

JAIGAD POWERTRANSCO LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2020

(In ₹)

Particulars	Note	As at	As at
		31st March, 2020	31st March, 2019
I ASSETS			
(1) Non-current assets:			
(a) Property, plant and equipment	5	2,96,35,25,219	3,25,15,80,672
(b) Capital work-in-progress		15,46,565	10,83,975
(c) Financial assets			
(i) Investments	6	12,32,67,268	10,85,65,520
(ii) Other financial assets	7	13,92,410	12,96,834
(d) Income tax assets (net)		21,83,856	21,15,433
(e) Other non-current assets	11	3,24,536	30,06,135
		3,09,22,39,854	3,36,76,48,569
(2) Current assets:			
(a) Inventories	8	43,48,062	40,51,248
(b) Financial assets			
(i) Investments	6	15,79,50,926	15,35,84,976
(ii) Trade receivables	9	12,02,81,619	15,90,24,590
(iii) Cash and cash equivalents	10	9,46,726	40,53,937
(iv) Other financial assets	7	63,66,373	1,54,87,165
(c) Other current assets	11	17,61,525	6,47,505
		29,16,55,231	33,68,49,421
TOTAL ASSETS		3,38,38,95,085	3,70,44,97,990
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12A	1,37,50,00,000	1,37,50,00,000
(b) Other equity	12B	77,99,60,803	49,84,29,196
		2,15,49,60,803	1,87,34,29,196
Liabilities			
(1) Non-current liabilities:			
(a) Financial liabilities			
(i) Borrowings	13	93,43,73,044	1,53,69,34,546
(b) Provisions	14	21,71,690	14,41,886
		93,65,44,734	1,53,83,76,432
(2) Current liabilities:			
(a) Financial liabilities			
(i) Trade payables due to			
(a) total outstanding dues of micro enterprises & small enterprises	15	-	-
(b) total outstanding dues of creditors other than micro enterprises & small enterprises		86,66,693	59,16,303
(ii) Other financial liabilities	16	23,38,23,251	20,69,10,591
(b) Other current liabilities	17	4,77,72,011	7,88,03,137
(c) Provisions	14	2,58,665	5,96,794
(d) Current tax liabilities (net)		18,68,928	4,65,537
		29,23,89,548	29,26,92,362
TOTAL EQUITY AND LIABILITIES		3,38,38,95,085	3,70,44,97,990

See Accompanying Notes To The Financial Statements

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As per our attached report of even date

For Lodha & Co.
Chartered Accountants
Firm Registration No:301051E

For and on behalf of the Board of Directors

A. M. Hariharan
Partner
Membership No.38323

Ravindra Chavan
Chairman
DIN: 06537224

Yatish Kumar Chhabra
Managing Director
DIN: 07971204

Place: Mumbai
Date: May 7, 2020

Narendra Rahalkar
Company Secretary

Krishnaraj Nair
Chief Financial Officer

JAIGAD POWERTRANSCO LIMITED			
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020			
(In ₹)			
Particulars	Note	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
I Revenue from operations	18	80,38,29,606	80,78,42,700
II Other income	19	1,56,36,698	2,21,04,989
III Total income (I+II)		81,94,66,304	82,99,47,689
IV Expenses:			
Employee benefits expense	20	1,44,40,951	99,86,404
Finance costs	21	13,36,03,168	18,28,49,313
Depreciation and amortisation expense	22	29,12,37,271	29,10,64,458
Other expenses	23	3,87,27,700	3,81,52,842
Total Expenses (IV)		47,80,09,090	52,20,53,017
V Profit before tax (III-IV)		34,14,57,214	30,78,94,672
VI Tax expense:	24		
Current tax		6,00,83,841	6,68,71,079
Deferred tax		(5,55,30,435)	(6,03,38,467)
Deferred tax (recoverable)/ payable in future tariff		5,55,30,435	6,03,38,467
		6,00,83,841	6,68,71,079
VII Profit after tax for the year (V - VI)		28,13,73,373	24,10,23,593
VIII Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit liabilities / (asset)		(1,91,734)	55,132
- Income tax relating to item that will not be reclassified to profit and loss		33,500	(11,880)
IX Total comprehensive income for the year (VII - VIII)		28,15,31,607	24,09,80,341
X Earnings per share of ₹ 10 each	29		
Basic		2.05	1.75
Diluted		2.05	1.75

As per our attached report of even date

For Lodha & Co.
Chartered Accountants
Firm Registration No.301051E

For and on behalf of the Board of Directors

A. M. Hariharan
Partner
Membership No.38323

Ravindra Chavan
Chairman
DIN: 06537224

Yatish Kumar Chabbra
Managing Director
DIN: 07971204

Place: Mumbai
Date: May 7, 2020

Narendra Rahalkar
Company Secretary

Krishnaraj Nair
Chief Financial Officer

JAIGAD POWERTRANSCO LIMITED		
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH,2020		
(In ₹)		
Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before taxation	34,14,57,214	30,78,94,672
Adjustments for :		
Depreciation and amortisation expense	29,12,37,271	29,10,64,458
Interest income & gain on sale of current investments	(1,56,36,698)	(2,21,04,989)
Loss on write off of property, plant and equipment	-	6,603
Finance costs	13,36,03,168	18,28,49,313
Operating profit before working capital changes	75,06,60,955	75,97,10,057
Adjustments for:		
Decrease / (Increase) Trade & other receivables	3,48,23,370	(6,06,64,044)
Increase / (Decrease) in Trade payables & other liabilities	23,89,759	(1,94,72,520)
(Increase) / Decrease in Inventories	(2,96,814)	7,49,559
Direct Taxes paid	(5,87,13,950)	(6,63,93,662)
NET CASH FROM OPERATING ACTIVITIES	72,88,63,320	61,39,29,390
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, including CWIP , capital advances & pre-operative expenses (net of capital expenditure)	(7,87,127)	(1,19,564)
Interest income & gain on sale of current investments	1,56,36,698	2,21,04,989
Purchase of long term investments	(1,47,01,748)	(1,39,05,374)
Proceeds / (Purchase) of current investments	(43,65,950)	1,63,83,452
Increase in interest accrued on investments	(3,06,623)	(1,57,081)
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	(45,24,750)	2,43,06,422
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings / (Repayments) of term loan (net)	(60,23,87,426)	(28,77,41,389)
Finance costs paid	(12,50,58,355)	(18,28,49,313)
Dividend (includes dividend distribution tax)	-	(16,57,63,530)
NET CASH FLOW USED IN FINANCING ACTIVITIES	(72,74,45,781)	(63,63,54,232)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(31,07,211)	18,81,580
CASH AND CASH EQUIVALENTS - AT BEGINNING OF THE YEAR	40,53,937	21,72,357
CASH AND CASH EQUIVALENTS - AT END OF THE YEAR	9,46,726	40,53,937
See Accompanying Notes To The Financial Statements		
<p>As per our attached report of even date For Lodha & Co. Chartered Accountants Firm Registration No:301051E</p>		
<p style="text-align: right;">For and on behalf of the Board of Directors</p>		
A. M. Hariharan Partner Membership No.:38323	Ravindra Chavan Chairman DIN: 06537224	Yatish Kumar Chhabra Managing Director DIN: 07971204
Place: Mumbai Date: May 7, 2020	Narendra Rahalkar Company Secretary	Krishnaraj Nair Chief Financial Officer

JAIGAD POWERTRANSCO LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH,2020

A: EQUITY SHARE CAPITAL

Balance as at 1st April,2018	1,37,50,00,000
Changes in equity share capital during the year	-
Balance as at 31st March 2019	1,37,50,00,000
Changes in equity share capital during the year	-
Balance as at 31st March 2020	1,37,50,00,000

B: OTHER EQUITY

Particulars	Reserves & Surplus		Items of other comprehensive income	Total Other Equity
	Retained Earnings	Contingency Reserve#	Remeasurements of net defined benefit plans	
Balance as at 1st April, 2018	32,14,94,233	10,18,32,045	(1,13,893)	42,32,12,385
Profit for the year	24,10,23,593	-	-	24,10,23,593
Transferred to Contingency Reserve as per MERC MYT Regulation 2015	(1,37,97,077)	1,37,97,077	-	-
Dividend	(13,75,00,000)	-	-	(13,75,00,000)
Dividend Distribution Tax	(2,82,63,530)	-	-	(2,82,63,530)
Remeasurements of the defined benefit liabilities / (asset)	-	-	(43,252)	(43,252)
Balance as at 31st March, 2019	38,29,57,219	11,56,29,122	(1,57,145)	49,84,29,196
Balance as at 1st April, 2019	38,29,57,219	11,56,29,122	(1,57,145)	49,84,29,196
Profit for the year	28,13,73,373	-	-	28,13,73,373
Transferred to Contingency Reserve as per MERC MYT Regulation 2015	(1,37,97,077)	1,37,97,077	-	-
Remeasurements of the defined benefit liabilities / (asset)	-	-	1,58,234	1,58,234
Balance as at 31st March, 2020	65,05,33,515	12,94,26,199	1,089	77,99,60,803

As per our attached report of even date

For Lodha & Co.

Chartered Accountants

Firm Registration No.301051E

For and on behalf of the Board of Directors

A. M. Hariharan

Partner

Membership No.38323

Ravindra Chavan

Chairman

DIN: 06537224

Yatish Kumar Chabbra

Managing Director

DIN: 07971204

Place: Mumbai

Date: May 7, 2020

Narendra Rahalkar

Company Secretary

Krishnaraj Nair

Chief Financial Officer

JAIGAD POWERTRANSCO LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 General information

Jaigad PowerTransco Limited (the Company), which is the joint venture of JSW Energy Limited and Maharashtra State Electricity Transmission Company Limited with 74% and 26% share holding respectively has been set up to construct, operate and maintain 55 Kilo meters of one Jaigad–New Koyna 400 KV double circuit (Quad) transmission line and 110 kilo meters of one Jaigad-karad 400 KV double circuit (Quad) transmission line.

The construction of 55 Kilo meters Jaigad-New –New Koyna & 110 kilo meters of Jaigad-karad 400 KV double circuit (Quad) transmission line has been completed and has been declared for commercial operations with effect from 7th July, 2010 & 2nd December 2011 respectively.

2 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (hereinafter referred to as the 'Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

3 Significant accounting policies

3.1 Basis of preparation of financial statements:

These financial statements have been prepared in accordance with the Ind AS as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

The financial statements of the Company are prepared on the accrual basis of accounting and historical cost convention except for the certain material items that have been measured at fair value as required by the relevant Ind AS and explained in the ensuing policies below:

The financial statements are presented in Indian Rupees ('INR')

3.2 Use of estimates & Judgements:

The preparation of the financial statements requires that the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

The critical accounting judgements and key estimates followed by the Company for preparation of financial statements is described in note 4.

3.3 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold or Leasehold land is stated at historical cost. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Transmission system assets are considered "ready for their intended use", for the purpose of capitalization, after test charging/ successful commissioning of the system/ assets and on completion of stabilization period wherever technically required.

The cost of an addition or extension to an existing asset which is of a capital nature and which becomes an integral part of the existing asset is usually added to its gross book value. Any addition or extension, which has a separate identity and is capable of being used after the existing asset is disposed of, is accounted for separately.

JAIGAD POWERTRANSCO LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

In case of commissioned assets, work against deposits/works contracts where final settlement of bills with contractors is yet to be effected; capitalization is done on provisional basis subject to necessary adjustments in the year of final settlements.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Where an obligation (legal or constructive) exists to dismantle or remove an asset or restore a site to its former condition at the end of its useful life, the present value of the estimate cost of dismantling, removing or restoring the site is capitalized along with the cost of acquisition or construction upon completion and a corresponding liability is recognized.

Cost of regular comprehensive maintenance work (such as major overhaul) are capitalized as a separate component if they satisfy the recognition criteria.

3.4 *Other Intangible assets :-*

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses. Certain computer software costs are capitalized and recognized as Intangible assets based on materiality, accounting prudence and significant benefits expected to flow therefrom for a period longer than one year.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3.5 *Depreciation & amortisation:*

Depreciation on tangible assets is provided, pro-rata for the period of use, by the Straight Line Method (SLM) as per the provisions of Part B of Schedule II of the Companies Act, 2013.

Leasehold land is amortized over the period of the lease.

Software is depreciated over an estimated useful life of 3 years.

When the historical cost of an asset has undergone a change due to price adjustment, exchange fluctuation or similar factors the depreciation on the revised unamortised depreciable amount is provided prospectively over the residual useful life of the asset.

"Useful Life" in relation to a transmission system is 35 Years as defined in Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulation 2015

Capital Work-in-progress and Pre-operative Expenses during Construction Period

Capital Work-in-Progress includes expenditure during construction period incurred on projects under implementation treated as pre-operative expenses pending allocation to the assets. These expenses are apportioned to the respective fixed assets on their completion / commencement of commercial production.

3.6 *Impairment of tangible and intangible assets other than goodwill:*

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). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

JAIGAD POWERTRANSCO LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.7 Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.8 Cash and cash equivalents:

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and demand deposits which are short term and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.9 Inventories:

Cost of inventories includes cost of purchase price, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Inventories of stores, spare parts and loose tools are stated at the lower of weighted average cost or net realizable value. Net realisable value represents the estimated selling price for inventories less all estimated cost of completion and costs necessary to make the sale.

3.10 Revenue recognition:

Transmission Income is accounted for on accrual basis for the period of operation of the transmission line computed based on the approved Annual Revenue Requirement (ARR) or where the ARR is not approved, on the basis of the tariff order.

Where neither the ARR nor the tariff order are approved, transmission income is accounted as per Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations 2015(MERC Regulations) where under, transmission income is computed by taking the total costs, contingency provision and Return on Equity (ROE) @ 15.5% on post-tax basis and after grossing up with the applicable income taxes for the purpose of revenue.

Any difference between the total annual revenue recognised as aforesaid and the annual revenue as approved by MERC in respect of ARR / Truing up Petition filed is adjusted / recognised during the accounting period in which approval of the ARR / Truing up Petition, as the case may be, is received from MERC.

Interest income:

Surcharge receivable towards delayed receipt of payment for Transmission services rendered by the company is accounted in the period during which such surcharge is approved by MERC.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.11 Foreign currency transactions:

In preparing the financial statements of Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

JAIGAD POWERTRANSCO LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

3.12 *Employee benefits:*

a. Short-term employee benefits:

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

b. Long term employee benefits:

Compensated absences which are not expected to be availed or encashed within twelve months after the end of the period in which the employee renders the related service are recognised as a liability as at the Balance Sheet date on the basis of actuarial valuation using projected unit credit method.

c. Retirement benefit costs and termination benefits

Defined contribution plans:

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plans:

For defined benefit retirement benefits plans, the cost of providing benefits is determined using the projected unit credit method, and spread over the period during which the benefit is expected to be derived from employees' services. Re-measurement of defined benefit plans in respect of post-employment and other long term benefits are charged to the Other Comprehensive Income. Actuarial valuations being carried out at the end of each annual reporting period for defined benefit plans.

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/ superannuation. The gratuity is paid @ 15 days salary for the every completed year of service as per the Payment of Gratuity Act, 1972.

The Company makes monthly contributions to provident fund managed by trust for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

Share-based payment arrangements:

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

The Company has created an Employee Benefit Trust for providing share-based payment to its employees. The Trust is used as a vehicle for distributing shares to employees under the employee remuneration schemes. The Trust buys shares of the Parent Company from the market, for giving shares to employees. The Company treats the Trust as its extension and shares held by the Trust are treated as treasury shares

3.13 *Taxation:*

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

JAIGAD POWERTRANSCO LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets relate to the same taxable entity and same taxation authority.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

The income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

3.14 **Earnings per share:**

Basic earnings per share is computed by dividing the profit/(loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

3.15 **Provisions , Contingencies and commitments:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

JAIGAD POWERTRANSCO LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

3.16 **Financial instruments:**

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities recognised at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Profit and Loss.

Subsequent measurement

Financial assets, other than equity instruments, are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

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

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

JAIGAD POWERTRANSCO LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVOCI. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward-looking.

The Company's trade receivables or contract revenue receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall, being simplified approach for recognition of impairment loss allowance.

Under simplified approach, the Company does not track changes in credit risk. Rather it recognizes impairment loss allowance based on the lifetime ECL at each reporting date right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables.

The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For financial assets other than trade receivables, the Company recognises 12-month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12 months ECL.

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The impairment losses and reversals are recognised in Statement of Profit and Loss. For equity instruments and financial assets measured at FVTPL, there is no requirement for impairment testing.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

3.17 *Financial liabilities and equity instruments*

Classification as debt or equity

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using effective interest method or at fair value.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Companying is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

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Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.18 Reclassification of financial assets and liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such change are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in the business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original Classification	Revised Classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in statement of profit and loss.
FVPTL	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new gross carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to statement of profit and loss at the reclassification date.

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For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

3.19 **Leases :**

The Company has applied Ind AS 116 using the Retrospective Modified Approach and therefore comparative information has not been restated and is presented as per Ind AS 17. Details of accounting policies under both Ind AS 17 and Ind AS 116 are presented separately below :

Company as a lessee:

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

In respect of assets obtained on finance leases, assets are recognised at lower of the fair value at the date of acquisition and present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Company as a lessor:

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases and included in Property, Plant and Equipment. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases. Costs, including depreciation, are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. incurred by the Company in negotiating and arranging an operating lease shall be added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

3.20 **New material accounting pronouncement, which are not yet effective:**

The 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 April 1, 2020.

3.21 **Change in accounting estimates**

The effect of change in an accounting estimate shall be recognised prospectively by including it in profit or loss accounts except where estimates relates to assets and liabilities or an equity it shall be recognised by adjusting the carrying amount of the related asset, liability or equity.

4 **Critical accounting judgements and key sources of estimation uncertainty:**

In the course of applying the policies outlined in all notes under section 3 above, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future periods.

Critical judgements in applying accounting policies

Service concession arrangements

The management have assessed applicability of Annexure D of Ind AS 115: 'Service Concession Arrangements' with respect to transmission assets. In assessing the applicability, they have exercised significant judgment in relation to the underlying ownership of the assets, terms of Licence, ability to determine prices, useful lives of the assets. Based on detailed evaluation, transmission assets do not meet the criterion for recognition as service concession arrangements.

Regulatory deferral accounts

The Company has not adopted Ind as 114 'Regulatory deferral accounts' since in previous GAAP, Guidance Note on Accounting for the Rate Regulated Activities, issued by the Institute of Chartered Accountants of India (ICAI) was not adopted.

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Key sources of estimation uncertainties

Useful lives and residual value of property, plant and equipment

Management reviews the useful lives and residual values of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly depreciable lives are reviewed annually using the best information available to the Management.

Impairment of property plant and equipment

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment 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).

Recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is usually determined on the basis of discounted estimated future cash flows. This involves management estimates on anticipated commodity prices, market demand and supply, economic and regulatory environment, discount rates and other factors. Any subsequent changes to cash flow due to changes in the above mentioned factors could impact the carrying value of assets.

Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallizing or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

Fair value measurements

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The management determines the appropriate valuation techniques and inputs for fair value measurements. All assets and liabilities for which fair value measured or disclosed in financial statements are categorized with in the fair value hierarchy described as Level 1, Level 2 and Level 3 as below:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

for the purpose of fair value disclosure, the company determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the assets and liabilities and the level of fair value hierarchy as explained above.

Defined benefit plans

The cost of defined benefit plan and other post-employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary escalations and mortality rates etc. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Tax

The Company is subject to tax, principally in India. The amount of tax payable in respect of any period is dependent upon the interpretation of the relevant tax rules. Whilst an assessment must be made of deferred tax position of each entity within the Company, these matters are inherently uncertain until the position of each entity is agreed with the relevant tax authorities.

JAIGAD POWERTRANSCO LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE: 5 - Property, plant and equipment

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Description of assets#	Land-freehold	Plant and equipment	Furniture and fixtures	Computers	Office equipment	Right of Use asset	Total
I. Gross carrying value ##							
Balance as at 1st April, 2019	69,78,131	4,41,08,34,714	10,93,814	3,26,202	4,09,700	-	4,41,96,42,561
Additions	-	-	-	-	-	31,81,817	31,81,817
Adjustments / Deductions	-	-	-	-	-	-	-
Balance as at 31st March 2020	69,78,131	4,41,08,34,714	10,93,814	3,26,202	4,09,700	31,81,817	4,42,28,24,378
II. Accumulated depreciation							
Balance as at 1st April, 2019	-	1,16,75,22,616	2,85,217	1,48,470	1,05,585	-	1,16,80,61,888
Depreciation and amortisation expense for the year	-	29,09,08,245	74,691	46,422	32,230	1,75,683	29,12,37,271
Adjustments / Deductions	-	-	-	-	-	-	-
Eliminated on disposal of assets	-	-	-	-	-	-	-
Balance as at 31st March 2020	-	1,45,84,30,861	3,59,908	1,94,893	1,37,815	1,75,683	1,45,92,99,159
Net carrying value (I-II)							
Balance as at 31st March 2020	69,78,131	2,95,24,03,853	7,33,906	1,31,309	2,71,885	30,06,134	2,96,35,25,219
I. Gross carrying value ##							
Balance as at 1st April, 2018	69,78,131	4,41,08,34,714	10,93,814	3,26,202	4,12,310	-	4,41,96,45,171
Additions	-	-	-	-	11,890		11,890
Adjustments / Deductions	-	-	-	-	(14,500)		(14,500)
Balance as at 31st March 2019	69,78,131	4,41,08,34,714	10,93,814	3,26,202	4,09,700	-	4,41,96,42,561
II. Accumulated depreciation							
Balance as at 1st April, 2018	-	87,66,16,095	2,10,526	96,481	82,225	-	87,70,05,327
Depreciation and amortisation expense for the year	-	29,09,06,521	74,691	51,989	31,257	-	29,10,64,458
Eliminated on disposal of assets	-	-	-	-	(7,897)	-	(7,897)
Balance as at 31st March 2019	-	1,16,75,22,616	2,85,217	1,48,470	1,05,585	-	1,16,80,61,889
Net carrying value (I-II)							
Balance as at 31st March 2019	69,78,131	3,24,33,12,098	8,08,597	1,77,732	3,04,115	-	3,25,15,80,672

Assets pledged as security : Plant and Machinery, Furniture and Fixture, Computer, Office Equipment with a carrying amount as mentioned above have been pledged to secure borrowings of the Company (refer note 13).

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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NOTE: 6 - Investments	As at 31st March,2020		As at 31st March,2019	
	Current	Non Current	Current	Non Current
Investments carried at:				
A. Designated as fair value through profit and loss				
I. Quoted Investments				
(a) Investments in Mutual Funds	15,79,50,926	-	15,35,84,976	-
Mutual Fund Name				
SBI Mutual Fund	Rs. 15,79,50,926			
	Fully paid up, trade			
B. Investments carried at amortised cost				
I. Unquoted Investments				
(a) Investments in government securities	-	12,32,67,268	-	10,85,65,520
	15,79,50,926	12,32,67,268	15,35,84,976	10,85,65,520
Note				
Quoted Investments				
Book value	15,79,50,926	-	15,35,84,976	-
Market value	15,79,50,926	-	15,35,84,976	-
Unquoted Investments				
Book value	-	12,32,67,268	-	10,85,65,520
Market value	-	13,36,28,932	-	11,18,50,729
NOTE: 7 - Other financial assets				
Carried at amortised cost				
(a) Security deposits with others				
- Unsecured, considered good				
Deposits towards Lease of Land from JSW Energy Ltd.	-	13,92,410	-	12,96,834
b) Interest receivable				
Interest accrued on investments	15,03,045	-	11,96,422	-
c) Revenue Receivable				
Unbilled revenue (pending Tariff Order)	48,63,328	-	1,42,90,743	-
	63,66,373	13,92,410	1,54,87,165	12,96,834
NOTE: 8 - Inventories				
Stores and spares	43,48,062	-	40,51,248	-
(valued at cost and certified by the management)	43,48,062	-	40,51,248	-
NOTE: 9 - Trade receivables				
a) considered good - Secured;	-	-	-	-
b) considered good - Unsecured;	12,02,81,619	-	15,90,24,590	-
c) which have significant increase in Credit Risk; and	-	-	-	-
d) credit impaired.	-	-	-	-
	12,02,81,619	-	15,90,24,590	-
NOTE: 10 - Cash and cash equivalents				
Balance with banks				
In current accounts	9,46,726	-	40,53,937	-
	9,46,726	-	40,53,937	-
NOTE: 11 - Other assets				
Unsecured, considered good				
Capital advances	-	3,24,536	-	-
Advances to vendors	88,563	-	2,992	-
Prepaid expenses	16,72,962	-	6,44,513	30,06,135
	17,61,525	3,24,536	6,47,505	30,06,135

JAIGAD POWERTRANSCO LIMITED				
NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS				
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	As at 31st March,2020	As at 31st March,2019		
NOTE: 12A				
Equity share capital				
Authorised: 150,000,000 Equity Shares of `10 each (Previous year 150,000,000 equity shares of ` 10 each)	1,50,00,00,000	1,50,00,00,000		
Issued, subscribed and paid-up: 137,500,000 Equity Shares of `10 each (Previous year 137,500,000 equity shares of ` 10 each)	1,37,50,00,000	1,37,50,00,000		
	1,37,50,00,000	1,37,50,00,000		
	As at 31st March,2020	As at 31st March,2019		
Details of shareholding				
a) Details of shareholding by Holding Company	No. of Shares	No. of Shares		
JSW Energy Limited	10,17,50,000	10,17,50,000		
b) Details of shareholding more than 5%				
JSW Energy Limited (Holding Company)	10,17,50,000	10,17,50,000		
	74%	74%		
Maharashtra State Electricity Transmission Company Limited	3,57,50,000	3,57,50,000		
	26%	26%		
c) 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. The dividend proposed by the Board of Directors is subject to approval of the Shareholders in the ensuing Annual General Meeting.				
(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.				
d) The reconciliation of the number of shares outstanding and the amount of share capital is set out below:				
Particulars	As at 31st March,2020	As at 31st March,2019		
	No. of Shares	No. of Shares		
Balance as at the beginning of the year	13,75,00,000	13,75,00,000		
Issued during the year	-	-		
Balance as at the end of the year	13,75,00,000	13,75,00,000		
NOTE: 12B - Other equity				
Particulars	Reserves & Surplus		Items of other comprehensive income	Total Other Equity
	Retained Earnings	Contingency Reserve#	Remeasurements of net defined benefit plans	
Balance as at 1st April, 2018	32,14,94,233	10,18,32,045	(1,13,893)	42,32,12,385
Profit for the year	24,10,23,593	-	-	24,10,23,593
Transferred to Contingency Reserve as per MERC MYT Regulation 2015	(1,37,97,077)	1,37,97,077	-	-
Dividend	(13,75,00,000)	-	-	(13,75,00,000)
Dividend Distribution Tax	(2,82,63,530)	-	-	(2,82,63,530)
Remeasurements of the defined benefit liabilities / (asset)	-	-	(43,252)	(43,252)
Balance as at 31st March, 2019	38,29,57,219	11,56,29,122	(1,57,145)	49,84,29,196
Profit for the year	28,13,73,373	-	-	28,13,73,373
Transferred to Contingency Reserve as per MERC MYT Regulation 2015	(1,37,97,077)	1,37,97,077	-	-
Remeasurements of the defined benefit liabilities / (asset)			1,58,234	1,58,234
Balance as at 31st March, 2020	65,05,33,515	12,94,26,199	1,089	77,99,60,803

JAIGAD POWERTRANSCO LIMITED				
NOTES FORMING PART OF THE FINANCIAL STATEMENTS				
₹				
NOTE: 13	As at 31st March,2020		As at 31st March,2019	
Financial liabilities - Borrowings	Current	Non Current	Current	Non Current
Secured Borrowing				
Term Loans:				
From Banks	11,07,71,256	49,74,10,630	-	-
From financial institutions	9,82,28,744	44,10,89,370	20,90,00,000	1,54,52,50,000
			-	
	20,90,00,000	93,85,00,000	20,90,00,000	1,54,52,50,000
Less : Unamortised borrowing costs	19,15,333	41,26,956	20,89,409	83,15,454
Less : Current maturities of long term debt (Included in note no 16)	20,70,84,667	-	20,69,10,591	-
	-	93,43,73,044	-	1,53,69,34,546
Details of Security for Term Loans:				
First ranking charge on				
(a) moveable assets				
(b) on operating cash flows, commissions, revenue, receivables and interest in all the bank accounts including the trust and retention accounts and intangible assets.				
(c) all rights, title, interest benefits, claims, demands etc., in the Company's project documents, insurance contracts, letter of credit etc.				
Terms of Repayment: `220 Crores Term Loan repayable in 52 Structured Quarterly Installments commencing from 30th Sept, 2017				
Period of Repayment	As at 31st March,2020		As at 31st March,2019	
2-3 Years	41,80,00,000		41,80,00,000	
4-5 Years	41,80,00,000		41,80,00,000	
> 5 years	31,15,00,000		91,82,50,000	

Considering the COVID 19 situation, the Reserve Bank of India has granted relief to borrowers by way of moratorium of interest and principal instalments falling due to banks and financial institutions till May 2020. Accordingly, the Company has availed the moratorium relief and deferred the interest and principal repayments due on 31st March 20 amounting to ₹ 5,22,50,000 and ₹ 85,44,813 respectively.

JAIGAD POWERTRANSCO LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31st March,2020		As at 31st March,2019		₹
NOTE: 14 - Provisions	Current	Non Current	Current	Non Current	
Provisions for employee benefits	2,58,665	21,71,690	5,96,794	14,41,886	
	2,58,665	21,71,690	5,96,794	14,41,886	
NOTE: 15 - Trade Payables	As at 31st March,2020		As at 31st March,2019		
	Current	Non Current	Current	Non Current	
Total outstanding dues of Micro, small and medium enterprises #	-	-	-	-	
Total outstanding dues of creditors other than Micro, small and medium enterprises	86,66,693	-	59,16,303	-	
	86,66,693	-	59,16,303	-	
# Refer Note 35 for dues to Micro, small and medium enterprises					
NOTE: 16 - Other financial liabilities	As at 31st March,2020		As at 31st March,2019		
	Current	Non Current	Current	Non Current	
Measured at amortised costs					
Current maturities of long term borrowings	20,70,84,667	-	20,69,10,591	-	
Interest accrued but not due on borrowings	85,44,813	-	-	-	
Revenue adjustments towards true-up	1,81,93,769	-	-	-	
	23,38,23,251	-	20,69,10,591	-	
NOTE:17 - Other liabilities	As at 31st March,2020		As at 31st March,2019		
	Current	Non Current	Current	Non Current	
Advance received from customers	4,68,19,425	-	7,71,66,667	-	
Statutory dues	9,52,586	-	16,36,470	-	
	4,77,72,011	-	7,88,03,137	-	

JAIGAD POWERTRANSCO LIMITED		
NOTES FORMING PART OF THE FINANCIAL STATEMENTS		
		₹
NOTE: 18 - Revenue from Operations	For the Year ended 31st March, 2020	For the year ended 31st March,2019
Revenue from transmission operations	80,52,39,831	82,23,51,957
Less: Impact due to Truing up provisions	14,10,225	1,45,09,257
	80,38,29,606	80,78,42,700
NOTE: 19 - Other Income	For the Year ended 31st March, 2020	For the year ended 31st March,2019
1. Interest income		
Delayed payment surcharge	59,226	2,40,735
Financial assets	92,52,093	82,56,009
2. Others		
Other miscellaneous income	39,768	-
Gain on sale of current investments	60,61,215	1,34,23,269
Net gain arising on financial assets designated as at FVTPL	2,24,396	1,84,976
	1,56,36,698	2,21,04,989
NOTE: 20 - Employee Benefits Expense	For the Year ended 31st March, 2020	For the year ended 31st March,2019
Salaries and wages	1,28,39,896	96,29,382
Contribution to provident and other funds	13,38,866	3,15,841
Staff welfare expenses	2,62,189	41,181
	1,44,40,951	99,86,404
NOTE: 21 - Finance Costs	For the Year ended 31st March, 2020	For the year ended 31st March,2019
Interest expenses		
i) Term loan	13,33,64,584	18,26,87,639
ii) Other interest expense	2,38,584	1,61,674
	13,36,03,168	18,28,49,313
NOTE: 22 - Depreciation on Property, Plant and Equipment	For the Year ended 31st March, 2020	For the year ended 31st March,2019
Depreciation	29,12,37,271	29,10,64,458
	29,12,37,271	29,10,64,458
NOTE: 23 - Other Expenses	For the Year ended 31st March, 2020	For the year ended 31st March,2019
Rent	6,63,629	8,07,943
Rates & taxes	16,03,664	4,92,793
Repairs and maintenance	1,70,10,347	1,81,86,936
Legal & other professional charges	42,76,272	24,60,613
Travelling expenses	20,67,118	18,99,340
Loss on property, plant and equipment written off	-	6,603
Advertisement expenses	10,97,341	-
Power	1,02,510	93,520
Insurance charges	4,31,396	3,56,630
Auditors remuneration	9,14,500	8,85,000
Postage & telephone expenses	79,050	61,857
License fees	10,02,000	10,02,000
Safety & security expense	8,93,569	8,60,138
Corporate social responsibility expenses	67,14,999	90,20,043
Shared service cost	9,33,665	9,16,436
Other general expenses	9,37,640	11,02,990
	3,87,27,700	3,81,52,842
NOTE: 24 - Tax Expense	For the Year ended 31st March, 2020	For the year ended 31st March,2019
Current Tax	6,00,83,841	6,68,71,079
Deferred Tax	(5,55,30,435)	(6,03,38,467)
Deferred tax (recoverable)/ payable in future tariff	5,55,30,435	6,03,38,467
	6,00,83,841	6,68,71,079

JAIGAD POWERTRANSCO LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

25 Financial Instruments:

The Fair Values of the financial assets and liabilities are included at the amount at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities approximate their carrying amounts largely due to short term maturities of these instruments.

Fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

As at 31st March, 2020	Carrying Amount in ₹	Fair Value	Level 1	Level 2	Level 3
Financial assets at amortised cost::					
Investment in Government Securities	12,32,67,268	13,36,28,932	-	13,36,28,932	-
Security Deposit	13,92,410	13,92,410	-	-	13,92,410
Trade receivables	12,02,81,619	12,02,81,619	-	-	-
Cash and cash equivalents	9,46,726	9,46,726	-	-	-
Interest Accrue on Investment	15,03,045	15,03,045	-	-	-
Unbilled Revenue	48,63,328	48,63,328	-	-	-
Total	25,22,54,396	26,26,16,059	-	13,36,28,932	13,92,410
Financial assets at Fair Value through P&L					
Investment in Mutual Fund	15,79,50,926	15,79,50,926	-	15,79,50,926	-
Total	15,79,50,926	15,79,50,926	-	15,79,50,926	-
Financial liabilities held at amortised cost:					
Borrowings	93,43,73,044	93,43,73,044	-	-	-
Current maturities of long-term debt	20,70,84,667	20,70,84,667	-	-	-
Interest accrued but not due on borrowings	85,44,813	85,44,813	-	-	-
Revenue adjustments towards true-up	1,81,93,769	1,81,93,769	-	-	-
Trade Payable	86,66,693	86,66,693	-	-	-
Total	1,17,68,62,986	1,17,68,62,986	-	-	-
As at 31st March, 2019					
Financial assets at amortised cost::					
Investment in Government Securities	10,85,65,520	11,18,50,729	-	11,18,50,729	-
Security Deposit	12,96,834	12,96,834	-	-	12,96,834
Trade receivables	15,90,24,590	-	-	-	-
Cash and cash equivalents	40,53,937	-	-	-	-
Interest Accrue on Investment	11,96,422	-	-	-	-
Unbilled Revenue	1,42,90,743	-	-	-	-
Total	28,84,28,046	11,31,47,563	-	11,18,50,729	12,96,834
Financial assets at Fair Value through P&L					
Investment in Mutual Fund	15,35,84,976	15,35,84,976	-	15,35,84,976	-
Total	15,35,84,976	15,35,84,976	-	15,35,84,976	-
Financial liabilities held at amortised cost:					
Borrowings	1,53,69,34,546	1,53,69,34,546	-	-	-
Current maturities of long-term debt	20,69,10,591	20,69,10,591	-	-	-
Trade Payable	59,16,303	59,16,303	-	-	-
Total	1,74,97,61,440	1,74,97,61,440	-	-	-

JAIGAD POWERTRANSCO LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

26 Financial Risk Management Objectives & Policies

Capital management

The Company manages its capital with the primary objective of maximising the return to stakeholders. The Company operates in a regulated environment, the capital gearing/structuring in relation to the Company's electricity transmission business has been approved under MERC regulations. Following commencement of the Company's transmission business and generation of revenues determined as per approved MERC tariff regulations (the said revenues inclusive of debt servicing), the net debt of the Company has been reducing following repayment of debt.

The gearing ratio at end of the reporting period was as follows:

Particulars	As at 31st March, 2020	As at 31st March, 2019
Debt (i)	1,14,14,57,711	1,74,38,45,137
Cash and cash equivalents	9,46,726	40,53,937
Net debt	1,14,05,10,985	1,73,97,91,200
Total equity	2,15,49,60,803	1,87,34,29,196
Net debt to equity ratio	0.53	0.93

(i) Debt is defined as long-term and short-term borrowings (excluding derivative and contingent consideration).

Financial risk management objectives

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of financial instrument as a result of change in interest rates, exchange rates and other market changes that affect market risk sensitive instruments. As regards the future earnings from the Company's business of providing transmission services, the same is as determined pursuant to the MERC tariff regulations based on the cost of providing the transmission services plus a fixed post tax return on equity of 15.5% upon the Company maintaining the contracted availability of transmission line services. The Company is not exposed to significant market risks as regards the risk of loss of future earnings from its business of transmission services. As regards market risks attributable to all market risks sensitive financial instruments, the same is closely monitored by the Risk Management Committee to determine appropriate mitigation plan as appropriate from time to time.

Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Company revenue is regulated by MERC Regulation where in company's revenue includes Interest on loan. The rate of interest considered by regulation is the weighted average rate of interest computed on the basis of the actual loan portfolio.

The following table provides a break-up of the Company's fixed and floating rate loan portfolio:

JAIGAD POWERTRANSCO LIMITED

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Particulars	As at 31st March, 2020	As at 31st March, 2019
Fixed rate borrowings	-	-
Floating rate borrowings	1,14,14,57,711	1,74,38,45,137
Total borrowings	1,14,14,57,711	1,74,38,45,137

Credit risk management:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

Credit risk is minimal due to the fact that the customer base largely consists of Distribution companies, the amount recoverable from whom are as determined as per MERC order.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with senior management, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides detail regarding the remaining contractual maturities of financial liabilities at the reporting date

Particulars	< 1 year	1-5 years	> 5 years	Total Amount in ₹
Financial liabilities				
Long term borrowings	20,70,84,667	83,60,00,000	9,83,73,044	1,14,14,57,711
Interest accrued but not due on borrowings	85,44,813			
Revenue adjustments towards true-up	1,81,93,769			
Trade Payable	86,66,693			
Total Financial Liabilities	24,24,89,942	83,60,00,000	9,83,73,044	1,14,14,57,711

JAIGAD POWERTRANSCO LIMITED

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27 Trade Receivables

The average credit period of Transmission Income is 30 days. Surcharge receivable towards delayed receipt of payment for Transmission services rendered by the company is accounted in the period during which such surcharge is approved by MERC.

Trade receivables include amounts (see below for aged analysis) that are past due at the end of the reporting period for which the Company has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Company does not generally hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Company to the counterparty.

Age of receivables:

(Amount in ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Within the credit period	6,54,11,816	5,59,57,290
1-30 days past due	5,48,40,617	4,59,45,663
31-60 days past due	29,186	-
61-90 days past due	-	-
91-180 days past due	-	-
181-365 days past due	-	-
More than one year	-	5,71,21,637
Total	12,02,81,619	15,90,24,590

28 Earnings per share:

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 of the Company 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.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	31st March, 2020	31st March, 2019
Profit attributable to equity holders of the Company (₹)	28,13,73,373	24,10,23,593
Weighted average number of Equity shares for basic & diluted EPS	13,75,00,000	13,75,00,000
Earning per share-Basic	2.05	1.75
Earning per share-Diluted	2.05	1.75

29 Remuneration to Auditors (inclusive of tax):

(Amount in ₹)

Particulars	31st March, 2020	31st March, 2019
As Auditor	6,19,500	5,90,000
For Taxation Matters	1,18,000	1,18,000
For Certification Service	1,77,000	1,77,000
Total	9,14,500	8,85,000

JAIGAD POWERTRANSCO LIMITED

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30A Deferred tax balances:

The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:

Amount in ₹

Particulars	As at 31st March, 2020	As at 31st March, 2019
Deferred tax liabilities net of recoverable in future tariff	-	-
Deferred tax assets net of recoverable in future tariff	-	-
Total	-	-

2019-20	Opening balance	Recognised in profit or loss	Closing balance
Deferred tax (liabilities)/assets in relation to:			
Property, plant and equipment	(29,05,42,868)	(29,83,367)	(29,35,26,236)
FVTPL financial assets	2,02,975	(2,02,975)	-
MAT Credit Entitlement	56,13,84,276	5,56,07,359	61,69,91,635
Recoverable in Future Tariff	(27,10,44,383)	(5,24,21,016)	(32,34,65,400)
Total	-	-	-

2018-19	Opening balance	Recognised in profit or loss	Closing balance
Deferred tax (liabilities)/assets in relation to:			
Property, plant and equipment	(29,03,94,519)	(1,48,350)	(29,05,42,868)
FVTPL financial assets	1,77,399	25,577	2,02,975
MAT Credit Entitlement	50,09,23,036	6,04,61,240	56,13,84,276
Recoverable in Future Tariff	(21,07,05,916)	(6,03,38,467)	(27,10,44,383)
Total	-	-	-

30B Income tax:

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Profit before tax	34,14,57,214	30,78,94,672
Enacted tax rate	29.120%	29.120%
Income tax expense	9,94,32,341	8,96,58,928
Tax effect due to exempt income		
Effect of non deductible expenses	19,55,408	35,14,723
Tax effect due to tax holiday	(9,68,34,342)	(9,26,22,948)
Recoverable in Future Tariff	5,55,30,435	6,63,20,375
	(3,93,48,500)	(2,27,87,850)
Income tax expenses recognised in profit & loss account	6,00,83,841	6,68,71,079

The Company have, basis the impact assessment of the option given under section 115BAA of the Income Tax Act, 1961 to pay income tax at 22% plus applicable surcharge and cess subject to certain conditions, decided to continue with the existing tax structure until utilization of their respective accumulated minimum alternative tax (MAT) credit.

31 Details of Corporate Social Responsibility (CSR) Expenditure:

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Amount required to be spent as per Section 135 of the Companies Act, 2013	67,14,999	90,20,043
Amount spent during the year on :		
(i) Construction / acquisition of an asset	16,70,669	67,02,097
(ii) On purchase other than (i) above	50,44,330	23,17,946
Total	67,14,999	90,20,043

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32 Employee benefit plans:

A. Provident fund:

The Company makes monthly contributions to provident fund managed by trust for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

As per Ind AS 19 on "Employee Benefits", employer established provident fund trusts are treated as defined benefit plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. According to the defined benefit obligation of interest rate guarantee on exempted provident fund in respect of employees of the Company as at 31st March 2020 is 8.50 % and hence no provision is required to be provided for in the books of accounts towards the guarantee given for notified interest rates

Company's contribution to provident fund recognized in the Statement of Profit and Loss of ₹ 0.05 crores (for the year ended 31st March 2019: ₹ 0.04 crores) (included in note no. 20)

Actuarial assumptions made to determine interest rate guarantee on exempt provident fund liabilities are as follows:

Particulars	As at 31st March, 2020	As at 31st March, 2019
Discount Rate	6.84%	7.85%
Rate of return on assets	8.49%	8.88%
Guaranteed rate of return	8.50%	8.55%

B. Gratuity :

Under the Gratuity plan, the eligible employees are entitled to post-retirement benefit at the rate of 15 days salary for each year of service until the retirement age of 58, 60 and 62, without any payment ceiling. The vesting period for Gratuity as payable under The Payment of Gratuity Act is 5 years.

Under the Compensated absences plan, leave encashment is payable to all eligible employees on separation from the Company due to death, retirement, superannuation or resignation, at the rate of daily salary, as per current accumulation of leave days.

The defined benefit pension plans requires contributions from employees. Contributions are in the following two forms; one is based on the number of years of service and the other one is based on a fixed percentage of salary of the employees.

The plans in India typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to market yields at the end of the reporting period on government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities and debt instruments.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
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.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The risk relating to benefits to be paid to the dependents of plan members (widow and orphan benefits) is re-insured by an external insurance company. No other post-retirement benefits are provided to these employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2020 by M/S K. A. Pandit Consultants & Actuaries. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Changes in the present value of the defined benefit obligation are, as follows:

Particulars	(Amount in ₹)
Defined benefit obligation at 1 April 2018	7,19,571
Interest cost	56,342
Current service cost	1,23,138
Benefits paid/Transferred Net	2,30,878
Actuarial (Gains)/Loss	55,132
Defined benefit obligation at 31st March, 2019	11,85,061
Interest cost	80,011
Current service cost	92,316
Benefits paid/Transferred Net	7,76,527
Actuarial (Gains)/Loss	(1,94,630)
Defined benefit obligation at 31st March, 2020	19,39,285

JAIGAD POWERTRANSCO LIMITED

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Changes in the defined benefit obligation and fair value of plan assets as at 31st March, 2020: (Amount in ₹)

Particulars	Defined Benefit Obligation	Fair Value of Plan assets	Benefit Liability
Gratuity cost charged to profit or loss			
Opening Balance as on 01st April 2019	11,85,061	1,77,361	10,07,700
Service cost	92,316		92,316
Net interest expense	80,011	13,816	66,195
Sub-total included in profit or loss	1,72,327	13,816	1,58,511
Remeasurement (gains)/losses in other comprehensive income			
Benefits paid/Transferred	7,76,527		7,76,527
Return on plan assets (excluding amounts included in net interest expense)	-	(2,896)	2,896
Actuarial changes arising from changes in demographic assumptions	15,479	-	15,479
Actuarial changes arising from changes in financial assumptions	77,757	-	77,757
Experience adjustments	(2,87,866)		(2,87,866)
Sub-total included in OCI	(1,94,630)	(2,896)	(1,91,734)
Contributions by employer			-
Closing Balance as on 31st March	19,39,285	1,88,281	17,51,004

Changes in the defined benefit obligation and fair value of plan assets as at 31st March, 2019:

Particulars	Defined Benefit Obligation	Fair Value of Plan assets	Benefit Liability
Gratuity cost charged to profit or loss			
Opening Balance as on 1st April 2018	7,19,571	1,65,761	5,53,810
Service cost	1,23,138	-	1,23,138
Net interest expense	56,342	12,979	43,363
Sub-total included in profit or loss	1,79,480	12,979	1,66,501
Remeasurement gains/(losses) in other comprehensive income			
Benefits paid	2,30,878		2,30,878
Return on plan assets (excluding amounts included in net interest expense)	-	(1,379)	1,379
Actuarial changes arising from changes in demographic assumptions	-	-	-
Actuarial changes arising from changes in financial assumptions	5,118	-	5,118
Experience adjustments	50,014	-	50,014
Sub-total included in OCI	55,132	-	55,132
Contributions by employer			-
Closing Balance as on 31st March 2019	11,85,061	1,77,361	10,07,700

The principal assumptions used in determining gratuity for the Company's plans are shown below:

Particulars	31st March, 2020	31st March, 2019
	%	%
Discount rate:		
India gratuity plan	6.89	7.79
Future salary increases:		
India gratuity plan	6.00	6.00

A quantitative sensitivity analysis for significant assumption is as shown below:

Assumptions	31st March, 2020	31st March, 2020	31st March, 2020	31st March, 2020
	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(85,714)	1,01,203	1,01,090	(87,134)

JAIGAD POWERTRANSCO LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

33 Related party disclosure:

A) List of Related Parties :

Related parties with whom the Company has entered into transactions during the year:

I Holding Company:

1 JSW Energy Limited (Holding Company)

II Enterprises over which key management personnel and relatives of such personnel exercise significant influence:

1 Maharashtra State Electricity Transmission Company Limited

2 JSW Global Business Solutions Limited

3 JSW Foundation

III Key Managerial Personnel:

1 Mr Jaykishan Birla - Chief Financial officer (wef 1st November 2018 upto 14th December 2019)

2 Mr. Krishnaraj Nair - Chief Financial Officer (wef 3rd February 2020)

3 Mr Narendra Rahalkar- Company Secretary

Amount in ₹

B)	Transaction during the year	Year ended 31st March, 2020	Year ended 31st March, 2019
1	Service Received		
	Maharashtra State Electricity Transmission Company Limited	47,90,108	43,59,930
2	Rent Paid/(received)		
	JSW Energy Limited	1,000	1,000
3	Business Support Services Paid/(Received)		
	JSW Global Business Solutions Limited	9,33,666	9,16,436
4	Reimbursement received from / (paid to)		
	JSW Energy Limited	45,797	(14,68,911)
5	Donations/CSR Expenses		
	JSW Foundation	22,51,261	-

Amount in ₹

C)	Closing Balances	31st March, 2020	31st March, 2019
1	Trade (Payables) / Receivables		
	Maharashtra State Electricity Transmission Company Limited	(12,16,818)	(10,94,040)
	JSW Energy Limited	22,17,009	-
	JSW Global Business Solution Limited	(2,81,311)	(1,49,859)
2	Deposit With		
	JSW Energy Limited	50,00,000	50,00,000

Note:

i) No amounts in respect of related parties have been written off / written back during the year, nor has any provision been made for doubtful debts / receivables during the year, except as discussed above

ii) Related party relationships have been identified by the management and relied upon by the Auditors,

iii) Related party transactions have been disclosed on basis of value of transactions in terms of the respective contracts.

iv) Terms and conditions of sales and purchases: the sales and purchases transactions among the related parties are in the ordinary course of business based on normal commercial terms, conditions, market rates and memorandum of understanding signed with the related parties. For the year ended 31st March, 2020, the Company has not recorded any loss allowances for transactions between the related parties.

34 Approval of financial statements:

The financial statements were approved for issue by the Board of Directors on 7th May 2020.

35 Disclosure under Micro, Small and Medium Enterprises Development Act:

The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

Sl No	Particulars	31st March, 2020	31st March, 2019
1	Principal amount outstanding	-	-
2	Principal amount due and remaining unpaid	-	-
3	Interest due on (2) above and the unpaid interest	-	-
4	Interest paid on all delayed payments under the MSMED Act.	-	-
5	Payment made beyond the appointed day during the year	-	-
6	Interest due and payable for the period of delay other than (4) above	-	-
7	Interest accrued and remaining unpaid	-	-
8	Amount of further interest remaining due and payable in succeeding years	-	-

JAIGAD POWERTRANSCO LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

36 Operating segment:

The managing director of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators, however only for one segment viz. "Transmission Services". Hence the Company does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments".

37 Contingency Reserve:

The Company has set aside an amount of ₹ 13,797,070 (Previous year ₹ 13,797,070) as 'Contingency Reserve' to be used for the purpose of future losses, which may arise from uninsured risks, or as determined by the board as per Clause 50.7 of MERC (Terms and Conditions of Tariff) Regulations, 2005.

38 Disclosure of COVID-19 on operations:

The outbreak of Covid 19 pandemic globally including in India has led to a nationwide lockdown. The Company's initial assessment of impact of Covid 19 on its operation and financial results is expected to be minimal as ensuring availability of transmission system has been categorised as an essential service. The Company has a comfortable liquidity position and does not anticipate any material financial or operational issues in the short term as well as on a long term basis.

39 Contingent liabilities & Commitments:

There are no contingent liabilities & commitments to be disclosed by the Company.

40 The Company is yet to receive balance confirmations in respect of certain financial assets & financial liabilities. The Management does not expect any material difference affecting the current year's financial statements due to the same.

41 Previous year's figure has been re-grouped/ re-arranged, wherever necessary to conform to current year's classification.

Signatures to notes (1 to 41)

For and on behalf of the Board of Directors

Ravindra Chavan
Chairman
DIN: 06537224

Yatish Kumar Chhabra
Managing Director
DIN: 07971204

Place : Mumbai
Date : 7th May, 2020

Narendra Rahalkar
Company Secretary

Krishnaraj Nair
Chief Financial Officer