

JSW Energy (Kutehr) Limited
Balance Sheet as at March 31, 2018

(In ₹)

Particulars		Note No.	As at March 31, 2018	As at March 31, 2017
ASSETS				
1	Non-current assets			
	(a) Property, Plant & Equipment	4A	6,04,444	7,46,585
	(b) Capital Work-in-progress	4B	2168,91,182	2136,37,089
	(c) Other non-current assets	5	612,69,534	637,99,889
	Total Non - Current Assets		2787,65,160	2781,83,563
2	Current assets			
	(a) Financial Assets			
	(i) Cash and cash equivalents	6	3,77,466	101,99,620
	(ii) Other Bank Balances	6	1,00,000	1,00,000
	(iii) Other Financial asset	7	33,283	21,958
	(b) Current Tax Assets (Net)		1,11,755	1,29,676
	(c) Other current assets	5	-	9,431
	Total Current Assets		6,22,504	104,60,685
Total Assets (1+2)			2793,87,664	2886,44,248
EQUITY AND LIABILITIES				
1	Equity			
	(a) Equity Share capital	8A	2901,50,000	2901,50,000
	(b) Other Equity	8B	(251,39,219)	(213,07,712)
	Total equity		2650,10,781	2688,42,288
LIABILITIES				
2	Non-current liabilities			
	(a) Financial Liabilities		-	-
	Total Non - Current Liabilities		-	-
3	Current liabilities			
	(a) Financial Liabilities			
	(i) Other financial liabilities measured at amortised cost	9	143,30,768	196,44,716
	(b) Other current liabilities	10	46,115	1,57,244
	Total Current Liabilities		143,76,883	198,01,960
Total Equity and Liabilities (1+2+3)			2793,87,664	2886,44,248
See accompanying notes to the financial statements		13-21		

As per our attached report of even date
For Devendra Goyal & Associates
Chartered Accountants
FRN No.: 113315W

For and on behalf of the Board of Directors

D. K. Goyal
Partner
Membership No.: 031243

Perveen Puri
Wholetime Director
[DIN : 07532075]

Jayaprakash Nair
Director
[DIN: 07816567]

Place: Mumbai
Date : 30.04.2018

Monica Chopra
Company Secretary

Krishnaraj Nair
Chief Financial Officer

JSW Energy (Kutehr) Limited
Statement of Profit and Loss for the year ended March 31, 2018

(In `)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I Revenue from operations		-	-
II Other Income	11	33,852	4,82,899
III Total Revenue (I + II)		33,852	4,82,899
IV EXPENSES			
(a) Depreciation and amortisation expense	4	1,42,141	1,39,647
(b) Other expenses	12	37,23,218	11,69,943
Total Expenses (IV)		38,65,359	13,09,590
V Profit/(loss) before tax (III-IV)		(38,31,507)	(8,26,691)
VI Tax Expense			
(1) Current tax		-	-
(2) Deferred tax		-	-
Total tax expense		-	-
VII Profit/(loss) after tax (V-VI)		(38,31,507)	(8,26,691)
VIII Other comprehensive income			
A (i) Items that will not be recycled to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that may be reclassified to profit or loss		-	-
(ii) Income tax on items that may be reclassified to profit or loss		-	-
IX Total comprehensive income for the period (VII + VIII)		(38,31,507)	(8,26,691)
X Earnings per equity share	16		
(1) Basic		(0.13)	(0.03)
(2) Diluted		(0.13)	(0.03)
See accompanying notes to the financial statements	13-21		

As per our attached report of even date
For Devendra Goyal & Associates
Chartered Accountants
FRN No.: 113315W

D. K. Goyal
Partner
Membership No.: 031243

Place: Mumbai
Date : 30.04.2018

For and on behalf of the Board of Directors

Perveen Puri
Wholetime Director
[DIN : 07532075]

Jayaprakash Nair
Director
[DIN: 07816567]

Monica Chopra
Company Secretary

Krishnaraj Nair
Chief Financial Officer

JSW Energy (Kutehr) Limited
Statement of Cash Flows for the year ended March 31, 2018

(In `)

Particulars	For the year ended March 31, 2018	For the year ended 31st March, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss before tax	(38,31,507)	(8,26,691)
Adjustments for:		
Depreciation	1,42,141	1,39,647
	(36,89,366)	(6,87,044)
Adjustments for:		
Other current assets	(1,894)	7,672
Other current liabilities	(54,25,077)	(13,19,022)
Cash generated from operations	(91,16,337)	(19,98,394)
Direct Taxes Paid (Net)	17,921	(1,29,676)
NET CASH FLOW FROM OPERATING ACTIVITIES	(90,98,416)	(21,28,070)
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Capital Work in progress, Capital Advances & pre-operative expenses (net of project credits)	(7,23,738)	(520,49,231)
NET CASH USED IN INVESTMENT ACTIVITIES	(7,23,738)	(520,49,231)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Equity Shares Issued	-	600,00,000
NET CASH FROM FINANCING ACTIVITIES	-	600,00,000
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(98,22,154)	58,22,699
CASH AND CASH EQUIVALENTS - OPENING BALANCE	101,99,620	43,76,921
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	3,77,466	101,99,620

See accompanying notes to the financial statements

As per our attached report of even date

For Devendra Goyal & Associates

Chartered Accountants

FRN No.: 113315W

D. K. Goyal

Partner

M.No. 031243

For and on behalf of the Board of Directors

Perveen Puri

Wholetime Director

[DIN: 07532075]

Jayaprakash Nair

Director

[DIN: 07816567]

Place: Mumbai

Date : 30.04.2018

Monica Chopra

Company Secretary

Krishnaraj Nair

Chief Financial Officer

JSW Energy (Kutehr) Limited
Statement of changes in equity for the year ended March 31,2018

[A] Equity Share Capital		
Balance at the beginning of the period	Movement during the year	Balance at the closing of the period
2901,50,000	-	2901,50,000

[B] Other Equity	
Particulars	Retained earnings
Balance as at April 1, 2017	(213,07,712)
Profit / (Loss) for the year	(38,31,507)
Balance as at March 31, 2018	(251,39,219)

As per our attached report of even date
For Devendra Goyal & Associates
Chartered Accountants
FRN No.: 113315W

For and on behalf of the Board of Directors

D. K. Goyal
Partner
Membership No.: 031243

Perveen Puri
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Place: Mumbai
Date : 30.04.2018

Monica Chopra
Company Secretary

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Chief Financial Officer

JSW Energy (Kutehr) Limited

Notes to Financial Statements for the year ended March 31, 2018

Note

1 General information

The financial statements of the company is prepared for the year ended March 31, 2018.

The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. It forms part of JSW Energy group, and is a 100% subsidiary of JSW Energy Limited. The registered office of the Company is located at Deshraj Rana Building, 1st Floor, Village & Post Office - Karain, Chamba (Himachal Pradesh) : 176318.

The Company is in the process of setting up 240 MW (3X80 MW), run-of-the-river, hydroelectric power project at kutehr, Himachal Pradesh.

2 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standard (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 rule 4 of the Companies (Indian Accounting standards) Rules, 2015.

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 ` ('INR').

3.2 Use of estimates & Judgements:

The preparation of the financial statements requires 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 13.

3.3 Property, plant and equipment

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to statement of profit and loss in the period in which the costs are incurred. Major shutdown or overhaul expenditure is capitalised as the activities are undertaken improves the economic benefits expected to arise from the asset.

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.

Assets in the course of construction are capitalised in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. 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. Revenue generated from production during the trial period is capitalised

3.4 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.

JSW Energy (Kutehr) Limited

Notes to Financial Statements for the year ended March 31, 2018

3.5 **Depreciation & amortisation:**

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method.

Amortisation of intangible assets is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Depreciation on tangible assets is provided as per the provisions of Part C of Schedule II of the Companies Act, 2013 based on useful life and residual value specified therein.

3.6 **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.

3.7 **Cash and cash equivalents:**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and demand deposits deposits with an original maturity of three months or less 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.

3.8 **Revenue recognition:**

Dividend and interest income:

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

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.

3.9 **Foreign currency transactions :**

In preparing the financial statements of company, transactions in currencies other than the company'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.

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; and
- exchange differences on transactions entered into in order to hedge certain foreign currency risks;

JSW Energy (Kutehr) Limited

Notes to Financial Statements for the year ended March 31, 2018

3.10 **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.

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.

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 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.

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.

3.11 **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 as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, 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.

3.12 **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 an 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.

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.

JSW Energy (Kutehr) Limited

Notes to Financial Statements for the year ended March 31, 2018

3.13 **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 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.

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.

JSW Energy (Kutehr) Limited

Notes to Financial Statements for the year ended March 31, 2018

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.

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.

3.14 **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 measured at amortized cost using effective interest method or fair value through profit and loss. 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.

JSW Energy (Kutehr) Limited

Notes to Financial Statements for the year ended March 31, 2018

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.

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.

JSW Energy (Kutehr) Limited
Notes to Financial Statements for the year ended March 31, 2018

3.15 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 the 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.
FCTOCI	FVTPL	No other adjustment is required. 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.

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.

JSW Energy (Kutehr) Limited**Notes to the financial statements for the year ended March 31, 2018****Note No. 4A- Property, Plant and equipments****(In `)**

Description of Assets	Office Equipment	Furniture and Fixtures	Total
I. Gross Carrying Value			
Balance as at 1 April, 2017	6,15,225	2,71,007	8,86,232
Additions	-	-	-
Disposals	-	-	-
Balance as at 31st March, 2018	6,15,225	2,71,007	8,86,232
II. Accumulated depreciation and impairment			
Balance as at 1 April, 2017	1,16,893	22,754	1,39,647
Depreciation / amortisation expense for the year	1,17,427	24,714	1,42,141
Balance as at 31st March, 2018	2,34,320	47,468	2,81,788
Net Carrying Value (I-II)			
Balance as on 31st March 2018	3,80,905	2,23,539	6,04,444
Balance as on 31st March 2017	4,98,332	2,48,253	7,46,585

JSW Energy (Kutehr) Limited

Notes to the financial statements for the year ended March 31, 2018

Note No.4B - Capital Work- in- progress

(In `)

CAPITAL WORK-IN-PROGRESS	As at March 31,2018	As at 31st March,2017
<u>Pre- Operative expenditure during construction period (Pending allocation) :</u>		
Civil works	1793,02,719	1760,48,626
Compensatory Afforestation	91,932	91,932
Manpower Cost	55,62,244	55,62,244
Legal & Professional	208,40,047	208,40,047
Electricity charges	2,77,300	2,77,300
Rent	29,47,790	29,47,790
Repair & Maintenance	2,63,598	2,63,598
Rates & Taxes	30,40,214	30,40,214
Advertisement	15,48,896	15,48,896
Other Expenses	34,66,442	34,66,442
	2173,41,182	2140,87,089
Less : Revenue from Sale of Tender Documents	4,50,000	4,50,000
Total	2168,91,182	2136,37,089

Note : - Company has Incurred expenditure on civil works on the land, the title of which is in the name of promoter holding company viz JSW Energy Limited

JSW Energy (Kutehr) Limited
Notes to the financial statements for the year ended March 31, 2018

Note No.5 - Other assets

(In `)

Particulars	As at March 31, 2018		As at March 31,2017	
	Current	Non- Current	Current	Non- Current
(a) Capital Advances	-	612,69,534	-	637,99,889
(b) Prepayments	-	-	9,431	-
Total	-	612,69,534	9,431	637,99,889

JSW Energy (Kutehr) Limited

Notes to the financial statements for the year ended March 31, 2018

Note No.6 - Cash and Cash Equivalents

(In `)

Particulars	As at March 31,2018	As at March 31,2017
(a) Balances with banks		
(i) In Current Account	3,77,466	1,99,620
(ii) In Deposit Account	-	100,00,000
Total	3,77,466	101,99,620

(In `)

Particulars	As at March 31,2018	As at March 31,2017
Other bank balances		
(a) Others		
(1) Earmarked balances with banks		
(i) Margin Money Accounts & other earmarked balances	1,00,000	1,00,000
Total	1,00,000	1,00,000

JSW Energy (Kutehr) Limited**Notes to the financial statements for the year ended March 31, 2018****Note No.7 - Other Financial assets**

(In `)

Particulars	As at March 31,2018	As at March 31,2017
a) Interest Receivable		
(ii) Interest accrued on deposits	33,283	21,958
Total	33,283	21,958

JSW Energy (Kutehr) Limited

Notes to the financial statements for the year ended March 31, 2018

Note No. 8A - Equity Share Capital

Particulars	As at March 31,2018		As at March 31,2017	
	No. of shares	Amount	No. of shares	Amount
Authorised: Equity shares of Rs 10 each with voting rights	5000,00,000	50000,00,000	5000,00,000	50000,00,000
Issued, Subscribed and Fully Paid: Equity shares of Rs 10 each with voting rights	290,15,000	2901,50,000	290,15,000	2901,50,000
	-	-	-	-
Total	290,15,000	2901,50,000	290,15,000	2901,50,000

1] The reconciliation of the number of shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31,2018	As at March 31,2017
	No. of Shares	No. of Shares
Shares outstanding as at the beginning of the year	290,15,000	230,15,000
Add: Fresh Issue of Shares	-	60,00,000
Shares outstanding as at the end of the year	290,15,000	290,15,000

2] Disclosure of Share holding

Particulars	As at March 31,2018	As at March 31,2017
	No. of Shares	No. of Shares
a) Details of Shareholding by Holding Company, Subsidiary of Holding Company or Associate of Holding Company JSW Energy Ltd (Holding company)	290,15,000	290,15,000
b). Details of more than 5% of aggregate share in the company JSW Energy Ltd (Holding company)	290,15,000	290,15,000

3] Terms & Rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs 10/- share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company the share holder of equity share will be entitle to receive remaining assets of the company after distribution of all the preferential amount. However, no such preferential amount as at end of the year.

Note No. 8B- Other Equity

Particulars	Retained earnings
Balance as at April 1, 2017	(213,07,712)
Profit / (Loss) for the year	(38,31,507)
Balance as at March 31, 2018	(251,39,219)

JSW Energy (Kutehr) Limited**Notes to the financial statements for the year ended March 31, 2018****Note No.9 - Other Financial Liabilities Measured at Amortised Cost**

(In `)

Particulars	As at March 31,2018	As at March 31,2017
(a) Creditors for other liabilities		
(1) Creditors for capital supplies/services	143,06,063	196,20,011
(2) Other credit balances	24,705	24,705
Total	143,30,768	196,44,716

JSW Energy (Kutehr) Limited

Notes to the financial statements for the year ended March 31, 2018

Note No.10 - Other Liabilities

(In `)

Particulars	As at March 31,2018	As at March 31,2017
a. Others		
(i) Statutory Dues	46,115	1,57,244
Total	46,115	1,57,244

JSW Energy (Kutehr) Limited**Notes to the financial statements for the year ended March 31, 2018****Note No.11 -Other Income****(In `)**

Particulars	For the year ended 31st March,2018	For the year ended 31st March,2017
Interest Income		
(a) Interest on Bank deposits	33,852	4,82,899
Total	33,852	4,82,899

JSW Energy (Kutehr) Limited**Notes to the financial statements for the year ended March 31, 2018****Note no -12 Other Expenses****(In `)**

Particulars	For the year ended 31st March,2018	For the year ended 31st March,2017
(i) Auditors Remuneration	3,54,000	3,45,000
(ii) Director Sitting Fees	59,000	-
(iii) Legal and other professional costs	61,791	70,469
(iv) Communication & telephone expenses	73,186	2,35,133
(v) Office maintenance expenses	76,385	2,83,718
(vi) Other general expenses	30,98,856	2,35,623
Total	37,23,218	11,69,943

JSW Energy (Kutehr) Limited

Notes to Financial Statements for the year ended March 31, 2018

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

In the course of applying the policies outlined in all notes under section 3, 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

The management has reviewed all the transactions and not found any material changes in preparation of financial statements in accordance with Ind ASs notified.

Key sources of estimation uncertainties

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 crystallising 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. In estimating the fair value of an asset or a liability, the company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the company engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

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.

JSW Energy (Kutehr) Limited
Notes to Financial Statements for the year ended March 31, 2018

14 Financial Instruments: Classifications and fair value measurements

This note provides information about how the company determines fair values of various financial assets and financial liabilities (which are measured at fair value through profit or loss).

Fair value hierarchy	Valuation technique(s) and key input(s)
Level 1	Quoted bid prices in an active market.
Level 3	Income approach – in this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees.
Level 2	Discounted cash flow at a discount rate that reflects the issuer's current borrowing rate at the end of the reporting period.

Fair value of financial assets and financial liabilities

The management consider that the carrying amounts of current financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

(In `)

As at 31/03/18	Carrying amount	Fair value
Financial assets		
Financial assets carried at amortised cost		
Cash and cash equivalents	3,77,466	3,77,466
Other Bank Balances	1,00,000	1,00,000
Other Financial asset	33,283	33,283
	5,10,749	5,10,749
Financial liabilities		
Financial Liabilities carried at amortised cost		
Creditors Capex	143,30,768	143,30,768

As at 31/03/17	Carrying amount	Fair value
Financial assets		
Financial assets carried at amortised cost		
Cash and cash equivalents	101,99,620	101,99,620
Other Bank Balances	1,00,000	1,00,000
Other Financial asset	21,958	21,958
	103,21,578	103,21,578
Financial liabilities		
Financial Liabilities carried at amortised cost		
Creditors Capex	196,44,716	196,44,716

The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

JSW Energy (Kutehr) Limited

Notes to Financial Statements for the year ended March 31, 2018

15 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. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures, wherever required. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, 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. Note below sets out details of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

(In `)

31.03.2018	< 1 year	1-5 years	> 5 years	Total
<u>Current Liabilities</u>				
Payables for capital projects	143,30,768	-	-	143,30,768
<u>Current assets</u>				
Cash and cash equivalents	3,77,466	-	-	3,77,466
Other Bank Balances	1,00,000	-	-	1,00,000
Other Financial asset	33,283	-	-	33,283
Total current assets	5,10,749	-	-	5,10,749

31.03.2017	< 1 year	1-5 years	> 5 years	Total
<u>Current Liabilities</u>				
Payables for capital projects	196,44,716	-	-	196,44,716
<u>Current assets</u>				
Cash and cash equivalents	101,99,620	-	-	101,99,620
Other Bank Balances	1,00,000	-	-	1,00,000
Other Financial asset	21,958	-	-	21,958
Total current assets	103,21,578	-	-	103,21,578

JSW Energy (Kutehr) Limited
Notes to Financial Statements for the year ended March 31, 2018

16 Earnings per share:

Particulars	31-Mar-18	31-Mar-17
Profit attributable to equity holders of the company: (In `)	(38,31,507)	(8,26,691)
Weighted average number of Equity shares for basic & diluted EPS	2901,50,000	277,38,288
Earnings Per Share :		
- Basic (In `)	(0.13)	(0.03)
- Diluted (In `)	(0.13)	(0.03)

17 Commitments

(In `)

Commitments	As at 31/03/18	As at 31/03/17
Commitments to contribute funds for the acquisition of property, plant and equipment	484,19,486	1826,80,217
Total	484,19,486	1826,80,217

18 Contingent liabilities

There are no contingent liabilities to be disclosed by the company.

19 Related party disclosure

A) List of Related Parties

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

I Holding Company & Fellow Subsidiaries
1 JSW Energy Limited (Holding Company)
2 JSW Energy (Raigarh) Limited (Fellow Subsidiary)
II Key Managerial Personnel
1 Mr. Girish Deshpande – Director (Upto 15th June, 2017)
2 Mr. Jayaprakash Nair – Director (w.e.f 31st May, 2017)
4 Mr. Praveen puri - Wholetime Director
5 Mr. Krishnaraj Nair – Chief Financial Officer
III Relative of Key Managerial Personnel - NA
IV Subsidiaries of Associates and Joint Ventures – NA
V Post Employment Benefit Plans – NA

B) Transaction with related Parties during the year

(In `)

Particulars	Current Year	Previous Year
1 Infusion in Share Capital		
JSW Energy Limited	-	600,00,000
2 Reimbursement paid		
JSW Energy Limited	-	13,92,403
JSW Energy (Raigarh) Limited	2,432	42,709

B Closing Balances	As at 31/03/2018	As at 31/03/2017
1 Equity Share Capital		
JSW Energy Limited	2901,50,000	2901,50,000

JSW ENERGY (KUTEHR) LIMITED**Notes to Financial Statements for the year ended March 31, 2018****20 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:

SI No	Particulars	As at 31/03/2018	As at 31/03/2017
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	-	-

21 Approval of financial statements:

The financial statements were approved for issue by the board of directors on April 30,2018.

For and on behalf of the Board of Directors

Perveen Puri
Wholetime Director
[DIN : 07532075]

Jayaprakash Nair
Director
[DIN: 07816567]

Place : Mumbai
Date : 30.04.2018

Monica Chopra
Company Secretary

Krishnaraj Nair
Chief Financial Officer