

JSW POWER TRADING COMPANY LIMITED

Balance Sheet as at 31st March 2015

	Note	As at 31st March, 2015	As at 31st March, 2014
		₹ Crore	₹ Crore
I EQUITY AND LIABILITIES			
(1) Shareholders' funds:			
(a) Share capital	2	202.00	202.00
(b) Reserves and surplus	3	82.89	71.76
		284.89	273.76
(2) Non-current liabilities:			
(a) Long-term provisions	4	0.13	0.04
		0.13	0.04
(3) Current Liabilities:			
(a) Trade payables	5	317.76	609.21
(b) Other current liabilities	6	3.90	5.77
(c) Short term Provisions	7	0.07	0.02
		321.73	615.00
TOTAL		606.75	888.80
II ASSETS			
(1) Non-current assets:			
(a) Fixed Assets			
(i) Tangible assets	8	0.24	0.35
(ii) Intangible assets	8	-	0.01
(b) Non-current investments	9	151.70	151.70
(c) Deferred tax Assets (net)		0.31	0.27
(d) Long-term loans and advances	10	2.91	3.85
		155.16	156.18
(2) Current assets:			
(a) Current investments	11	6.06	-
(b) Trade receivables	12	404.62	603.51
(c) Cash and Bank Balances	13	27.56	123.96
(d) Short-term loans and advances	14	13.35	5.15
(f) Other current assets		-	-
		451.59	732.62
TOTAL		606.75	888.80

As per our attached report of even date

For and on behalf of the Board of Directors

For I. Qureshi & Associates

Chartered Accountants

Satish Jindal

Wholetime Director & CEO

Nirmal Kumar Jain

Chairman

I. Qureshi

Proprietor

Place : Mumbai

Date : 24th April, 2015

Amit Das

Company Secretary

Jayaprakash Nair

Chief Financial Officer

Pramod Menon

Director

JSW POWER TRADING COMPANY LIMITED

Profit and Loss Statement for the Year ended 31st March, 2015

Particulars	Note	For the Year ended 31st March, 2015	For the year ended 31st March, 2014
		₹ Crore	₹ Crore
INCOME			
I Revenue from operations	15	4,395.08	5,079.80
II Other income	16	9.70	11.44
III Total Revenue (I+II)		4,404.78	5,091.24
IV EXPENDITURE:			
Purchases	17	4,287.47	4,915.35
Employee benefit expenses	18	2.88	1.93
Finance costs	19	1.79	2.47
Depreciation and amortisation expenses		0.13	0.24
Other expenses	20	99.83	149.72
Total Expenses		4,392.10	5,069.71
V Profit before tax (III-IV)		12.68	21.53
VI Tax Expenses:			
Current tax		1.55	4.29
Deferred tax		(0.04)	(0.02)
		1.51	4.27
VII Profit for the year (V - VI)		11.17	17.26
VIII Earnings per share (₹) [of ₹ 10 each]			
Basic		1.60	2.47
Diluted		1.60	2.47

As per our attached report of even date

For and on behalf of the Board of Directors

For **I.Qureshi & Associates**

Chartered Accountants

Satish Jindal

Wholetime Director & CEO

Nirmal Kumar Jain

Chairman

I. Qureshi

Proprietor

Place : Mumbai

Date : 24th April, 2015

Amit Das

Company Secretary

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Pramod Menon

Director

JSW POWER TRADING COMPANY LIMITED

JSW POWER TRADING COMPANY LIMITED

Cash Flow Statement for the Year ended 31st March, 2015

	Year ended 31st March, 2015		Year ended 31st March, 2014	
	in crore	crore	in crore	crore
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before exceptional items and tax		12.68		21.53
Adjusted for:				
Depreciation	0.13		0.24	
Interest Expenditure	1.79		2.47	
Provision for Leave Encashment			0.00	
Dividend Income	(8.31)		(9.14)	
Profit on sale of Mutual Fund	(0.44)		0.00	
Interest Income	(0.95)		(1.98)	
		(7.78)		(8.42)
Operating profit before working capital changes		4.90		13.11
Adjustments for:				
Trade and Other Receivables	191.74		101.15	
Trade and Other Payables	(293.18)		(117.01)	
		(101.44)		(15.86)
Cash generated from operations		(96.54)		(2.75)
Direct Taxes Paid		(1.66)		(4.62)
NET CASH FLOW FROM OPERATING ACTIVITIES		(98.20)		(7.37)
B. CASH FLOW FROM INVESTMENT ACTIVITIES				
(Purchase)/Sale of Fixed Assets		(0.04)		(0.09)
Sale of Fixed Assets		0.00		0.03
Dividend Income		8.31		9.14
Purchase of Investments (Net of sales)		(6.06)		0.00
Interest Income		0.95		1.98
Profit on sale of Mutual Fund		0.43		
NET CASH USED IN INVESTMENT ACTIVITIES		3.58		11.06
C. CASH FLOW FROM FINANCING ACTIVITIES				
Borrowings (Repayments) (Net)		-		-
Payment of Interest		(1.79)		(2.47)
NET CASH USED IN FINANCING ACTIVITIES		(1.79)		(2.47)
NET INCREASE / DECREASE (-) IN CASH AND CASH EQUIVALENTS (A+B+C)		(96.40)		1.22
CASH AND CASH EQUIVALENTS - OPENING BALANCES		123.96		122.74
CASH AND CASH EQUIVALENTS - CLOSING BALANCES		27.56		123.96

Notes :

1. The above cash flow statement has been prepared by using the indirect method as per Accounting Standard 3.
2. Previous year's figures have been regrouped / rearranged wherever necessary to conform to current year's classification.

As per our attached report of even date

For I.Qureshi & Associates

Chartered Accountants

For and on behalf of the Board of Directors

I.Qureshi
Proprietor

Satish Jindal
Wholtime Director & CEO

Nirmal Kumar Jain
Chairman

Place : Mumbai
Date : 24th April, 2015

Amit Das
Company Secretary

Jayaprakash Nair
Chief Financial Officer

Pramod Menon
Director

JSW POWER TRADING COMPANY LIMITED

Notes to the Financial Statements for the year ended 31st March, 2015

Note: 1

1.1 Overview of the Company:

The Company is the power trading arm of the JSW Energy group, and is a 100% subsidiary of JSW Energy Limited. The Company is primarily engaged in the trading of power generated by the group at its Ratnagiri and Vijayanagar location.

1.2 Significant Accounting Policies

(a) General

The financial statements are prepared under the historical cost convention, on the accounting principles of a going concern and as per applicable accounting standards. The Company follows mercantile system of accounting and recognises income and expenditure on accrual basis except those with significant uncertainties.

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual results could differ from these estimates and differences between actual results and estimates are recognized in the periods in which the results are known/materialize.

(b) Revenue Recognition

Revenue is recognised based on the nature of the activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery. Revenue from sale of power is recognised when substantial risks and rewards of ownership is transferred to the buyer under the terms of the contract.

(c) Fixed Assets

Tangible Assets:

Fixed assets are stated at their cost of acquisition or construction less accumulated depreciation and impairment losses. Cost comprises of all cost incurred to bring the assets to their location and working condition up to the date the assets are put to use.

Intangible Assets:

An item is recognized as an intangible asset if it meets the definition of an intangible asset, it is probable that future economic benefits will flow to the company and the cost of the asset can be reliably measured.

(d) Capital Work In Progress (CWIP)

All costs related directly to the construction of an asset and all indirect expenses which are incidental and related to the construction of assets is shown as CWIP till capitalization.

Interest during construction (net) and all indirect expenses which are incidental and related to the construction of fixed assets are identified and apportioned on an appropriate basis to the cost of the

related assets capitalized. Balance, if any, left after such capitalization is kept as a separate item under the CWIP Schedule.

Claims for price variation in case of contracts are accounted for on acceptance/receipt of claims.

(e) Depreciation / amortization

Depreciation is provided based on useful life of the assets as per the provisions of Part C of Schedule II of the Companies Act, 2013.

Depreciation on impaired assets related to a cash generating unit is provided by adjusting the depreciation charge in the remaining periods so as to allocate the revised carrying amount of the asset over its remaining useful life.

Intangible Assets consisting of Membership fee for Power Trading Exchanges and Exchange Trading Software is amortised over the estimated useful life of 3 years.

Lease Improvement Costs is amortised over the period of the lease.

(f) Impairment of Assets

In accordance with AS 28 on " Impairment of Assets" prescribed by the Companies (Accounting Standard) Rules, 2006 , where there is an indication of impairment of the Company's assets, relating to cash generating units, the carrying amount of such assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of such assets is estimated as the higher of its net selling price and its value in use. An impairment loss is recognised in the profit and loss account whenever the carrying amount of such assets exceeds its recoverable amount.

(g) Investments

Long term Investments are stated at cost. In case, there is a decline other than temporary in the value of any investments, a provision for the same is made.

Current investments are stated at lower of cost and fair value. .

(h) Employee Benefits

Retirement benefits in the form of provident fund and family pension scheme are defined contribution schemes and the contributions are charged to the profit and loss statement of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

Stock Based Compensation – The compensation cost of stock options granted to employees is calculated using the intrinsic value method of the stock options .The compensation expenses is amortised uniformly over the vesting period of the option in accordance with the guidance note on share based payments issued by the Institute of chartered Accountant of India.

Employee benefits under defined benefit plans, such as gratuity and compensated absence is provided for on the basis of the actuarial valuation made at the end of each financial year.

Actuarial gain/ losses are immediately taken to profit and loss statement and are not deferred.

(i) Taxes on Income

Income tax expenses comprise current tax and deferred tax charges or credit (reflecting the tax effects of timing differences between accounting income and taxable income of the year).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain as the case may be to be realised.

Tax credit is recognized in respect of Minimum Alternate Tax (MAT) paid under the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within the statutory time frame and the same is reviewed at each balance sheet date.

(j) Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of qualifying asset are capitalized as part of the cost of such asset upto the date when such asset is ready for its intended use. The borrowing cost eligible for capitalization is being netted off against any income arising on temporary investment of these borrowings. Other borrowing costs are expensed as and when they are incurred.

(k) Provisions and Contingent Liabilities

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if;

- a) The Company has a present obligation as a result of a past event
- b) A probable outflow of resources is expected to settle the obligation and
- c) The amount of the obligation can be reliably estimated

Where some or all the expenditure required to settle a provision is expected to be reimbursed by another party, such reimbursement is recognized to the extent of provision or contingent liability as the case may be, only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in the case of

- a) a present obligation arising from a past event, when it is not probable that a outflow of resources will be required to settle the obligation.
- b) A possible obligation, arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not within the control of the enterprise.

JSW POWER TRADING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 31st MARCH, 2015

NOTE: 2	As at 31st March, 2015	As at 31st March, 2014
SHARE CAPITAL	₹ Crore	₹ Crore
Authorised: 100,000,000 Equity Shares of ₹.10 each (Previous year 100,000,000 equity shares of ₹.10 each)	100.00	100.00
250,000,000 Redeemable Non Cumulative Preference Shares of ₹.10 each (Previous year 250,000,000 10% Redeemable Non Cumulative Preference Shares of ₹.10 each)	250.00	250.00
Issued, subscribed and paid-up: 70,000,000 Equity Shares of ₹.10 each (Previous year 70,000,000 Equity Shares of ₹.10 each)	70.00	70.00
132,000,000 Redeemable Non Cumulative Preference Shares of ₹.10 each (Previous year 132,000,000 10% Redeemable Non Cumulative Preference Shares of ₹.10 each)	132.00	132.00
	202.00	202.00

1 Details of shareholding	As at 31st March, 2015	As at 31st March, 2014
	No. of Shares	No. of Shares
a) Details of aggregate shareholding by Holding Company, Subsidiary of Holding Company or Associate of Holding Company		
Equity Share : JSW ENERGY LIMITED, the holding company	7,00,00,000	7,00,00,000
10% Redeemable Non Cumulative Preference Shares : JSW ENERGY LIMITED, the holding company	13,20,00,000	13,20,00,000
b) Details of shareholding more than 5%	No. of Shares	No. of Shares
Equity Share : JSW ENERGY LIMITED, the holding company	7,00,00,000	7,00,00,000
10% Redeemable Non Cumulative Preference Shares : JSW ENERGY LIMITED, the holding company	100% 13,20,00,000 100%	100% 13,20,00,000 100%

2 a) Terms & Rights attached to equity shares

(i) The Company has only one class of equity shares having a par value of ₹.10 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pay dividend in Indian rupees.

(ii) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to the shareholding.

b) Terms & Rights attached to preference shares

i) The fully paid 10% Redeemable Non Cumulative Preference shares shall interse, rank pari passu without any preference of one over the other(s).

ii) The 10% Redeemable Non Cumulative Preference shares are redeeable at par in 10 annual instalments starting from the expiry of 10th year from the date of allotment i.e., 30th March, 2009, out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption as provided under Section 55 of the Companies Act, 2013.

iii) The 10% Redeemable Non Cumulative Preference shareholders are entitled to Non-cumulative Preferential Dividend of 10%, if any, declared by the Company in any year during the tenure.

iv) No premium is payable on redemption of 10% Redeemable Non Cumulative Preference shares.

v) The 10% Redeemable Non Cumulative Preference shares are entitled for voting rights in accordance with Section 47 of Companies Act, 2013

3 The reconciliation of the number of shares outstanding and the amount of share capital is set out below:

Equity Shares	As at 31st March, 2015	As at 31st March, 2014
	₹ crore	₹ crore
Balance as at the beginning of the Year	70.00	70.00
Issued during the Year	-	-
Balance as at end of the year	70.00	70.00

10% Redeemable Non Cumulative Preference Shares	As at 31st March, 2015	As at 31st March, 2014
	₹ crore	₹ crore
Balance as at the beginning of the Year	132.00	132.00
Issued during the Year	-	-
Balance as at end of the year	132.00	132.00

JSW POWER TRADING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

NOTE: 3	As at 31st March, 2015	As at 31st March, 2014
RESERVES AND SURPLUS	₹ Crore	₹ Crore
Share Options Outstanding Account : (Refer Note : 21 (e)(ii))		
Balance at the beginning of the year	0.03	0.03
Add: Additions during the year		
Less: Trf. to General Reserve	0.03	-
Balance at the end of the year	-	0.03
General Reserve : (Refer Note : 21(e)(ii))		
Balance at the beginning of the year	-	-
Add: Transfer from Share Options Outstanding	0.03	-
Balance at the end of the year	0.03	-
Surplus :		
Balance at the beginning of the year	71.73	54.47
Add: Profit during the year	11.17	17.26
Less: Depreciation Adjustment (Refer Note 21 (c))	0.04	-
Balance at the end of the year	82.86	71.73
	82.89	71.76

JSW POWER TRADING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

NOTE: 4	As at 31st March, 2015	As at 31st March, 2014
LONG TERM PROVISIONS	` Crore	` Crore
Provision for Employee benefits:		
For Leave Entitlement	0.10	0.04
For Gratuity	0.03	
	0.13	0.04
NOTE: 5	As at 31st March, 2015	As at 31st March, 2014
TRADE PAYABLES	` Crore	` Crore
Trade Payables	317.76	609.21
	317.76	609.21
NOTE: 6	As at 31st March, 2015	As at 31st March, 2014
OTHER CURRENT LIABILITIES	` Crore	` Crore
Other payables:		
Employee Benefits	0.43	0.27
Security deposits	0.04	0.02
Statutory Dues	0.45	0.20
Others	2.98	5.28
	3.90	5.77
NOTE: 7	As at 31st March, 2015	As at 31st March, 2014
SHORT TERM PROVISIONS	` Crore	` Crore
Provision for Employees benefits:		
-Leave encashment	0.01	0.00
-Gratuity	0.06	0.02
	0.07	0.02

JSW POWER TRADING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ Crore

Note : 8- Fixed Assets	Gross Block				Depreciation / Amortisation			Net Block		
Description of Assets	As at 1 st April 2014	Transferred under Scheme of Amalgamation	Additions during the year	As at 31st March 2015	Upto 31st March 2014	Depreciation for the year	Deductions/ Adjustments during the period	As at 31st March 2015	As at 31st March 2015	As at 31 st March 2014
A. Tangibles Assets										
Leasehold Improvements	0.34			-	0.34		0.34	-	-	
Plant & Equipment	0.27		0.03	0.29	0.20	0.07	0.01	0.26	0.03	0.07
Office Equipment	0.06		0.01	0.07	0.01	0.00	0.04	0.05	0.01	0.05
Furniture & Fittings	0.17		0.00	0.17	0.09	0.02	-	0.11	0.07	0.08
Vehicles	0.17		-	0.17	0.02	0.03	-	0.04	0.13	0.15
Total	1.01	-	0.04	0.70	0.66	0.12	0.31	0.46	0.24	0.35
B. Intangibles Assets										
Membership- Power Trading Exchange	0.33			0.33	0.33	-		0.33	-	-
Specialised Softwares	0.16			0.16	0.15	0.01		0.16	-	0.01
Total	0.49		-	0.49	0.48	0.01	-	0.49	-	0.01
Total (A +B)	1.50	-	0.04	1.19	1.14	0.13	0.31	0.95	0.24	0.36
Previous Year	1.49	-	0.09	1.50	0.95	0.24	0.05	1.14	0.36	0.54

JSW POWER TRADING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

Note : 9 NON CURRENT INVESTMENTS	As at 31st March, 2015	As at 31st March, 2014
	₹ Crore	₹ Crore
Investments in Equity (Non-Trade, quoted) : 70,03,835 (Previous Year 70,03,835) Equity Shares of ₹ 10 each fully paid up of JSW Steel Limited, associate company	151.70	151.70
	151.70	151.70
Aggregate Value of Quoted Investment	151.70	151.70
Aggregate Market Value of Quoted Investment	634.93	725.63

JSW POWER TRADING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

NOTE: 10	As at 31st March, 2015	As at 31st March, 2014
LONG TERM LOANS AND ADVANCES	` Crore	` Crore
Unsecured, considered good		
Security Deposits	0.91	0.90
Loans and advances to-		
JSW Energy Employees Welfare Trust	-	1.06
Advance Tax and tax deducted at source	2.00	1.89
	2.91	3.85

NOTE: 11	As at 31st March, 2015	As at 31st March, 2014
Current Investments	` Crore	` Crore
Investment in Mutual Funds: (Unquoted, fully paid up)		
Reliance Liquid Fund - Money market Fund- regular growth	6.06	-
	6.06	-

NOTE: 12	As at 31st March, 2015	As at 31st March, 2014
TRADE RECEIVABLES (Unsecured)	` Crore	` Crore
Debts overdue for a period exceeding six months		
Considered good	-	2.39
Considered doubtful	-	-
Other Debts		
Considered good	404.62	601.12
	404.62	603.51

NOTE: 13	As at 31st March, 2015	As at 31st March, 2014
CASH AND BANK BALANCES	` Crore	` Crore
Cash and cash equivalents		
On current accounts	27.55	108.71
Bank Deposit with more than 12 month maturity	-	-
Bank Deposit with less than 12 month maturity	0.01	15.25
	27.56	123.96
	27.56	123.96

NOTE: 14	As at 31st March, 2015	As at 31st March, 2014
SHORT TERM LOANS AND ADVANCES	` Crore	` Crore
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received	13.35	0.75
Prepaid Expenses	0.00	3.29
Earnest Money Deposit	-	1.11
	13.35	5.15

JSW POWER TRADING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

NOTE: 15	For the Year ended 31st March, 2015	For the year ended 31st March, 2014
REVENUE FROM OPERATIONS	` Crore	` Crore
Sale of power	4,360.00	5,009.72
Sale of Renewable Energy certificate	5.76	10.65
Rebate on purchase of Power	29.25	57.96
Trading margin on banking	-	1.35
Compensation on Sale/Purchase of Power (Net)	-	0.01
Incentive on Renewable Energy certificate sale	0.07	0.11
	4,395.08	5,079.80

NOTE: 16	For the Year ended 31st March, 2015	For the year ended 31st March, 2014
OTHER INCOME	` Crore	` Crore
Interest income	0.95	1.98
Dividend Income from		
Long Term Investments	7.70	7.00
Current Investments	0.60	2.13
Profit on Redemption of Mutual Funds	0.44	-
Other non-operating income		
Miscellaneous income	0.01	0.33
	9.70	11.44

NOTE: 17	For the Year ended 31st March, 2015	For the year ended 31st March, 2014
Purchases	` Crore	` Crore
Purchase of power	4,281.78	4,904.80
Purchase of Renewable Energy certificate	5.69	10.55
	4,287.47	4,915.35

JSW POWER TRADING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

NOTE: 18	For the Year ended 31st March, 2015	For the year ended 31st March, 2014
EMPLOYEE BENEFITS EXPENSE	` Crore	` Crore
Salaries, wages and bonus	2.59	1.72
Expense on Employee Stock Option Scheme (ESOS)	-	-
Contribution to Provident fund and other funds	0.09	0.06
Workmen and staff welfare	0.20	0.15
	2.88	1.93

NOTE: 19	For the Year ended 31st March, 2015	For the year ended 31st March, 2014
FINANCE COSTS	` Crore	` Crore
Surcharge (Interest on overdue payables)	0.81	1.94
Finance Charges	0.98	0.53
	1.79	2.47

NOTE: 20	For the Year ended 31st March, 2015	For the year ended 31st March, 2014
OTHER EXPENSES	` Crore	` Crore
Power	0.12	0.14
Rent	1.03	0.83
Rates and taxes	0.01	-
Insurance	0.00	0.00
Repairs and Maintenance expenses:		
Repairs to buildings	0.06	0.04
Repairs - Others	0.17	0.17
Postage & Telephone	0.08	0.09
Printing & Stationery	0.02	0.02
Travelling and Conveyance	0.44	0.46
Cash Discount	29.92	56.83
Prior period expenses	-	0.17
Membership fee / License fee etc	0.44	0.46
Exchange Commission	14.91	10.48
Open Access Charges	51.41	79.25
Prior period expenses	-	-
CSR expenses	0.26	
General expenses	0.96	0.78
	99.83	149.72

Notes to the Financial Statements for the year ended 31st March, 2015

Note: 21

a) Operating Lease:

As Lessee:

Rentals charged to revenue for right to use of Office premises is ₹ 1.03 Crore (Previous year ₹ 0.99 Crore).

	(₹ Crore)	
The total of Future Minimum lease payments under non- cancelable operating lease for each of the following period are as under.	Current Year	Previous Year
A). Not later than 1 year	0.90	0.90
B). Later than 1 year and not later than 5 years	0.81	1.71
C). Later than 5 years	-	-

- b) The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence, disclosures, if any relating to amounts unpaid together with interest paid / payable as required under the said Act has not been given.
- c) Pursuant to Companies Act, 2013 (Act), being effective from 1st April, 2014, the Company has provided depreciation as per provisions of Part 'C' of Schedule II of the Act. As a result, the charge for depreciation is higher by ₹ 0.06 Cr for the year ended 31st March, 2015 and ₹ 0.03 Cr has been adjusted against the retained earnings towards Depreciation adjustment of ₹ 0.04 Cr in respect of assets whose useful life got over before 1st April, 2014, less adjustment towards deferred tax thereon of ₹ 0.01 Cr.

d) Contingent Liabilities to the extent not provided of :

	(₹ Crore)	
a) Income Tax Matters	Current Year	Previous Year
Disputed Income tax demand for Assessment Year 2009-2010	0.28	0.30
Disputed Income tax demand for Assessment Year 2010-2011	0.64	0.62
Disputed Income tax demand for Assessment Year 2011-2012	-	0.47
Disputed Income tax demand for Assessment Year 2012-2013	0.32	
Total	1.24	1.39

e) Employee Benefits:

- (i) Defined benefit Plans – as per actuarial valuation as on 31st March, 2015:
Details of Gratuity Plan are as follows:

	(₹)	
Details of the gratuity plan are as follows:	Current Year	Previous Year
1. Reconciliation of opening and closing balances of obligation		
a. Obligation at beginning of year	3,79,785	4,90,620
b. Current Service Cost	1,19,421	1,51,467
c. Unrecognised Past Service Cost	-	-

d. Interest Cost	35,358	40,476
e. Actuarial (gain)/loss	5,45,921	75,724
f. Benefits paid	-	(3,78,502)
g. Obligation at year end	10,80,485	3,79,785
2. Change in Plan Assets (Reconciliation of opening & closing balances)		
a. Fair Value of plan assets at beginning of year	1,54,802	1,06,860
b. Actual Company Contributions		
c. Expected return on plan assets	13,468	9,297
d. Actuarial Gain /(loss)	(1511)	33,387
e. Transfer from other company	-	3,83,760
f. Benefits paid	-	(3,78,502)
g. Fair Value of plan assets at year end	1,66,759	1,54,802
3. Reconciliation of fair value of assets and obligations		
a. Present value of obligation at year end	10,80,485	3,79,785
b. Fair value of plan assets at year end	1,66,759	1,54,802
c. Balance amount recognised as liability in the Balance sheet	9,13,726	2,24,983
4. Expense recognized in the period		
a. Current service cost	1,19,421	1,51,467
b. Interest cost	35,358	40,476
c. Expected return on plan assets	(13,468)	(9,297)
d. Actuarial (gain)/loss	5,47,432	42,337
e. Expense recognized	6,88,743	2,24,983
5. Investment Details	-	-
6. Assumptions		
a. Discount rate (per annum)	7.96%	9.31%
b. Estimated rate of return on plan assets (per annum)	7.96%	8.70%
c. Rate of escalation in salary (per annum)	6.00%	6.00%
d. Mortality : LIC(94-96) Ultimate mortality table		
Method used: Projected Unit Credit Method.		

(ii) Employee Share based Payment Plan:

Presently there are two Schemes which were in force for the Options granted / to be granted to the eligible employees of the Group as under:

- A) For Normal Options - 'JSWEL EMPLOYEES STOCK OWNERSHIP PLAN – 2010'
- B) For Mega Options - 'JSWEL EMPLOYEES MEGA STOCK OWNERSHIP SCHEME – 2012'

The details of the aforementioned schemes of share-based payments arrangement administered by the JSW Energy Employee Welfare Trust (JSWEEWT) are described below:

Particulars	Normal Option (ESOP PLAN)		Mega Option (ESOS PLAN)
Date of Grant	8-Nov-11	31-Oct-12	4-Oct-12
Opening Grants as on 01.04.14	60,498 (77,926)	58,371 (74,890)	1,66,564 (2,10,972)
Less : Withdrawal of Mega Options granted under the "ESOP Plan"	- (-)	- (-)	- (-)
Granted during the year			
Under the "ESOP Plan"	- (-)	- (-)	- (-)
Under the "ESOS Plan"	- (-)	- (-)	- (-)
Forfeited during the year	34,818 (17,428)	31,884 (16,519)	60 (44,408)
Exercised during the year	23,715 (-)	- (-)	1,66,504 (-)
Outstanding as on 31.03.15	1,965 (60,498)	26,487 (58,371)	- (1,66,564)
Vesting Period	3 Years	3 Years	361 days
Method of settlement	Cash	Cash	Cash
Exercise Price	52.35	60.90	65.00

(Figures in Bracket to previous Year)

During the year , 1,66,564 options under Mega (ESOS) Plan Dt. 4th Oct, 2012 have been exercised by the employees. Consequently, an amount of ₹.3,21,241 in respect of such exercised options has been transferred from Share Options Outstanding Account to General Reserves, as prescribed by the relevant Guidance Note.

f) Remuneration to Auditors (inclusive of service tax)

(` Crore)

	Current Year	Previous Year
As Auditor	0.04	0.03
For Taxation matters	-	*0.01
For Other Services	0.03	0.01
For Reimbursement of Expenses	-	
Total	0.07	0.05

g) Deferred Tax Liability/(Asset) comprises of timing differences on account of :

(` Crore)

	Current Year	Previous Year
Depreciation	(0.24)	(0.25)
Adjustment to opening balance [Refer note 21 (c)]	(0.01)	-
Others	(0.06)	(0.02)
Total	(0.31)	(0.27)

- h) In the opinion of the Management, all the assets other than Fixed Assets and Non Current Investments have a value on realisation in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet, provision for depreciation and all known liabilities is adequate and not in excess of what is required.
- i) The Company is yet to receive balance confirmations in respect of certain trade payable, other payable, and trade receivable, other receivable and Loans & advances. The Board does not expect any material difference affecting the current year's financial statements due to the same.

j) Earnings per Share:

(` Crore)

	Current Year	Previous Year
Profit after Tax (A)	11.17	17.26
Weighted average number of equity shares (B)	7,00,00,000	7,00,00,000
Nominal value per share in `	10.00	10.00
Basic and Diluted Earnings per share in ` (A/B)	1.60	2.47

- k) As the Company is predominantly engaged in only one segment viz. "Purchase and sale of power", there are no reportable segments as per Accounting Standard 17.
- l) Trade Payables includes ` 314.58 Crore (Previous Year ` 542.05 Crore) payable to JSW Energy Ltd, Holding Company.
- m) Related party Disclosure as required by Accounting Standard 18, " Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given below:

I List of Related Parties where control exists:

1. Holding Company

JSW Energy Limited

2. Other related parties (where transactions have taken place during the year)

Associates

JSW Steel Limited
 JSW Cement Limited
 JSW Steel Coated Limited
 JSW Investments Private Limited
 Jindal Power Limited
 Jindal Saw Limited

Key Management Personnel

Mr. Nirmal Kumar Jain – Chairman
 Mr. Sanjay Sagar- Director
 Mr. Satish Jindal – Wholetime Director & CEO
 Mr. Pramod Menon – Director
 Mr. Jayaprakash Nair- Chief Financial Officer

(II) Related party Transactions**(` Crore)**

Name of Party	Nature of Transaction	Current Year	Previous Year
Transactions during the year:			
JSW Energy Limited (JSWEL)	Purchase of Power (Gross)	4062.71	4074.40
	Rebate on Purchase of Power	26.86	45.57
	Reimbursement of Expenses (Open Access Payments etc.)(net)	(0.13)	1.70
	Surcharge Given	.73	1.94
	Compensation Given	11.99	1.30
JSW Steel Limited (JSWSL)	Dividend Received	7.70	7.00
	Sale of REC		0.00
	Purchase of Power (Gross)	130.88	514.4
	Sale of Power (Gross)	1.83	8.72
	Rebate on Sale of Power	.04	0.17
	Reimbursement of Expenses (Open Access Payments)(net)	.47	0.50
	Rebate on Purchase of Power	1.88	7.42
	Rent	.56	.83
JSW Cement Limited	Sale of Power (Gross)	1.01	8.07
	Rebate given on Sale of Power	0.00	0.17
JSW Steel Coated Limited	Sale of REC	4.47	9.46
Mr. Satish Jindal	Sale of Assets	-	0.03
JSW Investments Private Limited	Brand License Fee	0.02	-
Jindal Power Limited	Purchase of Power	2.02	31.26
	Rebate on purchase of Power	.04	.63
Jindal saw Limited	Sale of Power (Gross)	26.71	34.16
	Sale of REC	1.07	1.19
Balance at the year end			
JSW Energy Limited (JSWEL)	Trade Payables (Net)	314.58	542.05
	Preference Share Capital	132.00	132.00
	Equity Share Capital	70.00	70.00
JSW Steel Limited	Trade Payables (Net)	1.64	59.44
	Investment in Equity Shares	151.70	151.70
JSW Cement	Trade Receivable(Net)	0.00	0.26
JSW Steel Coated Limited	Trade Payable (Net)	0.05	0.04
Jindal Saw Limited	Trade Receivable(Net)	.82	1.04

Note:

Related party relationships have been identified by the management and relied upon by the Auditors.

- n) Previous year's figures have been regrouped / rearranged wherever necessary to conform to current year's classification.

For and on behalf of the Board of Directors

Satish Jindal
Wholetime Director & CEO

Nirmal Kumar Jain
Chairman

Place: Mumbai
Date: 24th April 2015

Amit Das
Company Secretary

Jayaprakash Nair
Chief Financial Officer

Pramod Menon
Director