

**INDEPENDENT AUDITOR'S REPORT****To The Members of  
JAIGAD POWERTRANSCO LIMITED  
Report on the Audit of Financial Statements****Opinion**

We have audited the accompanying financial statements of JAIGAD POWERTRANSCO LIMITED ("the Company"), which comprises of Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2022, and its profits, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Information Other than the Financial Statements and Auditor's report thereon**

The Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Board's Report, but does not include the financial statement and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.



Based on the work we have performed, if we conclude that there is a material misstatement of this other information, we required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

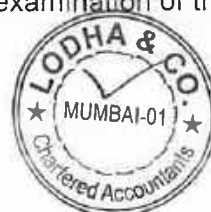
Materiality is the magnitude of misstatements in the financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

### **Report on Other Legal and Regulatory Requirements**

1. Pursuant to the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and records.



- (c) The Balance sheet, the Statement of Profit & Loss (including other comprehensive income), Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- (e) On the basis of the written representation received from the directors as on March 31, 2022 taken on records by the Board of Directors, none of the directors are disqualified as on March 31, 2022 from being appointed as a Directors in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

During the year, the Company has not paid any remuneration to its directors, except for sitting fees.

- (h) With respect to the matters to be included in the Auditor's report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. – Refer Note 38 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv.
    - a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall,



whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub clause (i) and (ii) of Rule 11(e) of The Companies (Audit and Auditors) Rules, 2014, as provided under (a) and (b) above, contains any material misstatement.

- v. The Company has not declared or paid dividend during the financial year 2021-22. Accordingly, reporting under Rule 11 (f) of Companies (Audit and Auditors) Rules, 2014 is not applicable.

For **LODHA & COMPANY**  
Chartered Accountants  
Firm registration No. – 301051E

  
**A.M. Hariharan**  
Partner  
Membership No. 38323  
UDIN: 22038323AIGVQI7777

Place: Mumbai  
Date: May 02, 2022



**Annexure "A" referred to in "Report on Other Legal and Regulatory Requirements" section of our report to the members of JAIGAD POWERTRANSCO LIMITED of even date:**

On the basis of our examination of the books and records of the Company carried out in accordance with the auditing standards generally accepted in India and according to the information and explanations given to us, we state that:

- i)
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
  - b) The Company has carried out physical verification of all its property, plant and equipment during the year. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification
  - c) The Company does not own any immovable property and accordingly, reporting requirements of paragraph 3(i)(c) of the Order are not applicable to the Company.
  - d) The Company has not carried out revaluation of its property, plant and equipment and accordingly, reporting requirements of paragraph 3(i)(d) of the Order are not applicable to the Company.
  - e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii)
  - a) The Company does not hold any inventory and accordingly, reporting requirements of paragraph 3(ii)(a) of the Order are not applicable to the Company.
  - b) The Company has not been sanctioned working capital limits in excess of Rs. 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets accordingly, reporting requirements of paragraph 3(ii)(b) of the Order are not applicable to the Company.
- iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the reporting requirements of clause 3(iii) of the Order are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, the Company has not issued guarantees, given loans or issued any security to which the provisions of Section 185 and Section 186 are applicable. In respect of investments, the provisions of Section 185 and 186 of the Act have been complied with.



- v) In our opinion and according to the information and explanations given to us, no deposits within the meaning of directives issued by RBI (Reserve Bank of India) and Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder have been accepted by the Company. Accordingly, reporting requirements of paragraph 3(v) of the Order are not applicable to the Company.
- vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, in respect of the services rendered by the Company. Accordingly, reporting requirements of paragraph 3(vi) of the Order are not applicable to the Company.
- vii) a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, have been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31<sup>st</sup> March, 2022 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us and the records of the Company, there are no dues of income tax or goods and services tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited with the appropriate authorities on account of any dispute,
- viii) According to the records maintained by the Company and information and explanations given to us, there were no transactions relating previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix) a. The Company has not taken any loan or other borrowings from any lender during the year and accordingly, reporting requirements of paragraph 3(ix)(a) of the Order are not applicable to the Company.
- b. The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.
- c. The Company has not taken any term loan during the year and accordingly, reporting requirements of paragraph 3(ix)(c) of the Order are not applicable to the Company.
- d. According to the information and explanations given to us and based on our examination of the records of the Company, funds raised on short-term basis have not been used for long term purposes.
- e. The Company does not have any subsidiaries and accordingly, reporting requirements of paragraph 3(ix)(e) of the Order are not applicable to the Company.
- f. The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the order is not applicable.
- x) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and accordingly, reporting requirements of paragraph 3(x) of the Order are not applicable to the Company.




- xi) a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing standards in India and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.
- b) No report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) No whistle blower complaints have been received during the year by the Company.
- xii) The Company is not a Nidhi Company and hence, reporting under clause 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. Refer Note 33 to the financial statements.
- xiv) a) In our opinion, the Company has an internal audit system commensurate to the size of the Company and nature of its business.
- b) We have considered, the report of the internal auditors for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non- cash transactions with directors or persons connected with them as per the provisions of Section 192 of the Act. Accordingly, reporting requirements under paragraph 3(xv) of the Order are not applicable to the Company.
- xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) (a), (b) and (c) of the Order is not applicable to the Company.
- (b) We have been informed by the management that as per the definition of Group under Core Investment Companies (Reserve Bank) Directions 2016, there is one Core Investment Company (CIC) which is registered and three CICs which are not required to be registered with the Reserve Bank of India, forming part of the promoter group.
- xvii) The Company has not incurred cash losses during the financial year and the immediately preceding financial year.
- xviii) There has been no resignation of statutory auditors of the Company during the year. Accordingly, reporting requirements under paragraph 3(xviii) of the Order are not applicable to the Company.



- xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing as at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet, will get discharged by the Company as and when they fall due.
- xx) There are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a fund specified in Schedule VII to the Companies Act in compliance with the second proviso to sub-section (5) of Section 135 of the said act. Accordingly, reporting under paragraph 3(xx) of the Order are not applicable to the Company.

Place: Mumbai  
Date: May 02, 2022

For **LODHA & COMPANY**  
Chartered Accountants  
Firm registration No. – 301051E

  
**A. M. Hariharan**  
Partner  
Membership No. 38323  
UDIN: 22038323AIGVQI7777



**Annexure “B” referred to in “Report on Other Legal and Regulatory Requirements” section of our report to the members of JAIGAD POWERTRANSCO LIMITED of even date:**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-Section 3 of Section 143 of the Act**

We have audited the internal financial controls over financial reporting of JAIGAD POWERTRANSCO LIMITED (“the Company”) as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential component of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.



### Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the entity are being made only in accordance with authorisations of management and directors of the Company; (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements and (4) also provide us reasonable assurance by the internal auditors through their internal audit reports given to the Company from time to time.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the best of our information and according to the explanations given to us, the Company has, broadly in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential Component of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Mumbai  
Date: May 02, 2022

For **LODHA & COMPANY**  
Chartered Accountants  
Firm registration No. – 301051E

**A. M. Hariharan**  
Partner  
Membership No. 38323  
UDIN: 22038323AIGVQI7777



**JAIGAD POWERTRANSCO LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2022**

(₹ in lakh)

Particulars	Note	As at	
		31st March, 2022	31st March, 2021
<b>I ASSETS</b>			
<b>(1) Non-current assets:</b>			
(a) Property, plant and equipment			
(i) Tangible assets	5A	23,910.61	26,834.33
(b) Capital work in progress	5B	155.47	94.83
(c) Financial assets			
(i) Investments	6	1,516.40	1,374.30
(ii) Other financial assets	7	14.00	14.96
(d) Income tax assets (net)		31.50	21.84
(e) Other non-current assets	11	-	0.07
		<b>25,627.98</b>	<b>28,340.33</b>
<b>(2) Current assets:</b>			
(a) Inventories	8	81.31	81.66
(b) Financial assets			
(i) Investments	6	667.36	906.84
(ii) Trade receivables	9	1,028.38	907.27
(iii) Unbilled revenue		641.98	541.69
(iv) Cash and cash equivalents	10	202.12	174.80
(v) Other financial assets	7	18.36	17.99
(c) Other current assets	11	6.87	19.24
		<b>2,636.38</b>	<b>2,629.49</b>
<b>TOTAL ASSETS</b>		<b>28,264.36</b>	<b>30,969.82</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	12A	13,750.00	13,750.00
(b) Other equity	12B	13,174.57	10,317.03
		<b>26,924.57</b>	<b>24,067.03</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities:</b>			
(a) Financial liabilities			
- Borrowings	13	-	5,648.09
(b) Provisions	14	52.74	18.85
		<b>52.74</b>	<b>5,666.94</b>
<b>(2) Current liabilities:</b>			
(a) Financial liabilities			
(i) Borrowings	13	1,192.91	1,061.30
(ii) Trade payables	15		
- Total outstanding dues of micro enterprise & small enterprise			2.80
- Total outstanding dues of creditors other than micro enterprise & small enterprise		56.06	47.44
(iii) Other financial liabilities	16	21.27	104.11
(b) Other current liabilities	17	8.20	8.57
(c) Provisions	14	7.61	3.08
(d) Current tax liabilities (net)		2.00	8.75
		<b>1,287.05</b>	<b>1,238.05</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>28,264.36</b>	<b>30,969.82</b>

See Accompanying Notes To The Financial Statements

As per our attached report of even date

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

A. M. Hariharan  
Partner  
Membership No.38323



Place: Mumbai  
Date: May 2, 2022

For and on behalf of the Board of Directors

Syed Nasir Quadri  
Director  
DIN: 09364397

Naveen Manghani  
Company Secretary

Peddana Ramayana  
Managing Director  
DIN: 08923138

Krishnaraj Nair  
Chief Financial Officer

**JAIGAD POWERTRANSCO LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022**

(₹ in lakh)

Particulars	Note	For the Year	For the Year
		ended 31st March, 2022	ended 31st March, 2021
I Revenue from operations	18	7,152.11	7,171.73
II Other income	19	131.72	140.78
<b>Total income (I+II)</b>		<b>7,283.83</b>	<b>7,312.51</b>
III Expenses:			
Employee benefits expense	20	145.69	105.74
Finance costs	21	361.75	832.31
Depreciation and amortisation expense	22	2,923.72	2,913.40
Other expenses	23	381.80	407.36
<b>Total Expenses (III)</b>		<b>3,812.96</b>	<b>4,258.81</b>
<b>IV Profit before tax (I+II-III)</b>		<b>3,470.87</b>	<b>3,053.70</b>
V Tax Expenses:	24		
Current tax		606.43	537.79
Deferred tax		(568.07)	(496.79)
Deferred tax (recoverable)/ payable in future tariff		568.07	496.79
		606.43	537.79
<b>VI Profit after tax for the year (IV - V)</b>		<b>2,864.44</b>	<b>2,515.91</b>
VII Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit liabilities / (asset)		(17.45)	1.83
- Income tax relating to item that will not be reclassified to profit and loss		3.05	(0.32)
<b>VIII Total comprehensive income for the year (VI - VII)</b>		<b>2,850.04</b>	<b>2,517.42</b>
IX Earnings per share of ₹ 10 each	28		
Basic		2.07	1.83
Diluted		2.07	1.83

See Accompanying Notes To The Financial Statements

As per our attached report of even date

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

**A. M. Hariharan**  
Partner  
Membership No. 38323



Place: Mumbai  
Date: May 2, 2022

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

**Syed Nadeem Quadri**  
Director  
DIN: 09364397

**Naveen Manghani**  
Company Secretary

**Peddana Ramayanam**  
Managing Director  
DIN: 08923138

**Krishnaraj Nair**  
Chief Financial Officer

**JAIGAD POWERTRANSCO LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022**

A: EQUITY SHARE CAPITAL	(In ₹ lakh)
Balance as at 1st April, 2020	13,750
Changes in equity share capital during the year	-
Balance as at 31st March 2021	13,750
Changes in equity share capital during the year	-
Balance as at 31st March 2022	13,750

**B: OTHER EQUITY** (In ₹ lakh)

Particulars	Equity settled employee benefits reserve	Retained Earnings	Contingency Reserve#	Remeasurements of the defined benefit liabilities / (asset)	Total Other Equity
Balance as at 1st April, 2020	-	6,505.34	1,294.26	0.01	7,799.61
Profit for the year	-	2,515.91	-	-	2,515.91
Transferred to Contingency Reserve as per MERC MYT Regulation 2015	-	(137.97)	137.97	-	-
Remeasurements of the defined benefit liabilities / (asset)	-	-	-	1.51	1.51
Balance as at 31st March, 2021	-	8,883.28	1,432.23	1.52	10,317.03
Balance as at 1st April, 2021	-	8,883.28	1,432.23	1.52	10,317.03
Profit for the year	-	2,864.44	-	-	2,864.44
Transferred to Contingency Reserve as per MERC MYT Regulation 2015	-	(138.00)	138.00	-	-
Share based payments	7.50	-	-	-	7.50
Remeasurements of the defined benefit liabilities / (asset)	-	(137.97)	137.97	(14.40)	(14.40)
Balance as at 31st March 2022	7.50	11,471.75	1,708.20	(12.88)	13,174.57

See Accompanying Notes To The Financial Statements

As per our attached report of even date

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

*A. M. Hariharan*  
A. M. Hariharan  
Partner  
Membership No. 38323

Place: Mumbai  
Date: May 2, 2022

For and on behalf of the Board of Directors







*Syed Nasir Quadri*  
Syed Nasir Quadri  
Director  
DIN: 09364397

*Peddana Ramayanam*  
Peddana Ramayanam  
Managing Director  
DIN: 08923138

*Naveen Manghani*  
Naveen Manghani  
Company Secretary

*Krishnaraj Nair*  
Krishnaraj Nair  
Chief Financial Officer



<b>JAIGAD POWERTRANSCO LIMITED</b>		
<b>STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2022</b>		
(₹ in lakh)		
Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax	3,470.87	3,053.69
<b>Adjustment for</b>		
Depreciation and amortisation expense	2,923.72	2,913.40
Interest income & gain on sale of current investments	(131.72)	(139.56)
Share-based payments	7.50	-
Provision no longer required written back	-	(1.22)
Loss on write off of property, plant and equipment	-	54.59
Net loss arising on financial assets designated as at FVTPL	0.50	0.23
Provision for doubtful debts	0.06	0.82
Finance costs	361.75	832.31
<b>Operating profit before working capital changes</b>	<b>6,632.66</b>	<b>6,714.26</b>
<b>Adjustment for</b>		
Decrease / (Increase) Trade & other receivables	(208.13)	(200.98)
Increase / (Decrease) in Trade payables & other liabilities	8.58	(670.00)
(Increase) / Decrease in Inventories	(19.65)	(18.18)
Direct Taxes paid	(619.79)	(548.04)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>5,793.69</b>	<b>5,277.06</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment, CWIP (net of capital expenditure)	(126.37)	(156.19)
Interest income & gain on sale of current investments	130.85	136.37
Investment in mutual funds and government securities	(142.10)	(141.83)
Proceeds from sale of current investment	249.48	672.67
<b>NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES</b>	<b>111.86</b>	<b>511.22</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Borrowings (Repayments) (net)	(5,516.48)	(4,705.19)
Finance costs paid	(361.75)	(917.76)
<b>NET CASH FLOW USED IN FINANCING ACTIVITIES</b>	<b>(5,878.23)</b>	<b>(5,622.95)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>27.32</b>	<b>165.33</b>
<b>CASH AND CASH EQUIVALENTS - AT BEGINNING OF THE YEAR</b>	<b>174.80</b>	<b>9.47</b>
<b>CASH AND CASH EQUIVALENTS - AT END OF THE YEAR</b>	<b>202.12</b>	<b>174.80</b>
<b>See Accompanying Notes To The Financial Statements</b>		
<b>Notes :</b>		
1) The figures for the previous periods have been regrouped and reclassified, wherever necessary, to make them comparable with the figures for the current periods.		
As per our attached report of even date		
<b>For Lodha &amp; Co.</b>		<b>For and on behalf of the Board of Directors</b>
Chartered Accountants		
Firm Registration No:301051E		
		
A. M. Hariharan Partner Membership No.:38323	Syed Nasir Quadri Director DIN: 09364397	Peddana Ramayanam Managing Director DIN: 08923138
		
Place: Mumbai Date: May 2, 2022	Naveen Manghani 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.

### 2.1 Applicability of new Indian Accounting Standards ('Ind AS'), amendments and interpretations:

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 Apr 2021. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective:

#### Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR)

The amendments include the following practical expedients:

- a practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to BE treated as changes to a floating Interest rate, equivalent to a movement in a market rate of Interest
- Permit changes required by IBOR reform to BE made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

#### Conceptual framework for financial reporting under Ind AS issued by ICAI

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS .includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after April 1, 2021.

These amendments had no impact on the financial statements of the Company.

#### Ind AS 116: COVID-19 related rent concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond June 30, 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before June 30, 2022 from June 30, 2021. The amendment applies to annual reporting periods beginning on or after April 1, 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after April 1, 2020.

These amendments had no impact on the financial statements of the Company.

#### Ind AS 103: Business combination

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards\* issued by the Institute of Chartered Accountants of India at the acquisition date. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS.

These amendments had no impact on the financial statements of the Company.

#### Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.



# JAIGAD POWERTRANSCO LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

These amendments had no impact on the financial statements of the Company.

### **New and revised Ind ASs in issue but not yet effective:**

At the date of approval of these financial statements, the Company has not applied the following new and revised Ind ASs that have been issued but are not yet effective.

The Ministry of Corporate Affairs (MCA) vide Notification dated 18th June, 2021 has issued new Companies (Indian Accounting Standard) Amendment Rules, 2021. These rules are applicable with immediate effect from the date of the said notification. Major amendments notified in the notification are provided below:

(a) Ind AS 16 | Property, plant and equipment – The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022.

(b) Ind AS 37 | Provisions, contingent liabilities and contingent assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted.

(c) Ind AS 103 | Business combinations – The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.

(d) Ind AS 109 | Financial instruments – The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The Company is evaluating the impact of these amendments.

## **2.2 Statement of compliance**

The Financial Statements of the Company which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2022, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements") have been prepared in accordance with Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time. The Financial Statements have been approved by the Board of Directors in its meeting held on May 2, 2022.

## **3 Significant accounting policies**

### **3.1 Basis of preparation of financial statements:**

The Financial Statements are prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Presentation requirements of Division II of Schedule III to the Companies Act, 2013, as applicable to the Financial Statements have been followed. The Financial Statements are presented in Indian Rupees ('INR') which is functional currency of the Company, and all values are rounded to the nearest crore, except otherwise indicated.

### **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.



# JAIGAD POWERTRANSCO LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 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.

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 2019



# JAIGAD POWERTRANSCO LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 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.

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.



# JAIGAD POWERTRANSCO LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 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.

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



# JAIGAD POWERTRANSCO LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 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.

#### 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).



# JAIGAD POWERTRANSCO LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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.

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.



# JAIGAD POWERTRANSCO LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 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.

### 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.



# JAIGAD POWERTRANSCO LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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.

### 3.17 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:



# JAIGAD POWERTRANSCO LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- 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.

### **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.



# JAIGAD POWERTRANSCO LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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.

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 as lessor:

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Lease classification is made at the inception date and is reassessed only if there is a lease modification. Changes in estimates (for example, changes in estimates of the economic life or of the residual value of the underlying asset), or changes in circumstances (for example, default by the lessee), do not give rise to a new classification of a lease for accounting purposes. For a modification to a finance lease, if the lease would have been classified as an operating lease had the modification been in effect at the inception date, lease modification is accounted as a new lease from the effective date of modification and carrying amount of underlying asset is measured as the net investment in the lease immediately before the effective date of the lease modification.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.



# JAIGAD POWERTRANSCO LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### **The Company as lessee:**

The Company assesses whether a contract is or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether : (i) the contract involves the use of an identified asset; (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease, and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (i.e. leases with a lease term of 12 months or less) and leases of low value assets (i.e. below Rupees five lac). For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

For a contract that contain a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

### **3.20 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.



# JAIGAD POWERTRANSCO LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### **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: 5A - Property, plant and equipment

(₹ in lakh)

Description of assets#	Land-freehold	Plant and equipment	Furniture and fixtures	Computers	Office equipment	Right of Use asset	Total
<b>i. Gross carrying value ##</b>							
Balance as at 1st April, 2021	69.78	44,152.39	10.82	2.09	15.62	31.82	44,282.52
Additions	-	-	-	-	-	-	-
Adjustments / Deductions	-	-	-	-	-	-	-
Balance as at 31st March 2022	69.78	44,152.39	10.82	2.09	15.62	31.82	44,282.52
<b>ii. Accumulated depreciation</b>							
Balance as at 1st April, 2021	-	17,437.66	4.23	1.25	1.53	3.52	17,448.19
Depreciation and amortisation expense for the year	-	2,919.92	0.75	0.23	1.07	1.75	2,923.72
Eliminated on disposal of assets	-	-	-	-	-	-	-
Balance as at 31st March 2022	-	20,357.58	4.98	1.47	2.60	5.27	20,371.91
Net carrying value (i-ii)							
Balance as at 31st March 2022	69.78	23,794.81	5.84	0.62	13.02	26.55	23,910.61
<b>Gross carrying value ##</b>							
Balance as at 1st April, 2020	69.78	44,108.35	10.94	3.26	4.10	31.82	44,228.25
Additions	-	165.87	-	-	11.89	-	177.76
Adjustments / Deductions	-	(121.83)	(0.12)	(1.17)	(0.37)	-	(123.49)
Balance as at 31st March 2021	69.78	44,152.39	10.82	2.09	15.62	31.82	44,282.52
<b>ii. Accumulated depreciation</b>							
Balance as at 1st April, 2020	-	14,584.31	3.60	1.95	1.38	1.76	14,593.00
Depreciation and amortisation expense for the year	-	2,910.22	0.75	0.35	0.33	1.76	2,913.41
Eliminated on disposal of assets	-	(56.87)	(0.12)	(1.05)	(0.18)	-	(58.22)
Balance as at 31st March 2021	-	17,437.66	4.23	1.25	1.53	3.52	17,448.19
Net carrying value (i-ii)							
Balance as at 31st March 2021	69.78	26,714.73	6.59	0.84	14.09	28.30	26,834.33

# 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).

## Gross Block is after netting off accumulated depreciation as on 1st April, 2015. Accumulated depreciation amount as on 1st April, 2015 is as under:

Description of Assets	Land-Freehold	Plant and Equipment	Furniture and Fixtures	Computers	Office Equipment	Right of Use asset	Total
Accumulated depreciation till 1st April, 2015	-	10,987.45	2.02	1.66	0.72	-	10,991.85

NOTE: 5B - Capital work in progress

(₹ in lakh)

As at 31st March, 2022	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
<b>Projects in progress</b>					
Office-cum-guest house building	60.64	79.36	15.47	-	155.47
	60.64	79.36	15.47	-	155.47
<b>To be completed in</b>					
<b>As at 31st March, 2022</b>					
	< 1 year	1-2 years	2-3 years	> 3 years	Total
Office-cum-guest house building	155.47	-	-	-	155.47
	155.47	-	-	-	155.47

(₹ in lakh)

As at 31st March, 2021	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
<b>Projects in progress</b>					
Office-cum-guest house building	79.36	15.47	-	-	94.83
	79.36	15.47	-	-	94.83
<b>To be completed in</b>					
<b>As at 31st March, 2021</b>					
	< 1 year	1-2 years	2-3 years	> 3 years	Total
Office-cum-guest house building	-	94.83	-	-	94.83
	-	94.83	-	-	94.83



**JAIGAD POWERTRANSCO LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(₹ in lakh)

NOTE: 6 - Investments	As at 31st March,2022		As at 31st March,2021	
	Current	Non Current	Current	Non Current
<b>Investments carried at:</b>				
<b>A. Designated as fair value through profit and loss</b>				
<b>I. Quoted Investments</b>				
(a) Investments in Mutual Funds	657.36	-	906.84	-
- SBI Mutual Fund				
<b>B. Investments carried at amortised cost</b>				
<b>I. Unquoted Investments</b>				
(a) Investments in government securities	-	1,516.40	-	1,374.30
	<b>657.36</b>	<b>1,516.40</b>	<b>906.84</b>	<b>1,374.30</b>

**Note**

<b>Quoted Investments</b>				
Book value	657.36	-	906.84	-
Market value	657.36	-	906.84	-
<b>Unquoted Investments</b>				
Book value	-	1,516.40	-	1,374.30

(₹ in lakh)

NOTE: 7 - Other financial assets	As at 31st March,2022		As at 31st March,2021	
	Current	Non Current	Current	Non Current
<b>Carried at amortised cost</b>				
(a) Security deposits with others				
- Unsecured, considered good				
Deposits	-	14.00	-	14.96
b) Interest receivable				
Interest accrued on investments	18.36	-	17.99	-
	<b>18.36</b>	<b>14.00</b>	<b>17.99</b>	<b>14.96</b>

(₹ in lakh)

NOTE: 8 - Inventories	As at 31st March,2022		As at 31st March,2021	
	Current	Non Current	Current	Non Current
Stores and spares	81.31	-	61.66	-
(valued at cost and certified by the management)				
	<b>81.31</b>	<b>-</b>	<b>61.66</b>	<b>-</b>

(₹ in lakh)

NOTE: 9 - Trade receivables	As at 31st March,2022		As at 31st March,2021	
	Current	Non Current	Current	Non Current
a) Considered good - unsecured;	1,028.38	-	907.27	-
	<b>1,028.38</b>	<b>-</b>	<b>907.27</b>	<b>-</b>

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.



**JAIGAD POWERTRANSCO LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Ageing of Trade receivables:**

(₹ in lakh)

As at 31st March,2022	Undisputed trade receivables		Disputed trade Receivables	
	Considered good	Considered doubtful	Considered good	Considered doubtful
Current but not due Outstanding for following periods from due date of payment	505.61	-	-	-
Less than 6 months	522.77	-	-	-
6 months - 1 year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
	<b>1,028.38</b>	<b>-</b>	<b>-</b>	<b>-</b>

(₹ in lakh)

As at 31st March,2021	Undisputed trade receivables		Disputed trade Receivables	
	Considered good	Considered doubtful	Considered good	Considered doubtful
Current but not due Outstanding for following periods from due date of payment	452.67	-	-	-
Less than 6 months	454.60	-	-	-
6 months - 1 year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
	<b>907.27</b>	<b>-</b>	<b>-</b>	<b>-</b>

(₹ in lakh)

NOTE: 10 - Cash and cash equivalents	As at 31st March,2022		As at 31st March,2021	
	Current	Non Current	Current	Non Current
Balance with banks In current accounts	202.12	-	174.80	-
	<b>202.12</b>	<b>-</b>	<b>174.80</b>	<b>-</b>

(₹ in lakh)

NOTE: 11 - Other current and non current assets	As at 31st March,2022		As at 31st March,2021	
	Current	Non Current	Current	Non Current
Capital advances	-	-	-	0.07
Prepayments	6.87	-	19.24	-
	<b>6.87</b>	<b>-</b>	<b>19.24</b>	<b>0.07</b>



**JAIGAD POWERTRANSCO LIMITED**  
**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS**

	(₹ in lakh)	
	As at 31st March,2022	As at 31st March,2021
<b>NOTE: 12A</b>		
<b>Equity share capital</b>		
<b>Authorised:</b> 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
<b>Issued, subscribed and paid-up:</b> 137,500,000 Equity Shares of ₹10 each (Previous year 137,500,000 equity shares of ₹10 each)	13,750.00	13,750.00
	<b>13,750.00</b>	<b>13,750.00</b>

	As at 31st March,2022	As at 31st March,2021
<b>Details of shareholding</b>		
<b>a) Details of shareholding by Holding, Subsidiary or Associate Company</b>	<b>No. of Shares</b>	<b>No. of Shares</b>
JSW Energy Limited (Holding Company)	1,017.50	1,017.50
<b>b) Details of shareholding more than 5%</b>		
JSW Energy Limited (Holding Company)	1,017.50	1,017.50
	74%	74%
Maharashtra State Electricity Transmission Company Limited	357.50	357.50
	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,2022	As at 31st March,2021
	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	-	-
<b>Balance as at the end of the year</b>	<b>13,75,00,000</b>	<b>13,75,00,000</b>

**NOTE: 12B - Other equity**

	(₹ in lakh)	
Particulars	As at 31st March,2022	As at 31st March,2021
Retained Earnings	11,471.75	8,883.28
Equity settled employee benefits reserve	7.50	-
Contingency reserve	1,708.20	1,432.23
Remeasurements of the defined benefit liabilities / (asset)	(12.88)	1.52
<b>Total</b>	<b>13,174.57</b>	<b>10,317.03</b>



**JAIGAD POWERTRANSCO LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(₹ in lakh)

NOTE: 13	As at 31st March,2022		As at 31st March,2021	
Financial liabilities - Borrowings	Current	Non Current	Current	Non Current
<b>Secured Borrowing</b>				
<b>Term Loans:</b>				
From Banks	-	-	-	2,767.39
From financial institutions	-	-	-	2,917.49
	-	-	-	5,684.88
Less : Unamortised borrowing cost	-	-	-	36.79
	-	-	-	<b>5,648.09</b>
<b>From Banks:</b>				
Working Capital Demand Loan	1,192.91	-	1,061.30	-
	<b>1,192.91</b>	<b>-</b>	<b>1,061.30</b>	<b>-</b>
	<b>1,192.91</b>	<b>-</b>	<b>1,061.30</b>	<b>5,648.09</b>

a) Working capital loans is secured by way of a pari-passu first ranking charge on all moveable and immoveable assets of the Companies.

**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.

During the year ended 31st March, 2022, the Company has fully prepaid the outstanding loan amount.

Period of Repayment	As at 31st March,2022	As at 31st March,2021
2-3 Years	-	2,570.00
4-5 Years	-	2,860.00
> 5 years	-	254.88



**JAIGAD POWERTRANSCO LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(₹ in lakh)

NOTE: 14 - Provisions	As at 31st March,2022		As at 31st March,2021	
	Current	Non Current	Current	Non Current
Provisions for employee benefits				
Provision for compensated absences	3.09	28.62	0.95	11.30
Provision for gratuity	4.52	24.12	2.13	7.35
	<b>7.61</b>	<b>52.74</b>	<b>3.08</b>	<b>18.65</b>

NOTE: 15 - Trade Payables	As at 31st March,2022		As at 31st March,2021	
	Current	Non Current	Current	Non Current
Total outstanding dues of Micro, small and medium enterprises	-	-	2.80	-
Total outstanding dues of creditors other than Micro, small and medium enterprises	55.06	-	47.44	-
	<b>55.06</b>	<b>-</b>	<b>50.24</b>	<b>-</b>

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:

Particulars	31st March, 2022	31st March, 2021
Principal amount outstanding	-	2.80
Principal amount due and remaining unpaid	-	-
Interest due on (2) above and the unpaid interest	-	-
Interest paid on all delayed payments under the MSMED Act.	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay other than (4) above	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

**Ageing of trade payables:**

31st March, 2022	Undisputed		Disputed	
	MSME	Others	MSME	Others
Outstanding for following periods from due date of payment				
Less than 1 year	-	2.93	-	-
1-2 years	-	1.07	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
Not due	-	27.70	-	-
Unbilled	-	23.36	-	-
	<b>-</b>	<b>55.06</b>	<b>-</b>	<b>-</b>

31st March, 2021	Undisputed		Disputed	
	MSME	Others	MSME	Others
Outstanding for following periods from due date of payment				
Less than 1 year	2.80	30.52	-	-
1-2 years	-	4.37	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
Not due	-	8.21	-	-
Unbilled	-	4.34	-	-
	<b>2.80</b>	<b>47.44</b>	<b>-</b>	<b>-</b>

NOTE: 16 - Other financial liabilities	As at 31st March,2022		As at 31st March,2021	
	Current	Non Current	Current	Non Current
<b>Measured at amortised cost</b>				
Creditors for capital supplies/services	21.27	-	87.07	-
Revenue adjustments towards true-up	-	-	17.04	-
	<b>21.27</b>	<b>-</b>	<b>104.11</b>	<b>-</b>

NOTE:17 - Other liabilities	As at 31st March,2022		As at 31st March,2021	
	Current	Non Current	Current	Non Current
Statutory dues	7.26	-	8.32	-
Others	0.94	-	0.25	-
	<b>8.20</b>	<b>-</b>	<b>8.57</b>	<b>-</b>



**JAIGAD POWERTRANSCO LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(₹ in lakh)

	For the Year ended 31st March,2022	For the Year ended 31st March,2021
<b>NOTE: 18 - Revenue from Operations</b>		
Revenue from transmission operations	7,071.34	7,006.83
Less: Impact due to Truing up provisions	(80.77)	(164.90)
	<b>7,152.11</b>	<b>7,171.73</b>
<b>NOTE: 19 - Other Income</b>		
<b>1. Interest income</b>		
Interest on bank deposits	-	0.13
Delayed payment surcharge	0.09	-
Financial assets	111.22	102.49
<b>2. Others</b>		
Gain on sale of current investments	20.41	36.94
Provision no longer required written back	-	1.22
	<b>131.72</b>	<b>140.78</b>
<b>NOTE: 20 - Employee Benefits Expense</b>		
Salaries and wages	127.99	97.26
Contribution to provident and other funds	8.35	6.83
Share-based payments	7.50	-
Staff welfare expenses	1.85	1.65
	<b>145.69</b>	<b>105.74</b>
<b>NOTE: 21 - Finance Costs</b>		
<b>Interest expenses</b>		
i) Interest on rupee term loan	246.73	809.89
ii) Other interest expense	106.93	10.73
iii) Other borrowing costs	8.09	11.69
	<b>361.75</b>	<b>832.31</b>
<b>NOTE: 22 - Depreciation and amortisation expense</b>		
Depreciation & amortisation	2,923.72	2,913.40
	<b>2,923.72</b>	<b>2,913.40</b>
<b>NOTE: 23 - Other Expenses</b>		
Rent	6.39	7.30
Repairs and maintenance	212.30	177.68
Rates & taxes	11.03	13.65
Insurance charges	6.04	6.79
Legal & other professional charges	16.14	18.78
Auditors remuneration	9.86	9.49
Travelling expenses	24.23	26.17
Corporate social responsibility expenses	65.00	67.00
Loss on property, plant and equipment written off	-	54.59
Net loss arising on financial assets designated as at FVTPL	0.50	0.23
Safety & security expense	10.82	9.45
Shared Service Cost	6.94	6.37
Provision for Doubtful Debts	0.06	0.82
Miscellaneous expenses	12.49	9.04
	<b>381.80</b>	<b>407.36</b>
<b>NOTE: 24 - Tax Expense</b>		
Current Tax	606.43	537.79
Deferred Tax	(568.07)	(496.79)
Deferred tax (recoverable)/ payable in future tariff	568.07	496.79
	<b>606.43</b>	<b>537.79</b>



**JAIGAD POWERTRANSCO LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

**Note no. 25 - Financial Ratios**

Sr. No.	Particulars	For the year ended 31st March, 2022			For the year ended 31st March, 2021	Variance (%)	Reason for variance over 25%
		Numerator	Denominator	Ratios			
1	Current Ratio (in times)	Current Assets	Current Liabilities	2.05	2.13	-4%	NA
2	Debt-Equity Ratio (in times)	Total Borrowings	Net Worth	0.04	0.28	-84%	Entire Borrowings prepaid in current year
3	Debt Service Coverage Ratio (in times)	Profit before Tax, Exceptional Items, Depreciation, Finance Charges	Finance Charges + Long Term Borrowings scheduled Principal repayments (excluding prepayments + refinancing) during the year	15.07	4.48	236%	Entire Borrowings prepaid in current year
4	Return on Equity Ratio (%)	Net profit after tax	Average Networth	11.23%	11.03%	2%	NA
5	Debtors Turnover (no. of days)	Average Trade Receivables including unbilled revenue	Revenue from operations	80	69	16%	NA
6	Net Capital Turnover (in times)	Annual turnover	Working Capital	5.40	5.25	3%	NA
7	Net Profit Margin (%)	Net profit for the year	Total Income	39.33%	34.41%	14%	NA
8	Return on Capital Employed (%)	Profit after tax plus Interest on long term loans and debentures	Average capital employed	10.57%	10.79%	-2%	NA
9	Return on Investment (%)	Profit generated on sale of investment	Cost of investment	3.21%	3.66%	-12%	NA



# JAIGAD POWERTRANSCO LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 26 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.

(₹ in lakh)

As at 31st March, 2022	Carrying Amount	Fair Value	Level 1	Level 2	Level 3
<b>Financial assets at amortised cost::</b>					
Investment in Government Securities	1,516.40	1,573.87	-	1,573.87	-
Security Deposit	14.00	14.00	-	-	14.00
Trade receivables	1,028.38	1,028.38	-	-	-
Unbilled Revenue	641.98	641.98	-	-	-
Cash and cash equivalents	202.12	202.12	-	-	-
Interest Accrued on Investment	18.36	18.36	-	-	-
<b>Total</b>	<b>3,421.24</b>	<b>3,478.71</b>	<b>-</b>	<b>1,573.87</b>	<b>14.00</b>
<b>Financial assets at Fair Value through P&amp;L</b>					
Investment in Mutual Fund	657.36	657.36	-	657.36	-
<b>Total</b>	<b>657.36</b>	<b>657.36</b>	<b>-</b>	<b>657.36</b>	<b>-</b>
<b>Financial liabilities held at amortised cost:</b>					
Borrowings	1,192.91	1,192.91	-	-	-
Creditors for capital supplies/services	21.27	21.27	-	-	-
Trade Payable	55.06	55.06	-	-	-
<b>Total</b>	<b>1,269.24</b>	<b>1,269.24</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>As at 31st March, 2021</b>					
<b>Financial assets at amortised cost::</b>					
Investment in Government Securities	1,374.30	1,476.44	-	1,476.44	-
Security Deposit	14.96	14.96	-	-	14.96
Trade receivables	907.27	907.27	-	-	-
Unbilled Revenue	541.69	541.69	-	-	-
Cash and cash equivalents	174.80	174.80	-	-	-
Interest Accrued on Investment	17.99	17.99	-	-	-
<b>Total</b>	<b>3,031.01</b>	<b>3,133.15</b>	<b>-</b>	<b>1,476.44</b>	<b>14.96</b>
<b>Financial assets at Fair Value through P&amp;L</b>					
Investment in Mutual Fund	906.84	906.84	-	906.84	-
<b>Total</b>	<b>906.84</b>	<b>906.84</b>	<b>-</b>	<b>906.84</b>	<b>-</b>
<b>Financial liabilities held at amortised cost:</b>					
Borrowings	6,709.39	6,709.39	-	-	-
Creditors for capital supplies/services	87.07	87.07	-	-	-
Revenue adjustments towards true-up	17.04	17.04	-	-	-
Trade Payable	50.24	50.24	-	-	-
<b>Total</b>	<b>6,863.74</b>	<b>6,863.74</b>	<b>-</b>	<b>-</b>	<b>-</b>



# JAIGAD POWERTRANSCO LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 27 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	(₹ in lakh)	
	As at 31st March,2022	As at 31st March,2021
Debt (i)	1,192.91	6,709.39
Cash and cash equivalents	202.12	174.80
Net debt	<b>990.79</b>	<b>6,534.59</b>
Total equity	26,924.57	24,067.03
Net debt to equity ratio (in times)	<b>0.04</b>	<b>0.27</b>

(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:

Particulars	₹ lakh	
	As at 31st March,2022	As at 31st March,2021
Fixed rate borrowings	-	-
Floating rate borrowings	1,192.91	6,709.39
<b>Total borrowings</b>	<b>1,192.91</b>	<b>6,709.39</b>



# JAIGAD POWERTRANSCO LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 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

₹ lakh

Particulars	< 1 year	1-5 years	> 5 years	Total Amount
<b>Financial liabilities</b>				
Short term borrowings	1,192.91	-	-	1,192.91
Creditors for capital suppliers/services	21.27	-	-	21.27
Trade Payable	55.06	-	-	55.06
<b>Total Financial Liabilities</b>	<b>1,269.24</b>	<b>-</b>	<b>-</b>	<b>1,269.24</b>

### 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.

Particulars	31st March, 2022	31st March, 2021
Profit attributable to equity holders of the Company (₹ lakh)	2,864.44	2,515.91
Weighted average number of Equity shares for basic & diluted EPS (Nos.)	13,75,00,000	13,75,00,000
Earning per share-Basic	2.07	1.83
Earning per share-Diluted	2.07	1.83

### 29 Remuneration to Auditors (inclusive of tax):

₹ lakh

Particulars	31st March, 2022	31st March, 2021
As Auditor	6.49	6.20
For Taxation Matters	1.48	1.18
For Certification Service	1.77	1.77
For Out of pocket expenses	0.12	0.34
<b>Total</b>	<b>9.86</b>	<b>9.49</b>



# JAIGAD POWERTRANSCO LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 30A Deferred tax balances:

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

(₹ in lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred tax liabilities net of recoverable in future tariff	-	-
Deferred tax assets net of recoverable in future tariff	-	-
<b>Total</b>	-	-

Particulars	As at 1st April, 2021	Recognised in profit or loss	As at 31st March, 2022
<b>Deferred tax (liabilities)/assets in relation to:</b>			
Property, plant and equipment	(2,824.61)	0.00	(2,824.61)
FVTPL financial assets	-	-	-
MAT Credit Entitlement	6,667.10	568.07	7,235.17
Recoverable in Future Tariff	(3,842.49)	(568.07)	(4,410.56)
<b>Total</b>	-	-	-

Particulars	As at 1st April, 2020	Recognised in profit or loss	As at 31st March, 2021
<b>Deferred tax (liabilities)/assets in relation to:</b>			
Property, plant and equipment	(2,935.27)	110.66	(2,824.61)
FVTPL financial assets	-	-	-
MAT Credit Entitlement	6,169.92	497.18	6,667.10
Recoverable in Future Tariff	(3,234.65)	(607.84)	(3,842.49)
<b>Total</b>	-	-	-

### 30B Income tax:

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

(₹ in lakh)

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
<b>Profit before tax</b>	<b>3,470.87</b>	<b>3,053.70</b>
Enacted tax rate	29.120%	29.120%
<b>Income tax expense</b>	<b>1,010.72</b>	<b>889.24</b>
Effect of non deductible expenses	18.93	19.51
Tax effect due to tax holiday	(991.29)	(867.75)
Recoverable in Future Tariff	568.07	496.79
	<b>(404.29)</b>	<b>(351.45)</b>
<b>Income tax expenses recognised in profit &amp; loss account</b>	<b>606.43</b>	<b>537.79</b>

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.



# JAIGAD POWERTRANSCO LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 31 Details of Corporate Social Responsibility (CSR) Expenditure:

(₹ in lakh)

Particulars	For the Year ended 31st March,2022	For the Year ended 31st March,2021
1] Amount required to be spent as per section 135 of the companies act 2013	65.00	67.00
2] Amount of expenditure incurred :		
(i) Construction / acquisition of an asset	-	-
(ii) On purchase other than (i) above	65.00	67.00
3] Shortfall at the end of the year	-	-
4] Total of previous years shortfall	-	-
5] Reason for shortfall	NA	NA
6] Nature of CSR activities	COVID 19 Support & rehabilitation program, Educational infrastructure & systems strengthening, Enhance Skills & rural livelihoods through nurturing of supportive ecosystems & innovations, General community infrastructure support & welfare initiatives, Public health infrastructure, capacity building & support programs, Project Management Cost.	
7] Amount unspent, if any;	-	-
8] Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard : paid to JSW Foundation	65.00	67.00
9] Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	NA	NA



# JAIGAD POWERTRANSCO LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 32 Employee benefit plans:

#### Defined contribution plans:

##### A. Provident fund:

The Company's contribution to provident fund recognized in the Statement of Profit and Loss of ₹ 4.80 lakh (for the year ended 31st March 2021: ₹ 3.49 lakh) (included in note no. 20)

##### B. National pension scheme :

The Company's contribution to National Pension Scheme (NPS) recognized in Statement of Profit and Loss of ₹ 1.85 lakh (Year ended 31st March, 2021 : ₹ 1.14 lakh) (included in note 20)

#### Defined benefit plans:

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. The amount of gratuity shall be payable to an employee on the termination of his employment after he has rendered continuous service for not less than five years, or on their superannuation or resignation. However, in case of death of an employee, the minimum period of five years shall not be required. The amount of gratuity payable on retirement / termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of service completed. The gratuity plan is a funded plan administered by a separate fund that is legally separated from the entity and the group makes contributions to the insurer (LIC). The group does not fully fund the liability and maintains a target level of funding to be maintained over period of time based on estimations of expected gratuity payments.

Under the compensated absences plan, leave encashment upto a maximum accumulation of 120 days is payable to all eligible employees on separation of the Group due to death, retirement, superannuation or resignation, at the rate of daily salary.

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 most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2022 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.

##### A. Gratuity :

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

Particulars	(₹ in lakh)
<b>Defined benefit obligation at 1 April 2020</b>	<b>19.39</b>
Interest cost	1.34
Current service cost	1.00
Benefits paid/Transferred Net	(8.40)
Actuarial (Gains)/Loss	(2.01)
<b>Defined benefit obligation at 31st March, 2021</b>	<b>11.32</b>
Interest cost	0.78
Current service cost	1.05
Benefits paid/Transferred Net	-
Actuarial (Gains)/Loss	6.46
<b>Defined benefit obligation at 31st March, 2022</b>	<b>19.61</b>



# JAIGAD POWERTRANSCO LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

Changes in the defined benefit obligation and fair value of plan assets as at 31st March, 2022: (₹ in lakh)

Particulars	Defined Benefit Obligation	Fair Value of Plan assets	Benefit Liability
<b>Gratuity cost charged to profit or loss</b>			
Opening Balance as on 01st April 2021	11.32	1.83	9.49
Service cost	1.05		1.05
Net interest expense	0.78	0.13	0.65
Sub-total included in profit or loss	1.83	0.13	1.70
Benefits paid/Transferred	-		-
Transfer in / Out	10.93		10.93
<b>Remeasurement (gains)/losses in other comprehensive income</b>			
Return on plan assets (excluding amounts included in net interest expense)	-	(0.05)	0.05
Actuarial changes arising from changes in demographic assumptions	0.17	-	0.17
Actuarial changes arising from changes in financial assumptions	4.13	-	4.13
Experience adjustments	2.16	-	2.16
Sub-total included in OCI	6.46	(0.05)	6.51
Contributions by employer			-
<b>Closing Balance as on 31st March 2022</b>	<b>30.54</b>	<b>1.91</b>	<b>28.63</b>

Changes in the defined benefit obligation and fair value of plan assets as at 31st March, 2021:

Particulars	Defined Benefit Obligation	Fair Value of Plan assets	Benefit Liability
<b>Gratuity cost charged to profit or loss</b>			
Opening Balance as on 01st April 2020	19.39	1.88	17.51
Service cost	1.00		1.00
Net interest expense	1.34	0.13	1.21
Sub-total included in profit or loss	2.34	0.13	2.21
Benefits paid	(8.40)		(8.40)
<b>Remeasurement gains/(losses) in other comprehensive income</b>			
Return on plan assets (excluding amounts included in net interest expense)	-	(0.18)	0.18
Actuarial changes arising from changes in demographic assumptions	-	-	-
Actuarial changes arising from changes in financial assumptions	(0.01)	-	(0.01)
Experience adjustments	(2.00)	-	(2.00)
Sub-total included in OCI	(2.01)	(0.18)	(1.83)
Contributions by employer			-
<b>Closing Balance as on 31st March 2021</b>	<b>11.32</b>	<b>1.83</b>	<b>9.49</b>

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

Particulars	31st March, 2022	31st March, 2021
	%	%
<b>Discount rate:</b>		
India gratuity plan	7.23	6.90
<b>Future salary increases:</b>		
India gratuity plan	8.00	6.00



# JAIGAD POWERTRANSCO LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

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

Assumptions Sensitivity Level	31st March, 2022	31st March, 2022	31st March, 2022	31st March, 2022
	Discount rate		Future salary increases	
	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(2.57)	2.97	2.92	(2.57)

### B. Compensated absences:

The Company has a policy on compensated absences with provisions on accumulation and encashment by the employees during employment or on separation from the group due to death, retirement or resignation. The expected cost of compensated absences is determined by actuarial valuation performed by an independent actuary at the balance sheet date using projected unit credit method.

### C] Employee share based payment plan:

#### **JSWEL Employees Stock Ownership Plan – 2021 (ESOP 2021)**

The Company has offered equity options under ESOP 2021 to the permanent employees, including whole-time director, of the Company and of its subsidiaries who has been working in India or outside India, in the grades of (i) L16 and above, and (ii) select employees in the grade L-11 to L-15 based on last 3 (three) years performance; and in each case, as may be determined based on the eligibility criteria, or any other employee as may be determined by the compensation committee from time to time, except any employee who is a promoter or belongs to the promoter Company or a director who either by himself or through his relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company and Independent directors, Nominee Directors and Non-Executive Directors.

The grant is determined after having regard to various factors and criteria specified in ESOP 2021. The exercise price is ₹10 or any other price as may be determined by the Compensation Committee. The option shall not be transferable and can be exercised only by the employees of the Company.

Vesting of the options granted under the ESOP 2021 shall be at least one year from the date of Grant. 25% of the granted options would vest on the date following 1 year from the date of respective grant, 25% of the granted options would vest on the date following 2 years from the date of respective grant and the remaining 50% on the date following 3 years from the date of respective grant.

#### **JSWEL Employees Stock Ownership Plan – Samruddhi 2021 (ESOP Samruddhi 2021)**

The Company has offered equity options under ESOP Samruddhi 2021 to the permanent employees, including whole-time director, of the Company and of its subsidiaries who has been working in India or outside India, in the grades of L-01 to L-15 (excluding employees covered under ESOP- 21) , except any employee who is a promoter or belongs to the promoter Company or a director who either by himself or through his relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company and Independent directors, Nominee Directors and Non-Executive Directors.

The grant is determined after having regard to various factors and criteria specified in ESOP Samruddhi 2021. The exercise price is ₹10 or any other price as may be determined by the Compensation Committee. The option shall not be transferable and can be exercised only by the employees of the Company.

Vesting of the options granted under the ESOP Samruddhi 2021 shall be at least two year from the date of Grant. 25% of the granted options would vest on the date following 2 years from the date of respective grant, 25% of the granted options would vest on the date following 3 years from the date of respective grant and the remaining 50% on the date following 4 years from the date of respective grant.



# JAIGAD POWERTRANSCO LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

The method of settlement for above grants and shares options outstanding are as below:

Particulars	ESOP 2021	ESOP 2021 Samruddhi
Grant Date	7th Aug, 2021	7th Aug, 2021
Vesting period	1/2/3 years	2/3/4 years
Method of settlement	Equity	Equity
Exercise price (₹)	10.00	10.00
Fair value (₹)	229.88	228.50
Dividend yield (%)	20.00%	20.00%
Expected volatility (%)	42.53% / 42.22% / 40.85%	42.22% / 40.85% / 42.45%
Risk-free interest rate (%)	5.02% / 5.44% / 5.78%	5.44% / 5.78% / 6.06%
Expected life of share options	3/4/5 years	4/5/6 years
Weighted average exercise price (₹)	10.00	10.00
<b>Pricing formula:</b>		
Book close date	6th Aug, 2021	6th Aug, 2021
Exercise price (₹)	10.00	10.00
Closing market Price (₹)	246.17	246.17
<b>Share options outstanding:</b>		
<b>As on 1st April, 2020</b>	-	-
Exercised	-	-
Lapsed	-	-
<b>As on 31st March 2021</b>	-	-
Granted	3,000	10,250
Exercised	-	-
Lapsed	-	-
<b>As on 31st March 2022</b>	<b>3,000</b>	<b>10,250</b>
Expected option Life	The expected option life is assumed to be mid-way between the option vesting and expiry. Since the vesting period and contractual term of each tranche is different, the expected life for each tranche will be different. The Expected option life is calculated as (Year to Vesting + Contractual Option term) /2.	
Expected volatility	Volatility was calculated using standard deviation of daily change in stock price. The historical period considered for volatility match the expected life of the option.	
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	The following factors have been considered: (a) Share price (b) Exercise prices (c) Historical volatility (d) Expected option life (e) Dividend Yield	
Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.		
Model used	Black-Scholes Method	

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.



# 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 Other related parties with whom the Group has entered into transactions during the year:

1 Maharashtra State Electricity Transmission Company Limited

2 JSW Energy (Barmer) Limited

3 JSW Global Business Solutions Limited

4 JSW Foundation

#### III Key Managerial Personnel:

1 Mr. Syed Nasir Quadri - Chairman (w.e.f 30th October, 2021)

2 Mr. Peddanna Ramayanam - Managing Director (w.e.f. 1st November 2020)

3 Mr. Ashok Phalnikar - Director (w.e.f. 29th October, 2020)

4 Mr. Anil Vilas Kolap - Director (w.e.f 29th October, 2021)

5 Mr. Aditya Agarwal - Director (w.e.f 15th June 2020)

6 Ms. Rupa Devi Singh - Independent Director (w.e.f 3rd April, 2020)

7 Mr. K. Surya Prakash - Director (w.e.f 1st July, 2021)

8 Mr. Krishnaraj Nair - Chief Financial Officer (w.e.f 3rd February 2020)

9 Mr Sanjay Krishnarao Taksande - Director (Upto 19th March, 2021)

10 Mr. Ravindra Dinkarrao Chavan – Chairman (Upto 29th October, 2021)

11 Mr. Ashesh Kumar Padhy - Director (From 2nd September, 2020 upto 1st July, 2021)

12 Mr Narendra Rahalkar- Company Secretary (Upto 31.10.2021)

13 Mr. Sharad Mahendra - Director (Upto 9th June 2020)

14 Mr. Jyoti Kumar Agarwal – Director (Upto 15th September 2020)

15 Mr Yatish Kumar Chhabra -Managing Director (Upto 31st October 2020)

(₹ in lakh)

B)	Transaction during the year	Year ended 31st March, 2022	Year ended 31st March, 2021
1	<b>Services Paid/(Received)</b>		
	Maharashtra State Electricity Transmission Company Limited	57.80	52.54
	JSW Global Business Solutions Limited	6.94	6.37
	JSW Energy (Barmer) Limited	-	-1.62
2	<b>Sale of materials</b>		
	JSW Energy Limited	-	12.60
3	<b>Rent Paid/(received)</b>		
	JSW Energy Limited	0.01	0.01
4	<b>Reimbursement received from / (paid to)</b>		
	JSW Energy Limited	(10.84)	(15.11)
5	<b>Donations/CSR Expenses</b>		
	JSW Foundation	65.00	67.00

Amount in ₹ lakh

C)	Closing Balances	31st March, 2022	31st March, 2021
1	<b>Trade (Payables) / Receivables</b>		
	Maharashtra State Electricity Transmission Company Limited	(14.56)	(13.26)
	JSW Energy Limited	(1.32)	34.01
	JSW Global Business Solution Limited	(0.56)	0.07
2	<b>Deposit With</b>		
	JSW Energy Limited	50.00	50.00

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, 2022, 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 2nd May, 2022.



# JAIGAD POWERTRANSCO LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 35 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".

### 36 Contingency Reserve:

The Company has set aside an amount of ₹ 13,797,077 (Previous year ₹ 13,797,077) 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.

### 37 Disclosure of COVID-19 on operations:

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these financial statements. The Company's transmission capacities are tied up under long term transmission agreements, which insulates revenue of the Company under such contracts. Based on the present assessment, the management does not expect any medium to long-term impact on the business of the Company. The Company has evaluated the possible effects on the carrying amounts of property, plant and equipment, inventory, loans and receivables basis the internal and external sources of information and concluded, exercising reasonable estimates and judgements, that the carrying amounts of these assets are recoverable. Having regard to the above, and the Company's liquidity position, there is no uncertainty in meeting financial obligations in the foreseeable future.

### 38 Contingent liabilities & Commitments:

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

### 39 Other statutory information:

1) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

2) The Company does not have any immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) whose title deeds are not held in the name of the company.

3) The Company does not have any transactions with companies struck off.

4) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

5) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

6) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

7) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

8) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).


9) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

10) The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

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.

For and on behalf of the Board of Directors

  
Syed Nasir Quadri  
Director  
DIN: 09364397

  
Peddanna Ramayanam  
Managing Director  
DIN: 08923138

  
Naveen Manghani  
Company Secretary

  
Krishnaraj Nair  
Chief Financial Officer

Place: Mumbai  
Date: May 2, 2022

