

## **JHAJJAR POWER LIMITED**



## **ANNUAL REPORT 2020-21**

## Corporate Information

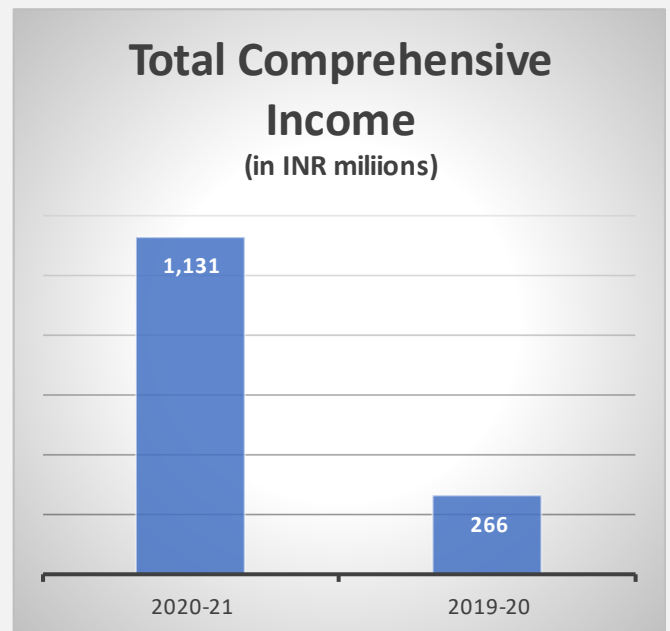
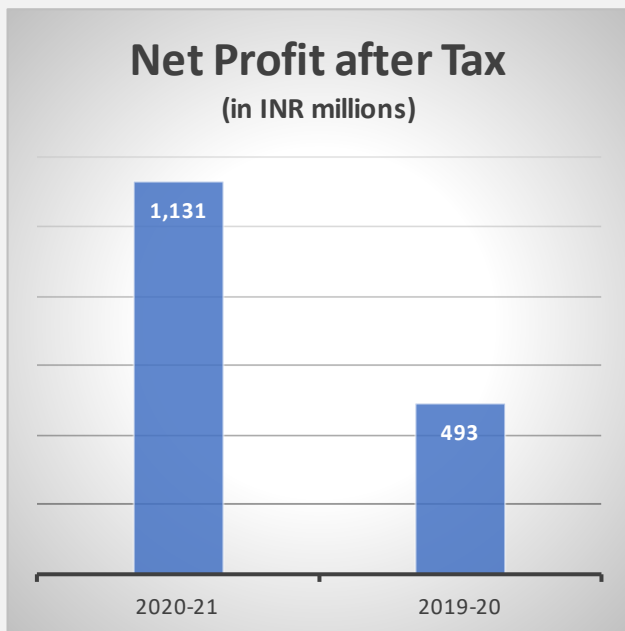
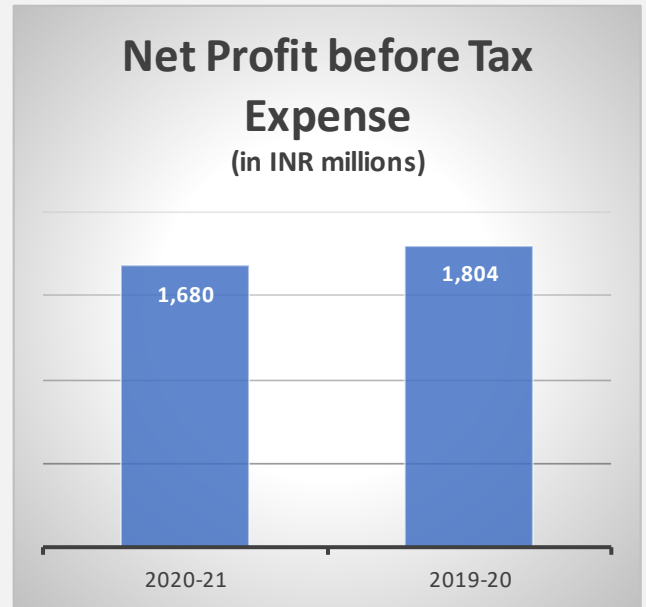
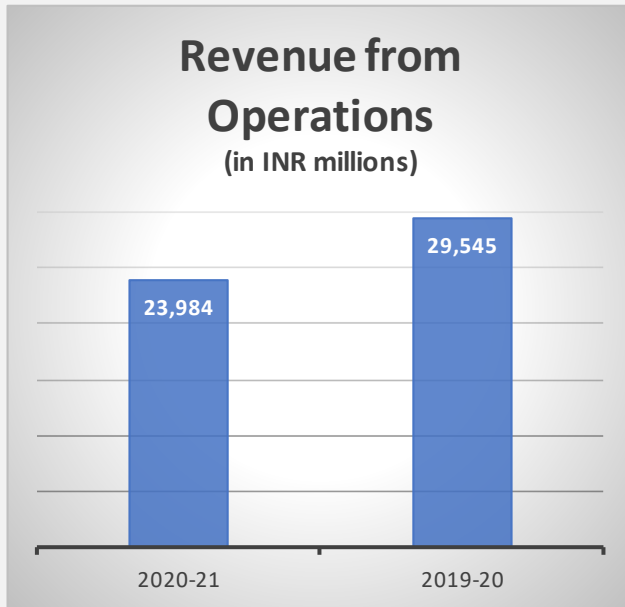
<b>Board of Directors</b>	Mr. Rajiv Ranjan Mishra (DIN: 00131207) – Managing Director Ms. Hina Shah (DIN: 06664927) – Independent Director Ms. Urvashi Shah (DIN: 07007362) – Independent Director Mr. Naveen Munjal (DIN: 00230313) – Non-Executive Director Mr. Ian Tuft (DIN: 06899871) – Non-Executive Director Mr. Samir Ashta (DIN: 01957618) – Director & Chief Financial Officer
<b>Company Secretary</b>	Mr. Jayant Patil (ACS 14418)
<b>Statutory Auditors</b>	M/s. B S R & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/W-100022)
<b>Cost Auditors</b>	M/s. Kiran J. Mehta & Co. (ICAI Firm Registration No. 000025)
<b>Secretarial Auditors</b>	M/s. Nilesh Shah & Associates (ICSI Firm Registration No. P2003MH008800)
<b>Plant Office</b>	Village Khanpur, Tahsil Matenhail, Jhajjar 124 142
<b>Registered Office</b>	T-15 B, Salcon Ras Vilas, 3 <sup>rd</sup> Floor, Plot No. D-1, Saket District Centre, Saket, New Delhi 110 017
<b>Corporate Office</b>	7 <sup>th</sup> Floor, Fulcrum, Sahar Road, Andheri (East), Mumbai 400 099
<b>Corporate Identification Number</b>	U40104DL2008SGC374107

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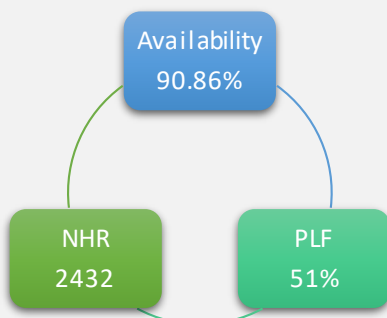
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## Key Performance Indicators for FY 2020-21

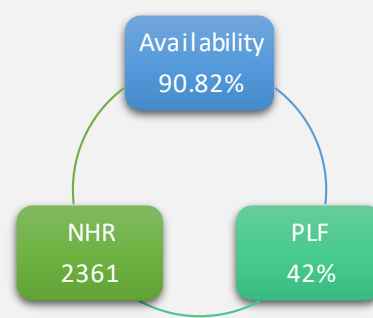
### Financial performance highlights:



### Operational performance highlights:



Year ending March 2021



Year ending March 2020

Awards and Recognitions for FY 2020-21



2020 RoSPA Health & Safety Silver Awards  
from The Royal Society for Prevention of  
Accidents (RoSPA)

Certificate of Merit - Safety Excellence  
from Frost & Sullivan





**Certificate of appreciation -  
NSCI Safety Awards-2020  
from National Safety Council (NSCI)**

# JHAJJAR POWER LIMITED

## BOARD'S REPORT

### To the Members,

The Board of Directors of Jhajjar Power Limited (the "Board") has pleasure in presenting the Thirteenth Annual Report and the Audited Standalone Financial Statements of the Company for the Financial Year ended 31 March 2021 ("FY").

### 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 Mega-Watts ("MW") 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. There is no change in the nature of business of the Company during the FY.

### 2. INDUSTRY AND ECONOMIC SCENARIO

With 234.73 Giga-Watts ("GW") of installed capacity, thermal power continues to be the largest source of electricity generation in India as of 31 March 2021. Thermal power comprises of nearly 61.42% share in terms of installed capacity. As India moves away from fossil fuel-based energy, the additional capacity of thermal power added per year has witnessed a slowdown. The slowdown in thermal capacity addition was further affected by COVID-19 during the year. As per the Central Electricity Authority ("CEA"), India added 4.93 GW of additional capacity till 31 March 2021 against the target of 10.59 GW for FY 21, which also marks the highest shortfall of an annual target so far.

#### Outlook for FY 22

As India experienced gradual recovery from the first wave of COVID-19, the peak power demand which had plummeted to nearly 114 GW in March 2020, bounced back to 186 GW in March 2021. According to ICRA, manufacturing units and private offices resumed operations during the 'Unlock' phase as well as high rural consumption explained the growth in peak power demand. In March 2021, nearly 121,517 million units ("MU") were available as against a requirement of 122,006 MU, showing a minor shortage of 0.4% in FY 21. According to ICRA Ratings, the electricity demand is likely to grow by 6-7% in FY 2021-22 which will be driven largely by energy demand by commercial and industrial segments. Further, the IEA has projected a strong electricity demand growth even in the long-term despite the adverse impact of COVID-19 stating that India's energy demand is likely to grow by 5% annually till 2040.

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## 3. FINANCIAL RESULTS

(Amount in INR Million)

Particulars	Standalone	
	2020-21	2019-20
Revenue from Operations	23,984	29,545
Other Income	232	830
Profit before Depreciation, Finance Costs, Exceptional Items and Tax Expense	6,207	6,891
Less: Provision for Depreciation / Amortization / Impairment	(2,467)	(2,482)
Profit before Finance Costs, Exceptional Items and Tax Expense	3,740	4,409
Less: Finance Costs	(2,059)	(2,605)
Profit before Exceptional Items and Tax Expense	1,680	1,804
Add / Less: Exceptional Items	-	-
Net Profit before Tax Expense	1,680	1,804
Provision for Tax [including deferred tax (expense)/ saving]	(550)	(1,311)
Net Profit after Tax	1,131	493
Other Comprehensive Income (net of tax)	9	(227)
Total Comprehensive Income (A)	1,139	266
Balance of Profit/(loss) brought forward (B)	(5,470)	(5,897)
Balance available for appropriation (A+B)	(4,331)	(5,631)
Proposed Dividend on Equity Shares	-	-
Tax on proposed Dividend	-	-
Transfer to General Reserve	-	-
Transfer to debenture redemption reserve (C)	261	161
Retained Earnings + Other Reserve (A+B+C)	<b>(4,070)</b>	<b>(5,470)</b>

## 4. OPERATIONAL PERFORMANCE

During the FY, the Company achieved technical availability of 91.70% with the lowest Equivalent Forced Outage Rate (“EFOR”) of 3.05% since commencement of plant operations. The FY Plant Loading Factor (“PLF”) was highest at 81.06% since inception and the plant operated with its best heat rate of 2360.71Kcal/kwh with continuous Flue Gas De-sulphurisation (“FGD”) operations. The Company maintained the statutory requirement of 100% ash utilization. Major overhaul of Unit-I was completed within the budgeted time of 45 days.

## 5. TRANSFER TO RESERVES

INR 261 Mn. has been transferred to the Debenture Redemption Reserve (“DRR”). (INR 161 Mn. was transferred to the DRR in the FY 2019-20). During the FY, the Board has decided not to transfer any amounts to the Free Reserves.

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## 6. SHARE CAPITAL

During the FY, there was no change in the Authorised and Paid-up Share Capital of the Company. The paid-up Equity Share Capital and Compulsorily Cumulative Preference Share (“CCPS”) Capital of the Company as on 31 March 2021, was INR 0.2 Bn and INR 23.25 Bn, respectively.

## 7. SHIFTING OF REGISTERED OFFICE OF THE COMPANY

With a view to enable the Company to have a functional office base in New Delhi along with CLP Wind Farms (India) Private Limited, fellow subsidiary company and to have enhanced synergy between the two companies and within the group, the Members of the Company, at their 11<sup>th</sup> Annual General Meeting held on 09 August 2019 had, inter alia, approved the shifting of the registered office of the Company from Village Khanpur, Tahsil Matenhail, District Jhajjar, Haryana 124 142 to Unit No. T-15 B, Salcon Ras Vilas, 3<sup>rd</sup> Floor, Plot no. D-1, Saket District Centre, Saket, New Delhi 110 017 and consequent alteration to the Memorandum of Association of the Company, subject to the confirmation of the Hon’ble Regional Director (Northern Region) (“Regional Director”).

Accordingly, the Company filed an application on 26 August 2020, with the Regional Director for obtaining its confirmation / approval for the proposed shifting of the registered office. The Regional Director confirmed and approved the same on 01 October 2020. Thereafter, the Company made the necessary filings for giving effect to the above Order and consequently, the Registrar of Companies, issued a fresh certificate of incorporation dated 03 December 2020, confirming the shifting of the registered office to Unit No. T-15 B, Salcon Ras Vilas, 3<sup>rd</sup> Floor, Plot no. D-1, Saket District Centre, Saket, New Delhi 110 017.

In accordance with the authority vested by Section 128 of the Companies Act, 2013 (the “Act”), the Board has decided to continue maintaining books of accounts and other records at the plant office, at Village Khanpur, Tahsil Matenhail, District Jhajjar, Haryana 124 142.

## 8. DIVIDEND

The Board has decided not to recommend any dividend on equity shares of the Company for the FY 2020-21 in order to conserve the resources of the Company. Further, the provisions of Section 125(2) of 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.

## 9. 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 FY, i.e. on 01 April 2020:

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Bond	Particulars of the Debentures Issued	Date of Issue	Date of Redemption	Issue Size	Outstanding as on 01 April 2020
1	Privately Placed, Secured, Rated, Taxable, Redeemable, Non-Convertible Debentures	09 April 2015	Series I – 30 <sup>th</sup> April 2025 Series II – 30 <sup>th</sup> April 2026	Series I – INR 2,380 Mn. Series II – INR 2,380 Mn.	Series I – INR 2,380 Mn. Series II – INR 2,380 Mn.
2		28 July 2016	Series I – 28 <sup>th</sup> April 2023 Series II – 30 <sup>th</sup> April 2024	Series I – INR 900 Mn. Series II – INR 1,300 Mn.	Series I – INR 400 Mn. Series II – INR 800 Mn.
3		24 January 2017	Series I – 30 <sup>th</sup> April 2022 Series II – 30 <sup>th</sup> April 2023	Series I – INR 900 Mn. Series II – INR 450 Mn.	Fully redeemed during the FY 2020-21

During the FY:

- (i) In April 2020, the investor of Bond 3 exercised the option for early redemption and the entire series of the said bond stood fully redeemed by repayment of INR 1,350 Mn.
- (ii) In July 2020, investors of Bond 2 exercised the option for early redemption and the said Bond was partially redeemed by repayment of INR 1,000 Mn.
- (iii) In July 2020, the Company issued and listed NCDs aggregating INR 1,000 Mn.

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](http://www.idbitrustee.com) Tel: +91 22 4080 7000, Fax: +91 22 6631 1776.

e-mail: [itsl@idbitrustee.com](mailto:itsl@idbitrustee.com), [response@idbitrustee.com](mailto: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 2300 1153

e-mail: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

Pursuant to Section 124 of the Act, 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.

## 10. OVERVIEW OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

As on 31 March 2021, the Company did not have any subsidiary, associate or joint venture.

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## 11. CREDIT RATING

During the FY, 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 1,000 crore	CRISIL Limited	25 September 2020	CRISIL AA-	No	Not Applicable	Not Applicable	Not Applicable
Commercial Paper of INR 800 crore	CRISIL Limited	25 September 2020	CRISIL A1+	No	Not Applicable	Not Applicable	Not Applicable
Rupee term loan Facility of INR 1,967 crore	India Ratings and Research Private Limited	19 February 2021	IND AA-/Stable	No	Not Applicable	Not Applicable	Not Applicable
External commercial borrowing of USD 462 Mn.	India Ratings and Research Private Limited	19 February 2021	IND AA-/Stable	No	Not Applicable	Not Applicable	Not Applicable
Working Capital Facility of INR 1,250 crore	India Ratings and Research Private Limited	19 February 2021	IND AA-/Stable	No	Not Applicable	Not Applicable	Not Applicable
Non-convertible debentures of INR 476 crore	India Ratings and Research Private Limited	19 February 2021	IND AA+(CE)/Stable	No	Not Applicable	Not Applicable	Not Applicable

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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	
Non-convertible debentures of INR 120 crore (reduced from INR 223 crore)	India Ratings and Research Private Limited	19 February 2021	IND AA-/Stable	No	Not Applicable	Not Applicable	Not Applicable
Commercial Paper of INR 800 crore	India Ratings and Research Private Limited	19 February 2021	IND A1+	No	Not Applicable	Not Applicable	Not Applicable
Non-convertible debentures of INR 100 crore	India Ratings and Research Private Limited	19 February 2021	IND AAA(CE) / Stable	No	Not Applicable	Not Applicable	Not Applicable

## 12. RISK MANAGEMENT

Periodic assessments to identify the risks are carried out, from time to time, and the Management is briefed on the risks and steps taken for risk mitigation. 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. The Company has an Enterprise Risk Management Framework for identification and mitigation of risks from time to time. The Audit Committee / the Board is also informed of the business risks and the actions taken to manage them, from time to time.

## 13. INTERNAL CONTROL SYSTEMS

The Company's internal control system is designed to ensure operational efficiency, protection of resources, accuracy and promptness in financial reporting and compliance with

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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. During the year, Internal Audit Reports, once discussed with the Management, were reviewed by the Audit Committee, which also reviewed 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.

## **14. 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 the FY 2020-21, 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 2021. Based on the above, the Board believes that adequate Internal Financial Controls exist and are effective.

## **15. HUMAN RESOURCES**

The Company recognizes people as its most valuable asset, and it has built an open and transparent culture. The Company had 243 permanent employees on its rolls as at 31 March 2021. JPL is committed to the highest standards of health, safety and security for its employees and business associates and to operate in a healthy and safe environment.

## **16. 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. The Company has a CSR Policy that outlines the thrust areas of focus viz., Education and Training, Healthcare & Sanitation and Sustainable communities. During the FY, in view of the amendments to the law pertaining to CSR under the Act and the Rules made thereunder, the CSR Policy was amended to include the enhanced roles and responsibilities of the CSR Committee/Board. Besides, the CSR Policy now enshrines its renewed vision that "every child, youth, and adult, has a reason to believe in the prospect of a better future" and also clearly articulates the "Implementation Strategy", which would guide the Company for implementing its future CSR programmes. The CSR Policy also contains references to the broad contours of the Company's CSR programmes. The Policy is available on the Company's website, [https://www.clpindia.in/operations\\_jhajjar.html](https://www.clpindia.in/operations_jhajjar.html).

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During the FY, the Company pursued its CSR programmes despite the uncertainties and the challenges posed by the COVID-19 pandemic and consequent nation-wide lockdown. In April 2020, to help the country face the monumental challenge posed by the pandemic, the Company partnered with the Confederation of Indian Industry (“CII”) for an outreach at community level for provision of hygiene kits and other relief material to district authority and distribution of ration, hygiene kits in affected village communities.

Apart from the above, the Company also pursued multiple programmes in recognition of pertinent environmental and social issues. In partnership with CII Foundation, the Company addressed the Crop Residue Management Practice in Haryana to ensure widespread awareness on ‘Zero stubble burning approach’ through various engagements and interactions with farmers. In the FY 2020-21, 21,000 acres of farmland in 16 villages was covered and online meetings / webinars were held for farmers. On completion of one year, ~80% of intervened area remained stubble burning free. Given the success of the programme, it has been decided to continue the programme across 27 villages in Haryana with a total land area coverage aggregating 38,200 acres. For women empowerment and inclusion, the Company partnered with Humana People to People India, to generate socio-economic opportunities for nearly 3,000 rural women through activation of women self-help groups, life skill training and nutri gardens development, in 12 villages across Jhajjar district.

In the FY 2020-21, certain civil works / community infrastructure projects, including the construction of Jai Jawan Raksha Academy, a skill training academy to coach youth for employment in armed / unarmed forces, upgradation of a wrestling akhara, cremation facilities at Jhajjar, which are a critical part of the Company’s CSR initiatives, were commenced. However, these could not be completed owing to the pandemic situation and the lockdown during a major part of the FY 2020-21. The Board approved such projects as ‘on-going project’ and extended the duration for completion based on individual project requirements. The Board also approved opening of the ‘Jhajjar Power Limited - Unspent CSR Account’, in which INR 8,088,716, being the CSR funds in respect of the FY 2020-21 allocated for such programs and having remained unspent as at 31 March 2021, was transferred in April 2021. The Annual Report on CSR Activities for the FY 2020-21 is enclosed as **Annexure ‘A’**.

## **17. DEPOSITS**

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

## **18. 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

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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 FY.

## 19. DIRECTORS

During the FY, Mr. Mohammed Shahid Aftab and Ms. Nishita Bakul Bakshi, ceased to be Independent Directors of the Company effective from 01 August 2020, on completion of their tenure. The Company appointed Ms. Hina Shah (DIN: 06664927) and Ms. Urvashi Shah (DIN: 07007362), as Independent Directors of the Company for a tenure of 5 years, commencing from 08 August 2020. In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Ian Tuft (DIN: 06899871), 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 Annual General Meeting (“AGM”), for a brief resume of Mr. Tuft.

The Company has received declarations from the Independent Directors, viz. Ms. Hina Shah and Ms. Urvashi Shah, 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 as prescribed under Schedule IV to the Act. In the Board’s opinion, the Independent Directors are persons of high repute, integrity and possess the relevant expertise and experience in their respective fields.

In terms of the Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014, both the Independent Directors have registered in the on-line database of Independent Directors by the Indian Institute of Corporate Affairs. Further, both of them are exempted from appearing for the proficiency assessment test by virtue of having served as directors 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 not less than three years, as on the date of inclusion of their respective names in the databank.

None of the Directors of the Company had any pecuniary relationships or transactions with the Company during the FY, unless specified elsewhere in this report or the financial statements for the FY.

## 20. EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

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. With a view to maintain high level of confidentiality and ease of doing performance evaluation, the exercise was carried out online using a secured web-based application. The Independent Directors (erstwhile as well as current) reviewed the performance of the Board, the Non-Independent Directors, the Chairman as also assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board.

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The responses received from the Directors on the questionnaires were compiled and shared with the Chairman of the Nomination & Remuneration Committee (“NRC”) along with the brief actionables arising therefrom. The Independent Directors expressed satisfaction with the overall functioning of the Board, its various Committees and with the performance of other Non-Executive and Executive Directors. The outcome of the Board evaluation was discussed at a Board Meeting and Board noted that the evaluation results reflected a high degree of engagement of the Board and its Committees with the Management. The Board also noted that during the FY, the actionables arising from the Board evaluation for the FY 2019-20 had been implemented and assimilated in the Board processes. Based on the outcome of the evaluation and the responses of the Directors, the Board and the Management have agreed on certain areas / action points for enhancing the performance of the Board which will be implemented during the FY 2021-22.

## **21. KEY MANAGERIAL PERSONNEL**

There was no change in the Key Managerial Personnel during the FY. Mr. Rajiv Ranjan 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 the FY 2020-21.

## **22. 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 the FY 2020-21, 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 FY and of the profit and cash flows of the Company for the FY;
- 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.

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## 23. 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 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 2021, the Board comprised of six directors, as under:

Name of Director	Director Identification Number	Category
Mr. Rajiv Ranjan Mishra	00131207	Managing Director
Ms. Hina Shah <sup>1</sup>	06664927	Independent Director
Ms. Urvashi Shah <sup>1</sup>	07007362	Independent Director
Mr. Naveen Munjal	00230313	Non-Executive Director
Mr. Ian Tuft	06899871	Non-Executive Director
Mr. Samir Ashta	01957618	Director & Chief Financial Officer

<sup>1</sup> Appointed as an Independent Director effective 08 August 2020 for a term of five years ending 07 August 2025.

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

During the FY 2020-21, four meetings of the Board of Directors were held on the following dates: 30 June 2020, 22 July 2020, 12 November 2020 and 10 March 2021. 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 30 July 2020
	Held	Attended	
Mr. Rajiv Ranjan Mishra	4	4	No
Ms. Hina Shah <sup>1</sup>	2	2	No
Ms. Urvashi Shah <sup>1</sup>	2	2	No

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Name of Director	Board Meetings		Whether present at previous AGM held on 30 July 2020
	Held	Attended	
Mr. Mohammed Shahid Aftab <sup>2</sup>	2	2	No
Ms. Nishita Bakshi <sup>2</sup>	2	2	No
Mr. Naveen Munjal	4	4	Yes
Mr. Ian Tuft	4	4	No
Mr. Samir Ashta	4	4	Yes

<sup>1</sup> Appointed as an Independent Director effective 08 August 2020.

<sup>2</sup> Ceased to be an Independent Director effective 01 August 2020.

Mr. Munjal, Chairman of the Audit Committee had attended the last AGM of the Company.

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 the FY 2020-21*
Ms. Hina Shah <sup>1</sup>	INR 0.30 Mn. (Previous FY Not Applicable)
Ms. Urvashi Shah <sup>1</sup>	INR 0.30 Mn. (Previous FY Not Applicable)
Mr. Mohammed Shahid Aftab <sup>2</sup>	INR 0.24 Mn. (Previous FY INR 0.66 Mn.)
Ms. Nishita Bakshi <sup>2</sup>	INR 0.30 Mn. (Previous FY INR 0.72 Mn.)

<sup>1</sup> Appointed as an Independent Director effective 08 August 2020.

<sup>2</sup> Ceased to be an Independent Director effective 01 August 2020.

\* 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 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.

# JHAJJAR POWER LIMITED

The Ministry of Corporate Affairs (“MCA”) has notified the Companies (Specification of Definitions Details) Second Amendment Rules, 2021 on 19 February 2021, by inserting a new sub-rule 2A that, *inter alia*, mentions that a public company that has issued and listed only its privately placed Non-convertible securities on a recognized Stock Exchange, shall not be treated as a listed company, effective 01 April 2021. Apart from, no longer being a listed company under the Act and also being a wholly owned subsidiary of CLP India, the Board at its Meeting held on 10 March 2021, has, *inter alia*, dissolved the Audit Committee and the NRC effective 01 April 2021.

## **i) Audit Committee**

The Audit Committee of JPL, as on 31 March 2021, comprised Mr. Naveen Munjal, as Chairman, Ms. Hina Shah and Ms. Urvashi Shah. 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 discharged by 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.

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During the FY 2020-21, three meetings of the Audit Committee were held on the following dates: 30 June 2020, 12 November 2020 and 10 March 2021. The composition of the Audit Committee and the attendance of its Members at its Meetings held during the FY is, as under:

Name of the Member	No. of Meetings	
	Held	Attended
Mr. Naveen Munjal	3	3
Ms. Hina Shah <sup>1</sup>	2	2
Ms. Urvashi Shah <sup>1</sup>	2	2
Ms. Nishita Bakshi <sup>2</sup>	1	1
Mr. Mohammed Shahid Aftab <sup>2</sup>	1	1

<sup>1</sup> Appointed as an Independent Director and Member of Committee effective 08 August 2020.

<sup>2</sup> Ceased to be an Independent Director and Member of Committee effective 01 August 2020.

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 FY.

## ii) Nomination and Remuneration Committee ('NRC')

The NRC, as on 31 March 2021, comprised Mr. Ian Tuft as Chairman, Ms. Hina Shah and Ms. Urvashi Shah. The composition of the Committee is in line with the provisions of Section 178(1) of the Act. During the FY 2020-21, one meeting of the NRC was held on 30 June 2020. The NRC, vide its terms of reference included in the charter adopted at the time of its constitution in 2015, discharged, *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.

# JHAJJAR POWER LIMITED

- 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.

The Charter of the NRC along with the Policy devised in accordance with Section 178(3) and (4) of the Act has been placed on website of the Company under the link, [https://www.clpindia.in/operations\\_jhajjar.html](https://www.clpindia.in/operations_jhajjar.html). There has been no change to the Policy during the FY.

The composition of the NRC and the attendance of its Members at its Meeting held during the FY is, as under:

Name of the Member	No. of Meetings	
	Held	Attended
Mr. Ian Tuft	1	1
Ms. Hina Shah <sup>1</sup>	Not Applicable	Not Applicable
Ms. Urvashi Shah <sup>1</sup>	Not Applicable	Not Applicable
Ms. Nishita Bakshi <sup>2</sup>	1	1
Mr. Mohammed Shahid Aftab <sup>2</sup>	1	1

<sup>1</sup> Appointed as an Independent Director and Member of Committee effective 08 August 2020.

<sup>2</sup> Ceased to be an Independent Director and Member of Committee effective 01 August 2020.

## iii) CSR Committee

The CSR Committee, as on 31 March 2021, comprised Mr. Rajiv Ranjan Mishra, as Chairman, Ms. Hina Shah, 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. During the FY 2020-21, the CSR Committee met once on 30 June 2020 and all the Members of the Committee as on date of the Meeting were present thereat.

The terms of reference of the CSR Committee, as amended, with effect from 10 March 2021 are, as under:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of Act;
- To recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- To formulate and recommend to the Board, an Annual Action Plan (including amendments, if and whenever required) in relation to the Corporate Social Responsibility activities to be undertaken by the Company, from time to time;

# JHAJJAR POWER LIMITED

- iv. To monitor the Corporate Social Responsibility activities of the Company from time to time, with specific reference to project timelines and year-wise budgetary allocations;
- v. To monitor the Corporate Social Responsibility Policy of the Company from time to time;
- vi. To adhere to Section 135 of the Act & the Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modifications, amendments or re-enactments thereto for the time being in force); and
- vii. all other activities as informed or delegated by the Board of Directors or included in the CSR Policy of the Company or all acts required to be performed, from time to time, pursuant to the law for the time being in force.

The composition of the CSR Committee and the attendance of its Members at its Meeting held during the FY is, as under:

Name of the Member	No. of Meetings	
	Held	Attended
Mr. Rajiv Ranjan Mishra	1	1
Ms. Hina Shah <sup>1</sup>	Not Applicable	Not Applicable
Ms. Nishita Bakshi <sup>2</sup>	1	1
Mr. Naveen Munjal	1	1
Mr. Samir Ashta	1	1

<sup>1</sup> Appointed as an Independent Director and Member of Committee effective 08 August 2020.

<sup>2</sup> Ceased to be an Independent Director and Member of Committee effective 01 August 2020.

## 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.

During the FY 2020-21, four meetings of the Funding & Treasury Committee were held on the following dates: 13 April 2020, 27 July 2020, 03 November 2020 and 30 December 2020. The composition of the Committee and the attendance of its Members at its Meetings held during the FY is, as under:

# JHAJJAR POWER LIMITED

Name of the Member	No. of Meetings	
	Held	Attended
Mr. Rajiv Ranjan Mishra	4	3
Mr. Naveen Munjal	4	4
Ms. Samir Ashta	4	4

## c. Secretarial Standards

The Company is following 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 based on the 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 (ACS 11921) 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](mailto: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, New Delhi. The Corporate Identity Number (“CIN”) allotted to the Company by the MCA is U40104DL2008SGC374107. As stated elsewhere in the Report, during the FY, the Company has shifted its Registered Office from Jhajjar, in the State of Haryana to New Delhi, in the National Capital Territory of Delhi, after obtaining the approval of the Regional Director (North Western) Region, effective 03 December 2020.

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## 24. INSIDER TRADING

The Company's Code for Prohibition of Insider Trading, framed in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, advises and cautions the Designated Persons on the procedures to be followed, whilst dealing in the securities of the Company. The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information helps in ensuring compliance with these requirements. Both of these are posted on the Company's website at [https://www.clpindia.in/operations\\_jhajjar.html](https://www.clpindia.in/operations_jhajjar.html).

## 25. 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 Vigil Mechanism / Whistle-blowing policy is uploaded on the website of the Company at [https://www.clpindia.in/operations\\_jhajjar.html](https://www.clpindia.in/operations_jhajjar.html). The said Policy provides direct access to the Chairman of the Audit Committee. During the FY 2020-21, no person has been denied access to the Audit Committee.

The Board revised the Vigil Mechanism / Whistle-blowing policy on 28 May 2021 and consequent to the dissolution of the Audit Committee effective from 01 April 2021, the Board has, in accordance with the Act and Rules made thereunder, nominated Mr. Rajiv Ranjan Mishra, Managing Director, for the purpose of vigil mechanism to whom other directors and employees may report their concerns.

## 26. 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 constituted to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the FY, the Company has not received any complaint of sexual harassment.

## 27. AUDITORS

### 27.1. Statutory Auditors

M/s. B S R & 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 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 the FY does not contain any qualification, reservation, adverse remark or disclaimer. The Auditors' Report is published elsewhere in this Annual Report.

# JHAJJAR POWER LIMITED

## 27.2 Secretarial Auditors

As required under Section 204 of the Act and rules thereunder, the Board has appointed M/s. Nilesh Shah & Associates, Practicing Company Secretaries, as Secretarial Auditors of the Company for the FY. The Secretarial Auditors' Report for the FY does not contain any qualification, reservation, adverse remark or disclaimer. The Secretarial Auditors' Report is enclosed as **Annexure 'B'**.

## 27.3 Cost Auditors

As per section 148 of the Act, the Company is required to have the audit of its cost records conducted by a Cost Accountant in practice. The Board, 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 FY. The Cost Auditors' Report for the FY does not contain any qualification, reservation, adverse remark or disclaimer. The Cost Auditors' Report is enclosed as **Annexure 'C'**.

Further, the Board approved the appointment of M/s. Kiran J. Mehta & Co., as the Cost Auditors of the Company for the FY ending 31 March 2022, at a remuneration of INR 0.55 Mn., exclusive of taxes and out of pocket expenses, which shall be subject to ratification / approval by the shareholders at the ensuing AGM. 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.

## 27.4 Internal Auditor

As required under Section 138 of the Act and Rule 13 of the Companies (Accounts) Rules, 2014, the Board has appointed Mr. Surender Nagarajan, who is an employee of the holding company, CLP India and is a Chartered Accountant, as the Internal Auditor of the Company.

## 28. FRAUDS REPORTED BY THE AUDITORS

During the FY, none of the Auditors have reported any fraud in terms of Section 143(12) of the Act.

## 29. 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 FY to which the financial statements relate, i.e. 31 March 2021 and 28 May 2021, being the date of this Report.

## 30. 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.

# JHAJJAR POWER LIMITED

## 31. RELATED PARTY TRANSACTIONS

During the FY, 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. 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 enclosed as **Annexure 'D'**. Further, details of Related Party Transactions, as required to be disclosed pursuant to Regulation 53(f) of SEBI LODR Regulations, Ind AS 24 and Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014, are given in the Notes to the Financial Statements.

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

### 32.1. 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 enclosed as **Annexure 'E'**.

### 32.2. Foreign Exchange Earnings and Outgo:

Foreign Exchange earned in terms of actual inflows during the FY was Nil (previous FY Nil) and the Foreign Exchange Outgo during the FY in terms of actual outflows, was INR 31.9 Mn. (previous FY INR 28.8 Mn.) (excluding repayment of foreign exchange loans).

## 33. ANNUAL RETURN

As required under Sections 92(3), Section 134(3)(a) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company, Form No. MGT- 7, has been placed on the website of the Company under the link, [https://www.clpindia.in/operations\\_jhajjar.html](https://www.clpindia.in/operations_jhajjar.html).

## 34. 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 FY, is enclosed as **Annexure 'F'**. The details required under Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the FY, are provided in a separate Annexure forming part of this Report.

# JHAJJAR POWER LIMITED

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.

## 35. 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 commendable efforts, teamwork and professionalism of all the employees of the Company, who demonstrated their sincerity and commitment to the values and operations of the Company in the face of extreme adversity in the FY.

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

**Date: 28 May 2021**  
**Place: Mumbai**

\_\_\_\_\_  
**Rajiv Ranjan Mishra**  
**Managing Director**  
**DIN: 00131207**

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

## ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2020-21

## Jhajjar Power Limited

## 1. Brief outline on Corporate Social Responsibility Policy of the Company

The Corporate Social Responsibility (“CSR”) Policy of Jhajjar Power Limited (the “Company” / “JPL”) establishes a common and coherent approach to CSR and 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 is committed to a socially responsible corporate growth. It seeks to be an active participant in the social and economic development of the communities in which it operates, while meeting the interests of all its stakeholders. The CSR Policy’s vision is that “every child, youth, and adult, has a reason to believe in the prospect of a better future”, and the Policy articulates the “Implementation Strategy”, which would guide the Company for implementing its future CSR programmes. The Company support initiatives that encourage youth and women empowerment as cross-cutting theme while doing locally relevant programmes. Broader thematic focus areas include Education & Training, Healthcare & Sanitation and Sustainable Communities. JPL engages in long-term partnerships with credible national, regional and local community organizations, non-governmental and charitable organizations. The CLP India group, of which the Company is a part, 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.

## 2. Composition of CSR Committee

Sr. No.	Name of the Member	Designation / Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
1	Mr. Rajiv Ranjan Mishra	Managing Director	1	1
2	Ms. Hina Shah <sup>1</sup>	Independent Non-Executive Director	Not Applicable	Not Applicable
3	Ms. Nishita Bakshi <sup>2</sup>	Independent Non-Executive Director	1	1
4	Mr. Naveen Munjal	Non-executive Director	1	1
5	Mr. Samir Ashta	Director and Chief Financial Officer	1	1

<sup>1</sup> Appointed as an Independent Director and a Member of the Committee effective 08 August 2020.

<sup>2</sup> Ceased to be an Independent Director and a Member of the Committee effective 01 August 2020.

**3. Provide the web-link where composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company**

CSR Committee - [https://www.clpindia.in/operations\\_jhajar\\_directorinfo.html](https://www.clpindia.in/operations_jhajar_directorinfo.html)

CSR Policy and CSR Projects - <https://www.clpindia.in/doc/CSR%20Policy.pdf>

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach report)**

Not Applicable

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

Not Applicable

Sr. No.	Financial Year	Amount available for set-off from preceding financial year (INR)	Amount required to be set-off for financial year, if any (INR)
--	--	--	--

**6. Average Net Profit of the Company as per Section 135(5)**

INR 2,127.20 Mn.

**7.(a) Two percent of average net profit of the company as per Section 135(5)**

INR 42.54 Mn.

**7.(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years**

Not Applicable

**7.(c) Amount required to be set off for the financial year, if any**

Not Applicable

**7.(d) Total CSR obligation for financial year (7a+7b+7c)**

INR 42.54 Mn.

### 8.(a) CSR Amount spent or unspent for the financial year

Total Amount Spent for the Financial Year 2020-21 (INR)	Amount Unspent (INR)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
35,005,339	8,088,716	29 April 2021	Not Applicable		

### 8.(b) Details of CSR amount spent against ongoing projects for the financial year:

1	2	3	4	5		6	7	8	9	10	11	
Sr. No.	Name of Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/ No)	Location of the Project		Project duration	Amount allocated for the project (INR)	Amount spent in the current financial year (INR)	Amount transferred to unspent CSR account for the project as per Section 135(6) (INR)	Mode of implementation Direct (Yes/ No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration no.
1	Jai Jawan Raksha Academy Phase II Construction & Maintenance	II	Yes	Haryana	Jhajjar	6 months	6,792,094	5,853,641	938,453	Yes	Not Applicable	
2	Installation of RCC Garden Benches	X	Yes	Haryana	Jhajjar	6 months	1,031,320	44,840	9,86,480	Yes	Not Applicable	
3	Upgradation of Krishna Akhara (Wrestling academy)	X	Yes	Haryana	Jhajjar	6 months	1,000,000	Nil	1,000,000	Yes	Not Applicable	
4	Upgradation of Humari Phulwari	IV, X	Yes	Haryana	Jhajjar	1 year	822,157	422,348	399,809	Yes	Not Applicable	
5	Upgradation of Cremation facilities	X	Yes	Haryana	Jhajjar	1 year	2,603,731	2,185,400	418,331	Yes	Not Applicable	
6	Construction of common water lifting and pumping station	X	Yes	Haryana	Jhajjar	1 year	1,421,955	423,712	998,243	Yes	Not Applicable	

1	2	3	4	5		6	7	8	9	10	11	
Sr. No.	Name of Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/ No)	Location of the Project		Project duration	Amount allocated for the project (INR)	Amount spent in the current financial year (INR)	Amount transferred to unspent CSR account for the project as per Section 135(6) (INR)	Mode of implementation Direct (Yes/ No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration no.
7	Crop Residue Management Project Phase III	IV	Yes	Haryana	Jhajjar, Rohtak, Sirsa, Fatehabad	6 months	6,694,800	3,347,400	3,347,400	No	CII Foundation	CSR00001013
<b>TOTAL</b>							<b>20,366,057</b>	<b>12,277,341</b>	<b>8,088,716</b>			

### 8.(c) Details of CSR amount spent other than ongoing projects for the financial year:

1	2	3	4	5		6	7	8	
Sr. No.	Name of Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/ No)	Location of the Project		Amount spent for the project (INR)	Mode of implementation Direct (Yes / No)	Mode of Implementation – Through Implementing Agency	
				State	District			Name	CSR Registration no.
1	Mobile Medical Van	I	Yes	Haryana	Jhajjar	923,390	No	Wockhardt Foundation	CSR00000161
2	Promoting sports for youth (Basketball, Wrestling, Athletics)	VII	Yes	Haryana	Jhajjar	990,102	Yes	Not Applicable	
3	Livestock Promotion	IV, II	Yes	Haryana	Jhajjar	200,773	Yes	Not Applicable	
4	Provision of Drinking water facility	I	Yes	Haryana	Jhajjar	208,034	Yes	Not Applicable	
5	Digital Literacy Program	II	Yes	Haryana	Jhajjar	416,279	No	Pratham Infotech Foundation	CSR00002475

1	2	3	4	5		6	7	8	
Sr. No.	Name of Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/ No)	Location of the Project		Amount spent for the project (INR)	Mode of implementation on Direct (Yes / No)	Mode of Implementation – Through Implementing Agency	
				State	District			Name	CSR Registration no.
6	CLP India Scholarship Program	II	Yes	Haryana	Jhajjar	1,323,000	Yes	Not Applicable	
7	Jai Jawan Raksha Academy Opex provision	II, VII, VI	Yes	Haryana	Jhajjar	2,307,858	No	Deepalaya	CSR00000584
8	Overhead water tank and pipeline	I, X	Yes	Haryana	Jhajjar	1,483,147	Yes	Not Applicable	
9	Wastewater pumping station	I, X	Yes	Haryana	Jhajjar	2,598,366	Yes	Not Applicable	
10	Covid-19 support to needy communities	I, X, XII	Yes	Haryana	Jhajjar, Rohtak, Sirsa, Fatehabad	10,000,000	No	CII Foundation	CSR00001013
11	Contribution to PM Cares Fund for COVID support	IX	No	--	--	248,001	Yes	Not Applicable	
	<b>TOTAL</b>					<b>20,698,950</b>			

#### 8.(d) Amount spent in Administrative Overheads

INR 2,029,048

#### 8.(e) Amount spent on Impact Assessment, if applicable

Not Applicable

#### 8.(f) Total amount spent for the Financial Year (8b+8c+8d+8e)

INR 43,094,055

**8.(g) Excess amount for set off, if any**

Sr. No.	Particulars	Amount (INR)
i.	Two percent of average net profit of the company as per section 135(5)	42,543,956
ii.	Total amount spent for the Financial Year*	43,094,055
iii.	Excess amount spent for the financial year [(ii)-(i)]	550,099
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	550,099

\* includes an amount of INR 8,088,716, earmarked for on-going projects and transferred to the Unspent CSR Account in terms of Section 135(6) of the Companies Act, 2013, for the financial Year 2020-21.

**9.(a) Details of Unspent CSR amount for the preceding three financial years:**

Not Applicable

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (INR)	Amount spent in the reporting Financial Year (INR)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (INR)
				Name of the Fund	Amount (INR)	Date of transfer.	
--	--	--	--	--	--	--	--
	<b>TOTAL</b>						

**9.(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

**Not Applicable**

1	2	3	4	5	6	7	8	9
Sr. No.	Project ID	Name of Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (INR)	Amount spent on the project in the reporting Financial Year (INR)	Cumulative amount spent at the end of reporting Financial Year (INR)	Status of the project (Completed /Ongoing)
--	--	--	--	--	--	--	--	--

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year**

**Not Applicable**

*(asset wise details)*

- a. Date of creation or acquisition of the capital asset(s).
- b. Amount of CSR spent for creation or acquisition of capital asset.
- c. Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- d. Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

**11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).**

**Not Applicable**

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

\_\_\_\_\_  
**Rajiv Ranjan Mishra**  
Chairman, CSR Committee  
DIN: 00131207

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

**Date: 28 May 2021**  
**Place: Mumbai**

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

For the Financial Year Ended March 31, 2021  
[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**  
Unit No. T-15 B, Salcon Ras Vilas,  
3rd Floor, Plot No. D-1, Saket District Centre,  
Saket, New Delhi 110 017

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, 2021, 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 produced before us, make objective evaluation of the content in respect of compliance and report thereon.

We have examined on test basis, the books, papers, minutes books, forms and returns filed and other records maintained by the Company and produced before us for the financial year ended March 31, 2021, 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 Requirements) 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 applicable Acts, Laws and Regulations and found the satisfactory operation 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;
- (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (d) 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 substantially 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 material observation of instances of non-compliance in respect of the same.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were changes in the Board of Directors during the year, which were in due compliance with the provisions of the Companies Act, 2013 and rules made there under.

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 / ensures 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:

- 1) the Company has made early partial redemption of 100 – 9.91% Secured Redeemable Non-Convertible Debentures of Rs.1,00,00,000/- each on 28.07.2020; and
- 2) The Registered Office of the Company has been shifted from the State of Haryana to the National Capital Territory of New Delhi, effective 03.12.2020, pursuant to approval of the Regional Director, Northern Region dated 01.10.2020.

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

Date: 28 May 2021

Place: Mumbai

UDIN: F004554C000390225

Signature:-

Name:- Nilesh Shah

For:- **Nilesh Shah & Associates**

**FCS : 4554**

**C.P. : 2631**

**'ANNEXURE A'**

To  
The Members,  
**Jhajar Power Limited**  
Unit No. T-15 B, Salcon Ras Vilas,  
3rd Floor, Plot No. D-1, Saket District Centre,  
Saket, New Delhi 110 017

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 the 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.
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: 28 May 2021  
Place: Mumbai

UDIN: F004554C000390225

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

KIRAN J. MEHTA & CO.  
COST ACCOUNTANTS

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

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

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

We Kiran J. Mehta & Co. having been appointed as Cost Auditors under section 148(3) of the Companies Act, 2013 (18 of 2013) of **JHAJJAR POWER LIMITED** having its registered office at Unit No. T-15 B, Salcon Ras Vilas, 3rd Floor, Plot no. D-1, Saket District Centre, Saket, New Delhi 110 017 (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 2020-21 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.

COVID 19 Pandemic Impact- The Company is predominantly engaged in the business of generation and sale of electricity. Since electricity has been categorised as an essential service during COVID19 pandemic, the Company's generation sites were operational and the Company was in a position to generate and supply electricity to its customers as per their scheduled generation demand if any. Hence there was as such no capacity loss during the Covid 19 pandemic and full money towards capacity charges were recovered from its customers during the year. However certain expenses directly related to covid19 pandemic which were incurred during the year have been considered as non-cost item and taken to Profit reconciliation Statement.

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

Dated: this 28<sup>th</sup> day of May, 2021 at Ahmedabad

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

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

UDIN: 2123977A179ZEJ1BM0

# JHAJJAR POWER LIMITED

Annexure - D

## 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 the FY 2020-21**

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	--

## JHAJJAR POWER LIMITED

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 ("CLPBMSL") / 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 31.94 Mn.	Not Applicable <sup>#</sup>	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 170.32** Mn.	Not Applicable <sup>#</sup>	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 58.26 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: 28 May 2021**  
**Place: Mumbai**

\_\_\_\_\_  
**Rajiv Ranjan Mishra**  
**Managing Director**  
**DIN: 00131207**

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

# JHAJJAR POWER LIMITED

Annexure - E

## DETAILS OF TECHNOLOGY ABSORPTION DURING THE FINANCIAL YEAR 2020-21

Sr. No.	Technology Absorption	Earlier / Existing System	New System	Benefits to the Company	Expenditure (INR Mn.)
1.	Installation of e-chain system in Stacker Reclaimer-A	Stacker Reclaimer-A cables were laid in the open condition which resulted in damage in cables and it subsequently led to cable faults	E-chain system applied in Stacker Reclaimer-A area and cables will be covered.	<ul style="list-style-type: none"> <li>• Protection of cables from boulders and another external particle.</li> <li>• Reduce the downtime of Stacker Reclaimer-A outage and avoid demurrage with increased reliability and safety.</li> </ul>	6.83
2.	Replacement of conventional Lights with LED Lights in Boiler-1 and CHP buildings (TT & C4 DH)	Conventional Lights were installed in Boiler-1 and CHP buildings (TT & C4 DH)	Replacing conventional lights with LED lights having high efficiency, with no mercury content, high visibility and greater life span at target areas which will greatly help in energy saving.	<ul style="list-style-type: none"> <li>• LED lights having 50% less power installed resulting in &gt;50% reduction in direct energy consumption plus enhance overall illumination in installed area.</li> </ul>	0.67
3.	New VFD in Coal Feeder in Unit#1	Siemens Simatics MM440 VFD were installed in Coal Feeders of both Units with old HMIs.	Coal Feeder motor is now driven by Siemens Sinamics G120 which uses advanced HMI for better interaction.	<ul style="list-style-type: none"> <li>• New HMI of Sinamics G120 can copy the settings from and can transfer settings from VFD to HMI as well. This helps in quick setting transfer in VFD.</li> <li>• Reduction in downtime of coal feeder.</li> </ul>	0.73

## JHAJJAR POWER LIMITED

Sr. No.	Technology Absorption	Earlier / Existing System	New System	Benefits to the Company	Expenditure (INR Mn.)
4.	PLC Upgradation in Unit#1 SSCC with HMI	Windows XP based Allen Bradley PLC was installed in SSCC of both units with no HMI to see the input/output condition.	Unit#1 SSCC is upgraded with new Allen Bradley PLC system with advanced interactive touch-based HMI. New PLC is compatible with Windows 10 based software also.	<ul style="list-style-type: none"> <li>• New touch-based HMI helps in real-time monitoring of various I/O states and helps in quick troubleshooting of SSCC.</li> <li>• Reduction in downtime of SSCC.</li> </ul>	0.18
5.	Service Water Pump-C VFD installation	Service Water Pump-C motor was driven from Direct Online Starter with fixed speed operation.	Service Water Pump-C motor is now VFD driven which can run with variable speed according to required pressure at header.	<ul style="list-style-type: none"> <li>• Pump can run at variable speeds for maintaining flow according to requirement and can reduce wear and tear of rotating parts.</li> <li>• Energy saving due to variable speed operation.</li> </ul>	0.60
6.	Rotor flux probe software upgradation in Unit#1 generator	Windows XP based Rotor flux probe software was installed.	Rotor flux probe software has been upgraded to Windows 10 compatible version with advanced GUI.	<ul style="list-style-type: none"> <li>• New advanced GUI enables us to detailed analysis of rotor condition.</li> <li>• Extended service support can be received due to Windows 10 compatibility.</li> </ul>	1.02

## JHAJJAR POWER LIMITED

Sr. No.	Technology Absorption	Earlier / Existing System	New System	Benefits to the Company	Expenditure (INR Mn.)
7.	DG#2 local HMI firmware upgradation to Windows 10 compatible.	Windows XP based local panel firmware was installed.	DG#2 local panel HMI firmware has been upgraded to Windows 10 compatible version for better connectivity with PC for report generation and troubleshooting.	<ul style="list-style-type: none"> <li>Upgraded Windows 10 based firmware will help us in troubleshooting and monitoring real-time parameters, reports of DG.</li> <li>Extended service support can be received due to Windows 10 compatibility.</li> </ul>	0.14
8.	Upgrade of DCS from Windows 7/Server 2008 R2 to Windows 10/Server 2016 in Unit 1. Cyber security & system Auditor server upgraded to Server 2016	Windows 7 & Server 2008 R2 reached end of support. Cyber security & system auditor server was operating on server 2008 & 2012 respectively.	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.	<ul style="list-style-type: none"> <li>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.</li> </ul>	47.63
9.	Deployment of Continuous Threat detection system on Plant DCS system.	Cyber security system deployed on the DCS system with limited monitoring services.	The intrusion detection system supplied by Claroty is a passive network (intrusion) monitoring system. The system will create a baseline in reference to day to day network traffic and would generate an alarm on real time basis in case of deviations from baseline.	<ul style="list-style-type: none"> <li>The intrusion detection system is a Realtime cyber threat monitoring system. The system is effective in managing the cyber risk and enables the administrator to Pinpoint the compromised machines and take necessary actions accordingly.</li> </ul>	15.47

## JHAJJAR POWER LIMITED

Sr. No.	Technology Absorption	Earlier / Existing System	New System	Benefits to the Company	Expenditure (INR Mn.)
10.	Installation of New Silica Analysers in the SWAS system	Earlier silica Analysers were of Polymetron make. The model maintenance cost was high. The maintenance frequency was very high.	HACH 5500SC are the industry's only pressurized reagent delivery system eliminates the frequent maintenance associated with pumps.	<ul style="list-style-type: none"> <li>They have Lower Maintenance, Less Downtime giving a reliable and accurate measurements for maintaining the Boiler parameters.</li> </ul>	0.88
11.	Railway siding electrification including S&T modification	The siding was non-electrified, and all the rakes were coming to JPL by diesel loco	The siding is electrified to facilitate movement of rakes by electric locomotives and S&T system is made compatible with the same.	<ul style="list-style-type: none"> <li>Now the rakes are coming with electric locos which are of much bigger capacity (12000 HP) than diesel locos (~4000 HP). This will also reduce the environmental emission by Railways' diesel locos. Also, more payload can be handled in a single rake in future.</li> <li>Availability of diesel loco is less. So now changeover not required. Single electric loco can be used to deliver coal rakes. So delivery is faster.</li> </ul>	100

## JHAJJAR POWER LIMITED

Sr. No.	Technology Absorption	Earlier / Existing System	New System	Benefits to the Company	Expenditure (INR Mn.)
12.	BELT Lifter for replacement of the Carrying & Return Idlers in high tension area	Chain block were being used for the replacement of the damaged idlers located in the high-tension zone.	Belt lifter has made the replacement safer, quicker & easier.	<ul style="list-style-type: none"> <li>• Safer to use as compared to using chain block because all the explained hazards will be eliminated. Handling &amp; shifting of the Belt Lifter to location is easier as compared to chain block.</li> <li>• Work process will become more easier &amp; less time consuming (Can be used for both Carrying &amp; return idlers). will make our work more independent and also work execution will be on timely basis</li> </ul>	0.3
13.	Implementation of PAUT (Phased array Ultrasonic testing) for inspection of boiler pressure parts welding joints.	Radiography was being used, which was a time-consuming methodology, since all other works had to be stopped during execution. It also had risk of radiation.	PAUT (Phased array Ultrasonic testing) for inspection of boiler pressure parts welding joints introduced.	<ul style="list-style-type: none"> <li>• Time for Boiler overhauling reduced and thus scope of work has also been increased.</li> <li>• Risk of radiation reduced.</li> <li>• Instant results can be obtained.</li> </ul>	3
14.	Introducing forced cooling of turbine during MOH	Cooling of turbine was done naturally.		<ul style="list-style-type: none"> <li>• Reduction of turbine cooling time by approx. 2-2.5 days resulting in lowering of outage period.</li> </ul>	6

## JHAJJAR POWER LIMITED

Sr. No.	Technology Absorption	Earlier / Existing System	New System	Benefits to the Company	Expenditure (INR Mn.)
15.	Replacement of submersible pumps by above ground horizontal pumps	Submersible pumps were installed in following system:  1. FSP Sludge upgrade 2. Service wastewater 3. Flushing water 4. Rainwater 5. Clarifier sludge discharge	All submersible pumps were replaced by above ground horizontal pumps	1. Reduced Frequent breakdown and maintenance. 2. Dependency on Chinese make pumps and spares eliminated. 3. Availability of the system increased	1.66
16.	Coal mill Hot air gate replacement with improved design.	Sliding type Gouletin hot air gate were installed	Sliding type Gouletin hot air gates were replaced by twin seal flap type hot air gates	100% hot air Sealing efficiency achieved and now maintenance is very much easier and safer.	24.12
17.	Coating of Absorber Girder C and A with Speciality Chemical	Glass Flake Lining was carried out by OEM.	<ul style="list-style-type: none"> <li>• Surface area prepared with buffing.</li> <li>• Fibre carbon Fibre + Glass cloth wrapped with adhesive application on the girder. Adhesive forced inside cloth fibre. Followed by Wear and chemical Resistant coating.</li> </ul>	<ul style="list-style-type: none"> <li>• Alternate to glass flake lining.</li> <li>• Avoidance of grit blasting.</li> <li>• Parallel technology used so to deploy contractor other than conventional glass flake lining.</li> <li>• Parallel work saved time for unit.</li> <li>• Very minimum mobilization time comparing to Glass Flake Material and Contractor.</li> <li>• Suitable for small area to be covered on SOS basis.</li> </ul>	1.39

## JHAJJAR POWER LIMITED

Sr. No.	Technology Absorption	Earlier / Existing System	New System	Benefits to the Company	Expenditure (INR Mn.)
18.	Cardox low intensity explosion system for fly ash silo cleaning.	Fly ash silo manual cleaning being done.	Low intensity CO2 explosion carried out inside silo to dislodge sticky build up on silo walls. After collapse of build-up ash, it is unloaded through dry ash unloading system.	Reduces the hazard of ash collapse and buried of people doing manual cleaning. Hence increases safety aspect.	1.10
19.	Formic Acid Injection in the Process water of FGD Absorber.	Was not in earlier Installation.	Formic Acid dosing skid provided to absorber tower ME washing system.	<ul style="list-style-type: none"> <li>• Less differential pressure loss across Mist Eliminator of FGD Absorber.</li> <li>• Less chocking expected in the Mist Eliminator of FGD Absorber.</li> </ul>	0.46

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

\_\_\_\_\_  
**Rajiv Ranjan Mishra**  
Managing Director  
DIN: 00131207

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

**Date: 28 May 2021**  
**Place: Mumbai**

# JHAJJAR POWER LIMITED

Annexure – F

**DETAILS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 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 2020-21 (INR Mn.)	% change in remuneration for FY 2020-21	Ratio of remuneration of each Director to the median remuneration of employees
1.	Mr. Rajiv Ranjan Mishra, Managing Director	41.51*	0.46 <sup>§</sup>	34.62:1
2.	Ms. Hina Shah <sup>1</sup> , Non-Executive Independent Director	0.30 <sup>^</sup>	Not Applicable	0.25:1
3.	Ms. Urvashi Shah <sup>1</sup> , Non-Executive Independent Director	0.30 <sup>^</sup>	Not Applicable	0.25:1
4.	Mr. Mohammad Shahid Aftab <sup>2</sup> , Non-Executive Independent Director	0.24 <sup>^</sup>	Not Applicable	0.20:1
5.	Ms. Nishita Bakul Bakshi <sup>2</sup> , Non-Executive Independent Director	0.30 <sup>^</sup>	Not Applicable	0.25:1
6.	Mr. Naveen Munjal, Non-Executive Director	Not Applicable	Not Applicable	Not Applicable
7.	Mr. Samir Ashta <sup>#</sup> , Non-Executive and Chief Financial Officer	16.75*	11.26 <sup>§</sup>	13.96:1
8.	Mr. Ian Tuft, Non-Executive Director	Not Applicable	Not Applicable	Not Applicable

## JHAJJAR POWER LIMITED

Sr. No.	Name of Director / Chief Financial Officer / Company Secretary	Remuneration for FY 2020-21 (INR Mn.)	% change in remuneration for FY 2020-21	Ratio of remuneration of each Director to the median remuneration of employees
9.	Mr. Jayant Patil, Company Secretary	6.22 <sup>3</sup>	4.25 <sup>4</sup>	5.19:1

\* - 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 during the FY 2020-21.

# - 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.

<sup>1</sup> - Appointed as an Independent Director effective 08 August 2020.

<sup>2</sup> - Ceased to be an Independent Director effective 01 August 2020.

<sup>3</sup> - The retiral benefits do not take into account the gratuity payable on separation.

<sup>4</sup> - 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 2020-21, increased by 5.7% as compared to the FY 2019-20.

iii. **the number of permanent employees on the rolls of Company:** 243 employees as on 31 March 2021.

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 for the FY 2020-21, was 6% as compared to the FY 2019-20, whereas the average increase in remuneration of managerial personnel, for the same period was 0.46% as compared to the FY 2019-20.

# JHAJJAR POWER LIMITED

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**

\_\_\_\_\_  
**Rajiv Ranjan Mishra**  
**Managing Director**  
**DIN: 00131207**

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

**Date: 28 May 2021**  
**Place: Mumbai**

# BSR & Co. LLP

Chartered Accountants

Building No. 10, 12th Floor, Tower-C,  
D.I.F Cyber City, Phase-II,  
Gurugram – 122 002, India

Telephone: +91 124 719 1000

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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 2021, 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 2021, 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.

## Description of Key Audit Matters

<b>The key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p><b>Derivative financial instruments</b></p> <p>The Company enters into derivative financial instrument contracts in order to mitigate 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 2021.</p> <p>Accounting and valuation of such derivative financial instruments being complex in nature are 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> <ul style="list-style-type: none"> <li>➤ Tested design, implementation and operating effectiveness of key controls over valuation and accounting of derivative financial instruments.</li> <li>➤ Inspected Company's hedge documentation and hedge contracts to determine the related accounting treatment was in accordance with relevant Ind AS including Company's valuation of derivatives performed by Company's expert.</li> <li>➤ Involved our internal valuation specialist to assist in evaluating the fair valuation of derivative instruments.</li> <li>➤ Obtained external confirmations from contracts counterparties for derivative financial instruments which existed at the reporting date.</li> </ul>
<p><b>Impairment of Assets</b></p> <p>The Company is engaged in business of generation and supply of electricity. The carrying value of property, plant and equipment including capital work-in-progress and intangible assets amounts to Rs. 38,211.13 millions and Rs. 8.45 millions respectively, as at 31 March 2021.</p> <p>The Company performs an annual assessment of the property, plant and equipment at cash generating unit (CGU) level, to identify any indicators of impairment.</p> <p>The recoverable amount of the CGU which is based on value in use ('VIU'), has been derived from discounted forecast cash flow model. The model uses several key assumptions.</p> <p>Considering the inherent uncertainty, complexity and judgment involved and the significance of the value of the assets, impairment assessment of the above mentioned assets has been considered as a key audit matter. Refer Notes 3 and 4 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> <ul style="list-style-type: none"> <li>➤ Tested design, implementation and operating effectiveness of key controls over the impairment assessment process.</li> <li>➤ We assessed the value in use (VIU) as determined by the Company as under: <ul style="list-style-type: none"> <li>✓ Assessed and challenged the key assumptions used in determining VIU through historical information, budgets / projections and other relevant information.</li> <li>✓ Assessed the sensitivity of the outcome of impairment assessment to changes in key assumptions.</li> <li>✓ Involved our internal specialists to assist us in performing above mentioned procedures, to the extent applicable.</li> </ul> </li> </ul>

### **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.

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.

### **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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 2021 on its financial position in its financial statements - Refer Note 36, Note 43 and Note 44 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 and Note 32 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;

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- 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 2021.

(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

Place : Gurugram  
Date : 28 May 2021

**Kunal Kapur**  
*Partner*  
Membership No. 509209  
UDIN : 21509209AAAAAO2058

**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 2021**

**(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 property, plant and equipment by which all the items 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 property, plant and equipment were physically verified during the year. As informed to us, no material discrepancies were noted on such verification.
- (c) 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 goods-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, 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.
- (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 2021 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 2021, 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 in respect of salary expenses	-	-	Assessment year 2017-2018 <sup>1</sup>	Commissioner of Income-Tax (Appeals)
Income-tax Act, 1961	Proposed tax disallowances: Disallowances made based on error apparent from records	-	-	Assessment year 2018-2019 <sup>2</sup>	Commissioner of Income-Tax (Appeals)

<sup>1</sup>During the current year, Assessing Officer ("AO") issued order under Income Tax Act, 1961, pertaining to Assessment Year ("A.Y.") 2017-2018, where in salary expenses amounting to ₹ 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 Commissioner of Income Tax Appeals ("CIT(A)").

<sup>2</sup>During the current year, the Company has received the intimation under section 143(1) in which certain disallowances/ additions are made on account of certain errors apparent from records. Along this, the Company has received the refund amount of ₹ 180.57 millions (including interest of ₹ 21.44 millions) for A.Y. 2018-2019 after the deduction of above mentioned disallowances. The Company has filed appeal before the CIT(A).

- (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 2021.

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- (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.
- (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

Place : Gurugram  
Date : 28 May 2021

**Kunal Kapur**  
*Partner*  
Membership No. 509209  
UDIN: 21509209AAAAAO2058

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**Annexure B to the Independent Auditors' report on the financial statements of Jhajjar Power Limited for the year ended 31 March 2021.**

**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 2021 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 2021, 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.

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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 : Gurugram  
Date : 28 May 2021

**Kunal Kapur**

*Partner*

Membership No.: 509209

UDIN : 21509209AAAAAO2058

**JHAJJAR POWER LIMITED**  
**Balance Sheet as at 31-March-2021**

Balance Sheet	Note	Amount in INR Millions	
		As At 31-March-2021	As At 31-March-2020
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	38,116.39	40,448.52
Capital work-in-progress	3	94.74	76.85
Intangible assets	4	8.45	7.79
<b>Financial assets</b>			
i. Loans	5 (a)	14.83	15.83
ii. Other financial assets	5 (b)	718.49	1,229.25
Deferred tax assets (Net)	6	-	2.75
Other tax assets	7	463.69	491.34
Other non-current assets	8	179.65	184.80
<b>Total non-current assets</b>		<b>39,596.24</b>	<b>42,457.13</b>
<b>Current assets</b>			
Inventories	9	4,302.76	4,730.64
<b>Financial assets</b>			
i. Trade receivables	10 (a)	7,285.30	7,476.08
ii. Cash and cash equivalents	10 (b)	596.32	519.27
iii. Other financial assets	10 (c)	223.15	438.73
Other current assets	11	3,419.39	5,550.92
<b>Total Current assets</b>		<b>15,826.92</b>	<b>18,715.64</b>
<b>Total assets</b>		<b>55,423.16</b>	<b>61,172.77</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12	200.00	200.00
Instruments entirely equity in nature	12	23,248.82	23,248.82
Other equity	13	1,690.19	539.52
<b>Total equity</b>		<b>25,139.01</b>	<b>23,988.34</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
i. Borrowings	14 (a)	19,067.57	22,061.28
ii. Other financial liabilities	14 (b)	215.94	279.05
Provisions	15	39.94	35.71
Deferred tax liabilities (net)	6	556.63	-
<b>Total non-current liabilities</b>		<b>19,880.08</b>	<b>22,376.04</b>

**JHAJJAR POWER LIMITED**  
**Balance Sheet as at 31-March-2021**

**Current liabilities**

**Financial liabilities**

i. Borrowings	16 (a)	3,442.39	4,512.33
ii. Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises	16 (b)	12.34	1.03
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises.	16 (b)	3,191.92	5,276.07
iii. Other financial liabilities	16 (c)	3,571.69	4,951.70
Provisions	17	9.67	9.99
Other current liabilities	18	46.25	57.27
Current tax liabilities (net)	19	129.81	-
<b>Total current liabilities</b>		<b>10,404.07</b>	<b>14,808.39</b>

**Total liabilities**

**30,284.15**      **37,184.43**

**Total equity and liabilities**

**55,423.16**      **61,172.77**

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**

**Kunal Kapur**

*Partner*

Membership No : 509209

Place: Gurugram

Date: 28 May 2021

**Rajiv Mishra**

Managing Director

DIN : 00131207

**Samir Ashta**

Director & Chief  
Financial Officer

DIN : 01957618

**Jayant Patil**

Company Secretary

Membership No.: A14418

Place: Mumbai

Date: 28 May 2021

# JHAJJAR POWER LIMITED

## Statement of Profit and Loss for the year ended 31-March-2021

Statement of Profit and Loss	Note	Amount in INR Millions	
		For the year ended 31-March-2021	For the year ended 31-March-2020
<b>Income</b>			
Revenue from operations	20	23,984.23	29,545.40
Other Income	21	231.81	829.55
<b>Total income</b>		<b>24,216.04</b>	<b>30,374.95</b>
<b>Expenses</b>			
Cost of materials consumed	22	15,441.14	20,423.76
Employee benefits expense	23	635.11	606.05
Finance costs	24	2,059.08	2,605.29
Depreciation and amortization expense	25	2,467.47	2,481.95
Other expenses	26	1,932.81	2,453.72
<b>Total expenses</b>		<b>22,535.61</b>	<b>28,570.77</b>
<b>Profit before tax</b>		<b>1,680.43</b>	<b>1,804.18</b>
<b>Tax expense</b>			
Current Tax	27	-	-
Deferred Tax		549.88	1,310.85
<b>Total tax expense</b>		<b>549.88</b>	<b>1,310.85</b>
<b>Profit for the year</b>		<b>1,130.55</b>	<b>493.33</b>
<b>Other comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Reameasurement of post-employment benefit obligations		3.30	21.26
Income tax relating to items that will not be reclassified to profit or loss		(2.46)	(5.35)
<b>Items that will be reclassified to profit or loss</b>			
Effective portion of gains on hedging instruments in cash flow hedges		(60.94)	(83.23)
Effective portion of gains / (losses) on hedging instruments in cash flow hedges reclassified to profit or loss		56.46	(422.98)
Cost of hedging - changes in fair value		(112.84)	(114.99)
Cost of hedging - change in fair value reclassified to profit or loss		128.58	261.59
Income tax relating to items that will be reclassified to profit or loss		(3.25)	116.42
<b>Other comprehensive (loss)/ income for the year, net of tax</b>		<b>8.85</b>	<b>(227.28)</b>
<b>Total comprehensive income for the year</b>		<b>1,139.40</b>	<b>266.05</b>

**JHAJJAR POWER LIMITED**  
**Statement of Profit and Loss for the year ended 31-March-2021**

**Equity shares of par value 10/- each**

Basic Earning Per Share	28	0.48	0.21
Diluted earning per share	28	0.48	0.21

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**

**Kunal Kapur**  
*Partner*

Membership No : 509209  
Place: Gurugram  
Date: 28 May 2021

**Rajiv Mishra**  
Managing Director

DIN : 00131207

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

**Jayant Patil**  
Company Secretary  
Membership No.: A14418  
Place: Mumbai  
Date: 28 May 2021

**JHAJJAR POWER LIMITED**  
**Cash Flow Statement for the year ended 31-March-2021**

Amount in INR Millions

Cash Flow Statement	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A. Cash Flow from Operating Activities :</b>		
Profit before income tax	1,680.43	1,804.18
<b>Adjustments for :</b>		
Depreciation and amortization expense	2,467.47	2,481.95
Finance cost	2,059.08	2,605.29
Interest income on fixed deposit	(20.27)	-
Interest income on others	(8.39)	(8.42)
Un-realised exchange loss / (gain)	(161.70)	559.35
Liabilities written back to the extent no longer required	(5.28)	(48.16)
Premium /other cost on derivatives	119.83	240.09
Inventory written off	47.02	31.02
Loss on disposal of property, plant and equipment	0.25	3.87
Corporate guarantee commission charges - Non cash	21.29	-
Derivative at FVTPL	250.54	(757.56)
<b>Operating profit before Working Capital changes</b>	<b>6,450.27</b>	<b>6,911.61</b>
<b>Adjustments for changes in Operating Assets and Liabilities :</b>		
(Decrease) in trade payables	(2,067.85)	(3,906.73)
Increase/ (Decrease) in provisions	7.21	(6.10)
Increase / (Decrease) in other current liabilities	(11.02)	17.89
Increase / (Decrease) in other current financial liabilities	(19.16)	146.54
Increase / (Decrease) in other financial liabilities non-current	(12.10)	96.55
Decrease in non current assets	0.41	14.91
Decrease in other current assets	2,136.52	3,977.88
(Increase) /Decrease in other current financial assets	(95.16)	1,249.98
Decrease in other non - current financial assets	95.16	-
Decrease in loans	1.00	-
Decrease in trade receivables	190.76	824.59
(Increase) / Decrease in inventories	380.66	(528.23)
<b>Net change in working capital</b>	<b>606.43</b>	<b>1,887.28</b>
<b>Cash generated from Operations</b>	<b>7,056.70</b>	<b>8,798.89</b>
Taxes (paid) / refund net	157.46	(174.57)
<b>Net cash (used in) /generated from operating activities (A)</b>	<b>7,214.16</b>	<b>8,624.32</b>
<b>B. Cash Flow from Investing Activities :</b>		
Purchase of property, plant and equipment (including capital work in progress)	(154.61)	(257.55)
Proceeds from sale of property, plant and equipment	1.04	0.56
Acquisition of Intangible Assets	(1.67)	(1.69)
Interest income on fixed deposits	20.27	-
<b>Net cash (used in)/generated from investing activities (B)</b>	<b>(134.97)</b>	<b>(258.68)</b>
<b>C. Cash Flow from financing activities</b>		
Repayment of non current borrowings	(6,741.82)	(4,989.85)
Proceeds of non current borrowings	2,350.00	1,350.00
Proceeds/(Repayments) from settlement of derivatives other than interest rate swaps	345.16	287.18
Proceeds from /(Repayment) of current borrowings, net	(1,069.94)	(2,297.51)
Proceeds/(Repayments) from settlement of interest rate swaps	(29.50)	126.16
Interest and financial charges	(1,856.04)	(2,348.23)
<b>Net cash (used in)/generated from financing activities (C)</b>	<b>(7,002.14)</b>	<b>(7,872.25)</b>

## JHAJJAR POWER LIMITED

### Cash Flow Statement for the year ended 31-March-2021

D. Net increase/ (decrease) in cash and cash equivalents ( A + B + C)	77.05	493.39
E. Cash and cash equivalents at the beginning of the year	519.27	25.88
F. Cash and cash equivalents at the end of the year (D+E)	596.32	519.27

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

#### Cash and cash equivalents as per above comprise the following: :

Cash on hand	0.17	0.50
Cheques on hand	0.10	-
Bank balances		
In current accounts	596.05	518.77
	<b>596.32</b>	<b>519.27</b>

#### Changes in liabilities arising from financing activities

#### Cash flow reconciliation for the year ended 31-March-2021

Amount in INR Millions

Particulars	Opening Balance	Cash flow	Non-cash changes Fair value change	Other adjustments	Closing Balance
Debentures	8,628.99	(1,350.00)	-	(63.48)	7,215.51
Rupee Loan	10,181.66	(1,024.21)	-	-	9,157.45
Foreign Currency Loan	9,829.72	(3,087.55)	-	(512.08)	6,230.09
Foreign exchange forward contracts	197.00	176.14	(315.26)	-	57.88
Loans and Advances from Related Parties	1,915.48	-	204.96	-	2,120.44
Interest rate swaps	(259.06)	(29.50)	25.02	-	(263.54)
Foreign currency options	163.98	95.74	(243.77)	-	15.95
Principal only swaps	1,105.76	73.28	(397.89)	-	781.15
<b>Total</b>	<b>31,763.53</b>	<b>(5,146.10)</b>	<b>(726.94)</b>	<b>(575.56)</b>	<b>25,314.93</b>

#### Cash flow reconciliation for the year ended 31-March-2020

Amount in INR Millions

Particulars	Opening Balance	Cash flow	Non-cash changes Fair value change	Other adjustments	Closing Balance
Debentures	9,984.88	(1,350.00)	-	(5.89)	8,628.99
Rupee Loan	12,107.08	(1,925.42)	-	-	10,181.66
Foreign Currency Loan	12,162.65	(2,661.94)	-	329.01	9,829.72
Foreign exchange forward contracts	157.57	74.04	(34.61)	-	197.00
Loans and Advances from Related Parties	3,079.98	-	(1,164.50)	-	1,915.48
Interest rate swaps	247.15	126.16	(632.37)	-	(259.06)
Foreign currency options	135.78	61.65	(33.45)	-	163.98
Principal only swaps	1,897.25	151.49	(942.98)	-	1,105.76
<b>Total</b>	<b>39,772.34</b>	<b>(5,524.02)</b>	<b>(2,807.91)</b>	<b>323.12</b>	<b>31,763.53</b>

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 read with the relevant rules issued thereunder.

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

For **BSR & Co. LLP**

Chartered Accountants

Firm Registration Number: 101248W/W-100022

**Kunal Kapur**

Partner

Membership No : 509209

Place: Gurugram

Date: 28 May 2021

For and on behalf of the Board of Directors of

**Jhajjar Power Limited**

**Rajiv Mishra**

Managing Director

DIN : 00131207

**Samir Ashta**

Director & Chief Financial Officer

DIN : 01957618

**Jayant Patil**

Company Secretary

Membership No.: A14418

Place: Mumbai

Date: 28 May 2021

**JHAJJAR POWER LIMITED**
**Statement of Changes in Equity for the year ended 31-March-2021**
**(A) Equity share capital**

Amount in INR Millions

Particulars	No of Shares	Amount
Balance as at 1 April 2019	20,000,000	200.00
Changes during the year	-	-
<b>Balance as at 31 March 2020</b>	<b>20,000,000</b>	<b>200.00</b>
Changes during the year	-	-
<b>Balance as at 31 March 2021</b>	<b>20,000,000</b>	<b>200.00</b>

**(A1) Preference Capital**

Amount in INR Millions

Particulars	No of Shares	Amount
Balance as at 1 April 2019	2,324,882,458	23,248.82
Changes during the year	-	-
<b>Balance as at 31 March 2020</b>	<b>2,324,882,458</b>	<b>23,248.82</b>
Changes during the year	-	-
<b>Balance as at 31 March 2021</b>	<b>2,324,882,458</b>	<b>23,248.82</b>

**(B) Other Equity As At 31-March-2021**

Amount in INR Millions

Particulars	Securities Premium Reserve	Debtore Redemption Reserve	Retained earnings	Deemed contribution (loan from parent company)	Deemed contribution (corporate guarantee)	Cost of Hedging Reserve	Cash Flow Hedging Reserve	Remeasurement of Defined Benefit Plan	Total Other Equity
Balance as at 1 April 2019	1,504.85	994.09	(6,068.95)	2,345.74	198.01	(8.52)	180.97	-	(853.81)
Profit for the year	-	-	493.33	-	-	-	-	-	493.33
Other Comprehensive Income	-	-	-	-	-	108.42	(351.61)	15.91	(227.28)
<b>Total Comprehensive Income for the year</b>	-	-	<b>493.33</b>	-	-	<b>108.42</b>	<b>(351.61)</b>	<b>15.91</b>	<b>266.05</b>
Transfer to retained earnings	-	-	15.91	-	-	-	-	(15.91)	-
Transfer to debenture redemption reserve	-	(160.71)	160.71	-	-	-	-	-	-
Equity component of interest free loan (net of tax)	-	-	-	1,127.28	-	-	-	-	1,127.28
<b>Balance as at 31 March 2020</b>	<b>1,504.85</b>	<b>833.38</b>	<b>(5,399.00)</b>	<b>3,473.02</b>	<b>198.01</b>	<b>99.90</b>	<b>(170.64)</b>	-	<b>539.52</b>
Profit for the year	-	-	1,130.55	-	-	-	-	-	1,130.55
Other Comprehensive Income	-	-	-	-	-	11.36	(3.35)	0.84	8.85
<b>Total Comprehensive Income for the year</b>	-	-	<b>1,130.55</b>	-	-	<b>11.36</b>	<b>(3.35)</b>	<b>0.84</b>	<b>1,139.40</b>
Transfer to retained earnings	-	-	0.84	-	-	-	-	(0.84)	-
Transfer from debenture redemption reserve	-	(261.16)	261.16	-	-	-	-	-	-
Equity component of corporate guarantee (net of tax)	-	-	-	-	11.27	-	-	-	11.27
<b>Balance as at 31 March 2021</b>	<b>1,504.85</b>	<b>572.22</b>	<b>(4,006.45)</b>	<b>3,473.02</b>	<b>209.28</b>	<b>111.26</b>	<b>(173.99)</b>	-	<b>1,690.19</b>

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**

**Kunal Kapur**  
Partner  
Membership No : 509209  
Place: Gurugram  
Date: 28 May 2021

**Rajiv Mishra**  
Managing Director  
DIN : 00131207

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

**Jayant Patil**  
Company Secretary  
Membership No.: A14418  
Place: Mumbai  
Date: 28 May 2021

**Jhajjar Power Limited**  
**Notes forming part of the financial statements for the year ended 31 March 2021**  
(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 2021 were authorised and approved for issue by the Board of Directors of the Company on 28 May 2021.

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.

Note 3 and 4: The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are 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 asset. In determining fair value less costs of disposal, recent markets transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Note 10(a) : The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**(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).

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 irrevocably 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.

#### 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 recognised 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 and other adjustments.

- 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 2021 and 31 March 2020 and re-measured its deferred tax assets /liabilities basis the rate prescribed in the said section.

### 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.

#### 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.

**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.

**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. Borrowings**

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

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

**xvii. 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.

**xviii. Recent accounting pronouncements**

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, 2021. MCA issued notifications dated 24 March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting 1 April, 2021.

**JHAJJAR POWER LIMITED**
**Notes forming part of Financial Statements for the year ended 31-March-2021**
**3 Property , Plant and Equipment As At 31-March-2021**

Amount in INR Millions

Particulars	Gross carrying amount as at 1 April 2020	Additions during the year	Disposals/ capitalised during the year	Gross carrying amount as at 31 March 2021	Accumulated depreciation as at 1 April 2020	Depreciation for the year	Disposals during the year	Accumulated depreciation as at 31 March 2021	Net carrying amount as at 31 March 2021
Building	6,535.23	15.38	-	6,550.61	1,202.22	244.73	-	1,446.95	5,103.66
Plant and equipment	42,995.60	100.86	0.69	43,095.77	11,238.36	2,185.71	0.54	13,423.53	29,672.24
Furniture and fixtures	52.00	1.03	0.80	52.23	29.00	5.56	0.74	33.82	18.41
Computers	80.68	3.32	-	84.00	41.53	10.26	-	51.79	32.21
Office equipment	75.25	4.97	1.17	79.05	36.32	9.20	1.10	44.42	34.63
Vehicles	66.10	10.02	1.53	74.59	34.52	10.96	0.52	44.96	29.63
Land (freehold) (Note 1 below)	3,225.61	-	-	3,225.61	-	-	-	-	3,225.61
<b>Total</b>	<b>53,030.47</b>	<b>135.58</b>	<b>4.19</b>	<b>53,161.86</b>	<b>12,581.95</b>	<b>2,466.42</b>	<b>2.90</b>	<b>15,045.47</b>	<b>38,116.39</b>
Capital work in progress	76.85	153.45	135.56	94.74	-	-	-	-	94.74
<b>Total</b>	<b>76.85</b>	<b>153.45</b>	<b>135.56</b>	<b>94.74</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>94.74</b>

**Property , Plant and Equipment As At 31-March-2020**

Amount in INR Millions

Particulars	Gross carrying amount as at 1 April 2019	Additions during the year	Disposals/ capitalised during the year	Gross carrying amount as at 31 March 2020	Accumulated depreciation as at 1 April 2019	Depreciation for the year	Disposals during the year	Accumulated depreciation as at 31 March 2020	Net carrying amount as at 31 March 2020
Building	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	42.31	39.13	0.76	80.68	26.14	16.03	0.64	41.53	39.15
Office equipment	38.47	37.58	0.80	75.25	21.43	15.66	0.77	36.32	38.93
Vehicles	56.42	10.19	0.51	66.10	24.52	10.46	0.46	34.52	31.58
Land (freehold) (Note 1 below)	3,225.61	-	-	3,225.61	-	-	-	-	3,225.61
<b>Total</b>	<b>52,379.94</b>	<b>657.08</b>	<b>6.55</b>	<b>53,030.47</b>	<b>10,102.89</b>	<b>2,481.18</b>	<b>2.12</b>	<b>12,581.95</b>	<b>40,448.52</b>
Capital work in progress	449.97	283.96	657.08	76.85	-	-	-	-	76.85
<b>Total</b>	<b>449.97</b>	<b>283.96</b>	<b>657.08</b>	<b>76.85</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76.85</b>

- 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-2021

**4 Intangible Assets As At 31-March-2021**

Amount in INR Millions

Particulars	Gross carrying amount as at 1 April 2020	Additions during the year	Gross carrying amount as at 31 March 2021	Accumulated amortisation as at 1 April 2020	Depreciation for the year	Accumulated amortisation as at 31 March 2021	Net carrying amount as at 31 March 2021
Computer Software	30.80	1.66	32.46	22.96	1.05	24.01	8.45
<b>Total</b>	<b>30.80</b>	<b>1.66</b>	<b>32.46</b>	<b>22.96</b>	<b>1.05</b>	<b>24.01</b>	<b>8.45</b>

**Intangible Assets As At 31-March-2020**

Amount in INR Millions

Particulars	Gross carrying amount 1 April 2019	Additions during the year	Gross carrying amount as at 31 March 2020	Accumulated amortisation as at 1 April 2019	Depreciation for the year	Accumulated amortisation as at 31 March 2020	Net carrying amount as at 31 March 2020
Computer Software	29.06	1.69	30.75	22.19	0.77	22.96	7.79
<b>Total</b>	<b>29.06</b>	<b>1.69</b>	<b>30.75</b>	<b>22.19</b>	<b>0.77</b>	<b>22.96</b>	<b>7.79</b>

## JHAJJAR POWER LIMITED

### Notes forming part of the financial statements for the year ended 31-March-2021

	Amount in INR Millions	
<b>5 (a) Loans</b>	<b>As At 31-March- 2021</b>	<b>As At 31-March- 2020</b>
<b>Security Deposits:</b>		
Security deposits - Unsecured, considered good	14.83	15.83
<b>Total</b>	<b>14.83</b>	<b>15.83</b>
<b>5 (b) Other non-current financial assets</b>	<b>As At 31-March- 2021</b>	<b>As At 31-March- 2020</b>
<b>(i) Derivatives</b>		
Foreign currency options	-	44.77
Foreign exchange forward contracts	-	29.50
Principal only swap	669.11	1,018.83
<b>(ii) Others</b>		
Other receivables	49.38	136.15
<b>Total</b>	<b>718.49</b>	<b>1,229.25</b>

**JHAJJAR POWER LIMITED**
**Notes forming part of the financial statements for the year ended 31-March-2021**

6 Deferred tax (net)	Amount in INR Millions	
	As At	As At
	31-March-2021	31-March-2020
The balance comprises temporary differences attributable to:		
<b>Deferred tax liabilities on account of:</b>		
Property, plant and equipment and intangible assets (net)	4,075.22	4,158.04
Borrowings	521.77	585.39
<b>Total deferred tax liabilities (A)</b>	<b>4,596.99</b>	<b>4,743.43</b>
<b>Deferred tax assets on account of:</b>		
Tax losses	3,120.16	3,879.06
Derivatives	465.84	609.88
Trade Receivables	416.59	219.57
Employee benefits expenses	12.49	11.50
Others	25.28	26.17
<b>Total deferred tax asset (B)</b>	<b>4,040.36</b>	<b>4,746.18</b>
<b>Net deferred tax assets (B)-(A)</b>	<b>(556.63)</b>	<b>2.75</b>

**Movement of temporary differences As At 31-March-2021**

Amount in INR Millions

Particulars	As at previous year opening	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in Deemed contribution (corporate guarantee)	As at year end
Property, plant and equipment and intangible assets (net)	(4,158.04)	82.82	-	-	(4,075.22)
Borrowings	(585.39)	67.41	-	(3.79)	(521.77)
Tax losses	3,879.06	(758.90)	-	-	3,120.16
Employee benefits expenses	11.50	3.45	(2.46)	-	12.49
Derivatives	609.88	(140.79)	(3.25)	-	465.84
Trade receivables	219.57	197.02	-	-	416.59
Others	26.17	(0.89)	-	-	25.28
<b>Total</b>	<b>2.75</b>	<b>(549.88)</b>	<b>(5.71)</b>	<b>(3.79)</b>	<b>(556.63)</b>

**Movement of temporary differences As At 31-March-2020**

Amount in INR Millions

Particulars	As at previous year opening	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in Deemed contribution (loan from parent company)	As at year end
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
<b>Total</b>	<b>1,581.66</b>	<b>(1,310.85)</b>	<b>111.07</b>	<b>(379.13)</b>	<b>2.75</b>

## JHAJJAR POWER LIMITED

### Notes forming part of the financial statements for the year ended 31-March-2021

7 Other tax assets (net)	Amount in INR Millions	
	As At 31-March-2021	As At 31-March-2020
Advance income tax [net of tax ₹ 389.28 (31 March 2020: ₹ 858.00)]*	463.69	491.34
<b>Total</b>	<b>463.69</b>	<b>491.34</b>

\* Includes amount of ₹ 365.11 (31 March 2020: ₹ 220.09) which represents income tax paid under protest.

8 Other non-current assets	As At 31-March-2021	As At 31-March-2020
<b>Unsecured, considered good</b>		
Capital advances	97.44	90.95
Prepaid expenses	82.21	93.85
<b>Total</b>	<b>179.65</b>	<b>184.80</b>

9 Inventories	As At 31-March-2021	As At 31-March-2020
<i>At lower of cost and net realisable value</i>		
Raw materials [Includes stock in transit ₹ 221.23 (31 March 2020: ₹ 53.66)]	3,346.90	3,692.65
Stores and spares	955.86	1,037.99
<b>Total</b>	<b>4,302.76</b>	<b>4,730.64</b>

10 (a) Trade Receivables	As At 31-March-2021	As At 31-March-2020
Trade Receivables- Considered good, Unsecured	7,285.30	7,476.08
Trade receivables - credit impaired	1,565.14	1,502.32
Less: Provision for impairment - credit impaired	(1,565.14)	(1,502.32)
<b>Total</b>	<b>7,285.30</b>	<b>7,476.08</b>

10 (b) Cash and cash equivalents	As At 31-March-2021	As At 31-March-2020
Balance with banks in current accounts	596.05	518.77
Cheques on hand	0.10	-
Cash on hand	0.17	0.50
<b>Total</b>	<b>596.32</b>	<b>519.27</b>

## **JHAJJAR POWER LIMITED**

### **Notes forming part of the financial statements for the year ended 31-March-2021**

<b>10 (c) Other current financial assets</b>	<b>As At 31-March- 2021</b>	<b>As At 31-March- 2020</b>
<b>(i) Derivatives</b>		
Foreign currency options	15.95	119.21
Foreign exchange forward contracts	-	230.97
Interest rate swaps	-	1.62
Principal only swap	112.04	86.93
Other Receivables	95.16	-
<b>Total</b>	<b>223.15</b>	<b>438.73</b>
<b>11 Other current assets</b>	<b>As At 31-March- 2021</b>	<b>As At 31-March- 2020</b>
<b>Unsecured, considered good</b>		
Advances to suppliers	3,380.43	5,362.35
Prepaid expenses	38.01	181.87
Balance with government authorities	0.95	6.70
<b>Total</b>	<b>3,419.39</b>	<b>5,550.92</b>

**JHAJJAR POWER LIMITED****Notes forming part of the financial statements for the year ended 31-March-2021**

<b>12 Equity share capital</b>	Amount in INR Millions	
	<b>As At 31-March-2021</b>	<b>As At 31-March-2020</b>
<b>a. Authorised equity share capital</b>		
500,000,000 (31 March 2020:500,000,000) Equity shares of ₹ 10 each	5,000.00	5,000.00
2,700,000,000 (31 March 2020: 2,700,000,000) Compulsory Convertible Preference Shares of ₹ 10 each	27,000.00	27,000.00
	<b>32,000.00</b>	<b>32,000.00</b>
<b>b. Issued , Subscribed and paid-up</b>		
20,000,000 (31 March 2020:20,000,000) Equity shares of ₹ 10 each fully paid up	200.00	200.00
<b>Total</b>	<b>200.00</b>	<b>200.00</b>
2,324,882,458 (31 March 2020 : 2,324,882,458) Compulsory Convertible Preference Shares of ₹ 10 each fully paid up	23,248.82	23,248.82
<b>Total</b>	<b>23,248.82</b>	<b>23,248.82</b>

**c. Reconciliation of Equity shares outstanding at the beginning and end of the year : As At 31-March-2021**

Particulars	Numbers of Shares	Amount (Rs. Million)
As at 1 April 2019	20,000,000	200.00
Issued during the year		-
<b>As at 31 March 2020</b>	<b>20,000,000</b>	<b>200.00</b>
Issued during the year		-
<b>As at 31 March 2021</b>	<b>20,000,000</b>	<b>200.00</b>

**d. Reconciliation of Compulsory Convertible Preference shares outstanding at the beginning and end of the year : As At 31-March-2021**

Particulars	Numbers of Shares	Amount (Rs. Million)
As at 1 April 2019	2,324,882,458	23,248.82
Issued during the year		-
<b>As at 31 March 2020</b>	<b>2,324,882,458</b>	<b>23,248.82</b>
Issued during the year		-
<b>As at 31 March 2021</b>	<b>2,324,882,458</b>	<b>23,248.82</b>

## JHAJJAR POWER LIMITED

### Notes forming part of the financial statements for the year ended 31-March-2021

#### e. 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 ₹ 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.

f. 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.

#### Shares in respect of each class in the company held by its holding company

Amount in INR Millions

Particulars	As At 31-March-2021		As At 31-March-2020	
	No. of Shares	Amount	No. of Shares	Amount
<b>Equity shares:</b>				
Shares held by CLP India Private Limited (CLPIPL) and its nominees*	20,000,000	200.00	20,000,000	200.00
<b>Compulsory Convertible Preference Shares:</b>				
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), erstwhile intermediate holding company, has been transferred to CLP India Private Limited (CLPIPL), the ultimate holding company on 13 December, 2019.

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

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

Particulars	As At 31-March-2021		As At 31-March-2020	
	No. of Shares	% holding	No. of Shares	% holding
<b>Equity shares:</b>				
Shares held by CLP India Private Limited (CLPIPL) and its nominees	20,000,000	100%	20,000,000	100%
<b>Compulsory Convertible Preference Shares:</b>				
CCPS held by CLP India Private Limited (CLPIPL)	2,324,882,458	100%	2,324,882,458	100%

## JHAJJAR POWER LIMITED

### Notes forming part of the financial statements for the year ended 31-March-2021

13 Other Equity	Amount in INR Millions	
	As At 31-March-2021	As At 31-March-2020
<b>(a) Reserves and surplus</b>		
Securities premium	1,504.85	1,504.85
Debenture redemption reserve	572.22	833.38
Retained earnings	(4,006.45)	(5,399.00)
Deemed contribution (loan from parent company)	3,473.02	3,473.02
Deemed contribution (corporate guarantee)	209.28	198.01
<b>Total other equity</b>	<b>1,752.92</b>	<b>610.26</b>
<b>(b) Other Comprehensive Income</b>		
i. Cashflow Hedging Reserve		
Opening balance - Cash Flow Hedging Reserve	(170.64)	180.97
Change in fair value	(60.94)	(83.23)
Change in reclassification to the statement of profit and loss	56.46	(422.98)
Change in Deferred Tax Asset/(Liability) on above	1.13	154.60
<b>Closing balance - Cash Flow Hedging Reserve</b>	<b>(173.99)</b>	<b>(170.64)</b>
ii. Cost of Hedging Reserve		
Opening balance - Cost of Hedging Reserve	99.90	(8.52)
Change in fair value	(112.84)	(114.99)
Change in reclassification to the statement of profit and loss	128.58	261.59
Deferred Tax Asset/(Liability) on Change	(4.38)	(38.18)
<b>Closing balance - Cost of Hedging Reserve</b>	<b>111.26</b>	<b>99.90</b>
<b>Total (OCI)</b>	<b>(62.73)</b>	<b>(70.74)</b>
<b>Total other equity (a+b)</b>	<b>1,690.19</b>	<b>539.52</b>

#### 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 required to create and maintain Debenture Redemption Reserve ("DRR") with effect from financial year 2019-2020.

##### (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

## **JHAJJAR POWER LIMITED**

### **Notes forming part of the financial statements for the year ended 31-March-2021**

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-2021**

<b>14 (a) Non- Current Borrowings</b>	Amount in INR Millions	
	<b>As At 31-March-2021</b>	<b>As At 31-March-2020</b>
<b>Secured</b>		
Debentures	7,215.04	8,628.99
<b>Term Loans</b>		
<b>From banks</b>		
Rupee Loan	4,313.35	3,789.09
Foreign currency loan	1,911.64	4,519.77
<b>From Financial Institutions</b>		
Rupee Loan	1,401.71	1,880.24
Foreign currency loan	5,247.53	5,884.31
<b>Unsecured</b>		
Loan from Related Party	2,120.44	1,915.48
<b>Total</b>	<b>22,209.71</b>	<b>26,617.88</b>
Less: shown as other current financial liabilities	2,832.42	4,161.17
Less: Interest accrued	309.72	395.43
<b>Total</b>	<b>19,067.57</b>	<b>22,061.28</b>

**(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 and Issue IV debentures to the extent of 50% and 100% of the debentures respectively.

**(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.

**(2) Terms of borrowing**

As at 31 March 2021

## JHAJJAR POWER LIMITED

### Notes forming part of the financial statements for the year ended 31-March-2021

Debentures	Amount*	Interest rate	Repayable at	Period of maturity from balance sheet date
Issue 1 Series 1	2,380.00	Half yearly basis at	30 April 2025	49 months
Issue 1 Series 2	2,380.00	9.99% p.a.	30 April 2026	61 months
Issue 2 Series 1	400.00	Annual basis at	28 April 2023	25 months
Issue 2 Series 2	800.00	9.91% p.a.	30 April 2024	37 months
Issue 4 Series 1	1,000.00	Half yearly basis at 8.10% p.a.	27 July 2023	28 months

\* Amount represents current and non-current portion of the borrowings (gross of unamortised transaction cost of Rs. 38.64).

Term Loan	Amount*	Average interest rate	Repayment terms	Period of maturity from balance sheet date
Rupee term loan from financial institution	197.56	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	31 months
Rupee term loan from bank	1,655.93	8.53% 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	31 months
Rupee term loan from bank	7.95	9.71% 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	31 months
Rupee term loan from Bank	419.08	8.59% 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	31 months
Rupee term loan from Bank	1,065.75	8.57% 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	45 months
Rupee term loan from financial institution	1,204.16	9.29% p.a.	Repayable in 44 equal quarterly instalments from the date of first disbursement with maturity date of 31 December 2023	33 months
Rupee term loan from Bank	1,179.45	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 15 April 25	49 months

\* Amount represents current and non-current portion of the borrowings (gross of unamortised transaction cost of Rs. 19.64).

Term Loan	Amount*	Interest rate	Repayment terms	Period of maturity from balance sheet date
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## JHAJJAR POWER LIMITED

### Notes forming part of the financial statements for the year ended 31-March-2021

Foreign currency term loan from financial institution	5,264.41	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	31 months
Foreign currency term loan from bank	1,916.29	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.	31 months

\* Amount represents current and non-current portion of the borrowings (gross of unamortised transaction cost of Rs. 32.77).

Unsecured borrowings	Amount*	Interest rate	Repayable at #	Period of maturity from balance sheet date
Tranche 1%	2,000.00	Interest free	31 December 2026	69 months
Tranche 2%	2,000.00		31 December 2027	81 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.

#### 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

**JHAJJAR POWER LIMITED**
**Notes forming part of the financial statements for the year ended 31-March-2021**

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
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-2021

	Amount in INR Millions	
	As At 31-March-2021	As At 31-March-2020
<b>14 (b) Other non current financial liabilities</b>		
<b>(i) Derivatives</b>		
Foreign exchange forward contracts	13.85	10.67
Interest Rate Swaps	200.79	254.98
<b>(ii) Others</b>		
Premium payable on cancelled options	1.30	13.40
<b>Total</b>	<b>215.94</b>	<b>279.05</b>
<b>15 Provisions (Non- Current)</b>		
<b>Provision for employee benefits</b>		
Provision for gratuity (refer note 29)	4.85	7.63
Provision for compensated absences (refer note 29)	35.09	28.08
<b>Total</b>	<b>39.94</b>	<b>35.71</b>
<b>16 (a) Current Borrowings</b>		
<b>Secured</b>		
<b>From banks</b>		
Cash credit from bank repayable on demand	-	387.90
Working Capital Loan repayable on demand	699.81	2,624.43
<b>From financial institutions</b>		
Commercial Paper	2,742.58	1,500.00
<b>Total</b>	<b>3,442.39</b>	<b>4,512.33</b>

#### 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 pasu 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.	Working capital loan is repayable within a period ranging from 7 to 150 days (31 March 2020: 3 to 60 days). Interest rate ranges from 4.45% p.a. to 8.00% p.a. (31 March 2020: 7.70% p.a. to 9.75% p.a.)
Commercial papers are unsecured in nature.	Repayable within a period ranges from 41 to 271 days (31 March 2020 : 49 to 170 days) with coupon rate ranging from 3.75% p.a. to 6.60% p.a. (31 March 2020: 6.30% p.a. to 8.10% p.a)

	As At 31-March-2021	As At 31-March-2020
<b>16 (b) Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises (Refer note 37)	12.34	1.03
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,191.92	5,276.07
<b>Total</b>	<b>3,204.26</b>	<b>5,277.10</b>

## JHAJJAR POWER LIMITED

### Notes forming part of the financial statements for the year ended 31-March-2021

	Amount in INR Millions	
<b>16 (c) Other current financial liabilities</b>	<b>As At 31-March-2021</b>	<b>As At 31-March-2020</b>
<b>(i) Derivatives</b>		
Foreign exchange forward contracts	44.03	52.80
Interest rate swaps	62.75	5.70
<b>(ii) Others</b>		
Current maturities of long term borrowings	2,832.42	4,161.17
Interest accrued but not due on borrowings	309.72	395.43
Bonus payable	109.24	107.27
Book Overdraft	70.07	79.75
Premium payable on cancelled options	12.15	19.28
Payable to capital creditors	8.54	3.20
Others	122.77	127.10
<b>Total</b>	<b>3,571.69</b>	<b>4,951.70</b>

<b>17 Provisions - Current</b>	<b>As At 31-March-2021</b>	<b>As At 31-March-2020</b>
<b>Provision for employee benefits</b>		
Provision for gratuity (Refer note 29)	6.02	6.44
Provision for compensated absences (Refer note 29)	3.65	3.55
<b>Total</b>	<b>9.67</b>	<b>9.99</b>

<b>18 Other current liabilities</b>	<b>As At 31-March-2021</b>	<b>As At 31-March-2020</b>
Statutory dues (including TDS, PF,etc)	29.97	36.48
Advance from customers	16.28	20.79
<b>Total</b>	<b>46.25</b>	<b>57.27</b>

#### 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:

## **JHAJJAR POWER LIMITED**

### **Notes forming part of the financial statements for the year ended 31-March-2021**

<b>Particulars</b>	<b>As At 31-March- 2021</b>	<b>As At 31-March- 2020</b>
Advance from customers - current	16.28	20.79

Revenue recognised from amount included in contract liabilities (advance from customers) at the beginning of the year amounts to ₹ Nil. (31 March 2020 : ₹ Nil)

<b>19 Current tax Liabilities</b>	<b>As At 31-March- 2021</b>	<b>As At 31-March- 2020</b>
Provision for tax [net of advance income tax ₹ 338.91 (31 March 2020: ₹ Nil)]	129.81	-
<b>Total</b>	<b>129.81</b>	<b>-</b>

# JHAJJAR POWER LIMITED

## Notes forming part of the financial statements for the year ended 31-March-2021

<b>20 Revenue from Operations</b>	Amount in INR Millions	
	<b>For the period ended 31-March-2021</b>	<b>For the period ended 31-March-2020</b>
Revenue from sale of electricity	17,470.50	21,971.78
Operating lease income [Capacity charges which is in nature of operating lease income under Ind AS 116]	6,030.81	6,939.48
Other operating income:		
Sale of fly ash	482.92	634.14
<b>Total</b>	<b>23,984.23</b>	<b>29,545.40</b>

<b>Revenue disaggregation by type of customers is as follows:-</b>	Amount in INR Millions	
	<b>For the period ended 31-March-2021</b>	<b>For the period ended 31-March-2020</b>
<b>Major</b>		
Government	15,314.93	19,193.11
Non-government	2,638.49	3,412.81
<b>Total</b>	<b>17,953.42</b>	<b>22,605.92</b>

<b>21 Other Income</b>	<b>For the period ended 31-March-2021</b>	<b>For the period ended 31-March-2020</b>
<b>(a) Interest Income</b>		
<b>(i) on financial assets held at amortised cost</b>		
Interest on fixed deposits	20.27	-
Interest income on others	8.39	8.42
<b>(ii) Others</b>		
Interest on refund from income tax	21.44	-
<b>(c) Other non-operating income</b>		
Derivatives at FVTPL	-	757.56
Net gain on foreign currency transactions	161.70	-
Miscellaneous income	14.73	15.41
Liabilities written back to the extent no longer required	5.28	48.16
<b>Total</b>	<b>231.81</b>	<b>829.55</b>

## **JHAJJAR POWER LIMITED**

### **Notes forming part of the financial statements for the year ended 31-March-2021**

<b>22 Cost of materials consumed</b>	<b>For the period ended 31- March-2021</b>	<b>For the period ended 31- March-2020</b>
Consumption of coal	14,727.22	19,706.05
Consumption of high speed diesel	80.50	124.50
Consumption of stores and spares	536.20	442.38
Water Charges	97.22	150.83
<b>Total</b>	<b>15,441.14</b>	<b>20,423.76</b>
<b>23 Employee benefits expenses</b>	<b>For the period ended 31- March-2021</b>	<b>For the period ended 31- March-2020</b>
Salaries, wages and bonus	604.68	570.94
Contribution to provident and other funds	24.86	28.72
Staff welfare expenses	5.57	6.39
<b>Total</b>	<b>635.11</b>	<b>606.05</b>
<b>24 Finance Costs</b>	<b>For the period ended 31- March-2021</b>	<b>For the period ended 31- March-2020</b>
<b>Interest expenses on financial liabilities measured at amortised cost</b>		
Interest expense on financial liabilities measured at amortised cost	2,050.96	2,587.40
Other borrowing costs	8.12	17.89
<b>Total</b>	<b>2,059.08</b>	<b>2,605.29</b>

## JHAJJAR POWER LIMITED

### Notes forming part of the financial statements for the year ended 31-March-2021

	Amount in INR Millions	
<b>25 Depreciation and amortisation expense</b>	<b>For the period ended 31-March-2021</b>	<b>For the period ended 31-March-2020</b>
Depreciation of property, plant and equipment (refer note 3)	2,466.42	2,481.18
Amortisation of intangible assets (refer note 4)	1.05	0.77
<b>Total</b>	<b>2,467.47</b>	<b>2,481.95</b>
<b>26 Other Expenses</b>	<b>For the period ended 31-March-2021</b>	<b>For the period ended 31-March-2020</b>
<b>Repairs and Maintenance:</b>		
- Plant	308.42	225.19
- Building	15.08	1.10
- Others	202.06	241.22
Unscheduled intercharges	89.31	53.70
Rent	3.17	9.49
Insurance	145.62	166.04
Travelling and Conveyance	18.00	28.59
Net loss on foreign currency transactions	-	559.35
Legal and Professional Fees	44.53	52.69
Auditors' Remuneration (refer note 38)	5.40	4.90
Rates and Taxes	1.01	39.67
Expenditure towards Corporate Social Responsibilities (CSR) activities (refer note 39)	43.09	57.69
Inventory written off	47.02	31.02
Net loss on sale of property, plant and equipment	0.25	3.87
Derivative at FVTPL	250.54	-
Premium /other cost on derivatives	330.21	437.55
IT operating costs	60.98	54.87
Office expenses	35.94	45.48
Security Expenses	37.23	33.69
Contract staff	191.79	226.06
Miscellaneous Expenses	103.16	181.55
<b>Total</b>	<b>1,932.81</b>	<b>2,453.72</b>

## JHAJJAR POWER LIMITED

### Notes forming part of the financial statements for the year ended 31-March-2021

27 Income tax expense	Amount in INR Millions	
	For the period ended 31-March-2021	For the period ended 31-March-2020
<b>(a) The major components of income tax expenses for the year are as under:</b>		
<b>i) Recognised in the statement of profit &amp; loss</b>		
Current tax		
In respect of current year	-	-
Deferred tax		
Relating to origination and reversal of temporary difference	430.84	1,394.65
Change in tax rate	-	330.06
Recognition of previously unrecognized deferred tax	-	(413.86)
Reversal of deferred tax asset on account of disallowance of forward premium expense under Vivad se Vishwas scheme	119.04	-
<b>Income tax expenses reported in the statement of profit and loss</b>	<b>549.88</b>	<b>1,310.85</b>
<b>ii) Recognised in other comprehensive income</b>		
Deferred tax		
-on remeasurement of defined benefit plan	2.46	5.35
-on net movement on cash flow hedges and cost of hedging	3.25	(116.42)
<b>Total deferred tax expense/(benefit)</b>	<b>5.71</b>	<b>(111.07)</b>

## JHAJJAR POWER LIMITED

### Notes forming part of the financial statements for the year ended 31-March-2021

	Amount in INR Millions	
<b>(b) Reconciliation of tax expense and the accounting profit for the year is as under:</b>	<b>For the period ended 31-March-2021</b>	<b>For the period ended 31-March-2020</b>
Profit before tax	1,680.43	1,804.18
Tax at the corporate tax rate	422.93	454.08
<b>Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:</b>		
Non-deductible expenses	10.84	14.52
Change in tax rate	-	330.06
Recognition of previously unrecognised deferred tax	-	(413.86)
Reversal of deferred tax asset on account of disallowance of forward premium expense under Vivad se Vishwas scheme	119.04	-
(Recognition)/Reversal of MAT credit (Net)	-	907.46
Others	(2.93)	18.59
<b>Income tax expense reported in statement of profit and loss</b>	<b>549.88</b>	<b>1,310.85</b>

## JHAJJAR POWER LIMITED

### Notes forming part of the financial statements for the year ended 31-March-2021

#### 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.

	Amount in INR Millions	
<b>i. Profit attributable to equity holders of the Company</b>	<b>For the year ended 31-March-2021</b>	<b>For the year ended 31-March-2020</b>
Profit attributable to equity holders of the company: (Basic and Diluted)	1,130.55	493.35
<b>ii. Weighted average number of shares used as the denominator</b>	<b>For the year ended 31-March-2021</b>	<b>For the year ended 31-March-2020</b>
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
<b>Weighted average number of equity shares &amp; potential equity shares used as the denominator in calculating basic and diluted earnings per share</b>	<b>2,344,882,458</b>	<b>2,344,882,458</b>
<b>Basic and Diluted earnings per share</b>	<b>For the year ended 31-March-2021</b>	<b>For the year ended 31-March-2020</b>
(a) Basic earnings per share	0.48	0.21
(b) Diluted earnings per share	0.48	0.21
Nominal Value per share	<b>For the year ended 31-March-2021</b>	<b>For the year ended 31-March-2020</b>
Equity shares	10.00	10.00
Compulsory convertible preference shares	10.00	10.00

## **JHAJJAR POWER LIMITED**

### **Notes forming part of the financial statements for the year ended 31-March-2021**

#### **Note 29: Defined Benefit Obligation**

The Company contributes to the following post employment benefit plan:

##### **(i) Defined Contribution Plan:**

The Company pays provident fund contributions to the appropriate government authorities at rate specified as per regulations. An amount of ₹ 17.01 (31 March 2020 : ₹ 17.26) 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 2021. 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:

	<b>As At 31-March- 2021</b>	<b>As At 31-March- 2020</b>
The net liability disclosed above relates to funded gratuity plan is as follows:		
Present value of defined benefit obligation	46.58	42.52
Fair value of plan assets	(35.71)	(28.45)
<b>Deficit of funded gratuity plan</b>	<b>10.87</b>	<b>14.07</b>
Non-current	4.85	7.63
Current	6.02	6.44

## JHAJJAR POWER LIMITED

### Notes forming part of the financial statements for the year ended 31-March-2021

#### 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:

#### Movement in net defined benefit obligation As At 31-March-2021

Amount in INR Millions

Particulars	Present value of obligation	Fair value of plan assets	Net Defined Benefit Obligation
As at 01 April 2019	51.17	(19.27)	31.90
Transfer in/ (out) obligation	0.58	-	0.58
Current service cost	8.68	-	8.68
Interest expense/(income)	3.77	(1.72)	2.05
<b>Total amount recognised in profit or loss</b>	<b>13.03</b>	<b>(1.72)</b>	<b>11.31</b>
<b>Remeasurements</b>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(0.20)	(0.20)
(Gain)/loss from change in demographic assumptions	0.04	-	0.04
(Gain)/loss from change in financial assumptions	(21.99)	-	(21.99)
Experience (gains)/losses	0.89	-	0.89
<b>Total amount recognised in other comprehensive income</b>	<b>(21.06)</b>	<b>(0.20)</b>	<b>(21.26)</b>
Employer contributions	-	(7.88)	(7.88)
Benefit payments	(0.62)	0.62	-
<b>As at 31 March 2020</b>	<b>42.52</b>	<b>(28.45)</b>	<b>14.07</b>
As at 01 April 2020	42.52	(28.45)	14.07
Transfer in/ (out) obligation	0.18	-	0.18
Current service cost	6.44	-	6.44
Interest expense/(income)	2.84	(2.08)	0.76
<b>Total amount recognised in profit or loss</b>	<b>9.46</b>	<b>(2.08)</b>	<b>7.38</b>
<b>Remeasurements</b>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	0.45	0.45
(Gain)/loss from change in demographic assumptions	(0.30)	-	(0.30)
(Gain)/loss from change in financial assumptions	(1.54)	-	(1.54)
Experience (gains)/losses	(1.58)	-	(1.58)
<b>Total amount recognised in other comprehensive income</b>	<b>(3.42)</b>	<b>0.45</b>	<b>(2.97)</b>
Employer contributions	-	(7.61)	(7.61)
Benefit payments	(1.98)	1.98	-
<b>As at 31 March 2021</b>	<b>46.58</b>	<b>(35.71)</b>	<b>10.87</b>

**JHAJJAR POWER LIMITED****Notes forming part of the financial statements for the year ended 31-March-2021****C. Plan Assets**

Plan assets comprise the following

	As At 31-March- 2021	As At 31-March- 2020
Investment made by insurance company	98%	99%
Bank balance maintain by insurance company	2%	1%

**D. Defined benefit obligations****i. Actuarial assumptions**

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

	As At 31-March- 2021	As At 31-March- 2020
Discount rate	6.55%	6.80%
Return on Plan Assets	6.55%	6.80%
Salary growth rate	5.5%	6%
Attrition rate	2% at all ages	8% at younger ages reducing to 1% at older ages
Mortality Table	Indian Assured Lives Mortality (2012-14) table	Indian Assured Lives Mortality (2012-14) 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:

Particulars	Amount in INR Millions					
	As At 31-March- 2021	As At 31-March- 2020	As At 31-March- 2021	As At 31-March- 2020	As At 31-March- 2021	As At 31-March- 2020
	Change in assumption (percentage)	Change in assumption (percentage)	Increase in assumption	Increase in assumption	Decrease in assumption	Decrease in assumption
<b>Gratuity</b>						
Discount Rate	0.50 %	0.50 %	(2.83)	(2.35)	3.10	2.58
Salary growth rate	0.50 %	0.50 %	3.12	2.59	(2.87)	(2.38)

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.

**JHAJJAR POWER LIMITED**  
**Notes forming part of the financial statements for the year ended 31-March-2021**

**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.

**F. Asset-Liability matching study**

The Gratuity benefits liabilities 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 ₹ 6.02 (31 March 2020 - ₹ 6.44) to the defined benefit plans during the next financial year.

The weighted average duration of the defined benefit obligation is 13.66 years (31 March 2020 - 12.53 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-2021	1.19	1.28	6.82	20.85	30.14
31-March-2020	1.55	1.69	6.87	16.19	26.30

**(iii) Other long-term employee benefit obligations - Compensated absence**

The leave obligation covers the Company's liability for sick and earned leave. The amount of the provision of ₹ 38.74 (31 March 2020: ₹ 31.63) 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 2021	For the year ended 31 March 2020
<b>Opening balance</b>	<b>21.02</b>	<b>25.86</b>
Current service cost	9.09	4.38
Past service cost	(0.99)	-
Net interest cost	1.29	1.87
Transfer in / (out) obligation		
Remeasurement loss / (gain):		
Actuarial loss / (gain) arising from:		
-Due to change in demographic assumptions	0.09	0.02
-Due to change in financial assumptions	(0.68)	(9.15)
-Due to change in experience adjustment	(3.58)	(1.53)
<b>Total amount recognised in statement of profit and loss</b>	<b>5.22</b>	<b>(4.41)</b>
Transfer in / (out) obligation	0.03	0.05
Benefits paid	(1.74)	(0.48)
<b>Personal leave liability</b>	<b>24.53</b>	<b>21.02</b>
Current	1.95	2.19
Non Current	22.58	18.83
<b>Sick leave liability</b>	<b>14.21</b>	<b>10.61</b>
Current	1.70	1.36
Non Current	12.51	9.25
<b>Total leave liability</b>	<b>38.74</b>	<b>31.63</b>
Current	3.65	3.55
Non Current	35.09	28.08

## **JHAJJAR POWER LIMITED**

### **Notes forming part of the financial statements for the year ended 31-March-2021**

#### **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.0.51 during year ended 31 March 2021.

##### **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 :-

<b>Particulars</b>	<b>Amount in INR Millions</b>	
	<b>As At 31-March- 2021</b>	<b>As At 31-March- 2020</b>
Within one year	6,032.39	6,199.48
Between one and two years	4,360.40	6,032.39
Between two and three	4,335.48	4,360.40
Between three and four years	4,329.27	4,335.48
Between four and five years	4,136.79	4,329.27
Over five years	43,084.58	47,221.37
	<b>66,278.91</b>	<b>72,478.39</b>

**JHAJJAR POWER LIMITED****Notes forming part of the financial statements for the year ended 31-March-2021****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.

**Carrying value of financial Instruments by category**

Amount in INR Millions

Particulars	As At 31-March-2021			As At 31-March-2020		
	FVTPL	Fair value - hedging instrument	Amortised Cost	FVTPL	Fair value - hedging instrument	Amortised Cost
<b>Financial assets</b>						
Loans	-	-	14.83	-	-	15.83
Derivatives (Non Current)	669.11	-	-	1,018.83	74.27	-
Other Non-current financial assets	-	-	49.38	-	-	136.15
Trade receivables	-	-	7,285.30	-	-	7,476.08
Cash and cash equivalents	-	-	596.32	-	-	519.27
Derivatives ( Current)	112.04	15.95	-	86.93	351.80	-
Other Current financial asset	-	-	95.16	-	-	-
<b>Total Financial Assets</b>	<b>781.15</b>	<b>15.95</b>	<b>8,040.99</b>	<b>1,105.76</b>	<b>426.07</b>	<b>8,147.33</b>
<b>Financial liabilities</b>						
Non-current borrowings	-	-	19,067.57	-	-	22,061.28
Derivatives (Non Current)	-	214.64	-	-	265.65	-
Other non-current financial liabilities	-	-	1.30	-	-	13.40
Short term borrowings	-	-	3,442.39	-	-	4,512.33
Trade payables	-	-	3,204.26	-	-	5,277.10
Derivatives ( Current)	-	106.78	-	-	58.50	-
Other Current financial liabilities	-	-	3,464.91	-	-	4,893.20
<b>Total Financial liabilities</b>	<b>-</b>	<b>321.42</b>	<b>29,180.43</b>	<b>-</b>	<b>324.15</b>	<b>36,757.31</b>

## JHAJJAR POWER LIMITED

### Notes forming part of the financial statements for the year ended 31-March-2021

#### Financial assets and liabilities measured at fair value As At 31-March-2021

Amount in INR Millions

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Financial assets at FVTPL</b>				
Principal only swap	-	781.15	-	781.15
<b>Financial assets at FVTOCI</b>				
<b>Derivatives designated as hedges</b>				
Foreign currency options	-	15.95	-	15.95
<b>Total financial assets</b>	-	<b>797.10</b>	-	<b>797.10</b>
<b>Financial liabilities</b>				
<b>Financial liabilities at FVTOCI</b>				
<b>Derivatives designated as hedges</b>				
Foreign exchange forward contracts	-	57.88	-	57.88
Interest rate swaps	-	263.54	-	263.54
<b>Total financial Liabilities</b>	-	<b>321.42</b>	-	<b>321.42</b>

#### Financial assets and liabilities measured at fair value As At 31-March-2020

Amount in INR Millions

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Financial assets at FVTPL</b>				
Principal only swap	-	1,105.76	-	1,105.76
<b>Financial assets at FVTOCI</b>				
<b>Derivatives designated as hedges</b>				
Interest rate swaps	-	1.62	-	1.62
Foreign currency options	-	163.98	-	163.98
Foreign exchange forward contracts	-	260.47	-	260.47
<b>Total financial assets</b>	-	<b>1,531.83</b>	-	<b>1,531.83</b>
<b>Financial liabilities</b>				
<b>Financial liabilities at FVTOCI</b>				
<b>Derivatives designated as hedges</b>				
Foreign exchange forward contracts	-	63.47	-	63.47
Interest rate swaps	-	260.68	-	260.68
<b>Total financial Liabilities</b>	-	<b>324.15</b>	-	<b>324.15</b>

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

##### As At 31-March-2021

Amount in INR Millions

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Loan	-	-	14.83	14.83
Trade receivables	-	-	7,285.30	7,285.30
Cash and cash equivalents	-	-	596.32	596.32
Other financial assets	-	-	144.54	144.54
<b>Total financial assets</b>	-	-	<b>8,040.99</b>	<b>8,040.99</b>
<b>Financial liabilities at amortised cost</b>				
Non current Borrowings	-	-	19,067.57	19,067.57
Short Term Borrowings	-	-	3,442.39	3,442.39
Other financial Liabilities	-	-	3,466.21	3,466.21
Trade Payable	-	-	3,204.26	3,204.26
<b>Total financial liabilities</b>	-	-	<b>29,180.43</b>	<b>29,180.43</b>

**JHAJJAR POWER LIMITED****Notes forming part of the financial statements for the year ended 31-March-2021****Assets and liabilities which are measured at amortised cost for which fair values are disclosed****As At 31-March-2020**

Amount in INR Millions

<b>Particulars</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>				
	-	-	-	-
Loan	-	-	15.83	15.83
Trade receivables	-	-	7,476.08	7,476.08
Cash and cash equivalents	-	-	519.27	519.27
Other financial assets	-	-	136.15	136.15
<b>Total financial assets</b>	-	-	<b>8,147.33</b>	<b>8,147.33</b>
<b>Financial liabilities at amortised cost</b>				
Non current Borrowings	-	-	22,061.28	22,061.28
Short Term Borrowings	-	-	4,512.33	4,512.33
Other financial Liabilities	-	-	4,906.60	4,906.60
Trade Payable	-	-	5,277.10	5,277.10
<b>Total financial liabilities</b>	-	-	<b>36,757.31</b>	<b>36,757.31</b>

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. Other financial assets primarily consists recoverable amount on account of cancelled options which are recorded at amortised cost using an appropriate discount rate. 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.

## JHAJJAR POWER LIMITED

### Notes forming part of the financial statements for the year ended 31-March-2021

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(b)(iv).

Type	Valuation technique	Significant unobservable inputs and
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 and 2

There are no transfers between financial instruments valued using Level 1 and Level 2 fair value hierarchy.

# JHAJJAR POWER LIMITED

## Notes forming part of the financial statements for the year ended 31-March-2021

### 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 Chief Financial Officer 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 board 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 board is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the board.

#### (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:

Credit Risk for trade and other receivables	Amount in INR Millions	
	For the period ended 31-March-2021	For the period ended 31-March-2020
Electricity procurer	7,242.33	7,415.30
Loan	14.83	15.83
Others	42.97	60.78
	<b>7,300.13</b>	<b>7,491.91</b>

## JHAJJAR POWER LIMITED

### Notes forming part of the financial statements for the year ended 31-March-2021

At 31 March 2021, the carrying amount of the Company's most significant customer (a state electricity board) is ₹ 7,158.21 (31 March 2020: ₹ 7,129.58).

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:

Receivables Ageing	Amount in INR Millions	
	As At 31-March-2021	As At 31-March-2020
Neither past due nor impaired	4,110.09	4,355.98
Past Due 1-30 days	-	0.70
Past Due 31-90 days	2.80	37.66
Past Due 91-120 days	-	-
More than 120 days	3,172.41	3,081.74
	<b>7,285.30</b>	<b>7,476.08</b>

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 2021 and 31 March 2020 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 ₹ Nil (31 March 2020 : ₹ Nil).

Movement in the Impairment allowance for doubtful receivables

Movement in the Impairment allowance for doubtful receivables	Amount in INR Millions	
	As At 31-March-2021	As At 31-March-2020
<b>Loss allowance as at previous year opening balance</b>	<b>1,399.49</b>	<b>1,175.74</b>
Changes in previous year loss allowance	102.83	223.75
<b>Loss allowance on as at previous year closing balance</b>	<b>1,502.32</b>	<b>1,399.49</b>
Changes in current year loss allowance	62.82	102.83
<b>Loss allowance on at end of current year</b>	<b>1,565.14</b>	<b>1,502.32</b>

#### 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.

**JHAJJAR POWER LIMITED****Notes forming part of the financial statements for the year ended 31-March-2021****(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	Amount in INR Millions	
	As At 31-March-2021	As At 31-March-2020
<b>Floating rate</b>		
- Expiring within one year (bank overdraft and other facilities)	9,050.00	7,992.10

The working capital loan facilities and bank overdraft facilities may be drawn at any time, if required. In addition to above, the Company has commitment from the parent company to fund the Company as required.

**(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.

**Contractual maturities of financial liabilities As At 31-March-2021**

Particulars	Amount in INR Millions					Total
	Not later than 1 year	Between 1 and 2 years	Between 2 and 5 years	Later than 5 years		
<b>Non-derivative</b>						
Rupee currency term loans from banks and financial institutions	1,361.94	1,361.94	3,005.99	-		5,729.87
Foreign currency term loans from banks and financial institutions	1,502.91	1,678.76	3,999.04	-		7,180.71
Loan from related party	-	-	-	4,000.00		4,000.00
Debentures	-	-	4,580.00	2,380.00		6,960.00
Working capital loans from banks	700.00	-	-	-		700.00
Commercial paper	2,750.00	-	-	-		2,750.00
Trade payables	3,204.26	-	-	-		3,204.26
Other financial liabilities	632.41	1.36	-	-		633.77
<b>Total non-derivative financial liabilities</b>	<b>10,151.52</b>	<b>3,042.06</b>	<b>13,695.18</b>	<b>4,269.85</b>		<b>31,158.61</b>
<b>Derivative</b>						
Forward exchange contracts						
- Outflow	(737.28)	(374.04)	-	-		(1,111.32)
- Inflow	692.16	358.92	-	-		1,051.08
Interest rate swap	(81.06)	(135.61)	(53.54)	-		(270.21)
<b>Total derivative financial liabilities</b>	<b>(126.18)</b>	<b>(150.73)</b>	<b>(53.54)</b>	<b>-</b>		<b>(330.45)</b>
<b>Total non-derivative and derivative financial liabilities</b>	<b>10,025.34</b>	<b>2,891.33</b>	<b>13,641.64</b>	<b>4,269.85</b>		<b>30,828.16</b>

**JHAJJAR POWER LIMITED****Notes forming part of the financial statements for the year ended 31-March-2021****Contractual maturities of financial liabilities As At 31-March-2020**

Particulars	Amount in INR Millions				
	Not later than 1 year	Between 1 and 2 years	Between 2 and 5 years	Later than 5 years	Total
<b>Non-derivative</b>					
Rupee currency 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
Loan from related party	-	-	-	4,000.00	4,000.00
Debentures*	-	-	3,550.00	4,760.00	8,310.00
Working capital loans from banks	2,620.00	-	-	-	2,620.00
Cash credit from banks repayable on demand	387.90	-	-	-	387.90
Commercial paper	1,500.00	-	-	-	1,500.00
Trade payables	5,277.10	-	-	-	5,277.10
Other financial liabilities	736.46	13.40	-	-	749.86
<b>Total non-derivative financial liabilities</b>	<b>14,729.80</b>	<b>2,690.54</b>	<b>12,793.66</b>	<b>8,760.00</b>	<b>38,974.00</b>

\* 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****Forward exchange contracts used for hedging**

- 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)
<b>Total derivative financial liabilities</b>	<b>(21.64)</b>	<b>(78.27)</b>	<b>(194.83)</b>	<b>-</b>	<b>(294.74)</b>
<b>Total non-derivative and derivative financial</b>	<b>14,708.12</b>	<b>2,612.27</b>	<b>12,598.82</b>	<b>8,760.00</b>	<b>38,679.21</b>

## JHAJJAR POWER LIMITED

### Notes forming part of the financial statements for the year ended 31-March-2021

#### (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:

#### (a) Foreign currency risk exposure As At 31-March-2021

Amount in INR Millions

Particulars	USD	EURO
The summary quantitative data about the Company's exposure to currency risk (based on notional amounts) is as follows		
<b>Financial liabilities</b>		
Long term borrowings	7,180.71	-
Trade payables	0.23	-
<b>Net exposure of foreign currency risk (assets)</b>	<b>7,180.94</b>	-
<b>Financial Assets</b>		
Derivatives assets	(7,180.71)	-
<b>Net exposure of foreign currency risk (liabilities)</b>	<b>0.23</b>	-

#### (a) Foreign currency risk exposure As At 31-March-2020

Amount in INR Millions

Particulars	USD	EURO
The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows		
<b>Financial liabilities</b>		
Long term borrowings	10,444.16	-
Trade payables	5.64	0.69
<b>Net exposure of foreign currency risk (assets)</b>	<b>10,449.80</b>	<b>0.69</b>
<b>Financial Assets</b>		
Derivatives assets	(10,444.16)	-
<b>Net exposure of foreign currency risk (liabilities)</b>	<b>5.64</b>	<b>0.69</b>

#### 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.

Amount in INR Millions

Particulars	Profit or loss		Equity (net of tax)	
	Strengthening	Weakening	Strengthening	Weakening
<b>Effect in INR</b>				
<b>For the year ended 31 March 2021</b>				
<b>5% movement</b>				
USD	(0.01)	0.01	(0.01)	0.01
	<b>(0.01)</b>	<b>0.01</b>	<b>(0.01)</b>	<b>0.01</b>

Amount in INR Millions

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

## JHAJJAR POWER LIMITED

### Notes forming part of the financial statements for the year ended 31-March-2021

#### 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:

(a) Interest rate risk exposure	Amount in INR Millions	
	As At 31-March-2021	As At 31-March-2020
Fixed-rate borrowings		
Debentures	6,921.36	8,259.40
	<b>6,921.36</b>	<b>8,259.40</b>
Impact of interest rate swap	7,147.94	10,378.28
	<b>14,069.30</b>	<b>18,637.68</b>
Variable-rate borrowings		
Long term borrowings	12,858.19	16,047.57
Short term borrowings	3,450.01	4,507.90
	<b>16,308.20</b>	<b>20,555.47</b>
Impact of interest rate swap	(7,147.94)	(10,378.28)
<b>Total borrowings</b>	<b>9,160.26</b>	<b>10,177.19</b>

#### 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.

#### Cash flow sensitivity analysis for variable-rate instruments for the year ended 31-March-2021

Amount in INR Millions

Particulars	Impact on profit after tax - 50 bps increase	Impact on profit after tax - 50 bps decrease	Impact on other components of equity - 50 bps increase	Impact on other components of equity - 50 bps decrease
Variable-rate instruments	35.99	(35.99)	35.99	(35.99)
<b>Total</b>	<b>35.99</b>	<b>(35.99)</b>	<b>35.99</b>	<b>(35.99)</b>

#### Cash flow sensitivity analysis for variable-rate instruments for the year ended 31-March-2020

Amount in INR Millions

Particulars	Impact on profit after tax - 50 bps increase	Impact on profit after tax - 50 bps decrease	Impact on other components of equity - 50 bps increase	Impact on other components of equity - 50 bps decrease
Variable-rate instruments	37.75	(37.75)	37.75	(37.75)
<b>Total</b>	<b>37.75</b>	<b>(37.75)</b>	<b>37.75</b>	<b>(37.75)</b>

**JHAJJAR POWER LIMITED**
**Notes forming part of the financial statements for the year ended 31-March-2021**
**c. Hedge accounting**

The Company is exposed to 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-2021**

Amount in INR Millions

Particulars	Nominal Value	Carrying amount of hedging instrument - Assets	Carrying amount of hedging instrument - Liabilities	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
<b>Cash Flow Hedges</b>								
<b>Foreign Exchange Risk</b>								
Forwards	1,020.47	-	57.88	Apr 21 - Jul 22	1:1	79.98	(26.95)	26.95
<b>Interest Rate Risk</b>								
Interest rate swaps	7,180.39	-	263.54	Apr 21 - Dec 21	1:1	3.82%	(33.99)	33.99

**a. Disclosure of effects of hedge accounting on financial position As At 31-March-2020**

Amount in INR Millions

Particulars	Nominal Value	Carrying amount of hedging instrument - Assets	Carrying amount of hedging instrument - Liabilities	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
<b>Cash Flow Hedges</b>								
<b>Foreign Exchange Risk</b>								
Forwards	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)
<b>Interest Rate Risk</b>								
Interest rate swaps	10,443.75	1.62	260.68	Apr 20 - Dec 21	1:1	3.82%	(380.05)	380.05

**b. Disclosure of effects of hedge accounting on financial performance As At 31-March-2021**

Amount in INR Millions

Particulars	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Line item in the statement of profit or loss that includes the hedge ineffectiveness	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit or loss because of the reclassification
<b>Cash Flow Hedge</b>					
(ii) Foreign Exchange risk	(26.95)	-	-	26.95	Other income
(iii) Interest rate Risk	(33.99)	-	Other income	29.50	-

**b. Disclosure of effects of hedge accounting on financial performance As At 31-March-2020**

Amount in INR Millions

Particulars	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Line item in the statement of profit or loss that includes the hedge ineffectiveness	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit or loss because of the reclassification
<b>Cash Flow Hedge</b>					
(ii) Foreign Exchange risk	296.82	-	-	(296.82)	Other expense
(iii) Interest rate Risk	(380.05)	-	Other income	(126.16)	-

## JHAJJAR POWER LIMITED

### Notes forming part of the financial statements for the year ended 31-March-2021

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 for the year ended 31-March-2021

Amount in INR Millions

Particulars	Foreign Currency Risk - Forwards	Interest Rate Risk - Interest rate swap	Total
<b>As at 1 April 2020</b>	-	(170.64)	(170.64)
Add :Changes in discounted spot element of foreign exchange contracts	(26.95)	-	(26.95)
Add: Changes in fair value of interest rate swaps	-	(33.99)	(33.99)
Less : Amounts reclassified to profit or loss	26.95	29.50	56.45
Less: Deferred tax relating to the above	-	1.14	1.14
<b>As at 31 March 2021</b>	-	<b>(173.99)</b>	<b>(173.99)</b>

#### Movements in cash flow hedging reserve for the year ended 31-March-2020

Amount in INR Millions

Particulars	Foreign Currency Risk - Forwards	Foreign Currency Risk - Options	Interest Rate Risk - Interest rate swap	Total
<b>As at 1 April 2019</b>	-	-	180.97	180.97
Add :Changes in discounted spot element of foreign exchange contracts	262.73	-	-	262.73
Add :Changes in intrinsic value/deferred premium of foreign currency options/CCIRS	-	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
<b>As at 31 March 2020</b>	-	-	<b>(170.64)</b>	<b>(170.64)</b>

#### Movements in cost of Hedging reserve for the year ended 31-March-2021

Amount in INR Millions

Particulars	Foreign Currency Risk - Forwards	Foreign Currency Risk - Options	Total
As at 1 April 2020	196.15	(96.25)	99.90
Cost of hedging - changes in fair value	(51.79)	(61.37)	(113.16)
Cost of hedging - change in fair value reclassified to profit or loss	112.67	15.81	128.48
Deferred tax relating to the above	(15.32)	11.36	(3.96)
<b>As at 31 March 2021</b>	<b>241.71</b>	<b>(130.45)</b>	<b>111.26</b>

#### Movements in cost of Hedging reserve for the year ended 31-March-2020

Amount in INR Millions

Particulars	Foreign Currency Risk - Forwards	Foreign Currency Risk - Options	Total
As at 1 April 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)
<b>As at 31 March 2020</b>	<b>196.15</b>	<b>(96.25)</b>	<b>99.90</b>

## JHAJJAR POWER LIMITED

### Notes forming part of the financial statements for the year ended 31-March-2021

#### 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:

Capital Management	Amount in INR Millions	
	As At 31-March-2021	As At 31-March-2020
Total Debt	25,652.10	31,130.21
Net Debt*	25,055.78	30,610.94
<b>Total equity:</b>		
Total capital(based on total debt)	50,791.18	55,118.55
Total capital(based on net debt)	50,194.86	54,599.28
<b>Net debt to equity ratio</b>	<b>0.50</b>	<b>0.56</b>
<b>Total debt to total capital(based on total debt) ratio (%)</b>	<b>50.51</b>	<b>56.48</b>
<b>Net debt to total capital(based on net debt) ratio (%)</b>	<b>49.92</b>	<b>56.06</b>

\* 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	Amount in INR Millions	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Haryana Power Purchase Centre	21,345.74	26,132.59
	<b>21,345.74</b>	<b>26,132.59</b>

**Jhajjar Power Limited****Notes forming part of the financial statements for the year ended 31 March 2021**

(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)
	- Ms. Hina Shah (Non-Executive Independent Director) - From 08 August 2020
	- Ms. Urvashi Shah (Non-Executive Independent Director) - From 08 August 2020
	- Mr. Mohammad Aftab (Non-Executive Independent Director) - Upto 01 August 2020
	- Ms. Nishita Bakshi (Non-Executive Independent Director) - Upto 01 August 2020
	- Mr. Jayant Patil (Company Secretary)

(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
<b>Information technology operating costs:</b>			
CLP Business Management and Support Limited	31 March 2021	-	31.94
	31 March 2020	-	26.55
<b>Net expense reimbursed to:</b>			
CLP India Private Limited	31 March 2021	170.32	-
(Refer Note 1 below)	31 March 2020	180.87	-
<b>Sale of stores &amp; spares:</b>			
CLP India Private Limited	31 March 2021	0.10	-
	31 March 2020	-	-

**Jhajjar Power Limited**

**Notes forming part of the financial statements for the year ended 31 March 2021**

(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
<b>Payable:</b>			
<b>Balance payable</b>			
CLP Business Management and Support Limited	31 March 2021	-	7.93
	31 March 2020	-	1.80
<b>Loan balance payable</b>			
CLP India Private Limited	31 March 2021	2,120.44	-
	31 March 2020	1,915.48	-
<b>Equity component of compound financial instrument</b>			
CLP India Private Limited	31 March 2021	3,473.02	-
	31 March 2020	3,473.02	-
<b>Equity component of corporate guarantee</b>			
CLP India Private Limited	31 March 2021	209.28	-
	31 March 2020	198.01	-
<b>Outstanding bank and corporate guarantee received by Company's bankers/lenders from</b>			
CLP India Private Limited	31 March 2021	6,143.00	-
	31 March 2020	5,143.00	-

Note:

(1) Includes Rs. 58.26 (31 March 2020 : Rs. 57.45), 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 2021	For the year ended 31 March 2020
Short term employee benefits*	5.94	5.71
Post employment benefits	0.39	0.37

\* 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 2021	For the year ended 31 March 2020
Sitting fees and other reimbursements	1.35	1.64

**(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-2021

	Amount in INR Millions
	As At 31-March-2021
	As At 31-March-2020
<b>36 Contingent liabilities and commitments (to the extent not provided for)</b>	
<b>A. Contingent liabilities</b>	
<b>Claims against the Company not acknowledged as debts</b>	
Contingent Liabilities (Refer Note below)	7,076.79
	7,050.22

(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.

## **JHAJJAR POWER LIMITED**

### **Notes forming part of the financial statements for the year ended 31-March-2021**

(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 ₹ 905.23 (31 March 2020: ₹ 859.43)

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 ₹ 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 ₹ 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 ₹ 905.23 (31 March 2020 : ₹ 859.43) at this stage.

## JHAJJAR POWER LIMITED

### Notes forming part of the financial statements for the year ended 31-March-2021

(2). Disputes with Haryana Discoms and Tata Power Distribution Company Limited amounting to ₹ 7,334.79 (31 March 2020 : ₹ 6,926.09) and ₹ 401.91 (31 March 2020 : ₹ 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 2021, the total amount under dispute with Haryana Discoms and TPTCL is ₹ 7,406.70 (31 March 2020 : ₹ 6,998.00) out of which ₹ 4,678.84 (31 March 2020 : ₹ 4,544.21) is included under trade receivable and ₹ 2,727.86 (31 March 2020 : 2,453.78) is on account of claim by Haryana Discom against unscheduled 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 ₹ 330.00 (31 March 2020 : ₹ 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 ₹ 2,074.80 (31 March 2020 : ₹ 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 Unscheduled Interchange charges. For disputes referred in (c) to (f) above amounting to ₹ 2,604.04 (31 March 2020 : ₹ 2,469.41), 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 ₹ 1,565.14 (31 March 2020 : ₹ 1,502.32) on a prudent basis. In light of the CERC order, the Company has raised a claim of ₹ 19,599.00 (31 March 2020 : ₹ 16,992.00) and ₹ 448.00 (31 March 2020 : ₹ 401.00) 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. The matter was reserved for final order. However, due to the retirement of the Technical Member before the order could be pronounced, the appeals are now to be taken up for final hearing again before a reconstituted bench. As per the latest directions of the APTEL Bench, they were listed for hearing on 5th, 7th and 9th April 2021. Due to paucity of time, the appeals could not be taken up on the aforementioned dates. The appeals have now been scheduled for hearing on 12th, 14th and 16th July 2021. In light of the fact that the CERC vide its order dated 25 January 2016 and 18 April 2016 has substantially ruled in favour of the Company, the management is of the view that it has a sustainable case in APTEL and accordingly, no additional provision is required to be recorded in the books of account.

<b>B. Commitments</b>	Amount in INR Millions	
	<b>As At 31-March-2021</b>	<b>As At 31-March-2020</b>
Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	283.28	95.23
<b>Total commitment</b>	<b>283.28</b>	<b>95.23</b>

## JHAJJAR POWER LIMITED

### Notes forming part of the financial statements for the year ended 31-March-2021

#### 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:

	Amount in INR Millions	
	For the year ended 31 March 2021	For the year ended 31 March 2020
(a) amount remaining unpaid to any supplier at the end of each accounting year:-		
(i) the principal amount; and	12.34	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.	-	-

#### Note 38: Auditors' Remuneration (including taxes)

	Amount in INR Millions	
	For the year ended 31 March 2021	For the year ended 31 March 2020
As auditor :		
Audit fee	5.33	4.50
Out of pocket expenses & taxes	0.07	0.40
<b>Total</b>	<b>5.40</b>	<b>4.90</b>

#### 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.

#### Expenditure towards Corporate Social Responsibility:

	Amount in INR Millions	
	For the year ended 31 March 2021	For the year ended 31 March 2020
a) Gross amount required to be spent by the Company during the year	42.54	40.72
b) Amount approved by the Board to be spent during the year	42.54	40.72
c) Amount spent during the year	43.09	57.69

#### Particulars of amount spent and paid during the year:

(i) Construction/acquisition of any asset	17.96	15.38
(ii) On purpose other than (i) above	25.13	42.31
<b>Total</b>	<b>43.09</b>	<b>57.69</b>

#### Details of on-going projects

##### Opening Balance

- With Company	-	-
- In separate CSR Unspent Account	-	-

##### Amount required to be spent during the year

42.54 40.72

##### Amount spent during the year

- From Company's bank account	35.00	57.69
- From separate CSR Unspent Account	-	-

##### Closing Balance

- With Company	-	-
- In separate CSR Unspent Account	8.09	-

## **JHAJJAR POWER LIMITED**

### **Notes forming part of the financial statements for the year ended 31-March-2021**

#### **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 2021.

**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.

For the financial year 2020 - 2021 there was no major impact on the company's operations due to COVID-19. Management continues to monitor any material changes to future economic conditions and the impact thereof on the Company, if any. 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 generation sites are operational. The Company has taken adequate measures such as issuing social distancing norms, managing workforce shifts and remote working, etc. to counter this pandemic.

Management has carried out a detailed assessment of its liquidity position earlier in the year and is keeping watch on its liquidity position on regular basis, it has also carried out the assessment for recoverability of carrying values of Property, Plant & Equipment and Trade Receivables and no major concerns were found. Based on the Company's liquidity position at 31 March 2021 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.

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.

**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 ₹ 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 ₹ 18.36 due from TPTCL which is billed but not yet recovered.

During the year ended March 2021, the Company paid Rs. 12.35 to Eastern Coalfields Limited towards the service tax on compensation against payment under Sabka Vikas Scheme, 2019. Subsequently, the Company billed and recovered this amount from its customers, except for Rs. 1.38 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 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 ₹ 182.96 towards the relevant charges. Subsequently, the Company billed and recovered this amount from its customers, except for ₹ 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 ₹ 51.20 and ₹ 19.03 respectively towards the relevant charges. Subsequently, the Company billed and recovered this amount from its customers, except for ₹ 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.

As at 31 March 2021, the Company has recorded a receivable amounting to ₹ 47.98 from its customer (TPTCL) on the account of the above mentioned matter. The management is of the view that this amount is recoverable and hence, no provision is required to be recorded in the books of account.

## **JHAJJAR POWER LIMITED**

### **Notes forming part of the financial statements for the year ended 31-March-2021**

**Note 44** : The Company has been party to certain Income Tax litigations arising on account of disallowance of provision of penalty under PPA of ₹ 1,181.59, levy of penalty of ₹ 365.11, disallowance of forward cover premium of ₹ 458.86 for Assessment Year (A.Y.) 2013-2014 and disallowance of salary expenses of ₹ 45.56 for A.Y. 2017-2018.

During the year, the Company has filed application for settlement of the income tax litigations/disputes under the Vivad Se Vishwas Act, 2020 (VSV Scheme) announced by the Central Government, whereby litigations of disallowance of provision of penalty under PPA of ₹ 1,181.59, levy of penalty of ₹ 365.11 and disallowance of forward cover premium of ₹ 458.86 for Assessment Year (A.Y.) 2013-2014 have been settled under the VSV Scheme and final Form-5 has been issued on 12 February 2021. Accordingly, these income tax litigations/disputes has been settled. Based on discussions with tax consultant, the Company believes that there will be consequential claim allowed in subsequent years in respect of the provision for penalty under PPA matter and therefore, there is no consequential impact on deferred tax.

**Note 45** : The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the final rules are yet to be framed. The Company will carry out an evaluation of the impact and record the same in the financial statements in the period in which the Code becomes effective and the related rules are published.

**Note 46** : Previous year's figures have been regrouped/ reclassified, wherever necessary, to correspond with the current year's classification.

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**

**Kunal Kapur**  
*Partner*  
Membership No : 509209  
Place: Gurugram  
Date: 28 May 2021

**Rajiv Mishra**  
Managing Director  
DIN : 00131207

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

**Jayant Patil**  
Company Secretary  
Membership No.: A14418  
Place: Mumbai  
Date: 28 May 2021

