Board/Committee thereof, and, any other benefits such as Commission, if any, payable to the Non- Executive Directors.
- Develop the competency requirements of the Board based on the industry and strategy of the Company, conduct a gap analysis and recommend the reconstitution of the Board, as and when required.
- Recommend to the Board, the appointment of Directors having good personal and professional reputation.
- Ensure that the level and components of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and other employees of the quality required to run the Company successfully.

iii) CSR Committee

The CSR Committee, as on 31 March 2020, comprised Mr. Rajiv Mishra, as Chairman, Ms. Nishita Bakshi, Mr. Naveen Munjal and Mr. Samir Ashta. The composition of the CSR

Committee is in line with the provisions of Section 135(1) of the Act. There was no change in the constitution of the Committee during the year. During FY 2019-20, the CSR Committee met once on 09 July 2019 and all the Members of the Committee as on date of the Meeting were present thereat.

The terms of reference of the CSR Committee are, as under:

- i. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
- ii. To review and recommend the amount of expenditure to be incurred on the CSR related activities to be undertaken by the company;
- iii. To institute a transparent monitoring mechanism for the implementation of the CSR projects , programs and activities undertaken the Company from time to time;
- iv. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

iv) Funding & Treasury Committee

The Funding & Treasury Committee of the Company was constituted by the Board of Directors of the Company, at its Meeting held on 12 February 2019, inter alia, to approve:

- i. All borrowings and re-financings, the associated security creation and acceptance of the term sheets;
- ii. Give guarantees, undertakings and/or securities for CLP India/subsidiaries/group companies/affiliates;
- iii. Give shareholder Loans to subsidiaries/group companies/affiliates;
- iv. Open, operate & close bank accounts and change authorized signatories in bank accounts;
- v. Enter into hedging agreements for hedge transactions.

As on 31 March 2020, the Funding & Treasury Committee comprised Mr. Rajiv Mishra, as Chairman, Mr. Naveen Munjal and Mr. Samir Ashta. The Committee met once during FY 2019-20 on 16 January 2020. The attendance of its Members at the said Meeting held during the year is, as under:

Name of the Member	No. of Meetings	
	Held	Attended
Mr. Rajiv Mishra	1	1
Mr. Naveen Munjal	1	Nil
Ms. Samir Ashta	1	1

c. Secretarial Standards

The Company is in compliance with SS -1, i.e. Secretarial Standard on Meetings of the Board of Directors and SS – 2 i.e. Secretarial Standard on General Meetings, issued by the Institute of Company Secretaries of India. This Annual Report has been prepared on the basis of recommendations provided in the ‘Guidance Note on Report of the Board of Directors’ issued by the Institute of Company Secretaries of India under SS – 4 i.e. Secretarial Standard on the Report of the Board of Directors.

d. Compliance Officer

Mr. Mitesh Trivedi is the Compliance Officer of the Company under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”).

e. Means of Communication

The Company’s website keeps the investors updated on material developments in the Company by providing key and timely information such as Financial Results, Annual Reports, etc. The debenture holders can also send in their queries / complaints at the designated email address of the Compliance Officer: Mitesh.Trivedi@clpindia.in.

f. General Information for Members and Debenture holders

The half-yearly Financial Results of the Company are submitted to the Stock Exchanges in accordance with the SEBI LODR Regulations and are published in a leading English daily newspaper and also communicated to the Debenture holders every six months through a half-yearly communiqué. Official news releases, including the half-yearly results are also posted on the Company’s website. The Company is registered with the Registrar of Companies, Haryana. The Corporate Identity Number (“CIN”) allotted to the Company by the Ministry of Corporate Affairs (“MCA”) is U40104HR2008SGC037809.

23. INSIDER TRADING

The Company has issued comprehensive guidelines in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 in this regard, which advise and caution the Directors, Management, employees and their connected persons on the procedures to be followed, whilst dealing in the securities of the Company. The Code for Prohibition of Insider Trading and the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information framed by the Company helps in ensuring compliance with these requirements. The same are also posted on the Company’s website.

24. VIGIL MECHANISM

The Company has established a Vigil Mechanism for its Directors / employees / third parties, including customers and suppliers, to report their genuine concerns or grievances and it provides for adequate safeguards against victimization of persons (whistleblowers) who use it. The Whistle Blower Policy is uploaded on the website of the Company at https://www.clpindia.in/operations_jhajjar.html. The said Policy provides direct access to the Chairman of the Audit Committee. During FY 2019-20, nobody has been denied access to the Audit Committee.

25. DISCLOSURE AS PER 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.

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

During the year under review, the Company has not received any complaint of sexual harassment.

26. AUDITORS

26.1. Statutory Auditors

M/s. BSR & Co. LLP, Chartered Accountants (FRN 101248W/W-100022) have been appointed as the Statutory Auditors of the Company to hold office from the conclusion of the Ninth Annual General Meeting (“AGM”) till the conclusion of the Fourteenth AGM of the Company to be held in the year 2022, i.e. for a period of 5 (Five) years. The Statutory Auditors’ report for financial year ended 31 March 2020 does not contain any qualification, reservation, adverse remark or disclaimer. The Auditors’ Report is published elsewhere in this Annual Report.

26.2 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 2020. The Secretarial Auditors’ Report for the financial year ended 31 March 2020 does not contain

any qualification, reservation, adverse remark or disclaimer. The Secretarial Auditors' Report is enclosed as **Annexure 'B'**.

26.3 Cost Auditors

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, on 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 2020 at a remuneration of INR 0.55 Mn. plus out of pocket expenses, which shall be subject to ratification / approval by the shareholders at the ensuing Annual General Meeting.

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. The Cost Auditors' Report for the financial year ended 31 March 2020 does not contain any qualification, reservation, adverse remark or disclaimer. The Cost Auditors' Report is enclosed as **Annexure 'C'**.

26.4 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 ultimate holding company, CLP India Private Limited and is a Chartered Accountant, as the Internal Auditor of the Company.

27. FRAUDS REPORTED BY THE AUDITORS

During the year under review, none of the Auditors have reported any fraud in terms of Section 143(12) of the Companies Act, 2013.

28. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY

There have been no material changes or commitments, affecting the financial position of the Company, which have occurred between the end of the financial year to which the financial statements relate, i.e. 31 March 2020 and 30 June 2020, being the date of this Report.

29. SIGNIFICANT AND MATERIAL ORDERS

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

30. RELATED PARTY TRANSACTIONS

A Statement containing details of material contracts or arrangements or transactions with Related Parties on an arm's length basis with respect to transactions as required under Section 188(1) of the Act, in the prescribed Form No. AOC-2, is attached as **Annexure 'D'**. Further, details of Related Party Transactions, as required to be disclosed by Accounting Standard – 18 on "Related Party Disclosures" specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014, are given in the Notes to the Financial Statements.

During the year, the Company has not entered into any transactions with Related Parties which are not in its ordinary course of business or not on an arm's length basis and which require disclosure in this Report in terms of the provisions of Section 188(1) of the Act.

31. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

31.1. Conservation of Energy and Technology Absorption:

A report on the steps taken / impact on conservation of energy, for utilizing alternate sources of energy, capital investments on energy conservation equipment and the details on Technology Absorption is provide in **Annexure 'E'**.

31.2. Foreign Exchange Earnings and Outgo:

Foreign Exchange earned in terms of actual inflows during the year under review was Nil and the Foreign Exchange Outgo during the year under review in terms of actual outflows, was INR 28.8 Mn. (previous year INR 26.8 Mn.) (excluding repayment of foreign exchange loans).

32. EXTRACT OF ANNUAL RETURN

An extract of the Annual Return as prescribed under Section 92(3) of the Act and the Companies (Management and Administration) Rules, 2014, in the prescribed Form No. MGT- 9, is attached as **Annexure 'F'**. Further, as required under Section 134(3), the Annual Return has been placed on the website of the Company under the link, https://www.clpindia.in/operations_jhajjar.html.

33. DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE ACT READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

A Statement giving the details required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the year ended 31 March 2020, is attached as **Annexure 'G'**.

The details required under Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the year ended 31 March 2020, are provided in a separate Annexure forming part of this Report. In terms of the first proviso to Section 136 of the Act, the Report and the Accounts are being sent to the Members, excluding the aforesaid Annexure.

Any shareholder interested in obtaining a copy of the same may write to the Company Secretary, at the Registered Office of the Company. None of the employees listed in the said Annexure are related to any Director of the Company.

34. ACKNOWLEDGEMENT

The Directors would like to place on record their gratitude for the valuable guidance and support received from various government and regulatory agencies and to convey their appreciation to the shareholders, customers, bankers, lenders, vendors and all other business associates for the continuous support given by them to the Company. The Directors also place on record their appreciation for the commitment, commendable efforts, team work and professionalism of all the employees of the Company.

**For and on behalf of the Board of Directors of
Jhajjar Power Limited**

**Date: 30 June 2020
Place: Mumbai**

**Rajiv Mishra
Managing Director
DIN: 00131207**

**Samir Ashta
Director & Chief Financial Officer
DIN: 01957618**

Annual Report on CSR Activities: FY 2019-20

Jhajjar Power Limited

1. Brief outline of the Company's Corporate Social Responsibility ("CSR") Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.

Jhajjar Power Limited ("the Company" / "JPL") is a part of the CLP India group and has adopted the CSR Policy in line with the CSR Policy of its holding company, CLP India Private Limited. The CSR Policy, therefore, establishes a common and coherent approach to CSR among all corporate functions and business units of CLP India group. This facilitates an organized and efficient deployment of the Company's resources in order to contribute to the development of the communities in which it serves. The Company supports initiatives that encourage youth and women empowerment while catering to the needs of the communities in general. Broader thematic focus areas include Education & Skill Development, Healthcare & Sanitation and Sustainable Communities. JPL engages in long-term partnerships with credible national, regional and local community organisations, non-governmental and charitable organisations. The group focuses on projects or programmes that offer the opportunity for its employees to be involved and volunteer to make a positive impact on the communities. The Company also evaluates its community initiatives and the outcome and impact that they could achieve on a regular basis.

Web-link to the CSR Policy and projects or programs:

https://www.clpindia.in/substainability_csr.html

Overview of programmes undertaken:

A. Education & Skill Development

Through our education promotion program, 385 students participated in various school awareness programmes celebrating important days like Fire Service Day, World Earth Day and International Yoga Day. To enhance children's learning opportunities, teachers support was provided in five government schools. Scholarships were offered to 14 youth under the CLP India Scholarship scheme. Digital Literacy Program trained 202 individuals and about 180 children from two government schools in basic computer education. To support the Anganwadis, infrastructure support, resource materials and learning tools were provided to 3 Anganwadis, benefiting 105 children.

Under sports promotion program, 67 youth, including 12 girls were enrolled for training in wrestling program with a local community-based organization in village Khanpur Khurd. Wrestling tournaments were supported in 3 villages, wherein wrestlers across the state had participated. JPL supported basketball training program for 128 youth in village Jhamri. To encourage sports culture, sports scholarships were awarded to 17 wrestlers from JPL supported wrestling program. These scholarships were accorded to wrestlers on merit, based on the sportsperson's performance in various district, state, national and international tournaments. Further, sport items like volleyball,

table tennis and gym material etc. were procured for the benefit of government schools and village youth.

B. Healthcare and Sanitation

Quality primary health care services were provided through Mobile Medical Van equipped with basic medicines, diagnostic equipment and qualified medical team. More than 14,000 people from five villages benefitted from this service. Clean drinking water was supplied in six schools and 12 Anganwadis in four villages. About 1,200 children benefitted through this initiative.

C. Sustainable Communities

To address the farm stubble burning issue, crop residue management program was initiated in ten villages in Rohtak and Fatehabad districts of Haryana covering 16,035 acres of farmland. About 7,335 acres remained totally free from stubble burning during this financial year 2019-20. The project comprised deployment of 27 technological tools in field, mass awareness campaigns, behaviour change aspect among farmers and participatory monitoring. A Self-help Group based women empowerment project was launched. This women-centric project which will continue for 3-year period would help improve socio economic opportunities and provide equal access to resources and services to 3,000 rural women in Jhajjar.

Under rural infrastructure development projects, a multi-sport mini stadium was built in village Khanpur Kalan, equipped with facilities for training and hosting competitive events for children and youth in sports such as wrestling, volleyball, athletics and more. Further, a 2 lakh litres capacity overhead water tank was constructed to benefit around 6,000 individuals in village Khanpur Khurd of Jhajjar district. A Skill training academy is also being constructed in village Jhamri to coach youth aspiring to join police and armed forces.

Veterinary camps were organized in four villages wherein guidance was provided by an expert to more than 555 Farmers, while 983 livestock were treated through six such camps.

2. Composition of CSR Committee

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

3. Average Net Profit of the Company for the last 3 financial years

INR 2,036.06 Mn.

4. Prescribed CSR Expenditure (2% of the Average Net Profit mentioned in 3 above)

INR 40,721,216. However, the Board of Directors decided to spend the unspent amount for FY 2018-19 i.e. INR 17.07 million, in addition to the aforesaid obligation. Therefore, the overall CSR budget, approved by the Board of Directors for FY 2019-20, is INR 59,597,180.

5. Details of CSR spent during the financial year

	INR
Total amount to be spent for the financial year	40,721,216
Total Amount Spent	57,608,171
Amount unspent (out of the prescribed CSR expenditure for FY 2019-20)	Nil

Manner in which the amount has been spent during the financial year is detailed below:

1	2	4	5	6	7	8	9
Sr. No.	CSR project or activity identified	Sector in which the Project is 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 directly or through implementing agency
1	Mobile Health Van	Healthcare & Sanitation	Project in local area - District Jhajjar, Haryana	20,95,000	Direct Expenditure	17,77,352	Wockhardt Foundation
2	Provision of RO Drinking Water facility for School & Anganwadi Children	Healthcare & Sanitation	Project in local area - District Jhajjar, Haryana	3,50,000	Direct Expenditure	2,53,876	Directly
3	Promoting Sports	Education & Skill Development	Khanpur Kalan, Khanpur Khurd, Jhamri	21,16,000	Direct Expenditure	16,42,315	Directly
4	Education Promotion Program	Education & Skill Development	Khanpur Kalan, Khanpur Khurd, Jharli, Jhamri, Bajitpur	15,60,000	Direct Expenditure	6,67,463	Directly
5	Digital Literacy Program	Education & Skill Development	Khanpur Kalan, Khanpur Khurd, Jharli	11,00,000	Direct Expenditure	7,05,276	Pratham Info-tech Foundation
6	Coaching centre for aspirants of armed and unarmed forces (Jai Jawan Raksha Academy)	Education & Skill Development	Jhamri	20,00,000	-	-	-

1	2	4	5	6	7	8	9	
Sr. No.	CSR project or activity identified	Sector in which the Project is 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 directly or through implementing agency	
7	Infrastructure support to Anganwadis	Education & Skill Development	Jhamri	1,00,000	Direct Expenditure	76,768	Directly	
8	Rural Infrastructure Development Project	Sustainable Communities	Khanpur Kalan, Khanpur Khurd, Jharli, Jhamri,	4,07,58,180	Direct Expenditure	1,00,02,368	Directly	
9	Tree Plantation and increasing green cover	Sustainable Communities	-	4,00,000	-	-	-	
10	Livestock Promotion Program	Sustainable Communities	Khanpur Kalan, Jharli, Jhamri, Bajitpur	2,50,000	Direct Expenditure	96,534	Directly	
11	Crop Residue Management Program	Sustainable Communities	Rohtak, Fatehabad	85,00,000	Direct Expenditure	2,03,60,946	CII Foundation	
12	Extension Volunteers Engagement		-	3,68,000	-	-		
13	Women Empowerment Project	Sustainable Communities	Villages in District Jhajjar, Haryana	-	Direct Expenditure	1,92,82,027	Humana People to People India	
			Total Budgeted Expenditure	5,95,97,180	Total Actual Expenditure (A)	5,48,64,925	-	
	Total Direct Expenses of Projects and programmes (A)						5,48,64,925	
	Overhead Expenses (restricted to 5% of total CSR expenditure) (B)						27,43,246	
	Total (A + B)						57,608,171	

6. In case the Company fails to spend the 2% of the average net profit (INR) of the last three financial years, the reasons for not spending the amount shall be stated in the Board report.

Not applicable

7. Responsibility Statement, of the CSR Committee, that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company

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 and on behalf of the Board of Directors of
Jhajjar Power Limited**

**Rajiv Mishra
Chairman, CSR Committee
DIN: 00131207**

**Samir Ashta
Member, CSR Committee
DIN: 01957618**

Date: 30 June 2020

Place: Mumbai

NILESH SHAH & ASSOCIATES

Company Secretaries

Ref.: _____

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

For the Financial Year Ended March 31, 2020

[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 – 124 142

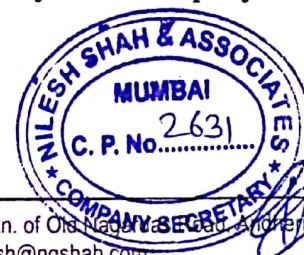
Dear Sir / Madam,

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 March 31, 2020, 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



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Tel.: 2836 3419 Email : ngshah.cs@gmail.com

NILESH SHAH & ASSOCIATES

Company Secretaries

Ref.: _____

produced before us for the financial year ended March 31, 2020, according to the provisions of:

- (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 (Prohibition of Insider Trading) Regulations, 2015;
 - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (to the extent applicable);
 - (c) 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.
 - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015;
 - (e) 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



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NILESH SHAH & ASSOCIATES

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Ref.: _____

applicable Acts, Laws and Regulations and found the satisfactory operation of the of the same.

We have also examined compliance with the applicable clauses of:

- (a) Secretarial Standards (SS-1 and SS-2) 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 BSE Limited.

We further Report that, during the year, either there was no event attracting the below mentioned provisions nor it was mandatory on the part of the Company to comply with the following Provisions, Regulations / Guidelines:

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) 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 complied with the 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 observation of instances of non-compliance in respect of the same, except as mentioned hereunder. There was a marginal and technical delay in relation to the intimation of record date for payment / re-payment of the interest and principal in respect of certain Non-Convertible Debentures issued by the Company.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the Board of Directors during the year.



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NILESH SHAH & ASSOCIATES

Company Secretaries

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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 short notice in case of urgency, 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.

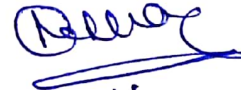
Based on the representation made by the Company and its Officers explaining us in respect of internal systems and mechanism established by the Company which ensures compliances of other Acts, Laws and Regulations applicable to the Company, we report that there are adequate systems and processes in the 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 under review, there was no specific event / action having a major bearing on the Company's affairs. It may further be noted that the Company has made early Redemption of 135 – 8.70% Secured Redeemable Non Convertible Debentures of Rs.1,00,00,000/- each on 24.01.2020.

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

Date: 30.06.2020

Signature:-



Place: Mumbai

Name:- Nilesh Shah

For:- **Nilesh Shah & Associates**

UDIN: F004554B000403436

FCS : 4554

C.P. : 2631



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NILESH SHAH & ASSOCIATES

Company Secretaries

Ref.: _____

'ANNEXURE A'

To
The Members,
Jhajjar Power Limited
Village - Khanpur,
Tahsil Matenhail,
Jhajjar, Haryana - 124 142

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. Due to COVID-19 outbreak and Lockdown situation, we have relied on the information, details, data, documents and explanation as provided by the Company and its officers and agents in electronic form without physically verifying their office.



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Company Secretaries

Ref.: _____

7. 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: 30.06.2020

Place: Mumbai

UDIN: F004554B000403436

Signature:-

Name:- Nilesh Shah

For:- **Nilesh Shah & Associates**

FCS : 4554 C.P. : 2631



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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 2019-20 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. Our opinion is based on the information and explanation provided to us during the audit.
- (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.

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.

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

Dated: this 30th day of June, 2020 at Ahmedabad

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

(Partner)
(Maitri K. Mehta – Fellow, M/23977)

Form No. AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto

1. Details of contracts or arrangement or transactions not at arm's length basis:
Not Applicable during FY 2019-20

Sr No.	Particulars	Remarks
a)	Name(s) of the related party and nature of relationship	--
b)	Nature of contracts / arrangements / transactions	--
c)	Duration of the contracts / arrangements / transactions	--
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	--
e)	Justification for entering into such contracts or arrangements or transactions	--
f)	Date(s) of approval by the Board	--
g)	Amount paid as advances, if any	--
h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	--

2. Details of material* contracts or arrangement or transactions at arm's length basis:

Sr No.	Particulars					
	Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board / shareholders, if any:	Amount paid as advances, if any:
1	CLP Business Management and support Limited / Fellow Subsidiary	Information Technology Support Agreement	3 years	CLPBMSL agrees to provide the Company with IT support as and when required and amount spent during the year under review is INR 26.55 Million	Not Applicable [#]	Not Applicable
2	CLP India Private Limited, the holding company and certain Fellow Subsidiary companies	Cost sharing agreement	No specific period	Agreement for allocation of common expenses and salaries of certain employees and amount involved during the year is INR 180.87** Million	Not Applicable [#]	Not Applicable

* The materiality threshold has been taken as 10% of the total annual turnover or 10% of the total assets as per the audited financial statements for year under review, subject to a minimum amount of INR 10,000,000/-, which criteria and amount may be reviewed from time to time.

*** Includes INR 57.45 million towards reimbursement of salary of key management personnel in accordance with cost sharing agreement with CLP India Private Limited*

The Company has entered into these transactions under agreements and Board approval is not required for these transactions.

For and on behalf of the Board of Directors of Jhajjar Power Limited

Date: 30 June 2020

Place: Mumbai

**Rajiv Mishra
Managing Director
DIN: 00131207**

**Samir Ashta
Director & Chief Financial Officer
DIN: 01957618**

Details of Technology Absorption during the year 2019-20

Sr.	Technology Absorption	Earlier/Existing system	New system	Benefits to the company
1	Upgrade of DCS from Windows 7/Server 2008 R2 to Window 10/Server 2016 in Unit 2	Windows 7 & Server 2008 R2 reached end of support	Latest secured engineering & operating platform installed, with systems operating on Windows 10 & Server 2016. The new system is secured with defence in depth cyber security. All the deployed applications were updated on the latest platform.	Upgraded DCS is working on updated OS with enhanced defence in depth security. Updated engineering tool supports with wide range of user-friendly features. Historian server has become more rugged and bigger in size. Auditing & Backup tool helps us in system audit & disaster recovery.
2	Nucleonic Density Meters for Slurry application	Unsuitability of the <i>Coriolis</i> based density meters in slurry application resulted in high maintenance cost in FGD area.	Nucleonic Density meters has radioactive isotope (Na_{22}) as a gamma source which has radioactivity > 0.002 mC, which is lower than the radioactivity limit that is exempted from free usage by AERB. The product is maintenance free and is accurate in measurements.	Being Maintenance free, the product has helped in reduction of OPEX. Density measurement is one of the vital requirements in FGD plant operations. The measurements are accurate which directly impacts on smooth functioning of FGD & on the quality of the gypsum produced.
3	CO (Carbon Monoxide) Analysers for Boiler Unit 2	The old system was not accurate and has failed to provide accurate reading at the installed location.	New CO analyzers operate on Gas Correlation Methodology and hence gives an accurate measurement of CO Gas being produced in the Boiler.	CO Gas formation in the boiler defines the level of the incomplete combustion. This is very helpful in ensuring the Boiler safety by measuring the dynamic CO formation in the Boiler and indicating the Operator to take proper action

4	Coal feeder controller with speed measurement at belt driven pulley	Existing system is costlier and having possibility of belt slippage impact on coal flow measurement.	New system is having speed monitoring at motor driven and belt driven pulley. We have flexibility to changeover to other speed measurement in case of in-service speed encoder having problem.	New controller shows coal flow measurement without slippage impact. Cost wise also it is beneficial for organisation.
5	VFD installation in service water pump motors	Direct online starter for 132kW service water pump motors. Constant speed operation of pumps irrespective of flow-pressure requirement. Flow maintained by valve throttling.	Variable frequency drives were installed for variable speed operation of 3 service water pumps according to flow requirement. Variable speed eliminated the throttling of valves thereby incurring throttling losses.	Power Saving of around INR 0.76 Mn per annum. Payback period of around 19 months leading to enhanced life of the pump.
6	Chamber wise Portable dust measurement system for fabric filter system	As per original installation there was no provision for dust measurement chamber wise for fabric filter system	Provision for insertion of portable emission measurement device has been made in each chamber in Unit 2. In Unit 1 such provision will be made in upcoming overhauling. There are 48 chambers in each unit. This will facilitate measurement of emission in each chamber. This emission probe has been procured from M/s Maxtech whose parent company is M/s Filter sense USA.	This will strengthen the condition monitoring technique of fabric filter system. Earlier there was no method to access the condition of fabric-filter bags chamber wise. This system will give early warning as which chamber requires maintenance depending on the parameters observed in the emission probe. With earlier system we had taken up maintenance of fabric filter bags pass wise which was very time consuming

7	Provision of additional manhole doors in Boiler in Unit-2	Originally there was no manhole provision at Boiler 48 mtr RHS elevation and every time a big window was required to be cut at this elevation during unit overhauling for dismantling the erected scaffold used for approaching boiler tubes for inspection.	We contacted the OEM of boiler (<i>M/s Harbin</i>) who proposed and supplied us additional manhole at 48 mtrs elevation as per design & standards of our boiler.	Reduced outage downtime as scaffolding dismantling duration is reduced after boiler hydro test during outage. Will also be implemented in upcoming Unit-1 outage. Also, no need to dismantle the scaffolding upto 48 mtrs before hyrdo-test, so that if any leakage arises it can be arrested easily with the help of scaffold. This helps in also reduced outage time.
8	415 V tie breaker between DG#1 and DG#2	DG#1 and DG#2 are only used for their respective emergency bus charging.	With aid of this tie breaker, any DG can be used for both unit emergency bus charging	Enhance the availability of emergency bus charging for both units
9	Installation of the Wagon Tippler New Lean plate with additional lean cylinder arrangement	<p>As we handle bulge wagons by the Wagon Tipplers, these bulge wagons damage the lean plates and cause cracks at the centre portion of the lean plate.</p> <p>Initial Arrangement: Pre-tipling side – 2 lean cylinder & Post tipling side – 2 lean cylinders.</p>	Two additional lean cylinders installed at the centre of the new Lean plate.	With this arrangement we can provide extra cushioning effect & support at the centre of the lean plate where the bulge portion comes in maximum contact. This will reduce the damage of the lean plate, hence the system reliability will increase & Rake unloading will not hamper

10	Installation of e-chain system in Wagon Tippler A	Wagon tippler supply & feedback cables were laid in open condition which resulting in damage in cables & resulting in faults	E-chain system applied in wagon tippler area and cables will be covered.	Protection of cables from boulders and other external particle. Reduce the downtime of Wagon Tippler outage and avoid demurrage with increased reliability and safety.
11	High speed master trip relay installation in 11kv feeders.	No master trip or lockout protection was present for latching of electrical fault.	High speed master trip relay was installed in all 11kV feeders of plant for latching of electrical fault so that it doesn't auto reset. Master trip relay restricts the resetting of fault by manually unlatching the system.	This modification prevents running of 11KV electrical equipment's under fault conditions. Saves costly as well as critical transformers and motors from damage due to through fault charging.

**For and on behalf of the Board of Directors of
Jhajjar Power Limited**

**Date: 30 June 2020
Place: Mumbai**

**Rajiv Mishra
Managing Director
DIN: 00131207**

**Samir Ashta
Director & Chief Financial Officer
DIN: 01957618**

FORM NO. MGT 9**EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31 March 2020

*[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:**

1.	CIN	U40104HR2008SGC037809
2.	Registration Date	9 th April 2008
3.	Name of the Company	JHAJJAR POWER LIMITED
4.	Category/Sub-category of the Company	Public Limited Company (Indian Non-Government Company)
5.	Address of the Registered office & contact details	Village Khanpur, Tahsil Matenhail, Jhajjar - 124142, Haryana, Telephone with STD – 01251 – 305000, Fax Number – 01251 – 305005, Email Address – jayant.patil@clpindia.in
6.	Whether listed company (Yes / No)	Yes, as per Section 2(52) of the Companies Act, 2013, the Company is considered as a listed Company, since its Non-Convertible Debentures are listed on BSE Limited.
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Mr. S P Venugopal, General Manager -Corporate Registry – Kfin Technologies Private Limited Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032. Telephone Number – 040 - 6716 2222 email : einward.ris@karvy.com

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	Electric power generation by coal based thermal power plants	35102	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN	HOLDING	% of shares held	Applicable Section
1	CLP India Private Limited Address: 6th Floor, "Chanakya", Off Ashram Road, Ahmedabad - 380009, Gujarat	U40100GJ1992PTCO18284	Holding Company	100% of the Equity and Compulsory Convertible Preference Shares	Section 2(46) of the Companies Act, 2013

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

(i) Category-wise shareholding

Category of Shareholders	No. of shares (of face value of INR 10 each) held at the beginning of the year				No. of shares (of face value of INR 10 each) 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	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	20,000,000	-	20,000,000	100	20,000,000	-	20,000,000	100	No Change
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of shares (of face value of INR 10 each) held at the beginning of the year				No. of shares (of face value of INR 10 each) held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
Total shareholding of Promoter [(A) = (A)(1) + (A)(2)]	20,000,000	-	20,000,000	100	20,000,000	-	20,000,000	100	No Change
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)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to Rs.1 Lac	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of shares (of face value of INR 10 each) held at the beginning of the year				No. of shares (of face value of INR 10 each) held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
nominal share capital in excess of Rs.1 Lac									
c) Others- (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	-	-	-	-	-	-	-	-	-
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	100	20,000,000	-	20,000,000	100	No Change

(ii) Shareholding of Promoters (Equity Share Capital):

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 face value of INR 10 each)	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares (of face value of INR 10 each)	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	CLP India Private Limited	Nil	Nil	Nil	20,000,000*	100%	100%	100%
	Total	Nil	Nil	Nil	20,000,000	100%	100%	

* Out of the aforesaid, 60 shares are held jointly with nominees of CLP India Private Limited

(iii) Change in Promoters' Shareholding (Equity Share Capital)

Sr. No.	Name of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares (of face value of INR 10 each)	% of total shares of the company	No. of shares (of face value of INR 10 each)	% of total shares of the company
(i)	CLP Power India Private Limited				
	At the beginning of the year	20,000,000	100%	20,000,000	100%
	Date wise increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.): Sale of entire equity shares to CLP India Private Limited on 13 December 2019	(20,000,000)	(100%)	(20,000,000)	(100%)
	At the End of the year	NIL	NIL	NIL	NIL
(ii)	CLP India Private Limited				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.): Acquisition of entire equity shares from CLP Power India Private	20,000,000	100%	20,000,000	100%

Sr. No.	Name of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares (of face value of INR 10 each)	% of total shares of the company	No. of shares (of face value of INR 10 each)	% of total shares of the company
	Limited on 13 December 2019				
	At the End of the year	20,000,000	100%	20,000,000	100%

- (iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) (Equity Share Capital):** Since the entire equity share capital is held by the Promoter company, viz., CLP India Private Limited, jointly alongwith its nominees, this is 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 face value of INR 10 each)	% of total shares of the company	No. of shares (of face value of INR 10 each)	% 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 (or on the date of separation, if separated during the year)	--	--	--	--

(iv) **Shareholding of Directors and Key Managerial Personnel (Equity Share Capital):**

For each of Mr. Rajiv Mishra, Mr. Naveen Munjal and Mr. Samir Ashta*					
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 face value of INR 10 each)	% of total shares of the company	No. of shares (of face value of INR 10 each)	% of total shares of the company
1.	At the beginning of the year	10	0.00	10	0.00
2.	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	--	--	--	--
3.	At the End of the year	10	0.00	10	0.00

* At the beginning of the year, these shares were held jointly with CLP Power India Private Limited and with effect from 13 December 2019, the said shares are now jointly held with CLP India Private Limited.

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

(i) Category-wise shareholding

Category of Shareholders	No. of shares (of face value of INR 10 each) held at the beginning of the year				No. of shares (of face value of INR 10 each) 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.	232,48,82,458	-	232,48,82,458	100	232,48,82,458	-	232,48,82,458	100	No Change
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	232,48,82,458	-	232,48,82,458	100	232,48,82,458	-	232,48,82,458	100	No Change
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of shares (of face value of INR 10 each) held at the beginning of the year				No. of shares (of face value of INR 10 each) held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter [(A) = (A)(1) + (A)(2)]	232,48,82,458	-	232,48,82,458	100	232,48,82,458	-	232,48,82,458	100	No Change
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)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to Rs.1 Lac	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs.1 Lac	-	-	-	-	-	-	-	-	-
c) Others- (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding [(B) = (B)(1)+ (B)(2)]	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	232,48,82,458	-	232,48,82,458	100	232,48,82,458	-	232,48,82,458	100	No Change

(ii) Shareholding of Promoters (Preference Share Capital):

Sr. No.	Shareholder's Name	Preference Shareholding at the beginning of the year			Preference Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares (of face value of INR 10 each)	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares (of face value of INR 10 each)	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	CLP India Private Limited	232,48,82,458	100%	100%	232,48,82,458	100%	100%	No Change
	Total	232,48,82,458	100%	100%	232,48,82,458	100%	100%	

(iii) Change in Promoters' Shareholding (Preference Share Capital) –

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares (of face value of INR 10 each)	% of total shares of the company	No. of shares (of face value of INR 10 each)	% of total shares of the company
	At the beginning of the year	232,48,82,458	100%	232,48,82,458	100%
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc.):	NIL	NIL	NIL	NIL
	At the End of the year	232,48,82,458	100%	232,48,82,458	100%

(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) (Preference Share Capital):** Since the entire preference share capital is held by the Promoter company, viz., CLP India Private Limited this is 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 face value of INR 10 each)	% of total shares of the company	No. of shares (of face value of INR 10 each)	% 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 (or on the date of separation, if separated during the year)	--	--	--	--

(iv) **Shareholding of Directors and Key Managerial Personnel (Preference Share Capital):**
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 face value of INR 10 each)	% of total shares of the company	No. of shares (of face value of INR 10 each)	% of total shares of the company
1.	At the beginning of the year	--	--	--	--
2.	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g.	--	--	--	--

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 face value of INR 10 each)	% of total shares of the company	No. of shares (of face value of INR 10 each)	% of total shares of the company
	allotment / transfer / bonus/ sweat equity etc.):				
3.	At the End of the year	--	--	--	--

V. INDEBTEDNESS

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

Amount in INR Mn.

Particulars	Secured Loans excl. Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	27,207	--	--	27,207
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	434	--	--	434
Total (i + ii + iii)	27,641	--	--	27,641
Change in Indebtedness during the financial year				
* Addition	1,876	--	--	1,876
* Reduction	(4,644)	--	--	(4,644)
Net Change	(2,768)	--	--	(2,768)
Indebtedness at the end of the financial year				
i) Principal Amount	24,439	--	--	24,439
ii) Interest due but not paid	-	--	--	-
iii) Interest accrued but not due	395	--	--	395
Total (i + ii + iii)	24,834	--	--	24,834

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Amount in INR Mn.

Sr. No.	Particulars of Remuneration	Name of director		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 (Rs.)	41.32		41.32
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961 (Rs.)	--		--
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 (Rs.)	--		--
2.	Stock Option (live as on date) (Nos.)	--		--
3.	Sweat Equity (Nos.)	--		--
4.	Commission (Rs.)	--		--
	- as % of profit	--		--
	- others, specify	--		--
5.	Others, please specify	--		--
	Total (A) (Rs.)	41.32		41.32
	Ceiling as per the Act			107.27

B. Remuneration to other directors:

Amount in INR Mn.

Sr. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Mr. Mohammed Shahid Aftab	Ms. Nishita Bakul Bakshi	
1.	Independent Directors			
a.	Fee for attending board / committee meetings	0.66	0.72	1.38
b.	Commission	--	--	--
c.	Others, please specify	--	--	--
	Total (1)	0.66	0.72	1.38
2.	Other Executive/Non-Executive Directors	--	--	--
a.	Fee for attending board / committee meetings	--	--	--
b.	Commission	--	--	--
c.	Others, please specify	--	--	--
	Total (2)	--	--	--
	Total = (1 + 2)	0.66	0.72	1.38

Sr. No.	Particulars of Remuneration	Name of Directors		Total Amount
	Total Managerial Remuneration	0.66	0.72	1.38
	Overall Ceiling as per the Act			21.45

Mr. Naveen Munjal and Mr. Ian Tuft do not draw any remuneration from the Company.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD –
Amount in INR Mn.

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CFO Mr. Samir Ashta*	CS Mr. Jayant Patil	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (Rs.)	--	15.05	5.07	20.12
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961 (Rs.)	--	--	0.42	0.42
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 (Rs.)	--	--	--	--
2.	Stock Option (live as on date)	--	--	--	--
3.	Sweat Equity (Nos.)	--	--	--	--
4.	Commission (Rs.)	--	--	--	--
	- as % of profit	--	--	--	--
	- others, specify	--	--	--	--
5.	Others [#] , please specify (Provident Fund and National Pension Scheme)	--	--	0.48	0.48
	Total (INR Mn.)[§]	--	15.05	5.97	21.02

*Managerial Remuneration paid to Mr. Rajiv Mishra and Mr. Samir Ashta is in accordance with cost sharing agreement with group companies.

[#]The retiral benefits do not take into account the gratuity payable to the aforesaid KMPs on separation.

[§]The remuneration does not take into account the Goods and services tax thereon.

Note: Mr. Samir Ashta also serves as the Chief Financial Officer (“CFO”) of the Company, and while he does not draw any remuneration as a Director, he is entitled to remuneration as per the cost sharing arrangement with CLP India Private Limited, the holding company, for the services rendered by him in the capacity of CFO.

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)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

There were no penalties, punishment or compounding of offences during the financial year under review.

**For and on behalf of the Board of Directors of
Jhajjar Power Limited**

**Date: 30 June 2020
Place: Mumbai**

**Rajiv Mishra
Managing Director
DIN: 00131207**

**Samir Ashta
Director & Chief Financial Officer
DIN: 01957618**

DETAILS REQUIRED UNDER SECTION 197(12) OF THE ACT READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- i. the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year and the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Sr. No.	Name of Director / Chief Financial Officer / Company Secretary	Remuneration for FY 2019-20 (INR)	% change in remuneration for FY 2019-20	Ratio of remuneration of each Director to the median remuneration of employees
1.	Mr. Rajiv Mishra, Managing Director	41.32*	2.58 [§]	37.847:1
2.	Mr. Mohammad Shahid Aftab, Non-Executive Independent Director	0.66 ^{^@}	46.67	0.604:1
3.	Ms. Nishita Bakul Bakshi, Non-Executive Independent Director	0.72 ^{^@}	16.13	0.659:1
4.	Mr. Naveen Munjal, Non-Executive Director	Not Applicable	Not Applicable	Not Applicable
5.	Mr. Samir Ashta [#] , Non-Executive and Chief Financial Officer	15.05*	3.98 [§]	13.786:1
6.	Mr. Ian Tuft, Non-Executive Director	Not Applicable	Not Applicable	Not Applicable
7.	Mr. Jayant Patil, Company Secretary	5.97	8.39 ¹	5.467:1

* - The managerial remuneration paid to Mr. Mishra and Mr. Ashta, is in accordance with cost sharing agreement with group companies.

§- Indicates the increase in the amount of remuneration, reimbursed by the Company to CLP India

- Private Limited, the holding company, as per the cost sharing agreement with group companies.
- ^ - Indicates the amount of sitting fees paid for attending the Board and Committee Meetings paid during the FY 2019-20.
- @ - Includes certain amount of sitting fees for attending the Board and Committee Meetings held during the FY 2018-19 and paid in FY 2019-20.
- # - Mr. Ashta also serves as the Chief Financial Officer (“CFO”) of the Company, and while he does not draw any remuneration as a Director of the Company, he is entitled to remuneration as per the cost sharing arrangement with CLP India Private Limited, the holding company, for the services rendered by him in the capacity of CFO of the Company.
- 1 - Indicates the increase in amount paid-out as remuneration.

- ii. **the percentage increase in the median remuneration of employees in the financial year:** Median remuneration of employees for FY 2019-20, increased by 8.3% as compared to FY 2018-19.
- iii. **the number of permanent employees on the rolls of Company:** 253 employees as on 31 March 2020.
- iv. **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;**

Average increase in remuneration for employees (non-managerial level) for FY 2019-20, was 8.3% as compared to FY 2018-19, whereas the average increase in remuneration of employees (managerial level), for the same period was 8.8% as compared to FY 2018-19.

- v. **Affirmation that the remuneration is as per the remuneration policy of the company:** Yes

**For and on behalf of the Board of Directors of
Jhajjar Power Limited**

**Date: 30 June 2020
Place: Mumbai**

**Rajiv Mishra
Managing Director
DIN: 00131207**

**Samir Ashta
Director & Chief Financial Officer
DIN: 01957618**

B S R & Co. LLP

Chartered Accountants

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India

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INDEPENDENT AUDITORS' REPORT

To the Members of Jhajjar Power Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Jhajjar Power Limited ("the Company"), which comprise the balance sheet as at 31 March 2020, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

Registered Office:
5th Floor, Lodha Excelus
Apollo Mills Compound
N.M. Joshi Marg, Mahalaxmi
Mumbai - 400 011

INDEPENDENT AUDITORS' REPORT (continued)**Jhajjar Power Limited****Key Audit Matters (continued)**

Description of Key Audit Matters

The key audit matter	How the matter was addressed in our audit
<p>Legal Claims</p> <p>The Company is involved in various legal claims, which could have a significant impact, if these claims were to materialise. It is not unusual for legal claims to remain outstanding for a number of years. We have identified legal claims as a key audit matter since it requires management to exercise significant judgement in determining the appropriate accounting treatment. Refer Notes 10 (a) and 36 to the financial statements.</p>	<p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following :-</p> <ol style="list-style-type: none"> 1. Evaluated the design and operating effectiveness of relevant internal controls implemented by management. 2. Reviewed management's assessment and challenged their assessment of the probability of success in these cases and their conclusions reached through discussions with the legal head. 3. Obtained direct independent legal confirmation letters from the Company's external lawyers to confirm the fact of the claims and corroborative evidence that supports basis for management's response. 4. Assessed the appropriateness of provisions and considered the impact of the procedures performed above on the financial statements and whether the disclosures therein are in accordance with relevant Ind AS.
<p>Derivative financial instruments</p> <p>The Company enters into derivative financial instrument contracts in order to manage its exposure to foreign currency risk and interest rate risk, which arise during the normal course of its business. These contracts gave rise to derivative financial assets and derivative financial liabilities as at 31 March 2020. Accounting and valuation of such derivative financial instruments being complex in nature and considering the size of the transactions is considered to be a key audit matter. Refer Notes 2(b)(ii), 31 and 32 to the financial statements.</p>	<p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following :-</p> <ol style="list-style-type: none"> 1. Involved independent valuation specialist to assist in evaluating the appropriateness of the fair valuation of derivative instruments. 2. Inspected management's hedge documentation, hedge effectiveness testing and hedge contracts for the purposes of considering whether the related accounting treatment was in accordance with relevant Ind AS including management's valuation of derivatives performed by independent valuation experts. 3. Obtained external confirmations from contracts counterparties for derivative financial instruments that existed at the reporting date.

INDEPENDENT AUDITORS' REPORT (continued)

Jhajjar Power Limited

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITORS' REPORT (continued)

Jhajjar Power Limited

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT (continued)

Jhajjar Power Limited

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) 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 statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) 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 information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its financial statements - Refer Note 36 to the financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts- Refer Note 13 to the financial statements;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

INDEPENDENT AUDITORS' REPORT (continued)
Jhajjar Power Limited
Report on Other Legal and Regulatory Requirements (continued)

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Nirav Patel
Partner
Membership No. 113327
UDIN: 20113327AAAABD2991

Place: Mumbai
Date: 30 June 2020

Annexure A referred to in our Independent Auditors' Report on the financial statements of Jhajjar Power Limited on the financial statements for the year ended 31 March 2020

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (i.e. property, plant and equipment).
- (b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were physically verified during the year. As informed to us, no material discrepancies were noted on such verification.
- (c) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, the title deeds of immovable properties, as disclosed in Note 3 on property, plant and equipment to the financial statements, are held in the name of the Company.
- (ii) Inventories, except for stock-in-transit have been physically verified by the management during the year at reasonable intervals. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us, the procedures for physical verification of inventories followed by the management during the year are reasonable and adequate in relation to the size of the Company and the nature of its business. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly adjusted in the books of account.
- (iii) According to the information and explanations given to us, 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 Companies Act, 2013. Accordingly, the provisions of paragraph 3(iii) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loan, or provided any guarantee or security or made any investment as specified under Section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
- (v) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

Annexure A referred to in our Independent Auditors' Report on the financial statements of Jhajjar Power Limited on the financial statements for the year ended 31 March 2020 (continued)

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government of India under sub-section (1) of Section 148 of the Act and are of the opinion that prima facie, the prescribed cost records have been made and maintained. However, we have not made a detailed examination of cost records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, goods and services tax, duty of custom, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance, duty of excise, service tax, value added taxes, and sales tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, goods and services tax, duty of custom, cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income-tax, sales tax, service tax, duty of custom, duty of excise, goods and services and value added tax which have not been deposited by the Company with the appropriate authorities on account of any dispute as at 31 March 2020, other than those mentioned below:

Name of the Statute	Nature of the dues	Amount (Rs. in millions)	Amount paid under protest (Rs. in millions)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Proposed tax disallowance: Disallowance of provision for penalty made as per purchase price agreement with customer	-	-	Assessment year 2013-2014 ¹	Income Tax Appellate Tribunal
Income-tax Act, 1961	Penalty in respect of disallowance of provision for penalty made as per purchase price agreement with customer	365.10	220.09	Assessment year 2013-2014 ²	Commissioner of Income-Tax (Appeals)
Income-tax Act, 1961	Proposed tax disallowance: Disallowance in respect of forward premium expenses	-	-	Assessment year 2013-2014 ³	Commissioner of Income-Tax (Appeals)
Income-tax Act, 1961	Proposed tax disallowance: Disallowance in respect of forward premium expenses	-	-	Assessment year 2013-2014 ⁴	Income Tax Appellate Tribunal

Annexure A referred to in our Independent Auditors' Report on the financial statements of Jhajjar Power Limited on the financial statements for the year ended 31 March 2020 (continued)

Name of the Statute	Nature of the dues	Amount (Rs. in millions)	Amount paid under protest (Rs. in millions)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Proposed tax disallowance: Disallowance in respect of salary expenses	-	-	Assessment year 2017-2018 ⁵	Commissioner of Income-Tax (Appeals)

¹Assessing Officer (“AO”) issued order u/s 143(3) of the Income-tax Act, 1961 pertaining to assessment year 2013-2014 wherein provision for penalty as per power purchase agreement amounting to Rs. 1,181.59 million were disallowed. There was no tax demand due to adjustment of the disallowance with brought forward tax losses. The Company filed an appeal to Commissioner of Income-Tax (Appeals) (“CIT(A)”) against this order. During the financial year 2018-2019 the Company received an unfavourable order from CIT (A) in respect of disallowance pertaining to the provision for penalty, against which the Company has filed an appeal with Income Tax Appellate Tribunal (“ITAT”).

²During the financial year 2018-2019, AO levied penalty of Rs. 365.10 million under section 271(1)(c) of the Income-tax Act, 1961 on the Company stating that provision for penalty as per power purchase agreement of Rs. 1,181.59 million related to assessment year 2013-2014, was disallowed due to unascertained liability and thus the Company has furnished inaccurate particulars of income. The Company has filed an application with Deputy Commissioner of Income Tax for stay of demand for the penalty levied and the same has been rejected. The Company has challenged the order levying the penalty under section 271(1)(c) of the Income-tax Act, 1961 by filing an appeal before the CIT(A).

³During the current year, AO has issued an order based on direction and order issued by Principal CIT under section 263 of the Income-tax Act, 1961 pertaining to assessment year 2013-2014, disallowing the forward premium expenses amounting to Rs. 458.86 million under Income-tax Act, 1961. There was no tax demand due to adjustment of the disallowance with brought forward tax losses. The Company has filed an appeal against the order of AO before CIT(A). Further, the Company has taken additional ground before CIT(A) to alternatively allow the capitalisation of the forward premium expenses in the block of asset and corresponding claim of depreciation thereon.

⁴In addition to appeal before CIT(A), the Company has filed an additional appeal before ITAT challenging the validity of the order and direction of the Principal CIT under section 263 of the Income-tax Act, 1961.

⁵During the current year, AO issued order under Income-tax Act, 1961, pertaining to assessment year 2017-2018, where in salary expenses amounting to Rs. 45.56 million was disallowed. There was no tax demand due to adjustment of the disallowance with brought forward tax losses. The Company has filed an appeal against the order before CIT(A).

Annexure A referred to in our Independent Auditors' Report on the financial statements of Jhajjar Power Limited on the financial statements for the year ended 31 March 2020 (continued)

- (viii) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings to banks or financial institutions or dues to debenture holders. Further, no loans or borrowings were taken from Government or outstanding as at 31 March 2020.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. The term loans obtained during the year were applied for the purpose for which those were raised.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to information and explanations given to us and on the basis of our examination of the records of the Company, the managerial remuneration has been provided and paid by the Company in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) According to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013, where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

Annexure A referred to in our Independent Auditors' Report on the financial statements of Jhajjar Power Limited on the financial statements for the year ended 31 March 2020 (continued)

- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W / W-100022

Nirav Patel
Partner
Membership No. 113327
UDIN: 20113327AAAABD2991

Place: Mumbai
Date: 30 June 2020

Annexure B to the Independent Auditors' report on the financial statements of Jhajjar Power Limited for the year ended 31 March 2020.

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Jhajjar Power Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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.

Annexure B to the Independent Auditors' report on the financial statements of Jhajjar Power Limited for the year ended 31 March 2020 (continued)

Auditors' Responsibility (continued)

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 with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP
Chartered Accountants
(Firm's Registration No. 101248W/W-100022)

Place: Mumbai
Date: 30 June 2020

Nirav Patel
Partner
Membership No.113327
UDIN: 20113327AAAABD2991

Jhajjar Power Limited
Balance Sheet as at 31 March 2020
(All amount in Rs. Million)

	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	40,448.52	42,277.05
Capital work-in-progress	3	76.85	449.97
Intangible assets	4	7.79	6.87
Financial assets			
i. Loans	5(a)	15.83	15.24
ii. Others	5(b)	1,229.25	709.50
Deferred tax assets (net)	6	2.75	1,581.66
Other tax assets (net)	7	491.34	316.77
Other non-current assets	8	184.80	227.71
Total non-current assets		42,457.13	45,584.77
Current assets			
Inventories	9	4,730.64	4,233.43
Financial assets			
i. Trade receivables	10(a)	7,476.08	8,300.67
ii. Cash and cash equivalents	10(b)	519.27	25.88
iii. Others	10(c)	438.73	2,033.13
Other current assets	11	5,550.92	9,528.80
Total current assets		18,715.64	24,121.91
Total assets		61,172.77	69,706.68
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	200.00	200.00
Instruments entirely equity in nature	12	23,248.82	23,248.82
Other equity	13	539.52	(853.81)
Total equity		23,988.34	22,595.01
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i. Borrowings	14(a)	22,061.28	26,606.43
ii. Other financial liabilities	14(b)	279.05	185.65
Provisions	15	35.71	61.30
Total non-current liabilities		22,376.04	26,853.38
Current liabilities			
Financial liabilities			
i. Borrowings	16(a)	4,512.33	6,809.84
ii. Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises	16(b)	1.03	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	16(b)	5,276.07	9,216.88
iii. Other financial liabilities	16(c)	4,951.70	4,165.32
Other current liabilities	17	57.27	39.38
Provisions	18	9.99	11.76
Current tax liabilities (net)	19	-	15.11
Total current liabilities		14,808.39	20,258.29
Total liabilities		37,184.43	47,111.67
Total equity and liabilities		61,172.77	69,706.68

The accompanying notes form an integral part of these financial statements
As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

For and on behalf of the **Board of Directors of**
Jhajjar Power Limited

Nirav Patel
Partner
Membership No : 113327
Place: Mumbai
Date: 30 June 2020

Rajiv Mishra
Managing Director
DIN : 00131207

Samir Ashta
Director & Chief Financial Officer
DIN : 01957618

Jayant Patil
Company Secretary
Membership No.: A14418
Place: Mumbai
Date: 30 June 2020

Jhajjar Power Limited
Statement of Profit and Loss for the year ended 31 March 2020
(All amount in Rs. Million)

	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Income			
Revenue from operations	20	29,545.40	31,259.79
Other income	21	829.55	434.96
Total income		30,374.95	31,694.75
Expenses			
Cost of materials consumed	22	20,423.76	22,612.10
Employee benefits expense	23	606.05	599.00
Finance costs	24	2,605.29	2,735.36
Depreciation and amortisation expense	25	2,481.95	2,478.90
Other expenses	26	2,453.72	2,071.26
Total expenses		28,570.77	30,496.62
Profit before tax		1,804.18	1,198.13
Tax expense			
- Current tax	27	-	368.97
- Deferred tax	27	1,310.85	159.60
Total tax expense		1,310.85	528.57
Profit for the year		493.33	669.56
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		21.26	(4.36)
Income tax relating to items that will not be reclassified to profit or loss		(5.35)	1.52
Items that will be reclassified to profit or loss			
Effective portion of gains on hedging instruments in cash flow hedges		(83.23)	46.69
Effective portion of gains / (losses) on hedging instruments in cash flow hedges reclassified to profit or loss		(422.98)	(299.88)
Cost of hedging - changes in fair value		(114.99)	(148.30)
Cost of hedging - change in fair value reclassified to profit or loss		261.59	372.14
Income-tax relating to items that will be reclassified to profit or loss		116.42	10.26
Other comprehensive income/(loss) for the year, net of tax		(227.28)	(21.93)
Total comprehensive income for the year		266.05	647.63

Earnings per equity share of face value of Rs. 10 each (previous year Rs. 10 each):

Basic earnings per share (Rs.)	28	0.21	0.29
Diluted earnings per share (Rs.)	28	0.21	0.29

The accompanying notes form an integral part of these financial statements
As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022

For and on behalf of the **Board of Directors of Jhajjar Power Limited**

Nirav Patel
Partner
Membership No : 113327
Place: Mumbai
Date: 30 June 2020

Rajiv Mishra
Managing Director
DIN : 00131207

Samir Ashta
Director & Chief Financial Officer
DIN : 01957618

Jayant Patil
Company Secretary
Membership No.: A14418
Place: Mumbai
Date: 30 June 2020

Jhajjar Power Limited
Statement of Cash Flow for the year ended 31 March 2020
(All amount in Rs. Million)

	For the year ended 31 March 2020	For the year ended 31 March 2019
(A) Cash flows from operating activities		
Profit before tax	1,804.18	1,198.13
Adjustments for:		
Depreciation and amortisation expense	2,481.95	2,478.90
Finance costs	2,605.29	2,735.36
Premium/other cost on derivatives	240.09	342.07
Interest income	(8.42)	(8.39)
Net loss on foreign currency transactions	559.35	368.09
Net loss / (profit) on sale of property, plant and equipment	3.87	(0.26)
Inventory write off	31.02	48.70
Provision no longer required written back	(48.16)	-
Derivative at FVTPL	(757.56)	(406.88)
Operating profit before working capital changes	6,911.61	6,755.72
Change in working capital		
(Decrease)/ increase in trade payables	(3,906.73)	7,106.44
Increase / (decrease) in other current financial liabilities	146.54	(30.18)
Increase / (decrease) in other non current financial liabilities	96.55	(77.81)
Decrease / (increase) in trade receivables	824.59	(335.38)
Increase in inventories	(528.23)	(2,693.89)
Decrease/ (increase) in other current assets	3,977.88	(7,115.82)
Increase in other current liabilities	17.89	15.10
Decrease in other financial assets	1,249.98	266.81
(Decrease)/ increase in provisions	(6.10)	17.33
Decrease in other non current assets	-14.91	49.71
Cash generated from operations	8,798.89	3,958.03
Income tax paid	(174.57)	(607.87)
Net cash inflows from operating activities	8,624.32	3,350.16
(B) Cash flows from investing activities		
Purchase of property, plant and equipment and purchase of intangible assets	(259.24)	(371.25)
Proceeds from sale of property, plant and equipment	0.56	0.44
Net cash outflows from investing activities	(258.68)	(370.81)
(C) Cash flows from financing activities		
Repayment of non - current borrowings	(5,229.55)	(5,660.28)
Proceeds of non - current borrowings	1,876.88	2,337.42
(Repayment) / proceeds of current borrowings (net)	(2,297.51)	2,685.60
Finance costs paid	(2,222.07)	(2,329.95)
Net cash outflows from financing activities	(7,872.25)	(2,967.21)
Net increase in cash and cash equivalents	493.39	12.14
Cash and cash equivalents at the beginning of the financial year	25.88	13.74
Cash and cash equivalents at the end of the year	519.27	25.88

Jhajjar Power Limited
Statement of Cash Flow for the year ended 31 March 2020
(All amount in Rs. Million)

Notes:

1	Changes in liabilities arising from financing activities	For the year ended 31 March 2020	For the year ended 31 March 2019
	Opening balance		
	Non- Current Borrowings (Refer note 14 (a) and 16 (c))	30,524.75	32,774.23
	Current Borrowings (Refer note 16 (a))	6,809.84	4,124.24
	Cash Flows		
	Repayment of non - current borrowings	(5,229.55)	(5,660.28)
	Proceeds of non - current borrowings	1,876.88	2,337.42
	(Repayment) / proceeds of current borrowings (net)	(2,297.51)	2,685.60
	Finance costs paid	(2,222.07)	(2,329.95)
	Non-cash changes		
	Finance costs expense	2,605.29	2,735.36
	Foreign currency exchange fluctuations	568.99	667.97
	Deemed contribution of interest free loan from parent company	(1,506.41)	-
	Closing Balance of Secured Loans		
	Non- Current Borrowings (Refer note 14 (a) and 16 (c))	26,617.88	30,524.75
	Current Borrowings (Refer note 16 (a))	4,512.33	6,809.84

2 Figures in bracket indicate cash outflow.

3 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.

4 The accompanying notes form an integral part of these financial statements.

For BSR & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022

For and on behalf of the Board of Directors of
Jhajjar Power Limited

Nirav Patel
Partner
Membership No : 113327
Place: Mumbai
Date: 30 June 2020

Rajiv Mishra
Managing Director
DIN : 00131207

Samir Ashta
Director & Chief Financial Officer
DIN : 01957618

Jayant Patil
Company Secretary
Membership No.: A14418
Place: Mumbai
Date: 30 June 2020

Jhajjar Power Limited
Statement of Changes in Equity for the year ended 31 March 2020
(All amount in Rs. Million)

A. Equity share Capital

	Note	No. of shares	Amount
As at 1 April 2018	12	20,000,000	200.00
Changes in equity share capital	12	-	-
As at 31 March 2019	12	20,000,000	200.00
Changes in equity share capital	12	-	-
As at 31 March 2020	12	20,000,000	200.00

B. Instruments entirely equity in nature (Compulsory Convertible Preference Shares)

	Note	No. of shares	Amount
As at 1 April 2018	12	2,324,882,458	23,248.82
Changes in Compulsory Convertible Preference Shares	12	-	-
As at 31 March 2019	12	2,324,882,458	23,248.82
Changes in Compulsory Convertible Preference Shares	12	-	-
As at 31 March 2020	12	2,324,882,458	23,248.82

C. Other Equity

	Note	Reserves and Surplus*					Items of other comprehensive income*			Total other equity
		Securities Premium	Debenture Redemption Reserve	Retained earnings	Deemed contribution (loan from parent company)	Deemed contribution (corporate guarantee)	Cash flow hedging reserve	Cost of hedging reserve	Remeasurement of defined benefit plan	
As at 1 April 2018		1,504.85	700.59	(6,442.17)	2,345.74	198.01	345.68	(154.14)	-	(1,501.44)
Profit for the year	13	-	-	669.56	-	-	-	-	-	669.56
Other comprehensive income	13	-	-	-	-	-	(164.71)	145.62	(2.84)	(21.93)
Total comprehensive income for the year		-	-	669.56	-	-	(164.71)	145.62	(2.84)	647.63
Transfer to retained earnings		-	-	(2.84)	-	-	-	-	2.84	-
Transfer to debenture redemption reserve		-	293.50	(293.50)	-	-	-	-	-	-
As at 31 March 2019		1,504.85	994.09	(6,068.95)	2,345.74	198.01	180.97	(8.52)	-	(853.81)
Profit for the year	13	-	-	493.33	-	-	-	-	-	493.33
Other comprehensive income	13	-	-	-	-	-	(351.61)	108.42	15.91	(227.28)
Total comprehensive income for the year		-	-	493.33	-	-	(351.61)	108.42	15.91	266.05
Transfer to retained earnings		-	-	15.91	-	-	-	-	(15.91)	-
Deemed contribution of interest free loan (net of tax)		-	-	-	1,127.28	-	-	-	-	1,127.28
Transfer from debenture redemption reserve		-	(160.71)	160.71	-	-	-	-	-	-
As at 31 March 2020		1,504.85	833.38	(5,399.00)	3,473.02	198.01	(170.64)	99.90	-	539.52

* For description of reserves, refer note 13.

For B S R & Co. LLP
Firm Registration Number: 101248W/W-100022
Chartered Accountants

For and on behalf of the **Board of Directors** of
Jhajjar Power Limited

Nirav Patel
Partner
Membership No : 113327
Place: Mumbai
Date: 30 June 2020

Rajiv Mishra
Managing Director
DIN : 00131207
Place: Mumbai
Date: 30 June 2020

Samir Ashta
Director & Chief Financial Officer
DIN : 01957618

Jayant Patil
Company Secretary
Membership No.: A14418

Jhajjar Power Limited
Notes forming part of the financial statements for the year ended 31 March 2020
(All amount in Rs. Million)

Note 1: Company Information

Jhajjar Power Limited ("Company") has been incorporated under the provisions of Indian Companies Act on 9 April 2008 (CIN U40104HR2008SGC037809) and its debentures are listed on the Bombay Stock Exchange. 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 29 March 2012 and 19 July 2012 respectively.

Note 2(a): Basis of preparation

(i) Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013 (the "Act"), relevant provisions of the Act and other accounting principles generally accepted in India. The financial statements are prepared on accrual and going concern basis.

The financial statements for the year ended 31 March 2020 were authorised and approved for issue by the Board of Directors of the Company on 30 June 2020.

Details of the Company's accounting policies are included in note 2 (b).

(ii) Basis of measurement

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

- Certain financial assets and liabilities (including derivative instruments) - Measured at fair value;
- Net defined benefit (asset)/ liability- Fair value of plan assets less present value of defined benefit obligations

(iii) Functional and presentation currency

These financial statements are presented in India Rupees (INR), which is also the Company's functional currency. All amounts have been rounded off to the nearest millions, unless otherwise stated.

(iv) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:-

Note 30: Judgement required to ascertain whether an arrangement contains a lease and to ascertain lease classification.

Assumptions and estimation uncertainties

Information about significant areas of estimation/uncertainty and judgements in applying accounting policies that have the most significant effect on the financial statements are as follows:-

Note 29: Measurement of defined benefit obligations: key actuarial assumptions;

Note 2 (b) (ix) and (x) : Measurement of useful life and residual values of property, plant and equipment and useful life of intangible assets;

Note 27: Estimate required to determine probability of recognition of deferred tax assets and availability of future taxable profit against which tax losses carried forward can be used;

Note 31: Fair value measurement of financial instruments;

Note 36 : Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

(v) Operating Cycle

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

(vi) Measurement of fair values

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirement of Ind AS, including the level in the fair value hierarchy in which the value the valuations should be classified.

Significant valuation issues are reported to the Company's audit committee.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

-Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.

-Level 2 : inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

-Level 3 : inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Jhajjar Power Limited
Notes forming part of the financial statements for the year ended 31 March 2020
(All amount in Rs. Million)

When measuring the fair values of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of fair value of hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfer between levels of the fair value hierarchy at the end of reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 31 (Financial instruments).

Note 2(b): Significant accounting policies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currencies of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rates when the fair value was measured. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rates at the dates of transactions. Exchange differences are recognised in profit or loss, except exchange difference arising from the translation of the following items which are recognised in other comprehensive income (OCI):

- qualifying cash flow hedge to the extent that the hedges are effective.

(ii) Financial instruments

a. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company become a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

b. Classification and subsequent measurement

Financial assets:

On initial recognition, a financial asset is classified as measured at

- amortised cost;

- FVTPL

Financial assets are not reclassified subsequently to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held with in a business model whose objective is to hold assets to collect contractual cash flows; and

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

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrecoverably designate a financial asset that otherwise meets the requirement to be measured at amortised cost as at FVTPL if doing so eliminate or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. However, see note 2(b)(ii)(e) for derivatives designated as hedging instruments.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost at effective interest rate. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairments are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities:

Financial liabilities are classified as measure at cost amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative and it is designated as such on initial recognition. For financial liabilities at FVTPL any net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. See note 2(b)(ii)(e) for derivatives designated as hedging instruments.

c. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfer assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not recognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Jhajjar Power Limited
Notes forming part of the financial statements for the year ended 31 March 2020
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d. Offsetting

Financial asset and financial liabilities are offset and net amount presented in the balance sheet when and only when the group has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

e. Derivative Financials Instruments and Hedge Accounting

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with changes in foreign exchange rates and interest rates .

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and hedging instrument, including whether the changes in cash flows of the hedged item and hedging instruments are expected to offset each other.

f. Cash Flow Hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI and accumulated in the other equity under 'cash flow hedging reserve'. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

The Company designates only the change in the fair value of the spot element of forward exchange contracts and the change in intrinsic value of options as the hedging instrument in cash flow hedging relationships. The changes in fair value of the forward element of forward exchange contracts and the changes in the time value of options are separately accounted for as a cost of hedging and recognized separately within equity.

iii. Revenue recognition

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from sale of electricity - The Company supplies electricity to customers in accordance with the Power Purchase Agreement (PPA). The supply takes place on continuous basis throughout the year. Customer pays for the electricity on a monthly basis in two tranches (separately for provisional and final bill raised subsequent to the relevant month by the Company). Revenue is recognised as electricity is supplied as per the terms of the PPA based on the tariff rate as specified in PPA, net of rebate offered.

- Revenue from sale of fly ash - The Company sales fly ash generated in electricity generation. The revenue from sale of fly ash is recognized when the customer takes possession of the material. Fly ash sale is invoiced as per the price agreed with different customers.

iv. Income taxes

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

(a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any relating to income taxes. It is measured using tax rates enacted for the relevant reporting period.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis.

Appendix C to Ind AS 12, Income Taxes dealing with accounting for uncertainty over income tax treatments is applicable from accounting periods beginning on or after 1 April 2019. It does not have any material impact on financial statements of the Company.

(b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised. Significant management judgement is required to determine the probability of deferred tax asset.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and assets levied by the same tax authorities.

The Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, the Company has recognised Provision for Income tax for the year ended 31 March 2020 and re-measured its deferred tax assets / liabilities basis the rate prescribed in the said section. The impact of this change has been recognised during the year ended 31 March 2020.

v. Leases

The Company assesses at contract inception whether the contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A contract conveys the right to control the use of an identified asset if the customer has both of the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted this standard using modified retrospective approach effective from 1 April 2019 with no restatement of comparative information. The Company has applied the practical expedient to grandfather the definition of a lease on transition. This means that it has applied Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17.

Refer note 2(b) (v) – Significant accounting policies – Leases in the Annual report of the Company for the year ended 31 March 2019, for the policy as per Ind AS 17.

As a Lessor

For the Company as a lessor, leases in which the Company does not transfer substantially all the risks and rewards incidental to the ownership of an underlying asset to the customer, are classified as operating lease arrangements. The respective lease assets are included in the financial statements according to their nature. Operating lease payments which vary with operation parameters are recognised as other revenue in the period in which they are earned.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue to allocate the consideration in the contract.

As a Lessee

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

vi. Impairment of property, plant and equipment and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

Impairment losses are recognised in the statement of profit and loss.

Where impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

vii. Cash and cash equivalents

Cash and 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.

viii. Inventories

Inventories are measured at lower of cost and net realizable value. Cost for the purpose of valuation of fuel and stores and spares are determined on weighted average basis. Cost of inventories comprise all costs of purchase after deducting non refundable rebates and discounts and all other costs incurred in bringing the inventories to their present location and condition. Cost are assigned to individual items of inventory on the weighted average cost basis. Net realizable value ("NRV") 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. NRV for stores and spares and fuel used in generation of electricity, are not written down below cost except in cases where the price of such materials have declined and it is estimated that the cost of generating the electricity will exceed its selling price. Where necessary, due allowance is made for all damaged, obsolete and slow moving items.

Jhajar Power Limited
Notes forming part of the financial statements for the year ended 31 March 2020
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ix. Property, plant and equipment

Recognition and measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment loss, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss.

Subsequent costs

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 Statement of Profit and Loss during the reporting period in which they are incurred.

Capital work-in-progress

Cost of property, plant and equipment not ready for use as at the reporting date are disclosed as capital work-in-progress.

As permitted by Ind AS 101, the Company, on transition to Ind AS, had elected to continue with the carrying value under previous GAAP for all of its property, plant and equipment and use that as its deemed cost.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives and is generally recognised in the statement of profit and loss. 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 different 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.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset Head	Management estimate of useful life	Useful life as per schedule II
Buildings	10-60 years	10-60 years
Plant and machinery	5-30 years	10-40 years
Furniture and fixtures	5-10 years	10 years
Computers and office equipment	3-6 years	3-6 years
Vehicles	8 years	8 years

x. Intangible assets

Recognition and measurement

Intangible assets that are acquired are recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of assets can be measured reliably. The intangible assets are recorded at cost of acquisition including incidental costs related to acquisition and installation and are carried at cost less accumulated amortisation and impairment losses, if any.

Subsequent costs

Subsequent costs are capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure on intangible assets is recognised in the statement of profit and loss, as incurred.

As permitted by Ind AS 101, the Company, on transition to Ind AS, had elected to continue with the carrying value under previous GAAP for all of its intangible assets and use that as its deemed cost.

Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives of 5 years using the straight-line method. Amortisation is calculated on a pro-rata basis for assets purchased/ disposed off during the period. Amortisation method, useful life and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

xi. Borrowing costs

Borrowing costs attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of the asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing cost includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

xii. Provisions and contingent liabilities and assets

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

Contingent liabilities and assets

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

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xiii. Employee benefits

(a). Short-term employee benefits

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.

(b). 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 statement of profit and 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.

(c) 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.

Defined benefit plans

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 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 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 statement of profit and 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.

xiv. Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its equity shares.

Basic EPS is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted EPS is determined by adjusting profit attributable to equity shareholders and the weighted average number of equity shares outstanding, for the effects of all dilutive potential equity shares.

xv. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is considered to be the Board of Directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

xvi. 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.

xvii. Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.

Jhajjar Power Limited
Notes forming part of the financial statements for the year ended 31 March 2020

(All amount in Rs. Million)

Note 3: Property, plant and equipment and capital work-in-progress

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount
	As at 1 April 2019	Additions during the year	Disposals/ capitalised during the year	As at 31 March 2020	As at 1 April 2019	Depreciation for the year	Disposals during the year	As at 31 March 2020	As at 31 March 2020
Land (freehold) (Note 1 below)	3,225.61	-	-	3,225.61	-	-	-	-	3,225.61
Buildings	6,358.89	176.34	-	6,535.23	958.03	244.19	-	1,202.22	5,333.01
Plant and equipment	42,613.08	386.99	4.47	42,995.60	9,050.15	2,188.45	0.24	11,238.36	31,757.24
Furniture and fixtures	45.16	6.85	0.01	52.00	22.62	6.39	0.01	29.00	23.00
Computers and office equipment	80.78	76.71	1.56	155.93	47.57	31.69	1.41	77.85	78.08
Vehicles	56.42	10.19	0.51	66.10	24.52	10.46	0.46	34.52	31.58
Total	52,379.94	657.08	6.55	53,030.47	10,102.89	2,481.18	2.12	12,581.95	40,448.52
Capital work-in-progress	449.97	283.96	657.08	76.85	-	-	-	-	76.85
Total	449.97	283.96	657.08	76.85	-	-	-	-	76.85

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount
	As at 1 April 2018	Additions during the year	Disposals/ capitalised during the year	As at 31 March 2019	As at 1 April 2018	Depreciation for the year	Disposals during the year	As at 31 March 2019	As at 31 March 2019
Land (freehold) (Note 1 below)	3,225.61	-	-	3,225.61	-	-	-	-	3,225.61
Buildings	6,324.46	34.43	-	6,358.89	718.19	239.84	-	958.03	5,400.86
Plant and equipment	42,455.91	157.17	-	42,613.08	6,839.69	2,210.46	-	9,050.15	33,562.93
Furniture and fixtures	44.67	0.55	0.06	45.16	17.34	5.31	0.03	22.62	22.54
Computers and office equipment	59.05	21.73	-	80.78	32.60	14.97	-	47.57	33.21
Vehicles	54.52	3.24	1.34	56.42	18.05	7.66	1.19	24.52	31.90
Total	52,164.22	217.12	1.40	52,379.94	7,625.87	2,478.24	1.22	10,102.89	42,277.05
Capital work-in-progress	318.05	349.04	217.12	449.97	-	-	-	-	449.97
Total	318.05	349.04	217.12	449.97	-	-	-	-	449.97

Notes:

1. Original title deeds of freehold land is held by Power Finance Corporation Limited as security agent on behalf of lenders of the Company.
2. Refer note 14 (A) for property, plant and equipment pledged as security for liabilities.
3. Refer note 36 (B) for contractual commitments for the acquisition of property, plant and equipment.

Jhajjar Power Limited**Notes forming part of the financial statements for the year ended 31 March 2020**

(All amount in Rs. Million)

Note 4: Intangible assets

Particulars	Gross carrying amount				Accumulated amortisation				Net carrying amount
	As at 1 April 2019	Additions during the year	Disposals during the year	As at 31 March 2020	As at 1 April 2019	Depreciation for the year	Disposals during the year	As at 31 March 2020	As at 31 March 2020
Computer software	29.06	1.69	-	30.75	22.19	0.77	-	22.96	7.79
Total	29.06	1.69	-	30.75	22.19	0.77	-	22.96	7.79

Particulars	Gross carrying amount				Accumulated amortisation				Net carrying amount
	As at 1 April 2018	Additions during the year	Disposals during the year	As at 31 March 2019	As at 1 April 2018	Amortisation for the year	Disposals during the year	As at 31 March 2019	As at 31 March 2019
Computer software	26.00	3.06	-	29.06	21.53	0.66	-	22.19	6.87
Total	26.00	3.06	-	29.06	21.53	0.66	-	22.19	6.87

Jhajjar Power Limited**Notes forming part of the financial statements for the year ended 31 March 2020**

(All amount in Rs. Million)

Note 5 (a) : Loans

	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good Security deposit	15.83	15.24
Total	15.83	15.24

Note 5 (b) : Other non- current financial assets

	As at 31 March 2020	As at 31 March 2019
(i) Derivatives		
Options	44.77	121.28
Foreign exchange forward contracts	29.50	128.46
Interest rate swap	-	302.24
Principal only swap	1,018.83	29.79
(ii) Others		
Other receivables	136.15	127.73
Total	1,229.25	709.50

Jhajjar Power Limited
Notes forming part of the financial statements for the year ended 31 March 2020
(All amount in Rs. Million)

Note 6 : Deferred tax asset (net)

The balance comprises temporary differences attributable to:

	As at 31 March 2020	As at 31 March 2019
Deferred tax liabilities on account of:		
Property, plant and equipment and intangible assets (net)	4,158.04	6,601.87
Borrowings	585.39	434.10
Total deferred tax liabilities (A)	4,743.43	7,035.97
Deferred tax assets on account of:		
Tax losses	3,879.06	6,972.72
Employee benefits expenses	11.50	25.53
Derivatives	609.88	404.57
Trade receivables	219.57	269.45
MAT credit entitlement	-	907.48
Others	26.17	37.88
Total deferred tax asset (B)	4,746.18	8,617.63
Net deferred tax assets (B)-(A)	2.75	1,581.66

Movement of temporary differences	As at 1 April 2019	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in Deemed contribution (loan from parent company)	As at 31 March 2020
Property, plant and equipment and intangible assets (net)	(6,601.87)	(2,443.83)	-	-	(4,158.04)
Borrowings	(434.10)	(227.84)	-	379.13	(585.39)
Tax losses	6,972.72	3,093.66	-	-	3,879.06
Employee benefits expenses	25.53	8.68	5.35	-	11.50
Derivatives	404.57	(88.89)	(116.42)	-	609.88
Trade receivables	269.45	49.88	-	-	219.57
MAT credit entitlement	907.48	907.48	-	-	-
Others	37.88	11.71	-	-	26.17
Total	1,581.66	1,310.85	(111.07)	379.13	2.75

Movement of temporary differences	As at 1 April 2018	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in Deemed contribution (loan from parent company)	As at 31 March 2019
Property, plant and equipment and intangible assets (net)	(6,474.72)	127.15	-	-	(6,601.87)
Borrowings	(587.00)	(152.90)	-	-	(434.10)
Tax losses	7,356.28	383.56	-	-	6,972.72
Employee benefits expenses	17.84	(6.17)	(1.52)	-	25.53
Derivatives	448.04	53.73	(10.26)	-	404.57
Trade receivables	410.85	141.40	-	-	269.45
MAT credit entitlement	538.51	(368.97)	-	-	907.48
Others	19.68	(18.20)	-	-	37.88
Total	1,729.48	159.60	(11.78)	-	1,581.66

Jhajjar Power Limited
Notes forming part of the financial statements for the year ended 31 March 2020
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Note 7 : Other tax assets (net)

	As at 31 March 2020	As at 31 March 2019
Advance income tax [net of tax Rs. 858.00 (31 March 2019: Rs. 858.00)]*	491.34	316.77
Total	491.34	316.77

* Includes amount of Rs. 220.09 (31 March 2019: Rs. 220.09) which represents income tax paid under protest.

Note 8 : Other non- current assets

	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good		
Prepaid expenses	93.85	108.76
Capital advances	90.95	118.95
Total	184.80	227.71

Note 9 : Inventories

	As at 31 March 2020	As at 31 March 2019
<i>At lower of cost and net realisable value</i>		
Raw materials [Includes stock in transit Rs. 53.66 (31 March 2019: Rs. 328.57)]	3,692.65	3,329.25
Stores and spares	1,037.99	904.18
Total	4,730.64	4,233.43

Note 10(a) : Trade receivables

	As at 31 March 2020	As at 31 March 2019
Trade receivables - Unsecured	7,476.08	8,300.67
Trade receivables - Credit impaired	1,502.32	1,399.49
Less: Provision for impairment - credit impaired	(1,502.32)	(1,399.49)
Total	7,476.08	8,300.67

Note 10(b) : Cash and cash equivalents

	As at 31 March 2020	As at 31 March 2019
Balance with banks on current accounts	518.77	25.76
Cash on hand	0.50	0.12
Total	519.27	25.88

Note 10(c) : Other current financial assets

	As at 31 March 2020	As at 31 March 2019
Derivatives		
Options	119.21	14.50
Foreign exchange forward contracts	230.97	130.17
Interest rate swap	1.62	-
Principal only swap	86.93	1,888.46
Total	438.73	2,033.13

Note 11 : Other current assets

	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good		
Advance to suppliers	5,362.35	9,488.15
Balance with government authorities	6.70	2.62
Prepaid expenses	181.87	38.03
Total	5,550.92	9,528.80

Jhajjar Power Limited
Notes forming part of the financial statements for the year ended 31 March 2020
(All amount in Rs. Million)

Particulars	As at 31 March 2020	As at 31 March 2019
Note 12: Share Capital		
a. Authorised :		
500,000,000 (31 March 2019 : 500,000,000) Equity Shares of Rs.10 each	5,000.00	5,000.00
2,700,000,000 (31 March 2019 : 2,700,000,000) Compulsory Convertible Preference Shares of Rs.10 each	27,000.00	27,000.00
	32,000.00	32,000.00
b. Issued and Subscribed and Paid up:		
20,000,000 (31 March 2019: 20,000,000) Equity Shares of Rs.10 each fully paid up	200.00	200.00
2,324,882,458 (31 March 2019: 2,324,882,458) Compulsory Convertible Preference Shares of Rs 10 each fully paid up	23,248.82	23,248.82
	23,448.82	23,448.82
c. Reconciliation of number of shares outstanding at the beginning and end of the year :		
Equity shares :		
Outstanding at the beginning of the year (nos)	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
Compulsory Convertible Preference Shares :		
Outstanding at the beginning of the year (nos)	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

d. Terms / rights attached to each classes of shares

(i) 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 of the Company, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) Terms / rights attached to Preference shares

The Compulsory Convertible Preference Shares ("CCPS") are convertible into fixed number of 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. 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

	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares:				
Shares held by CLP India Private Limited (CLPIPL), the holding company (with effect from 13 December 2019), and its nominees*	20,000,000	200.00	-	-
Shares held by CLP Power India Private Limited (CLPPIPL), the holding company (upto 12 December 2019), and its nominees*	-	-	20,000,000	200.00
Compulsory Convertible Preference Shares:				
CCPS held by CLP India Private Limited (CLPIPL)	2,324,882,458	23,248.82	2,324,882,458	23,248.82

*The entire equity share capital of the Company held by CLP Power India Private Limited (CLPPIPL) has been transferred to CLP India Private Limited (CLPIPL) on 13 December 2019

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

	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	% holding	No. of Shares	% holding
Equity Shares:				
Shares held by CLPIPL, the holding company, and its nominees	20,000,000	100%	-	-
Shares held by CLPPIPL, the holding company, and its nominees	-	-	20,000,000	100%
Compulsory Convertible Preference Shares:				
CCPS held by CLPIPL, the holding company	2,324,882,458	100%	2,324,882,458	100%

g. No shares have been issued for consideration other than cash during the period of five years immediately preceding the reporting date.

Jhajar Power Limited**Notes forming part of the financial statements for the year ended 31 March 2020**

(All amount in Rs. Million)

Note 13 : Other Equity

	As at 31 March 2020	As at 31 March 2019
Securities premium	1,504.85	1,504.85
Debenture Redemption Reserve	833.38	994.09
Deemed contribution (loan from parent company)	3,473.02	2,345.74
Deemed contribution (corporate guarantee)	198.01	198.01
Retained earnings	(5,399.00)	(6,068.95)
Cash flow hedging reserve	(170.64)	180.97
Cost of hedging reserve	99.90	(8.52)
Total	539.52	(853.81)

Nature and purpose of Reserves:**(i) Securities Premium**

Securities Premium Reserve is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

(ii) Debenture Redemption Reserve

The Company has issued debentures in India and as per the provisions of the Companies Act, 2013, is required to create debenture redemption reserve out of the profits of the Company available for payment of dividend. Pursuant to the notification issued by Ministry of corporate affairs dated 16 August 2019, the Company is not require to create and maintain Debenture Redemption Reserve ("DRR") with effect from current financial year.

(iii) Cash flow Hedging reserve

This comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

(iv) 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, as permitted by Ind AS 109 'Financial Instruments'.

(v) Remeasurements of defined benefit liability /(asset)

Remeasurements of defined benefit liability/ (asset) comprises actuarial gains and losses and return on plan assets (excluding interest income).

(vi) Deemed contribution (loan from parent company)

The Company has obtained interest free loan from CLPIPL. This loan has been fair valued and recorded as deemed contribution (loan from parent company).

Jhajjar Power Limited**Notes forming part of the financial statements for the year ended 31 March 2020**

(All amount in Rs. Million)

Note 14 (a) : Non- Current Borrowings

	As at 31 March 2020	As at 31 March 2019
Secured		
Debentures	8,628.99	9,984.88
Term Loans		
<i>From banks</i>		
Rupee Loan	3,789.09	2,938.47
Foreign Currency Loan	4,519.77	6,306.12
<i>From financial institutions</i>		
Rupee Loan	1,880.24	2,358.77
Foreign Currency Loan	5,884.31	5,856.53
Unsecured		
Loan from Related Party	1,915.48	3,079.98
Total	26,617.88	30,524.75
Less: shown as current maturities of long term borrowings		
Secured		
Debentures	360.28	384.03
Term Loans		
<i>From banks</i>		
Rupee Loan	651.30	430.71
Foreign Currency Loan	2,568.29	2,170.60
<i>From financial institutions</i>		
Rupee Loan	478.53	478.53
Foreign Currency Loan	498.20	454.45
Total	22,061.28	26,606.43

(A) Nature of Security and terms of secured borrowings**(1) (i) Nature of security for non -current secured borrowings (debentures and term loans):-**

- (a) First ranking pari passu charge on movable assets, immovable property, plant and equipment, current assets (both present and future).
- (b) First ranking pari passu charge on all the rights title, interest, benefit, claims and demand whatsoever of the issuer in the project documents, clearances related to projects of the Company, any letter of credit, guarantee, performance bond provided by any party for the project, all insurance contracts and insurance proceeds relating to the project.
- (c) First ranking pari passu charge on all intangible assets of the Company both present and future.

(ii) Nature of security specific for debentures:-

- (a) First ranking pari passu charge on accounts established under the accounts agreement as defined under the debenture trust deed and any other bank accounts of the Company.
- (b) First ranking pari passu pledge of atleast 51% of equity shares and CCPS of the Company held by the holding company, CLPIPL.
- (c) Corporate guarantee given by CLPIPL for Issue I debentures to the extent of 50% of the debentures.

(iii) Nature of security specific for foreign currency loan from financial institution & rupee term loans:-

- (a) First ranking pari passu charge in respect of the letter(s) of credit, escrow account, the trust and retention account, debt service reserve account and other reserves and any other bank accounts of the Company.
- (b) First ranking pari passu pledge of 51% of the equity shares and CCPS of the Company held by the CLPIPL at all times till the final settlement date. Provided that the percentage of equity shares and CCPS on which the pledge shall persist shall be reduced to 26% of the issued and paid up share capital of the Company upon repayment of 75% of the rupee facility, subject to there being no outstanding event of default.

(iv) Nature of security specific for foreign currency loan from banks:-

- (a) First ranking pari passu charge in respect of the letter(s) of credit, Escrow Account, the Trust and Retention Account, Debt Service Reserve Account and other reserves and any other bank accounts of the Company.
- (b) First ranking pari passu pledge of 100% of the equity shares and CCPS of the Company held by the CLPIPL at all times till the final settlement date.

Jhajjar Power Limited**Notes forming part of the financial statements for the year ended 31 March 2020**

(All amount in Rs. Million)

(2) Terms of borrowing**As at 31 March 2020**

Debentures	Amount*	Interest rate	Repayable at	Period of maturity from balance sheet date
Issue 1 Series 1	2,380.00	Half yearly basis at 9.99% p.a.	30 April 2025	61 months
Issue 1 Series 2	2,380.00		30 April 2026	73 months
Issue 2 Series 1	900.00	Annual basis at 9.91% p.a.	28 April 2023	37 months
Issue 2 Series 2	1,300.00		30 April 2024	49 months
Issue 3 Series 1	900.00	Annual basis at 8.70% p.a.	30 April 2022	25 months
Issue 3 Series 2	450.00		30 April 2023	37 months

* Amount represents current and non-current portion of the borrowings (gross of unamortised transaction cost of Rs. 50.59).

Term Loan	Amount*	Average interest rate	Repayment terms	Period of maturity from balance sheet date
Rupee term loan from financial institution	238.21	9.05% p.a.	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 1 November 2023	43 months
Rupee term loan from bank	1,996.68	9.35% p.a.	66% of the principal amount in first 18 equal quarterly instalments and 34% of the principal amount in the last installment from the date of first disbursement with maturity date of 1 November 2023	43 months
Rupee term loan from bank	9.59	9.90% p.a.	61% of the principal amount in first 15 equal quarterly instalments and 39% of the principal amount in the last installment from the date of first disbursement with maturity date of 1 November 2023	43 months
Rupee term loan from Bank	505.32	8.70% p.a.	61% of the principal amount in first 15 equal quarterly instalments and 39% of the principal amount in the last installment from the date of first disbursement with maturity date of 1 November 2023	43 months

Jhajjar Power Limited

Notes forming part of the financial statements for the year ended 31 March 2020

(All amount in Rs. Million)

Rupee term loan from Bank	1,293.15	8.70% p.a.	80% of the principal amount in first 19 equal quarterly instalments and 20% of the principal amount in the last installment from the date of first disbursement with maturity date of 31 December 2024	57 months
Rupee term loan from financial institution	1,642.03	9.45% p.a.	Repayable in 44 equal quarterly instalments from the date of first disbursement with maturity date of 31 December 2023	45 months

* Amount represents current and non-current portion of the borrowings (gross of unamortised transaction cost of Rs. 15.69).

Term Loan	Amount*	Interest rate	Repayment terms	Period of maturity from balance sheet date
Foreign currency term loan from financial institution	5,910.03	Monthly basis at 6 month libor + 220 bps p.a.	Repayable in 44 quarterly instalments from the date of first disbursement with maturity date of 1 November 2023	43 months
Foreign currency term loan from banks	1,973.66	(a) For few banks interest is at quarterly basis at 3 month libor + 300 bps p.a. (b) For other banks interest is at quarterly basis at 3 month libor + 215 bps p.a.	Initially loan was repayable in 44 equal quarterly instalments from the date of first disbursement with maturity date of 29 October 2023. Last 11 installments have been prepaid in July 2016 and January 2017.	10 months
Foreign currency term loan from bank	2,560.47	Quarterly basis at 3 month libor + 250 bps p.a.	Repayable in 44 quarterly instalments from the date of first disbursement with maturity date of 29 October 2023.	43 months

* Amount represents current and non-current portion of the borrowings (gross of unamortised transaction cost of Rs. 65.88).

Unsecured borrowings	Amount*	Interest rate	Repayable at #	Period of maturity from balance sheet date
Tranche 1%	2,000.00	Interest free	31 December 2026	81 months
Tranche 2%	2,000.00		31 December 2027	93 months

% For equity component of loan from related party, refer to Note 13

* Amount represents amount of the borrowings received.

It is subject to financial arrangement/agreement with banks/financial institutions/debenture holders.

Jhajjar Power Limited

Notes forming part of the financial statements for the year ended 31 March 2020

(All amount in Rs. Million)

As at 31 March 2019

Debentures	Amount*	Interest rate	Repayable at	Period of maturity from balance sheet date
Issue 1 Series 1	2,380.00	Half yearly basis at 9.99% p.a.	30 April 2025	73 months
Issue 1 Series 2	2,380.00		30 April 2026	85 months
Issue 2 Series 1	900.00	Annual basis at 9.91% p.a.	28 April 2023	49 months
Issue 2 Series 2	1,300.00		30 April 2024	61 months
Issue 3 Series 1	1,800.00	Annual basis at 8.70% p.a.	30 April 2022	37 months
Issue 3 Series 2	900.00		30 April 2023	49 months

* Amount represents current and non-current portion of the borrowings (gross of unamortised transaction cost of Rs. 63.91).

Term Loan	Amount*	Average interest rate	Repayment terms	Repayment terms
Rupee term loan from financial institution	278.86	9.17% p.a.	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 1 November 2023	55 months
Rupee term loan from bank	602.78	9.34% p.a.		55 months
Rupee term loan from bank	2,337.42	9.17% p.a.		55 months
Rupee term loan from financial institution	2,079.91	9.20% p.a.	Repayable in 44 equal quarterly instalments from the date of first disbursement with maturity date of 31 December 2023	57 months

* Amount represents current and non-current portion of the borrowings (gross of unamortised transaction cost of Rs. 4.48).

Jhajjar Power Limited
Notes forming part of the financial statements for the year ended 31 March 2020

(All amount in Rs. Million)

Term Loan	Amount*	Interest rate	Repayment terms	Period of maturity from balance sheet date
Foreign currency term loan from financial institution	5,889.71	Monthly basis at 6 month libor + 220 bps p.a.	Repayable in 44 quarterly instalments from the date of first disbursement with maturity date of 1 November 2023	55 months
Foreign currency term loan from banks	3,623.20	(a) For few banks interest is at quarterly basis at 3 month libor + 300 bps p.a. (b) For other banks interest is at quarterly basis at 3 month libor + 215 bps p.a.	Initially loan was repayable in 44 equal quarterly instalments from the date of first disbursement with maturity date of 29 October 2023. Last 11 instalments have been prepaid in July 2016 and January 2017.	22 months
Foreign currency term loan from bank	2,734.80	Quarterly basis at 3 month libor + 250 bps p.a.	Repayable in 44 quarterly instalments from the date of first disbursement with maturity date of 29 October 2023.	55 months

* Amount represents current and non-current portion of the borrowings (gross of unamortised transaction cost of Rs. 127.26).

Unsecured borrowings	Amount*	Interest rate	Repayable at #	Period of maturity from balance sheet date
Tranche 1%	2,000.00	Interest free	31 March 2021	24 months
Tranche 2%	2,000.00		31 March 2022	36 months

% For equity component of loan from related party, refer to Note 13

* Amount represents amount of the borrowings received.

It is subject to financial arrangement/agreement with banks/financial institutions/debenture holders.

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

	As at 31 March 2020	As at 31 March 2019
<i>(i) Derivatives</i>		
Foreign exchange forward contracts	10.67	73.63
Interest rate swap	254.98	55.09
Principal only swap	-	21.00
<i>(ii) Others</i>		
Premium payable on cancelled options	13.40	32.78
Capital Creditors	-	3.15
Total	279.05	185.65

Jhajjar Power Limited**Notes forming part of the financial statements for the year ended 31 March 2020**

(All amount in Rs. Million)

Note 15 : Provisions (Non-Current)

	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits		
Provision for gratuity (refer note 29)	7.63	23.22
Provision for compensated absences (refer note 29)	28.08	38.08
Total	35.71	61.30

Note 16 (a) : Current Borrowings

	As at 31 March 2020	As at 31 March 2019
Secured:		
Working capital loan from banks	2,624.43	5,003.79
Cash credit from banks repayable on demand	387.90	806.05
Unsecured:		
Commercial paper	1,500.00	1,000.00
Total	4,512.33	6,809.84

Nature of Security and terms of borrowings

Nature of Security	Terms of Repayment
Working Capital Loan and cash credit 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.	Cash credit is repayable on demand. Working capital loan is repayable within a period ranging from 3 to 60 days (31 March 2019: 5 to 40 days). Interest rate ranges from 7.70% p.a. to 9.75% p.a. (31 March 2019: 7.60% p.a. to 9.75% p.a.).
Commercial papers are unsecured in nature.	Repayable within a period ranges from 49 to 170 days (31 March 2019 : 30 to 90 days) with coupon rate ranging from 6.30% p.a. to 8.10% p.a. (31 March 2019: 6.55% p.a. to 8.10% p.a.)

Note 16(b) : Trade payables

	As at 31 March 2020	As at 31 March 2019
Total outstanding dues of micro enterprises and small enterprises (Refer note 37)	1.03	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	5,276.07	9,216.88
Total	5,277.10	9,216.88

Jhajjar Power Limited**Notes forming part of the financial statements for the year ended 31 March 2020**

(All amount in Rs. Million)

Note 16(c) : Other current financial liabilities

	As at 31 March 2020	As at 31 March 2019
(i) Derivatives		
Foreign exchange forward contracts	52.80	27.43
Interest rate swap	5.70	-
(ii) Others		
Current maturities of long term borrowings*	4,556.60	3,918.32
Book overdraft	79.75	-
Bonus payable	107.27	96.13
Premium payable on cancelled options	19.28	19.28
Payable to capital creditors	3.20	1.64
Others	127.10	102.52
Total	4,951.70	4,165.32

*includes accrued interest of Rs. 395.43 (31 March 2019: Rs. 433.74)

Note 17 : Other current liabilities

	As at 31 March 2020	As at 31 March 2019
Statutory dues		
Provident fund	3.35	2.89
Goods and services tax	9.27	2.57
Tax deducted at source	23.86	33.27
Advance from customers	20.79	-
Others	-	0.65
Total	57.27	39.38

Contract Balances

Contract liability comprises of consideration received from customers against which services are yet to be provided reported as advance from customers disclosed as under:

Particulars	As at 31 March 2020	As at 31 March 2019
Advance from customers - current	20.79	-

Revenue recognised from amount included in contract liabilities (advance from customers) at the beginning of the year amounts to Rs. Nil. (31 March 2019 : Rs. Nil)

Note 18 : Provisions (Current)

	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits		
Provision for gratuity (Refer note 29)	6.44	8.68
Provision for compensated absences (Refer note 29)	3.55	3.08
Total	9.99	11.76

Note 19 : Current tax liabilities (net)

	As at 31 March 2020	As at 31 March 2019
Provision for tax [net of advance income tax Rs. 54.89 (31 March 2019: Rs. 54.89)]	-	15.11
Total	-	15.11

Jhajjar Power Limited**Notes forming part of the financial statements for the year ended 31 March 2020**

(All amount in Rs. Million)

Note 20 : Revenue from operations

	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from sale of electricity	21,971.78	24,096.29
Operating lease income [Capacity charges which is in nature of operating lease income under Ind AS 116]	6,939.48	6,585.61
Other operating revenue:		
Sale of fly ash	634.14	577.89
Total	29,545.40	31,259.79

Revenue disaggregation by type of customers is as follows:-**Major**

	For the year ended 31 March 2020	For the year ended 31 March 2019
Government	19,193.11	20,115.56
Non-government	3,412.81	4,558.62
Total	22,605.92	24,674.18

Note 21 : Other income

	For the year ended 31 March 2020	For the year ended 31 March 2019
Other income		
Interest income under effective interest method on financial assets measured at amortised cost	8.42	8.39
Derivatives at FVTPL	757.56	406.88
Net gain on sale of property, plant and equipment	-	0.26
Liabilities no longer required written back	48.16	-
Miscellaneous income	15.41	19.43
Total	829.55	434.96

Note 22 : Cost of materials consumed

	For the year ended 31 March 2020	For the year ended 31 March 2019
Consumption of coal	19,706.05	21,967.28
Consumption of high speed diesel	124.50	107.84
Consumption of stores and spares	442.38	420.49
Water charges	150.83	116.49
Total	20,423.76	22,612.10

Note 23 : Employee benefits expense

	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, wages and bonus	570.94	561.61
Contribution to provident and other funds	28.72	26.80
Staff welfare expenses	6.39	10.59
Total	606.05	599.00

Jhajjar Power Limited
Notes forming part of the financial statements for the year ended 31 March 2020
(All amount in Rs. Million)

Note 24 : Finance costs

	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense on financial liabilities measured at amortised cost	2,587.40	2,702.87
Other borrowing cost	17.89	32.49
Total	2,605.29	2,735.36

Note 25 : Depreciation and amortisation expense

	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation of property, plant and equipment (refer note 3)	2,481.18	2,478.24
Amortisation of intangible assets (refer note 4)	0.77	0.66
Total	2,481.95	2,478.90

Note 26 : Other expenses

	For the year ended 31 March 2020	For the year ended 31 March 2019
Repairs and maintenance		
- Plant	225.19	189.65
- Building	1.10	4.37
- Others	241.22	101.35
Unscheduled intercharges	53.70	68.82
Rent	9.49	3.18
Insurance	166.04	76.16
Traveling and conveyance	28.59	40.41
Legal and professional	52.69	40.96
Auditors' remuneration (refer note 38)	4.90	5.66
Rates and taxes	39.67	0.41
Expenditure towards corporate social responsibilities (CSR) activities (refer note 39)	57.69	22.76
Inventory write off	31.02	48.70
Net loss on sale of property, plant and equipment	3.87	-
Net loss on foreign currency transactions	559.35	368.09
Premium/other cost on derivatives	437.55	559.33
Information technology operating costs	54.87	48.47
Office expenses	45.48	39.16
Security Expenses	33.69	31.29
Contract staff	226.06	216.35
Miscellaneous expenses	181.55	206.14
Total	2,453.72	2,071.26

Jhajar Power Limited**Notes forming part of the financial statements for the year ended 31 March 2020**

(All amount in Rs. Million)

Note 27 : Income tax

	For the year ended 31 March 2020	For the year ended 31 March 2019
(a) Amount recognised in profit or loss		
Current tax		
Current tax on profits for the year (Minimum Alternate Tax)	-	368.97
Deferred tax		
Origination and reversal of temporary differences	1,394.65	277.76
Change in tax rate	330.06	-
Recognition of previously unrecognized deferred tax	(413.86)	(118.16)
Total	1,310.85	528.57

(b) Income tax recognised in other comprehensive income

Deferred tax		
Remeasurements of defined benefit plan	5.35	(1.52)
Effective portion of gains/ (losses) on hedging instruments in cash flow hedges	(20.95)	16.32
Effective portion of gains/ (losses) on hedging instruments in cash flow hedges reclassified to profit or loss	(106.46)	(104.79)
Cost of hedging - changes in fair value	(28.94)	(51.82)
Cost of hedging - change in fair value reclassified to profit or loss	65.84	130.03
Change in tax rate	(25.91)	-
Total	(111.07)	(11.78)

(c) Reconciliation of effective tax rate

	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit before tax	1,804.18	1,198.13
Tax at the Indian tax rate of 25.168% (31 March 2019 : 34.944%)	454.08	418.67
Non-deductible expenses	14.52	7.95
Change in tax rate	330.06	-
Recognition of previously unrecognized deferred tax	(413.86)	(118.16)
MAT credited written off	907.46	-
Provision for impairment	-	220.11
Others	18.59	-
Income tax expense reported in Statement of Profit and Loss	1,310.85	528.57

(d) Tax losses for which no deferred tax asset was recognised expire as follows:

Expire year	As at 31 March 2020		As at 31 March 2019	
	Gross Amount	Unrecognised tax effect	Gross Amount	Unrecognised tax effect
Unabsorbed depreciation				
Never expire	-	-	1,184.35	413.86

Jhajjar Power Limited**Notes forming part of the financial statements for the year ended 31 March 2020**

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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 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.

Ordinary equity shares that will be issued upon the conversion of a compulsory convertible preference shares are included in the calculation of basic earnings per share from the date the contract is entered into.

i. Profit attributable to equity holders of the Company

	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit attributable to equity holders	493.33	669.56
Earnings used in calculating earnings per share		
<u>Basic earning per share</u>		
Profit attributable to equity holders used in calculating basic earnings per share	493.33	669.56
<u>Diluted earning per share</u>		
Profit attributable to equity holders used in calculating diluted earnings per share	493.33	669.56

ii. Weighted average number of shares used as the denominator

	For the year ended 31 March 2020	For the year ended 31 March 2019
Weighted average number of equity shares used as the denominator in calculating EPS	20,000,000	20,000,000
Compulsory convertible preference shares	2,324,882,458	2,324,882,458
Weighted average number of equity shares & potential equity shares used as the denominator in calculating basic and diluted earnings per share	2,344,882,458	2,344,882,458

Basic and Diluted earnings per share

	For the year ended 31 March 2020	For the year ended 31 March 2019
Basic earnings per share	0.21	0.29
Diluted earnings per share	0.21	0.29

Nominal Value per share

	For the year ended 31 March 2020	For the year ended 31 March 2019
Equity shares	10	10
Compulsory convertible preference shares	10	10

Jhajjar Power Limited
Notes forming part of the financial statements for the year ended 31 March 2020
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Note 29: Defined Benefit Obligation

The Company contributes to the following post employment benefit plan:

(i) Defined Contribution

The Company pays provident fund contributions to the appropriate government authorities at rate specified as per regulations. An amount of Rs. 17.26 (31 March 2019 : Rs. 15.64) has been recognised as an expense in respect of the Company's contribution to Provident Fund deposited with the relevant authorities and has been shown under Employee benefits expense in the Statement of Profit and Loss.

(ii) Defined Benefit Plan:

A. Gratuity

The Company provides for gratuity to 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. Every employee is entitled to the benefit equivalent to 15 days of total basic salary last drawn for each completed year 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 Company 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 31 March 2020. 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.

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	For the year ended 31 March 2020	For the year ended 31 March 2019
Present value of defined benefit obligation (A)		42.52	51.17
Fair value of plan assets (B)		28.45	19.27
Net liability arising from defined benefit obligation (A)- (B)	15, 18	14.07	31.90
Non-current		7.63	23.22
Current		6.44	8.68

Jhajjar Power Limited
Notes forming part of the financial statements for the year ended 31 March 2020
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B. Movement in net defined benefit (asset)/ liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (assets)/ liability and its components:

(a) Gratuity (Funded)

	Present value of obligation	Fair Value Of Plan Assets	Net Defined Benefit Obligation
As at 1 April 2018	35.00	16.66	18.34
Transfer in/ (out) obligation	2.63	-	2.63
Service cost	7.32	-	7.32
Interest cost/ (income)	2.70	1.49	1.21
Total amount recognised in statement of profit and loss	12.65	1.49	11.16
Remeasurement loss / (gain):			
Actuarial loss /(gain) arising from:			
-Due to change in financial assumptions	0.37	-	0.37
-Due to change in experience adjustment	3.74	-	3.74
Return on plan assets excluding amounts included in interest income	-	(0.25)	0.25
Total amount recognised in other comprehensive income	4.11	(0.25)	4.36
Benefits paid	(0.59)	(0.59)	-
Contributions		1.96	(1.96)
As at 31 March 2019	51.17	19.27	31.90
Transfer in/ (out) obligation	0.58	-	0.58
Service cost	8.68	-	8.68
Interest cost/ (income)	3.77	1.72	2.05
Total amount recognised in statement of profit and loss	13.03	1.72	11.31
Remeasurement loss / (gain):			
Actuarial loss /(gain) arising from:			
-Due to change in financial assumptions	(21.99)	-	(21.99)
-Due to change in demographic assumptions	0.04	-	0.04
-Due to change in experience adjustment	0.89	-	0.89
Return on plan assets excluding amounts included in interest income	-	0.20	(0.20)
Total amount recognised in other comprehensive income	(21.06)	0.20	(21.26)
Benefits paid	(0.62)	(0.62)	-
Contributions	-	7.88	(7.88)
As at 31 March 2020	42.52	28.45	14.07

Jhajjar Power Limited
Notes forming part of the financial statements for the year ended 31 March 2020
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C. Plan Assets

Plan assets comprise the following

	As at 31 March 2020	As at 31 March 2019
Investment made by insurance company	99%	99%
Bank balance maintain by insurance company	1%	1%

D. Defined benefit obligations

i. Actuarial assumptions

The following were the principal actuarial assumptions at the

	31 March 2020	31 March 2019
Discount rate	6.80%	7.45%
Return on plan assets	6.80%	7.45%
Retirement age	60 years	60 years
Salary escalation rate	6%	10%
Withdrawal rates	8% at younger ages reducing to 1% at older ages	8% at younger ages reducing to 1% at older ages
In service mortality	Indian Assured Lives Mortality (2012-14) table	Indian Assured Lives Mortality (2006-08) table

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

ii. Sensitivity analysis

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

	Change in Assumptions		Impact on defined benefit obligation			
	31 March 2020	31 March 2019	Increase in assumptions		Decrease in assumptions	
			31 March 2020	31 March 2019	31 March 2020	31 March 2019
Discount rate	0.50%	0.50%	(2.35)	(3.52)	2.58	3.89
Future salary growth	0.50%	0.50%	2.59	3.78	(2.38)	(3.46)

The sensitivity analysis are based on a change in above assumption while holding all other assumptions constant. The 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 year) has been applied, as has been applied when calculating the provision for defined benefit plan recognised in the Balance Sheet.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

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 the higher than that estimated.

Longevity Risk : The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Jhajjar Power Limited
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F. Asset-Liability matching study

The Gratuity benefits plan of the Company are funded. However, there are no minimum funding requirements for a Gratuity benefits plan in India. The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

G. Other disclosures

The Company expects to make a contribution of Rs. 6.44 (31 March 2019 - Rs. 8.68) to the defined benefit plans during the next financial year. The weighted average duration of the defined benefit obligation is 12.53 years (31 March 2019- 14.15 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 2020	1.55	1.69	6.87	16.19	26.30
31 March 2019	1.11	1.32	6.44	15.33	24.20

(iii) Other long-term employee benefit obligations -

The leave obligation covers the Company's liability for sick and earned leave. The amount of the provision of Rs. 31.63 (31 March 2019: Rs. 41.17) 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 amounts recognised in the Company's financial statements as at balance sheet date:

(a) Leave Liability (Unfunded)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening balance	25.86	20.31
Current service cost	4.38	3.87
Net interest cost	1.87	1.52
Transfer in / (out) obligation		
Remeasurement loss /(gain):		
Actuarial loss /(gain) arising from:		
-Due to change in demographic assumptions	0.02	-
-Due to change in financial assumptions	(9.15)	0.16
-Due to change in experience adjustment	(1.53)	0.13
Total amount recognised in statement of profit and loss	(4.41)	5.68
Transfer in / (out) obligation	0.05	0.18
Benefits paid	(0.48)	(0.31)
Personal leave liability	21.02	25.86
Current	2.19	1.58
Non Current	18.83	24.28
Sick leave liability	10.61	15.30
Current	1.36	1.50
Non Current	9.25	13.80
Total leave liability	31.63	41.16
Current	3.55	3.08
Non Current	28.08	38.08

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Notes forming part of the financial statements for the year ended 31 March 2020
 (All amount in Rs. Million)

Note 30: Operating leases

A. Leases as lessee

The rental expenses recognised in Statement of Profit and Loss for short term and low value leases is Rs.0.47 during year ended 31 March 2020.

B. Leases as Lessor

The 25-year power purchase arrangements between Jhajjar Power Limited and its offtaker (Haryana Power Purchase Centre) are accounted for as operating leases. Under the agreements, the offtakers are obliged to purchase the output of Jhajjar Power Limited at predetermined prices. Although the arrangement is not in the legal form of a lease, the Company has concluded that the arrangement contains a lease, because fulfilment of the arrangement is economically dependent on the use of assets specified in the arrangement, and as per the arrangement one or more parties other than the offtaker will not take more than an insignificant amount of the output or other utility that will be produced or generated by the specified assets during the term of the arrangement, and the price that the offtaker will pay for the output 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 of the output.

It was determined that substantially all the risks and rewards of the specified assets are with the Company and therefore the leases are classified as operating leases.

The future aggregate minimum lease receipts under non-cancellable operating leases are as follows :-

	As at	As at
	31 March 2020	31 March 2019
-With in one year	6,199.48	7,010.50
-Between one and two years	6,032.39	6,199.48
-Between two and three years	4,360.40	6,032.39
-Between three and four years	4,335.48	4,360.40
-Between four and five years	4,329.27	4,335.48
-Over 5 years	47,221.37	51,550.64
	72,478.39	79,488.89

Jhajjar Power Limited
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Note 31: Financial instruments – Fair values and risk management
(i) 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. Carrying value of Financial Instruments by category

Particulars	As at 31 March 2020			As at 31 March 2019		
	Fair value - hedging instrument	Mandatory at FVTPL	Amortised Cost	Fair value - hedging instrument	Mandatory at FVTPL	Amortised Cost
Financial assets						
Loan	-	-	15.83	-	-	15.24
Derivatives (non current)	74.27	1,018.83	-	551.98	29.79	-
Other Non-current financial asset	-	-	136.15	-	-	127.73
Trade receivables	-	-	7,476.08	-	-	8,300.67
Cash and cash equivalents	-	-	519.27	-	-	25.88
Derivatives (current)	351.80	86.93	-	144.67	1,888.46	-
Total	426.07	1,105.76	8,147.33	696.65	1,918.25	8,469.52
Financial liabilities						
Borrowings (non current)	-	-	22,061.28	-	-	26,606.43
Derivatives (non current)	265.65	-	-	128.72	21.00	-
Other Non-Current financial liabilities	-	-	13.40	-	-	35.93
Borrowings (current)	-	-	4,512.33	-	-	6,809.84
Trade payables	-	-	5,277.10	-	-	9,216.88
Derivatives (current)	58.50	-	-	27.43	-	-
Other Current financial liabilities	-	-	4,893.20	-	-	4,137.89
Total	324.15	-	36,757.31	156.15	21.00	46,806.97

B. Fair Value hierarchy
Assets and liabilities which are measured at fair value

As at 31 March 2020	Note	Level 1	Level 2	Level 3	Total Carrying Amount
Financial assets					
<i>Financial assets mandatory at FVTPL</i>					
Principal only swap	5(b), 10(c)	-	1,105.76	-	1,105.76
<i>Fair value - hedging instrument</i>					
Interest rate swaps	5(b), 10(c)	-	1.62	-	1.62
Options	5(b), 10(c)	-	163.98	-	163.98
Foreign exchange forward contracts	5(b), 10(c)	-	260.47	-	260.47
Total		-	1,531.83	-	1,531.83
Financial liabilities					
<i>Financial liabilities mandatory at FVTPL</i>					
Principal only swap	14(b), 16(c)	-	-	-	-
<i>Fair value - hedging instrument</i>					
Interest rate swaps	14(b), 16(c)	-	260.68	-	260.68
Foreign exchange forward contracts	14(b), 16(c)	-	63.47	-	63.47
Total		-	324.15	-	324.15

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(All amount in Rs. Million)

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

As at 31 March 2020	Note	Level 1	Level 2	Level 3	Total Carrying Amount
Other financial assets *	5(b), 10(c)	-	-	136.15	136.15
Loans *	5(a)	-	-	15.83	15.83
Trade receivables *	10(a)	-	-	7,476.08	7,476.08
Cash and cash equivalents *	10(b)	-	-	519.27	519.27
Total Financial Assets		-	-	8,147.33	8,147.33
Long-term borrowings #	14(a)	-	-	22,061.28	22,061.28
Other financial liabilities *	14(b), 16(c)	-	-	4,906.60	4,906.60
Short term borrowings *	16(a)	-	-	4,512.33	4,512.33
Trade payables *	16(b)	-	-	5,277.10	5,277.10
Total Financial Liabilities		-	-	36,757.31	36,757.31

Assets and liabilities which are measured at fair value

As at 31 March 2019	Note	Level 1	Level 2	Level 3	Total Carrying Amount
Financial assets					
<i>Financial assets mandatory at FVTPL</i>					
Principal only swap	5(b), 10(c)	-	1,918.25	-	1,918.25
<i>Fair value - hedging instrument</i>					
Interest rate swaps	5(b), 10(c)	-	302.24	-	302.24
Options	5(b), 10(c)	-	135.78	-	135.78
Foreign exchange forward contracts	5(b), 10(c)	-	258.63	-	258.63
Total		-	2,614.90	-	2,614.90
Financial liabilities					
<i>Financial liabilities mandatory at FVTPL</i>					
Principal only swap	14(b), 16(c)	-	21.00	-	21.00
<i>Fair value - hedging instrument</i>					
Interest rate swaps	14(b), 16(c)	-	55.09	-	55.09
Foreign exchange forward contracts	14(b), 16(c)	-	101.06	-	101.06
Total		-	177.15	-	177.15

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

As at 31 March 2019	Note	Level 1	Level 2	Level 3	Total Carrying Amount
Other financial assets *	5(b), 10(c)	-	-	127.73	127.73
Loans *	5(a)	-	-	15.24	15.24
Trade receivables *	10(a)	-	-	8,300.67	8,300.67
Cash and cash equivalents *	10(b)	-	-	25.88	25.88
Total Financial Assets		-	-	8,469.52	8,469.52
Long-term borrowings #	14(a)	-	-	26,606.43	26,606.43
Other financial liabilities *	14(b), 16(c)	-	-	4,173.82	4,173.82
Short term borrowings *	16(a)	-	-	6,809.84	6,809.84
Trade payables *	16(b)	-	-	9,216.88	9,216.88
Total Financial Liabilities		-	-	46,806.97	46,806.97

* The carrying amounts of trade receivables, trade payables, other financial liabilities, loans, other financial assets, cash and cash equivalents, and short term borrowings approximates the fair values, due to their short-term nature. The valuation technique used is discounted cash flow with no significant unobservable inputs.

Fair value of the Company's borrowings approximates to their carrying amounts as they are based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

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Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices (unadjusted) in active markets for identical assets or liabilities. 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 uses inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

C. Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used. Related valuation processes are described in Note 2(a)(vi).

Type	Valuation technique	Significant unobservable inputs and inter-relationship between significant unobservable inputs and fair value measurement
Forward exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date interpolated for the time to maturity of individual trades and present value calculations based on high credit quality yield curves in the respective currencies.	Not applicable
Interest rate swaps/ Principal only swaps	Swap models: The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. In case of principal only swaps cash flows belonging to one currency is converted into the other currency using currency forward rates. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Company and of the counterparty; this is calculated based on credit spreads derived from current credit default swap or bond prices.	Not applicable
Currency options	Option model: The value of a European currency option is calculated by assuming that the currency pair's spot rate follows a log-normal process and the model used is known as the Garman Kohlhagen Model. The model takes into consideration the presence of two interest rates (one for each currency).	Not applicable
Other financial assets and liabilities	Discounted cash flows: The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate.	Not applicable

D. Transfers between Levels 1, Level 2 and Level 3

There has been no transfer between level 1, level 2 and level 3 for the years ended 31 March 2020 and 31 March 2019.

Jhajjar Power Limited
Notes forming part of the financial statements for the year ended 31 March 2020
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Note 32: Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk.

This note explains the sources of risk which the Company is exposed to and how the entity manages the risk.

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. In order to minimise any adverse effects on the financial performance of the Company, 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.

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 adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(A) Credit risk

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, loans and other financial assets.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Trade receivables and loans

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. 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.

The Company's exposure to credit risk for trade receivables and loans by type of counterparty is as follows.

	Carrying amount	
	As at 31 March 2020	As at 31 March 2019
Electricity procurer	7,415.30	8,291.52
Others	76.61	24.39
	7,491.91	8,315.91

At 31 March 2020, the carrying amount of the Company's most significant customer (a state electricity board) is Rs. 7,129.58 (31 March 2019: Rs. 7,977.14).

The Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available internal credit risk factors such as the Company's historical experience for customers. Based on the business environment in which the Company operates, management considers that the trade receivables are in default (credit impaired) if the payments are more than 90 days past due.

The Company's exposure to credit risk for trade receivables by ageing is as follows:

	Carrying amount	
	As at 31 March 2020	As at 31 March 2019
Neither past due nor impaired	4,355.98	5,430.70
Past due 1–30 days	0.70	88.73
Past due 31–90 days	37.66	171.11
Past due 91–120 days	-	-
More than 120 days	3,081.74	2,610.13
	7,476.08	8,300.67

There are no receivables, other than those under dispute with state electricity board, which are in default (90 days past due) as at year end and the management believes that these are collectible in full based on historical payment behaviour. With respect to receivables under dispute with state electricity boards, the management based on ongoing discussion and status of dispute has made appropriate loss allowance.

The allowance for lifetime expected credit loss (excluding loss allowance made in respect of receivables under dispute) on customer balances for the year ended 31 March 2020 and 31 March 2019 is insignificant and hence the same has not been recognised. The reversal for lifetime expected credit loss on customer balances for the current year is Rs. Nil (31 March 2019 : Rs. Nil).

Movement in the Impairment allowance for doubtful receivables

Impairment allowance for doubtful receivables on 1 April 2018	1,175.74
Changes in loss allowance	223.75
Impairment allowance for doubtful receivables on 31 March 2019	1,399.49
Changes in loss allowance	102.83
Impairment allowance for doubtful receivables on 31 March 2020	1,502.32

Cash and cash equivalents

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies.

Derivatives and other financial assets

Credit risk on derivatives and other financial assets is limited as the Company generally obtains derivative contracts from banks and financial institutions with high credit ratings assigned by domestic credit rating agencies.

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(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 debt financing plans.

(i) Financing arrangements

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

Particulars	As at 31 March 2020	As at 31 March 2019
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	7,992.10	5,693.95

The working capital loan facilities and bank overdraft facilities may be drawn at any time, if required. In addition to the above, the parent company has given a corporate guarantee for Issue I debentures to the extent of 50% of the debentures.

(ii) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The contractual cash flow amounts are gross and undiscounted, and includes interest accrued but not due on borrowings.

As at 31 March 2020:

	Not later than 1 year	Between 1 and 2 years	Between 2 and 5 years	Later than 5 years	Total
Non-derivative financial liabilities					
Rupee term loans from banks and financial institutions	1,134.54	1,134.54	3,415.90	-	5,684.98
Foreign currency term loans from banks and financial institutions	3,073.80	1,542.60	5,827.76	-	10,444.16
Debentures*	-	-	3,550.00	4,760.00	8,310.00
Loan from related party	-	-	-	4,000.00	4,000.00
Working capital loan from banks	2,620.00	-	-	-	2,620.00
Cash credit from banks repayable on demand	387.90	-	-	-	387.90
Commercial papers	1,500.00	-	-	-	1,500.00
Trade payables	5,277.10	-	-	-	5,277.10
Other financial liabilities	736.46	13.40	-	-	749.86
Total	14,729.80	2,690.54	12,793.66	8,760.00	38,974.00

* Subsequent to year end 31 March 2020, the Company has refinanced debenture (Issue III) with the term loan from ICICI Bank amounting to Rs. 1,350.

Derivative financial liabilities

Forward exchange contracts					
- Outflow	(611.09)	(182.88)	-	-	(793.97)
- Inflow	606.26	182.72	-	-	788.98
Interest rate swap	(16.81)	(78.11)	(194.83)	-	(289.75)
Total	(21.64)	(78.27)	(194.83)	-	(294.74)

Jhajjar Power Limited**Notes forming part of the financial statements for the year ended 31 March 2020**

(All amount in Rs. Million)

As at 31 March 2019:

	Not later than 1 year	Between 1 and 2 years	Between 2 and 5 years	Later than 5 years	Total
Non-derivative financial liabilities					
Rupee term loans from banks and financial institutions	907.14	907.14	3,484.69	-	5,298.97
Foreign currency term loans from banks and financial institutions	2,661.16	2,821.40	6,765.15	-	12,247.71
Debentures	-	-	3,600.00	6,060.00	9,660.00
Loan from related party	-	2,000.00	2,000.00	-	4,000.00
Working capital loan from banks	5,000.00	-	-	-	5,000.00
Cash credit from banks repayable on demand	806.05	-	-	-	806.05
Commercial papers	1,000.00	-	-	-	1,000.00
Trade payables	9,216.88	-	-	-	9,216.88
Other financial liabilities	676.19	16.71	0.13	-	693.03
Total	20,267.42	5,745.25	15,849.97	6,060.00	47,922.64
Derivative financial liabilities					
Forward exchange contracts					
- Outflow	(462.67)	(611.09)	(1,111.32)	-	(2,185.08)
- Inflow	434.25	574.19	1,059.99	-	2,068.43
Interest rate swap	-	-	(60.14)	-	(60.14)
Principal only swap					
- Outflow	(42.77)	(42.77)	(902.47)	-	(988.01)
- Inflow	-	-	985.14	-	985.14
Total	(71.19)	(79.67)	(28.80)	-	(179.66)

Jhajjar Power Limited**Notes forming part of the financial statements for the year ended 31 March 2020**

(All amount in Rs. Million)

(C) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. All such transactions are carried out within the guidelines set by the Company. The Company seeks to apply hedge accounting to manage volatility in profit or loss.

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, principal only swaps and options to hedge its currency risk.

The Company uses a combination of option contracts, principal only swaps 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 option contracts as the hedging instrument.

Exposure to Foreign Currency risk

The summary quantitative data about the Company's exposure to currency risk (based on notional amounts) is as follows.

As at 31 March 2020	USD	EURO	HKD
Financial liabilities			
Long term borrowings	10,444.16	-	-
Trade payables	5.64	0.69	-
Exposure to foreign currency risk	10,449.80	0.69	-
Derivative contracts	(10,444.16)	-	-
Net exposure to foreign currency risk (liabilities)	5.64	0.69	-

As at 31 March 2019	USD	EURO	HKD
Financial liabilities			
Long term borrowings	12,247.71	-	-
Trade payables	13.87	-	-
Exposure to foreign currency risk	12,261.58	-	-
Derivative contracts	(12,247.71)	-	-
Net exposure to foreign currency risk (liabilities)	13.87	-	-

Sensitivity analysis

A reasonably possible strengthening (weakening) of the US dollar or EURO against INR at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

Effect in INR	Profit or loss		Equity (net of tax)	
	Strengthening	Weakening	Strengthening	Weakening
For the year ended 31 March 2020				
5% movement				
USD	(0.21)	0.21	(0.21)	0.21
EURO	(0.03)	0.03	(0.03)	0.03
Total	(0.24)	0.24	(0.24)	0.24

For the year ended 31 March 2019

5% movement				
USD	(0.45)	0.45	(0.45)	0.45
Total	(0.45)	0.45	(0.45)	0.45

Jhajjar Power Limited**Notes forming part of the financial statements for the year ended 31 March 2020**

(All amount in Rs. Million)

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

	As at 31 March 2020	As at 31 March 2019
Non-derivative Financial instruments		
Fixed-rate instruments		
Debentures	8,259.40	9,596.09
	8,259.40	9,596.09
Impact of interest rate swaps	10,378.28	12,120.45
	18,637.68	21,716.54
Variable-rate instruments		
Long term borrowings	16,047.57	17,403.16
Short term borrowings	4,507.90	6,806.05
	20,555.47	24,209.21
Impact of interest rate swaps	(10,378.28)	(12,120.45)
	10,177.19	12,088.76

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 (other than variable rate instruments hedged using floating to fixed interest rate swaps)

A reasonably possible change of 50 basis points (bps) 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.

	Profit or loss		Equity, net of tax	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
For the year ended 31 March 2020				
Variable-rate instruments	37.75	(37.75)	37.75	(37.75)
Cash flow sensitivity (net)	37.75	(37.75)	37.75	(37.75)
For the year ended 31 March 2019				
Variable-rate instruments	29.52	(29.52)	29.52	(29.52)
Cash flow sensitivity (net)	29.52	(29.52)	29.52	(29.52)

Jhajjar Power Limited

Notes forming part of the financial statements for the year ended 31 March 2020

(All amount in Rs. Million)

c. Hedge accounting

The Company is exposed to foreign currency risk on account of its borrowings and other payables in foreign currency and interest rate risk on account of variable rate borrowings. The Company's risk management policy is to hedge its foreign currency exposure and interest rate 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 Company designates the spot element of forward contracts, the intrinsic value of option contracts and interest rate swaps as the hedging instrument and applies a hedge ratio of 1:1. The Company's policy is for the critical terms of the hedging instrument to match 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 cash flows of the hedged item using the hypothetical derivative method.

In these hedge relationships, changes in timing of the hedged transactions and differences in re-pricing dates between the swaps and the borrowings are the main source of hedge ineffectiveness.

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

As at 31 March 2020

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					
Cash Flow Hedges								
Foreign Exchange Risk								
Forward exchange contracts	3,199.40	260.47	63.47	Apr 20 - Jul 22	1:1	72.74	262.73	(262.73)
Options	925.69	163.98	-	Apr 20 - Jan 21	1:1	58.00	34.09	(34.09)
Interest Rate Risk								
Interest rate swaps	10,443.75	1.62	260.68	Apr 20 - Dec 21	1:1	3.82%	(380.05)	380.05

As at 31 March 2019

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					
Cash Flow Hedges								
Foreign Exchange Risk								
Forward exchange contracts	4,751.90	258.63	101.06	Apr 19 - Jul 22	1:1	70.31	258.43	(258.43)
Options	1,634.45	135.78	-	Apr 19 - Jan 21	1:1	58.00	41.45	(41.45)
Interest Rate Risk								
Interest rate swaps	12,247.71	302.24	55.09	Apr 19 - Dec 21	1:1	3.82%	(253.19)	253.19

Jhajjar Power Limited

Notes forming part of the financial statements for the year ended 31 March 2020

(All amount in Rs. Million)

b. Disclosure of effects of hedge accounting on financial performance

As at 31 March 2020

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 and Loss that includes the hedge ineffectiveness	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in Statement of Profit and Loss because of the reclassification
Cash Flow Hedges					
(i) Foreign Exchange Risk	296.82	-		(296.82)	Other expense
(ii) Interest Rate Risk	(380.05)	-	Other Income	(126.16)	

As at 31 March 2019

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 and Loss that includes the hedge ineffectiveness	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in Statement of Profit and Loss because of the reclassification
Cash Flow Hedges					
(i) Foreign Exchange Risk	299.88	-		(299.88)	Other expense
(ii) Interest Rate Risk	(253.19)	-	Other Income	-	

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 swaps	
Balance as at 1 April 2018	-	-	345.68	345.68
Add : Changes in discounted spot element of foreign exchange forward contracts	258.43	-	-	258.43
Add : Changes in intrinsic value of foreign currency options	-	41.45	-	41.45
Add : Changes in fair value of interest rate swaps	-	-	(253.19)	(253.19)
Less : Amounts reclassified to profit or loss	(258.43)	(41.45)	-	(299.88)
Less : Deferred tax relating to the above	-	-	88.48	88.48
As at 31 March 2019	-	-	180.97	180.97
Add : Changes in discounted spot element of foreign exchange forward contracts	262.73	-	-	262.73
Add : Changes in intrinsic value of foreign currency options	-	34.09	-	34.09
Add : Changes in fair value of interest rate swaps	-	-	(380.05)	(380.05)
Less : Amounts reclassified to profit or loss	(262.73)	(34.09)	(126.16)	(422.98)
Less : Deferred tax relating to the above	-	-	154.60	154.60
As at 31 March 2020	-	-	(170.64)	(170.64)

Jhajjar Power Limited

Notes forming part of the financial statements for the year ended 31 March 2020

(All amount in Rs. Million)

Movements in cost of Hedging reserve	Foreign Currency Risk		Interest Rate Risk	Total
	Forwards	Options	Interest rate swaps	
Balance as at 1 April 2018	(5.28)	(148.86)	-	(154.14)
Cost of hedging - changes in fair value	(179.04)	30.74	-	(148.30)
Cost of hedging - change in fair value reclassified to profit or loss	372.14	-	-	372.14
Deferred tax relating to the above	(67.48)	(10.74)	-	(78.22)
As at 31 March 2019	120.34	(128.86)	-	(8.52)
Cost of hedging - changes in fair value	(149.22)	34.23	-	(114.99)
Cost of hedging - change in fair value reclassified to profit or loss	226.37	35.22	-	261.59
Deferred tax relating to the above	(1.34)	(36.84)	-	(38.18)
As at 31 March 2020	196.15	(96.25)	-	99.90

Jhajjar Power Limited
Notes forming part of the financial statements for the year ended 31 March 2020
(All amount in Rs. Million)

Note 33: Capital 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.

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

	As at 31 March 2020	As at 31 March 2019
Total Debt	31,130.21	37,334.59
Net Debt*	30,610.94	37,308.71
Total equity		
Total capital (based on total debt)	55,118.55	59,929.60
Total capital (based on net debt)	54,599.28	59,903.72
Total debt to total capital (based on total debt) ratio (%)	56.48%	62.30%
Net debt to total capital (based on net debt) ratio (%)	56.06%	62.28%

* Total debt less cash and cash equivalents

Note 34: Segment Reporting

The Company primarily operates under single reportable segment i.e. leasing of asset for generation of electricity. This segment includes all activities related to generation of electricity.

The Board of Directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicators of the Company as a single unit.

Therefore, based on the guiding principles given in Ind AS 108 "Operating Segments", the Company's business activity fall with in a single operating segment, namely generation and distribution of electricity. Accordingly, the disclosure requirements on reportable segments of Ind AS 108 are not applicable.

Entity -wide disclosures

Entity -wide disclosures details as per Ind AS 108 :-

- (i) Revenue from operations reported are from single stream of operations.
- (ii) The Company is operating in a single geographical area and there are no overseas customers of the Company.
- (iii) There are no non- current assets located outside India.
- (iv) Major individual customer with whom revenue exceeds more than 10% of the Company's revenue :-

Name of customer	For the year ended 31 March 2020	For the year ended 31 March 2019
Haryana Power Purchase Centre	26,132.59	28,121.60

Jhajjar Power Limited**Notes forming part of the financial statements for the year ended 31 March 2020**

(All amount in Rs. Million)

Notes 35: Related party disclosures**(a) List of related parties and relationships**

(i) The Company is controlled by the following entities:-

Nature of relationship	Entity name
Ultimate holding company	CLP Holdings Limited, Hong Kong
Holding company	CLP Power India Private Limited (CLPPIPL) [upto 12 December 2019] CLP India Private Limited (CLPIPL) [w.e.f. 13 December 2019]

(ii) Related parties with whom transactions have taken place during the current/previous year.

(a) Entity with direct or indirect control over the Company:-

CLP India Private Limited (CLPIPL)

(b) Key managerial personnel of the Company and their close family members

Key Managerial Personnel	- Mr. Rajiv Mishra (Managing Director) - Mr. Samir Ashta (Director and Chief Financial Officer) - Mr. Mohammad Aftab (Non-Executive Independent Director) - Ms. Nishita Bakshi (Non-Executive Independent Director) - Mr. Jayant Patil (Company Secretary)
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(c) Other related parties - Entities which are subsidiaries or where control/significant influence exist of parties as given in (i), (ii) a or (ii) b above.

Fellow Subsidiaries	CLP Wind Farms (India) Private Limited CLP Business Management and Support Limited
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(b) Related party transactions and balances

Transactions with the related parties during the current/previous year:

Nature of Transaction	Year end	Ultimate holding company, Holding company of CLPPIPL and Holding company	Fellow subsidiaries
Information technology operating costs:			
CLP Business Management and Support Limited	31 March 2020	-	26.55
	31 March 2019	-	24.19
Net expense reimbursed to:			
CLP India Private Limited	31 March 2020	180.87	-
(Refer Note 1 below)	31 March 2019	157.56	-
Net expense reimbursed from:			
CLP Windfarms (India) Private Limited	31 March 2020	-	-
	31 March 2019	-	0.05

Jhajjar Power Limited

Notes forming part of the financial statements for the year ended 31 March 2020

(All amount in Rs. Million)

Balance outstanding at the year end	Year end	Ultimate holding company, Holding company of CLPPIPL and Holding company	Fellow subsidiaries
Payable:			
Balance payable			
CLP Business Management and Support Limited	31 March 2020	-	1.80
	31 March 2019	-	0.91
Loan balance payable			
CLP India Private Limited	31 March 2020	1,915.48	-
	31 March 2019	3,079.98	-
Equity component of compound financial instrument			
CLP India Private Limited	31 March 2020	3,473.02	-
	31 March 2019	2,345.74	-
Equity component of corporate guarantee			
CLP India Private Limited	31 March 2020	198.01	-
	31 March 2019	198.01	-
Outstanding bank and corporate guarantee received by Company's bankers/lenders from			
CLP India Private Limited	31 March 2020	5,143.00	-
	31 March 2019	5,020.00	-

Note:

(1) Includes Rs. 57.45 (31 March 2019 : Rs. 64.13), net of goods and service tax towards reimbursement of salary of key management personnel in accordance with cost sharing agreement with CLPIPL.

(c) Transactions with key management personnel

Remuneration of key management personnel (Company Secretary)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Short term employee benefits*	5.71	4.99
Post employment benefits	0.37	0.32

* Does not include provisions for incremental gratuity and leave encashment liabilities, since the provisions are based on actuarial valuations for the Company as a whole.

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Sitting fees and other reimbursements	1.64	1.27

(d) 100% equity shares and 100% CCPS of the Company is pledged against term loan and debentures which is held by CLPIPL.

Jhajjar Power Limited**Notes forming part of the financial statements for the year ended 31 March 2020**

(All amount in Rs. Million)

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

	As at 31 March 2020	As at 31 March 2019
A. Contingent liabilities		
Claims against the Company not acknowledged as debts		
Contingent Liabilities (Refer Note below)	7,050.22	6,455.20

(1) 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 the Company, a 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.

(i) Some of the land owners from whom the land was acquired have filed references and review petitions under Section 18 and Section 28-A the Land Acquisition Act, 1894 (The Act) 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 along with interest vide orders dated 30 March 2013, 29 April 2013, 30 May 2013 and 5 April 2014 for the respective claims filed by land owners. JPL has Regular First Appeals (RFAs) before the High Court of Punjab & Haryana (High Court), along with the prayer to allow stay on the order passed by District court in relation to disbursement of an enhanced compensation. In parallel to RFAs filed by JPL, certain land owners have also filed RFAs challenging the District Court’s order with the prayer to allow further enhancement in the compensation amount allowed by the District Court. The Hon’ble High Court has dismissed one of the appeals upholding the enhanced compensation awarded by the District Court. However, High Court set aside interest imposed by the District Court, since its contrary to law. JPL has filed Special Leave Petitions (SLPs) before 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 24 March 2014. In the remaining three appeals, on 13 November 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.

(ii) During the pendency of the above SLPs, certain land owners have also filed transfer petitions before the Supreme Court with the prayer to transfer their RFAs which are still pending before the High Court, to the Supreme Court with an intent that said RFAs can be decided along with SLPs filed by JPL. However, JPL has submitted its counter affidavits and has taken an objection to said transfer petitions filed by the land owners. These transfer petitions are still pending before the Supreme Court, to date.

(iii) 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 30 December 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.

(iv) 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 24 December 2014 and 19 January 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 1 September 2015, the Court has stayed the orders of the District Court in light of Supreme Court’s stay order.

(v) 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 17 October 2015 and 23 November 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 859.43 (31 March 2019 : Rs. 813.50)

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. 3,200. 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 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. 859.43 (31 March 2019 : Rs. 813.50) at this stage.

Jhajjar Power Limited**Notes forming part of the financial statements for the year ended 31 March 2020**

(All amount in Rs. Million)

(2). Disputes with Haryana Discoms and Tata Power Distribution Company Limited amounting to Rs. 6,926.09 (31 March 2019 : Rs. 6,274.17) and Rs. 401.91 (31 March 2019 : Rs. 401.91) 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 impacting applicable rate of capacity charges, (b) application of Unscheduled Interchange charges as per the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009, (c) penalty for lower than threshold availability, (d) payment of capacity charges for the availability lost due to delay in approving procurement of alternate coal by the Haryana Discoms, (e) payment of coal transit loss, and (f) payment of railway staff charges, bank guarantee charges and other costs incurred in the purchase and transportation of coal. As at 31 March 2020, the total amount under dispute with Haryana Discoms and TPTCL is Rs. 6,998.00 (31 March 2019 : Rs. 6,346.08) out of which Rs. 4,544.21 (31 March 2019 : Rs. 4,323.86) is included under trade receivable and Rs. 2,453.78 (31 March 2019 : 2,022.22) is on account of claim by Haryana Discom against unsheduled interchange charges. 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. 330.00 (31 March 2019 : Rs. 330.00) owing to the low availability achieved by the Company in that year. Vide order dated 25 January 2016, the CERC has awarded its decision in respect of the said disputes. The disputes mentioned in (a) above amounting to Rs. 2,074.80 (31 March 2019 : Rs. 2,074.80) has been decided in favour of the Company. For the dispute referred in (b) above, CERC has also upheld Company's contention for application of Unsheduled Interchange charges. For disputes referred in (c) to (f) above amounting to Rs. 2,469.41 (31 March 2019 : Rs. 2,249.06), 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 (c), (e) and (f) above, the Company has made a provision of Rs. 1,502.32 (31 March 2019 : Rs. 1,399.49) on a prudent basis. In light of the CERC order, the Company has raised a claim of Rs. 16,992.00 (31 March 2019 : Rs. 13,906.00) and Rs. 401.00 (31 March 2019 : Rs. 345.00) with Haryana Discoms and TPTCL respectively towards capacity charges, refund of penalty deducted, surcharge and delayed payment charges. The Haryana Discoms have filed an appeal to the Appellate Tribunal for Electricity ('APTEL') against the said CERC order hence no adjustment has been made in the books of account with respect to claims made with Haryana Discoms and TPTCL. The Company has also filed an appeal with the APTEL against the order of the CERC dated 25 January 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 18 April 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%. No adjustment has been made in the books of account by the management till the case is finally decided. Final hearing of all the cross appeals was held before the APTEL on 16 June 2020, wherein all the parties have duly filed their final written submissions. Now the matter is reserved for final order.

(3). The Company is party to certain Income Tax litigations arising on account of disallowance of provision of penalty under PPA of Rs. 1,181.59, levy of penalty of Rs. 365.11 (31 March 2019 : Rs. 365.11), disallowance of forward cover premium of Rs. 458.86 for Assessment Year (A.Y.) 2013-2014 and disallowance of salary expenses of Rs. 45.56 for A.Y. 2017-2018.

Further, the Company is going to file application for settlement of the income tax litigations/disputes under the Vivad Se Vishwas Act, 2020 (VSV Scheme) announced by the Central Government, which are arising on account of disallowance of provision of penalty under PPA of Rs. 1,181.59 for A.Y 2013-2014 pursuant to which it shall be get relief from penalty levied under section 271(1)(c) of Rs. 365.11 for A.Y 2013-2014. Based on advise from tax consultant, the Company believes that the views taken by the tax authorities are not sustainable and accordingly no provision is required to be recorded or no impact on deferred tax in the books of accounts.

B. Commitments

	As at 31 March 2020	As at 31 March 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances, tangible assets	95.23	145.40

Note 37:

Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) have been determined based on the information available with the Company and the required disclosures are given below:

	For the year ended 31 March 2020	For the year ended 31 March 2019
(a) amount remaining unpaid to any supplier at the end of each accounting year:-		
(i) the principal amount; and	1.03	-
(ii) the interest due thereon	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Jhajjar Power Limited**Notes forming part of the financial statements for the year ended 31 March 2020**

(All amount in Rs. Million)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Note 38: Auditors' Remuneration (including goods and service tax)		
<i>As auditor :</i>		
Audit Fees	4.50	5.48
Reimbursement of expenses and taxes	0.40	0.18
Total	4.90	5.66

Note 39 : Corporate social responsibility

Under Section 135 of the Companies Act, 2013, the Company is required to spend, in every financial year, atleast 2% of the average net profits of the Company made during the three immediately preceding financial years on Corporate Social Responsibility (CSR), pursuant to its policy in this regard.

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
a) Gross amount required to be spent by the Company during the year	40.72	40.96
b) Amount spent and paid during the year	57.69	22.76
Particulars of amount spent and paid during the year:		
(i) Construction/acquisition of any asset	15.38	14.76
(ii) On Purpose other than (i) above	42.31	8.00
Total	57.69	22.76

Note 40 : Disclosure on specified bank notes

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2020.

Note 41 : In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption.

The Company has considered various internal and external information available up to the date of approval of financial statements in assessing the impact of COVID-19 pandemic on the financial statements for the year ended 31 March 2020.

The Company is predominantly engaged in the business of generation and sale of electricity. Since electricity has been categorised as an essential service, the Company is in a position to generate and supply electricity to its customers as the plant is operational. The Company has taken adequate measures such as issuing social distancing norms, managing workforce shifts and remote working, etc. to counter this pandemic. However, the disruption has caused a reduction in electricity demand.

Management has carried out a detailed assessment of its liquidity position for the next one year from the date of approval of the financial statements and of the recoverability and carrying values of Property, Plant & Equipment and Trade Receivables.

Based on the Company's liquidity position at 31 March 2020 and review of cash flow projections over the next twelve months, management believes the Company will have sufficient liquidity to operate its businesses in the ordinary course.

During the year ended 31 March 2020, the Company has received Force Majeure notice issued by a major customer citing inability to pay capacity charges in light of COVID-19 disruption. However, based on the clarifications issued by Ministry of Power dated 28 March 2020 instructing power companies to pay outstanding debts including capacity charges, the Company has received its undisputed outstanding trade receivables subsequent to the year end.

Management has performed an impairment assessment of Property, Plant & Equipment and Trade Receivables and has concluded that no significant adjustments are required to the carrying values of such assets.

Due to lockdown, management was unable to perform a physical inventory verification as at year end. However, management has performed alternate procedures, including roll forward procedures to obtain comfort over the existence and condition of inventory as at year end. No provision is required to the carrying amount of inventory on account of COVID 19 as the inventory will be utilized subsequent to year end in order to generate and supply electricity.

Management believes that it has taken into account all the known impacts arising from COVID 19 pandemic in the preparation of the financial statements. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. Management will continue to monitor any material changes to future economic conditions and the impact thereof on the Company, if any. The eventual outcome of the impact of the COVID 19 pandemic on the Company's business may be different from that estimated as on the date of approval of the financial statements by shareholders of the Company.

Note 42 : In February 2019, Hon'ble Supreme Court of India in its judgement clarified the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1952. There are interpretative challenges on the application of judgement retrospectively and as such the Company does not consider that there is any probable obligations for past periods. Accordingly, based on evaluation the Company has made a provision for provident fund contribution on prospective basis.

Jhajjar Power Limited

Notes forming part of the financial statements for the year ended 31 March 2020

(All amount in Rs. Million)

Note 43 : During the year ended March 2017, the Company could not meet the minimum offtake quantity obligation with its coal suppliers due to lower than threshold power dispatches sought by its customers, HPPC and TPTCL. 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 dispatches sought by its customers. The Company has made a provision of Rs. 164.63 in previous year towards such charge, consequent to completion of reconciliation with one of the suppliers, Eastern Coalfields Limited. Moreover, the Company accounted for a corresponding unbilled revenue in previous year which was subsequently billed and recovered in current year, except for Rs. 18.36 due from TPTCL which is billed but not yet recovered.

During the year ended March 2018 reconciliation with Bharat Coking Coal Limited has been completed in respect of year ended 31 March 2017 as mentioned above, the Company paid Rs. 182.96 towards the relevant charges. Subsequently, the Company billed and recovered this amount from its customers, except for Rs. 20.41 due from TPTCL which is billed but not yet recovered. There is no impact of these transactions on previous year's profit / net assets of the Company.

During the year ended 31 March 2019 and 31 March 2020, reconciliations with Northern Coalfields Limited has been completed in respect of year ended 31 March 2017 as mentioned above, the Company paid Rs. 51.20 and Rs. 19.03 respectively towards the relevant charges. Subsequently, the Company billed and recovered this amount from its customers, except for Rs. 7.83 due from TPTCL which is billed but not yet recovered. There is no impact of these transactions on current year's profit / net assets of the Company.

Further, the Company has filed petition before CERC dated 8 August 2019, seeking reimbursements of the amounts paid by the Company to coal vendors. As per PPA, Company is entitled to claim such penalties payable/paid to coal companies from customers i.e. HPPC and TPTCL. The matter was listed for admission hearing on 5 May 2020 and the CERC admitted the petition for hearing and issued notice on the petition. The Respondents have to file their submissions. The next date of hearing is yet to be listed.

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration Number: 101248W/W-100022

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

Jhajjar Power Limited

Nirav Patel

Partner

Membership No : 113327

Place: Mumbai

Date: 30 June 2020

Rajiv Mishra

Managing Director

DIN : 00131207

Place: Mumbai

Date: 30 June 2020

Samir Ashta

Director & Chief Financial Officer

DIN : 01957618

Jayant Patil

Company Secretary

Membership No.: A14418