POWER TRADING COMPANY LIMITED

(formerly known as JSW Green Energy Limited)

Registered Office : JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai 400051

CIN: U40101MH2011PLC212214

Audited Financial Results for the quarter and year ended 31.03.2019

(₹ crore)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2019	31.12.2018	31.03.2018	31.03.2019	31.03.2018
		Note no. 2	Unaudited	Note no. 2	Audited	Audited
1	Income:					
	a) Revenue from operations	139.83	402.17	227.09	1,060.60	1,368.35
	b) Other income	2.93	0.00	0.13	4.12	43.54
	Total income	**142.75**	**402.17**	**227.22**	**1,064.72**	**1,411.89**
2	Expenses:					
	a) Fuel cost	-	-	-	-	-
	b) Purchase of power	130.47	374.41	217.02	998.77	1,306.60
	c) Employee benefits expense	(0.08)	0.09	0.14	0.23	1.66
	d) Finance costs	2.58	0.06	0.12	2.86	43.77
	e) Depreciation and amortisation expense	0.01	0.01	0.01	0.03	0.03
	f) Other expenses	9.14	27.22	9.93	60.40	59.43
	Total expenses	**142.12**	**401.79**	**227.22**	**1,062.29**	**1,411.49**
3	**Profit before tax (1 - 2)**	**0.63**	**0.38**	**0.00**	**2.43**	**0.40**
4	**Tax expense**					
	- Current tax	0.13	0.17	0.01	0.97	0.55
	- Deferred tax	0.09	(0.04)	(0.00)	(0.16)	(0.20)
	Tax expense	0.22	0.13	0.01	0.81	0.35
5	**Profit for the period (3 - 4)**	**0.42**	**0.26**	**(0.01)**	**1.62**	**0.05**
6	**Other comprehensive income**					
	A.(i) Items that will not be reclassified to profit or loss	(0.00)	-	0.08	(0.00)	0.08
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
	B.(i) Items that will be reclassified to profit or loss	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
		(0.00)	-	**0.08**	**(0.00)**	**0.08**
7	**Total comprehensive income for the period (5 + 6)**	**0.41**	**0.26**	**0.07**	**1.62**	**0.13**
8	**Paid-up equity share capital (net of treasury shares)**	70.05	70.05	70.05	70.05	70.05
	(Face value of ₹ 10 per share)					
9	Other equity					
10	Earnings per share (not annualised)					
	- Basic EPS (₹)	0.06	0.04	(0.00)	0.23	0.01
	- Diluted EPS (₹)	0.06	0.04	(0.00)	0.23	0.01

Statement of assets and liabilities:

(₹ Crore)

Sl.	Particulars	As at 31-03-2019 Audited	As at 31-03-2018 Audited
A	ASSETS		
1	Non-current assets:		
	(a) Property, plant and equipment	0.07	0.10
	(b) Financial assets		
	(i) Other financial assets	0.47	0.46
	(c) Income tax assets (net)	5.71	4.90
	Total non - current assets	**6.25**	**5.46**
2	Current assets:		
	(a) Financial assets		
	(i) Trade receivables	42.69	134.11
	(ii) Cash and cash equivalents	1.20	3.51
	(iii) Bank balances other than (ii) above	0.01	0.01
	(iv) Other financial assets	0.06	11.50
	(b) Other current assets	118.50	136.53
	Total current assets	**162.46**	**285.66**
	Total assets (1+2)	**168.71**	**291.12**
B	**EQUITY AND LIABILITIES**		
1	**Equity**		
	(a) Equity share capital	70.05	70.05
	(b) Other equity	59.95	58.50
	Total equity	**130.00**	**128.55**
	Liabilities		
2	**Non-current liabilities**		
	(a) Financial liabilities		
	(i) Borrowings	2.24	2.59
	(b) Provisions	0.04	0.02
	(c) Deferred tax liabilities (Net)	1.90	2.06
	Total non - current liabilities	**4.18**	**4.67**
3	**Current liabilities**		
	(a) Financial liabilities		
	(i) Borrowings	4.08	4.08
	(ii) Trade payables		
	- total outstanding dues of micro and small enterprises	-	-
	- total outstanding dues of creditors other than micro and small enterprises	9.01	136.21
	(b) Other current liabilities	20.46	17.05
	(c) Provisions	0.01	0.01
	(d) Current Tax Liabilities	0.97	0.55
	Total current liabilities	**34.53**	**157.90**
	Total equity and liabilities (1+2+3)	**168.71**	**291.12**

Notes:

1. The Company is engaged in only one segment viz. "Trading of Power" and as such there are no separate reportable segments as per IND AS – 108 "Operating Segments".
2. Comparative financial information has been regrouped and reclassified, wherever necessary, to correspond to the figures of the current quarter/period.
3. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 15th May, 2019.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 15.05.2019

Rajkumar Sharma
Director
[DIN: 00294131]

JSW Power Trading Company Limited
(formerly known as JSW Green Energy Limited)
Balance Sheet as at 31st March, 2019

₹ Crore

	Particulars	Note No.	As at 31st March, 2019	As at 31st March,2018
A	**ASSETS**			
1	**Non-current assets**			
	(a) Property, plant and equipment	5	**0.07**	0.10
	(b) Financial assets			
	(i) Other financial assets	6	**0.47**	0.46
	(c) Income tax assets (net)	11	**5.71**	4.90
	Total non - current assets		**6.25**	**5.46**
2	**Current assets**			
	(a) Financial assets			
	(i) Trade receivables	7	**42.69**	134.11
	(ii) Cash and cash equivalents	8	**1.20**	3.51
	(iii) Bank balances other than (ii) above	9	**0.01**	0.01
	(iv) Other financial assets	6	**0.06**	11.50
	(b) Other current assets	10	**118.50**	136.53
	Total current assets		**162.46**	**285.66**
	Total assets (1+2)		**168.71**	**291.12**
B	**EQUITY AND LIABILITIES**			
1	**Equity**			
	(a) Equity share capital	13A	**70.05**	70.05
	(b) Other equity	13B	**59.95**	58.50
	Total Equity		**130.00**	**128.55**
	LIABILITIES			
2	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	14	**2.24**	2.59
	(b) Provisions	15	**0.04**	0.02
	(c) Deferred tax liabilities (Net)	12	**1.90**	2.06
	Total non - current liabilities		**4.18**	**4.67**
3	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	14	**4.08**	4.08
	(ii) Trade payables			
	- total outstanding dues of micro and small enterprises		**-**	-
	- total outstanding dues of creditors other than micro and small enterprises	16	**9.01**	136.21
	(b) Other current liabilities	17	**20.46**	17.05
	(c) Provisions	15	**0.01**	0.01
	(d) Current Tax Liabilities		**0.97**	0.55
	Total current liabilities		**34.53**	**157.90**
	Total equity and liabilities (1+2+3)		**168.71**	**291.12**

See accompanying notes to the financial statements

In terms of our report attached
For Shah Gupta & Co.
Chartered Accountants
Firm Regn. No. 109574W

For and on behalf of the Board of Directors

Vipul K. Choksi
Partner
Membership No.: 37606

Raj Kumar Sharma
Director
[DIN: 00294131]

Monica Chopra
Director
[DIN: 05341124]

Chandraprakash Tatod
Company Secretary & Chief Financial Officer

Place: Mumbai
Date : 15.05.2019

JSW Power Trading Company Limited
(formerly known as JSW Green Energy Limited)
Statement of Profit and Loss for the year ended 31st March, 2019

₹ Crore

Particulars	Note No.	For the year ended 31st March, 2019	For the year ended 31st March' 2018
I Revenue from operations	18	1,060.60	1,368.35
II Other income	19	4.12	43.54
III Total income (I + II)		1,064.72	1,411.89
IV EXPENSES			
(a) Purchase of power	20	998.77	1,306.60
(b) Employee benefits expense	21	0.23	1.66
(c) Finance costs	22	2.86	43.77
(d) Depreciation and amortisation expense		0.03	0.03
(e) Other expenses	23	60.40	59.43
Total expenses (IV)		1,062.29	1,411.49
V Profit / (loss) before tax (III-IV)		2.43	0.40
VI Tax expense			
(1) Current tax		0.97	0.55
(2) Deferred tax		(0.16)	(0.20)
Total tax expense	24	0.81	0.35
VII Profit / (loss) after tax (V-VI)		1.62	0.05
VIII Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plan (net)		(0.00)	0.08
(ii) Income tax on items that will not be reclassified to profit or loss		0.00	(0.02)
Less: MAT credit adjusted		(0.00)	0.02
IX Total comprehensive income for the year (VII + VIII)		1.62	0.13
X Earnings per equity share :	31		
(1) Basic (in ₹)		0.23	0.01
(2) Diluted (in ₹)		0.23	0.01

See accompanying notes to the financial statements

In terms of our report attached.
For Shah Gupta & Co.
Chartered Accountants
Firm Regn. No. 109574W

For and on behalf of the Board of Directors

Vipul K. Choksi
Partner
Membership No.: 37606

Raj Kumar Sharma
Director
[DIN: 00294131]

Monica Chopra
Director
[DIN: 05341124]

Chandraprakash Tated
Company Secretary & Chief Financial Officer

Place: Mumbai
Date : 15.05.2019

JSW Power Trading Company Limited
(formerly known as JSW Green Energy Limited)
Statement of changes in equity for the year ended 31st March, 2019

a. Equity share capital

₹ Crore

Balance as at 31st March, 2018	70.05
Changes in equity share capital during the year 2018-19	-
Balance as at 31st March, 2019	70.05

Balance as at 31st March, 2017	70.05
Changes in equity share capital during the year 2017-18	-
Balance as at 31st March, 2018	70.05

b. Other equity

₹ Crore

Particulars	Reserves and surplus				Items of other comprehensive income	Total
	General reserve	Equity settled share based payment reserve	Capital reserve	Retained earnings	Actuarial gain / (loss)	
Balance at April 1, 2018	0.03	0.19	5.92	52.24	0.12	58.50
Profit for the year	-	-	-	1.62	-	1.62
Other comprehensive income for the year, net of income tax	-	-	-	-	(0.00)	(0.00)
Share based payments	-	(0.17)		-	-	(0.17)
Balance as at 31st March, 2019	**0.03**	**0.02**	**5.92**	**53.86**	**0.12**	**59.95**

Statement of changes in equity for the year ended 31st March, 2018

₹ Crore

Particulars	Reserves and surplus				Items of other comprehensive income	Total
	General reserve	Equity settled share based payment reserve	Capital reserve	Retained earnings	Actuarial gain / (loss)	
Balance at April 1, 2017	0.03	0.09	5.92	52.19	0.04	58.27
Profit for the year	-	-	-	0.05	-	0.05
Other comprehensive income for the year, net of income tax	-	-	-	-	0.08	0.08
Share based payments	-	0.10		-	-	0.10
Balance at March 31, 2018	**0.03**	**0.19**	**5.92**	**52.24**	**0.12**	**58.50**

In terms of our report attached
For Shah Gupta & Co.
Chartered Accountants
Firm Regn. No. 109574W

Vipul K. Choksi
Partner
Membership No.: 37606

Place: Mumbai
Date : 15.05.2019

For and on behalf of the Board of Directors

Raj Kumar Sharma
Director
[DIN: 00294131]

Monica Chopra
Director
[DIN: 05341124]

Chandraprakash Tated
Company Secretary & Chief Financial Officer

JSW Power Trading Company Limited
(formerly known as JSW Green Energy Limited)
Cash Flow Statement for the year ended 31st March'2019

₹ Crore

	Particulars	For the year ended 31st Mar, 2019	For the year ended 31st Mar, 2018
A)	**Cash flows from operating activities**		
	Profit before tax for the year	2.43	0.40
	Adjustments for:		
	Depreciation	0.03	0.03
	Interest expenditure	2.86	43.77
	Profit on sale of mutual fund	-	(0.01)
	Gain arising on financial instrument measured at FVTPL	(0.34)	-
	Expense recognised in respect of equity-settled share-based payments	(0.17)	0.11
	Movements in working capital:		
	(Increase)/decrease in trade and other receivables	120.88	234.40
	(Increase)/decrease in other assets	(0.97)	(0.04)
	Increase/(decrease) in trade and other payables	(123.37)	(243.91)
	Increase/(decrease) in provisions	0.01	(0.32)
	Cash generated from operations	1.36	34.43
	Income taxes paid	(0.81)	(0.64)
	Net cash (used in)/generated by operating activities	**0.55**	**33.79**
B)	**Cash flows from investing activities**		
	Proceeds on sale of investments(Mutual Fund)	-	0.01
	Payments for property, plant and equipment	-	(0.01)
	Net cash (used in)/generated by investing activities	-	**(0.00)**
C)	**Cash flows from financing activities**		
	Proceeds from borrowings	-	0.00
	Interest paid	(2.86)	(43.58)
	Net cash (used in)/generated by financing activities	**(2.86)**	**(43.58)**
	Net increase in cash and cash equivalents	**(2.31)**	**(9.79)**
	Cash and cash equivalents at the beginning of the year	3.51	13.30
	Cash and cash equivalents at the end of the year	**1.20**	**3.51**

Notes:
1. The above cash flow statement has been prepared by using the Indirect Method as per Ind AS 7- Statement of Cash Flows.

In terms of our report attached.
For Shah Gupta & Co.
Chartered Accountants
Firm Regn. No. 109574W

For and on behalf of the Board of Directors

Vipul K. Choksi
Partner
Membership No.: 37606

Raj Kumar Sharma
Director
[DIN: 00294131]

Monica Chopra
Director
[DIN: 05341124]

Chandraprakash Tated
Company Secretary & Chief Financial Officer

Place: Mumbai
Date : 15.05.2019

Note

1 **General information**

The Company is part of JSW Energy group, and is 100% subsidiary of JSW Energy Limited. The Company is engaged in the business of trading of power, buying and selling of Solar Photo Voltaic panels, components and parts etc.

Pursuant to the Scheme of Arrangement approved by the National Company Law Tribunal, the power trading business of the erstwhile JSW Power Trading Company Limited (JSWPTC) has been demerged into JSW Green energy Limited (JSWGEL) and its remaining business has been merged with JSW Energy Limited from the Appointed Date i.e. closing hours of 31st March 2015. The Effective Date of the Scheme was 19th February, 2018. Consequently, the trading licence held by the erstwhile JSWPTC was transferred to JSWGEL pursuant to which, JSWGEL has commenced trading in power procured from the Company and its associates as well as third party suppliers / generators. Later, the name of the company JSWGEL was changed to JSW Power Trading Company Limited as per approval from Registrar of Companies (ROC) dated 19th November, 2018.

2 **Statement of compliance**

The financial statements have been prepared in accordance with Ind AS's notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended.

3 **Significant accounting policies**

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

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with rule 4 of the Companies (Indian Accounting standards) Rules, 2015 as amended .

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

The financial statements are presented in Indian Rupees ('INR') 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 standalone financial statements is described in note 4.

3.3 ***Property, plant and equipment***

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

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method, as per the provisions of Part C of Schedule II of the Companies Act, 2013. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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.

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. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible Assets consisting of Exchange Trading Software is amortised over the estimated useful life of 3 years. Lease Improvement Costs is amortised over the period of the lease.

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 is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method, as per the provisions of Part C of Schedule II of the Companies Act, 2013. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

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.

Specialised Software is amortised over an estimated useful life of 3 years. Licenses are amortised over the period of the license.

Estimated useful lives of the assets are as follows:

Class of assets	Useful life in Years
Furniture and fixtures	10
Vehicles	8
Office equipment- others	5
Office equipment- computers	3

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). 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) is estimated to be less than its carrying amount, the carrying amount of the asset 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 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 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 Revenue recognition:

Sale of Power, Trading margin on Renewable energy certificate & Energy saving certificate and incentive income:

Revenue is recognised to the extent that it is probable that economic benefit will flow to the Company and that the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated rebates and other similar allowances.

Revenue from contracts with customers is recognised when control of the goods (power) or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services having regard to the terms of the contracts.

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.

3.10 *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.

3.11 *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.

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

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

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

3.13 ***Taxation:***
Income tax expenses comprises current tax and deferred tax charges or credit (reflecting the tax effects of timing differences between accounting income and taxable income of the year).

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

Minimum Alternate Tax:
Minimum Alternate 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 the company will pay normal income-tax during the specified 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 of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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.

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 the statement of profit and 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.

3.14 *Earnings per share:*

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

3.15 *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.

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

Contingent liability is disclosed in the case of

a) a present obligation arising from a past event, when it is not probable that a outflow of resources will be required to settle the obligation.

b) A possible obligation, arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not within the control of the enterprise.

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 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

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value through profit and loss, on the basis of both:

(a) the entity's business model for managing the financial assets and

(b) the contractual cash flow characteristics of the financial asset.

Classification of financial assets

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

• the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

• the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

• the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

• the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

All other financial assets are subsequently measured at fair value.

Effective interest method

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

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

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.

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

Impairment of financial assets

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

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

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

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

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

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

Financial liabilities at FVTPL

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

A financial liability is classified as held for trading if:

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

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

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

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

However, for not-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 *Current and non-current classification*

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current when it satisfies any of the following criteria:
- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle. it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:
- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current only.

3.19 ***Reclassification of financial assets and liabilities***

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

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

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.

3.20 *Leases :*

A lease is classified at the inception date as a finance lease or an operating lease. Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

Accounting for arrangements that contains lease:

Under appendix C to Ind AS17, an entity may enter into an arrangement comprising a transaction or a series of related transactions, that do not take the legal form of lease but conveys a right to use an asset in return for a payment or series of payments. Arrangements meeting these criteria should be identified as either operating leases or finance leases.

For determining whether an arrangement is, or contains, a lease shall be based on the substance of the arrangement and requires an assessment of whether:

(a) fulfilment of the arrangement is dependent on the use of specific asset or assets; and

(b) the arrangement conveys a right to use the asset.

Company as lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

3.21 ***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 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.

3.22 ***Initial application of an Ind AS***

The Company applied Ind AS 115 'Revenue from Contracts with Customers' for the first time. Ind AS 115 supersedes Ind AS 11 'Construction Contracts' and Ind AS 18 'Revenue' and it applies, with limited exceptions, to all revenue arising from contracts with customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 using the cumulative effect method on transition, applied to contracts that were not completed contracts as at April 1, 2018. Therefore, the comparative information was not restated and continues to be reported under Ind AS 11 and Ind AS 18. There was no impact on transition on the opening balance sheet as at April 1, 2018. The new standard has no material impact on the revenue recognised during the year.

3.23 *Recent accounting pronouncement*

Ind AS 116 – Leases

Ind AS 116 Leases was notified on March 30, 2019 by the Ministry of Corporate Affairs. It replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases (i.e. leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right of use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right of use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right of use asset.

The standard permits two possible methods of transition i.e. Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, and Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.
As the Group does not have any material leases, wherein the Group is a lessee, the adoption of this standard is not likely to have a material impact at transition date and for the ensuing financial year.

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments):

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise 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. The Group does not expect any impact from this pronouncement.

Ind AS 109 – Prepayment Features with Negative Compensation:

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Group does not expect this amendment to have any impact on its Consolidated Financial Statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the remeasurement.
In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group does not expect this amendment to have any significant impact on its Consolidated Financial Statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Group does not currently have any such long-term interests in associates and joint ventures.

Ind AS 103 – Business Combinations and Ind AS 111 - Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Group will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

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 directors of the Company are 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.

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 crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

Fair value measurements

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The management determines the appropriate valuation techniques and inputs for fair value measurements. 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, characterstics 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 these matters are inherently uncertain until the position is agreed with the relevant tax authorities.

JSW Power Trading Company Limited
(formerly known as JSW Green Energy Limited)

Notes to the financial statements for the year ended 31st March, 2019

Note 5 - Property, plant and equipment

Description of assets	₹ Crore				
	Computers	Office equipment	Furniture and fixtures	Vehicles	Total
I. Gross carrying value					
Balance as at 1st April, 2018	**0.05**	**0.03**	**0.08**	**0.07**	**0.23**
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Balance as at 31st Mar, 2019	**0.05**	**0.03**	**0.08**	**0.07**	**0.23**
II. Accumulated depreciation					
Balance as at 1st April, 2018	**0.04**	**0.01**	**0.05**	**0.03**	**0.13**
Depreciation expense for the year	0.00	0.01	0.01	0.01	**0.03**
Eliminated on disposal/discard of assets	-	-	-	-	-
Balance as at 31st Mar, 2019	0.04	0.02	0.06	0.04	**0.16**
Net carrying value 31st Mar,2019 (I-II)	**0.01**	**0.01**	**0.02**	**0.03**	**0.07**

Description of assets	Computers	Office equipment	Furniture and fixtures	Vehicles	Total
I. Gross carrying value					
Balance as at 1st April, 2017	0.04	0.03	0.08	0.07	**0.22**
Additions	0.01	-	-	-	**0.01**
Disposals	-	-	-	-	-
Balance as at 31st Mar, 2018	**0.05**	**0.03**	**0.08**	**0.07**	**0.23**
II. Accumulated depreciation					
Balance as at 1st April, 2017	**0.03**	0.01	0.04	0.02	**0.10**
Depreciation expense for the year	0.01	0.00	0.01	0.01	**0.03**
Eliminated on disposal of assets	-	-	-	-	-
Balance as at 31st Mar, 2018	0.04	0.01	0.05	0.03	**0.13**
Net carrying value 31st Mar,2018 (I-II)	**0.01**	**0.02**	**0.03**	**0.04**	**0.10**

Note 6 - Other financial assets

Particulars	₹ Crore			
	As at 31st March' 2019		As at 31st March' 2018	
	Current	Non-current	Current	Non-current
a) Security deposits with others				
- Unsecured, considered good (with power exchanges & others)	**0.06**	**0.47**	0.06	0.46
b) Security deposits with Government authorities	-	-	-	0.00
	0.06	**0.47**	**0.06**	**0.46**
c) Other loans and advances				
- Unsecured, considered good	-	-	11.44	-
	-	-	**11.44**	-
TOTAL	**0.06**	**0.47**	**11.50**	**0.46**

Note 7 - Trade receivables

Particulars	₹ Crore	
	As at 31st March' 2019	As at 31st March' 2018
a) Unsecured, considered good		
(i) Trade Receivables considered good - Secured;	-	-
(ii) Trade Receivables considered good - Unsecured;	**42.69**	134.11
(iii) Trade Receivables which have significant increase in Credit Risk; and	-	-
(iv) Trade Receivables - credit impaired	-	-
(Refer Note 27)		
TOTAL	**42.69**	**134.11**

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Notes to the financial statements for the year ended 31st March, 2019

Note - 8: Cash and cash equivalents

Particulars	₹ Crore	
	As at 31st March' 2019	As at 31st March'2018
Current cash and bank balances		
a) Unrestricted balances with banks		
(i) In current account	1.20	3.51
TOTAL	1.20	3.51

Note - 9: Other bank balances

Particulars	₹ Crore	
	As at 31st March' 2019	As at 31st March'2018
Current cash and bank balances		
a) Earmarked balances with banks		
(i) Margin money accounts (for bank gaurantee issuance)	0.01	0.01
TOTAL	0.01	0.01

Note 10 - Other current assets

Particulars	₹ Crore	
	As at 31st March' 2019	As at 31st March'2018
a) Advance for purchase of power (Related Parties)	118.36	134.75
b) Advances to other vendors	0.06	1.71
c) Balances with government authorities	0.02	0.00
d) Prepayments / Other receivables	0.06	0.07
TOTAL	118.50	136.53

Note 11 - Income tax assets (net)

Particulars	₹ Crore	
	As at 31st March' 2019	As at 31st March'2018
a) Advance income tax (net of provision as at 31.3.19 Rs. 17.94 crore & 31.3.18 Rs. 21.31 crore)	5.71	4.90
TOTAL	5.71	4.90

Note 12- Deferred tax (assets) / liability

Particulars	₹ Crore	
	As at 31st March' 2019	As at 31st March'2018
a) Deferred tax assets / (liability)	3.42	2.61
b) Minimum alternate tax credit entitlement (Refer Note 29)	(1.52)	(0.55)
TOTAL	1.90	2.06

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Notes to the financial statements for the year ended 31st March, 2019

Note - 13A: Equity share capital

Particulars	₹ Crore			
	As at 31st March' 2019		As at 31st March'2018	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of ₹ 10 each with voting rights	**8,50,50,000**	**85.05**	8,50,50,000	85.05
Issued, subscribed and fully Paid:				
Equity shares of ₹ 10 each with voting rights	**7,00,50,000**	**70.05**	7,00,50,000	70.05

Particulars	As at 31st March' 2019	As at 31st March'2018
	No. of shares	No. of shares
a) Details of agrregate shareholding by holding company		
Equity shares :		
JSW ENERGY LIMITED, the holding company	**7,00,50,000**	7,00,50,000
b) Details of shareholding more than 5%		
Equity shares :		
JSW ENERGY LIMITED, the holding company	**7,00,50,000** **100%**	7,00,50,000 100%

Terms & rights attached to equity shares

(i) The Company has only one class of equity shares having a par value of ₹10 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pay dividend in Indian rupees.
(ii) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to the shareholding.

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

Particulars	As at 31st March' 2019	As at 31st March'2018
	No. of shares	No. of shares
Balance as at the beginning of the Year	**7,00,50,000**	7,00,50,000
Issued during the Year	**-**	-
Balance as at end of the year	**7,00,50,000**	7,00,50,000

Aggregate numbyer of shares allotted as fully paid up, without payment being received in cash

As at 31.3.2015	7,00,00,000
As at 31.3.2016	-
As at 31.3.2017	-
As at 31.3.2018	-
As at 31.3.2019	-

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Notes to the financial statements for the year ended 31st March, 2019

Note - 13B: Other equity

₹ Crore

Particulars	Reserves and surplus				Items of other comprehensive income	Total
	General reserve	Equity settled share based payment reserve	Capital reserve	Retained earnings	Actuarial gain / (loss)	
Balance as at 31st March, 2019	0.03	0.02	5.92	53.86	0.12	59.95
Balance as at 31st March, 2018	0.03	0.19	5.92	52.24	0.12	58.50

1. General reserve
The Company created a general reserve in earlier years pursuant to the provisions of the Companies Act, wherein certain percentage of profits were required to transferred to general reserve before declaring dividend. As per Companies Act 2013, the requirement to transfer profits to general reserve is not mandatory. General reserve is a free reserve available for distribution subject to compliance with the Companies (Declaration and Payment of Dividend) Rules, 2014.

2. Equity-settled employee benefits reserve
The Company offers ESOP under which options to subscribe for the Company's share have been granted to certain employees and senior management. The share based payment reserve is used to recognise the value of equity settled share based payments provided as part of the ESOP scheme

3. Capital reserve
Reserve is primarily created on amalgamation as per statutory requirement

4. Retained earnings
Retained earnings comprise balances of accumulated (undistributed) profit and loss at each year end, less any transfers to general reserve

5. Remeasurements of the net defined benefit plans
This reserve represents the impact of actuarial gains and losses on the funded obligation due to change in financial assumptions, change in demographic assumptions, experience adjustments etc. recognised through other comprehensive income

JSW Power Trading Company Limited
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Notes to the financial statements for the year ended 31st March, 2019

Note - 14: Borrowings

Particulars	₹ Crore			
	As at 31st March' 2019		As at 31st March'2018	
	Current	Non-current	Current	Non-current
Measured at fair value through profit or loss				
a) **Unsecured borrowings:**				
10% Redeemable non-cumulative preference shares of ₹ 10 each	-	2.24	-	2.59
Measured at amortised cost				
a) **Unsecured borrowings**				
Other loans from related party (Holding company- JSW Energy Ltd.)	4.08	-	4.08	-
TOTAL	4.08	2.24	4.08	2.59

Terms & Rights attached to preference shares

i) The fully paid 10% redeemable non-cumulative preference shares shall interse, rank pari passu without any preference of one over the other(s).
ii) The 10% redeemable non-cumulative preference shares are redeeable at par at the end of 20 years from the date of allotment i.e., 31st March, 2015, with an option to redeem at any time after the end of 5 years from the date of allotment either by the Company or by the preference shareholder.
iii) The 10% redeemable non-cumulative preference shareholders are entitled to non-cumulative preferential dividend of 10%, if any, declared by the Company in any year during the tenure.
iv) No premium is payable on redemption of 10% redeemable non-cumulative preference shares.
v) The 10% redeemable non-cumulative preference shares are entitled for voting rights in accordance with section 47 of Companies Act, 2013

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Notes to the financial statements for the year ended 31st March, 2019

Note - 15: Provisions

Particulars	₹ Crore			
	As at 31st March' 2019		As at 31st March'2018	
	Current	Non-Current	Current	Non-Current
a) Provision for employee benefits- Gratuity	0.01	0.01	0.01	0.00
b) Provision for employee benefits- Leave	0.00	0.03	0.00	0.02
(Refer Note 32)				
TOTAL	0.01	0.04	0.01	0.02

Note - 16: Trade payables

Particulars	₹ Crore	
	As at 31st March' 2019	As at 31st March'2018
a) Creditors for supplies / services		
- total outstanding dues of micro and small enterprises	-	-
- total outstanding dues of creditors other than micro and small enterprises	9.01	136.21
(Refer Note 37)		
TOTAL	9.01	136.21

Note - 17: Other current liabilities

Particulars	₹ Crore	
	As at 31st March' 2019	As at 31st March'2018
a) Advances received from customers	20.13	17.03
b) Others		
(i) Employee recoveries and employer contributions	0.00	(0.00)
(ii) Statutory dues	0.33	0.02
TOTAL	20.46	17.05

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Notes to the financial statements for the year ended 31st March, 2019

Note -18 Revenue from operations

Particulars		₹ Crore	
		For the year ended 31st March' 2019	For the year ended 31st March' 2018
Revenue from contract with customers			
1	Revenue from Sale of power	**1,060.19**	1,360.61
2	Revenue from Sale of renewable energy certificate (REC)	-	7.54
3	Incentive on REC Sale	**0.13**	0.15
4	Trading margin : Energy Saving Certificates	-	0.04
5	Trading margin : REC	**0.28**	0.01
	Total	**1,060.60**	**1,368.35**

Note:

(a) Significant changes in the contract liability balance during the year are as follows

Rs. Crore

Contract liability - Advance from customer	**As at 31st March, 2019**	**As at 31st March, 2018**
Opening balance	17.03	13.85
Less: Revenue recognized during the year from balance at the beginning of the year	2.10	14.00
Add : Advance received during the year not recognized as revenue	5.34	17.18
Written back	(0.14)	(0.00)
Closing balance	**20.13**	**17.03**

Contract liability is the Company's obligation to transfer goods or services to a customer for which the company has received consideration from the customer in advance.

(b) Details of Revenue from Contract with Customers

Rs. Crore

Particulars	**For the year ended 31st March, 2019**	**For the year ended 31st March, 2018**
Total Revenue from Contract with Customers as above	1,064.14	1,374.46
Add: Rebate on prompt payment	(3.54)	(6.11)
Less: Incentives	-	-
Total Revenue from Contract with Customers as per contracted price	**1,060.60**	**1,368.35**

JSW Power Trading Company Limited
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Notes to the financial statements for the year ended 31st March, 2019

Note no -19 Other income

Particulars	₹ Crore	
	For the year ended 31st March' 2019	For the year ended 31st March' 2018
1 **Interest income**		
a) Bank deposits	0.00	-
b) Other financial assets		
i) Surcharge income	3.12	43.37
ii) Net Gain arising on financial instrument measured at FVTPL	0.34	-
iii) Interest on income tax refunds	0.05	-
iv) Others	-	-
2 **Other income**		
a) Provision no longer required	0.61	0.16
b) On sale of other current investments	-	0.01
Total	**4.12**	**43.54**

Note no -20 Purchase of power & renewable energy certificate

Particulars	**₹ Crore**	
	For the year ended 31st March' 2019	**For the year ended 31st March' 2018**
a) Purchase of power	998.77	1,299.18
b) Purchase of renewable energy certificate (REC)	-	7.42
Total	998.77	1,306.60

Note no -21 Employee benefits expense

Particulars	**₹ Crore**	
	For the year ended 31st March' 2019	**For the year ended 31st March' 2018**
a) Salaries and wages, including bonus	**0.34**	1.46
b) Contribution to provident and other funds	**0.04**	0.01
c) Equity-settled share-based payments	**(0.17)**	0.10
d) Staff welfare expenses	**0.02**	0.09
Total	**0.23**	**1.66**

Note no -22 Finance cost

Particulars	**₹ Crore**	
	For the year ended 31st March' 2019	**For the year ended 31st March' 2018**
a) Interest expense		
(i) Interest on preference shares	-	0.18
(ii) Other interest expense	**2.85**	43.49
b) Other borrowing cost	**0.01**	0.10
Total	**2.86**	**43.77**

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Notes to the financial statements for the year ended 31st March, 2019

Note no -23 Other expenses

Particulars	₹ Crore	
	For the year ended 31st March' 2019	For the year ended 31st March' 2018
a) Rent including lease rentals	0.03	0.08
b) Office maintenance expenses	0.05	0.29
c) Rates and taxes	0.09	0.00
d) Insurance charges	0.00	0.00
e) Auditors remuneration and out-of-pocket expenses	0.09	0.07
f) Legal and other professional fees	0.14	0.21
g) Advertisement, promotion & selling expenses	-	0.02
h) Travelling expenses	0.09	0.35
i) Corporate social responsibility expenses (Refer note 38)	0.02	-
j) Safety & security expenses	-	0.06
k) Open access charges	-	0.48
l) Exchange commission	59.31	57.18
m) Branding expenses	0.00	0.01
n) Trading License Fees	0.46	0.46
o) Other general expenses	0.12	0.22
Total	**60.40**	**59.43**

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Notes to the financial statements for the year ended 31st March, 2019

Note no -24 Tax expense

₹ crore

Particulars	For the year ended 31st March' 2019	For the year ended 31st March' 2018
a) Current tax	**0.97**	0.55
b) Deferred tax	**0.81**	0.35
Less: MAT credit entitlement	**(0.97)**	(0.55)
(Refer note 29 & 30)	**(0.16)**	(0.20)
Total	**0.81**	0.35

25 *Financial Instruments:Classifications and fair value measurements*

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 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.

Financial assets/ financial liabilities	Fair value hierarchy	Valuation technique(s) and key input(s)
Borrowing: loan taken from related parties & Preference shares	Level 3	Discounted cash flow at a discount rate that reflects the issuer's current borrowing rate at the end of the reporting period.

As at 31/03/2019	Carrying amount (in ₹ Cr)	Fair value (in ₹ Cr)	Level 1	Level 2	Level 3
Financial assets					
Financial assets carried at amortised cost					
Loans & advances	-	*	-	-	-
Security deposits	0.53	*	-	-	-
Trade receivables	42.69	*	-	-	-
Cash and cash equivalents	1.20	*	-	-	-
Other Bank Balances	0.01	*	-	-	-
Total Financial assets	**44.43**	-	-	-	-
Financial liabilities					
Financial Liabilities carried at fair value through Profit & Loss					
Preference shares	2.24	2.24			2.24
Financial Liabilities carried at amortised cost					
Borrowings	4.08	*	-	-	-
Trade Payables	9.01	*	-	-	-
Total Financial liabilities	**15.33**	**2.24**	-	-	**2.24**

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

As at 31/03/2018	Carrying amount (in ₹ Cr)	Fair value (in ₹ Cr)	Level 1	Level 2	Level 3
Financial assets					
Financial assets carried at amortised cost					
Loans & advances	11.44	*	-	-	-
Security deposits	0.52	*	-	-	-
Trade receivables	134.11	*	-	-	-
Cash and cash equivalents	3.51	*	-	-	-
Other Bank Balances	0.01	*	-	-	-
	149.59	-	-	-	-
Financial liabilities					
Financial Liabilities carried at fair value through Profit & Loss					
Preference shares	2.59	2.59			2.59
Financial Liabilities carried at amortised cost					
Borrowings	4.08	*	-	-	-
Trade Payables	136.21	*	-	-	-
Total Financial liabilities	**142.88**	**2.59**	-	-	**2.59**

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

Sensitivity analysis of level III:

Particulars	Valuation technique	Significant un-observable inputs	Change	Sensitivity of the input to the fair value ((in ₹ Cr))
Borrowing: Preference shares	DCF method	Discounting rate	0.50%	0.50% increase / (decrease) in the discount rate would decrease / (Increase) the fair value by Rs. 0.15 crore / (0.23 crore)

Reconciliation of Level III fair value measurement:

(in ₹ Cr)

Particulars	As at 31/03/2019	As at 31/03/2018
Opening balance	2.59	2.41
Additional borrowing	-	-
Reclassification of allowance for loss	-	-
Allowance for loss	-	-
(Gain) / loss recognised in the statement of profit and loss	(0.35)	0.18
Closing balance	2.24	2.59

26 *Financial Risk Management Objectives & Policies*

Capital management

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company is not subject to any externally imposed capital requirements.The company monitors its Capital using gearing ratio , which is net debt diveded to total equity . Net debt includes loans and borrowing less cash and cash equivalents

Gearing ratio

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

₹ crore

	As at 31/03/2019	As at 31/03/2018
Debt (i)	6.32	6.67
Cash and bank balances	1.21	3.52
Net debt	**5.11**	**3.15**
Total equity	130.00	128.55
Net debt to equity ratio	**0.04**	**0.02**

(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 cashflows 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.

Supply outpacing demand in the medium term merchant tariffs have been under constant pressure posing a severe challenge to the off take of merchant power. With the DISCOMS adhering to strict fiscal discipline leading to deferment of power procurement has resulted in reduced demand for power.

Most of the states have joined UDAY scheme, this will improve the liquidity position of DISCOMS and they will be able to procure the power from the market. Also the Government's aim to provide 24X7 supply of power also lead to increase in demand of power. Morever, the Company is primarily engaged in trading of power, the market risk of power off take.

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 does not have any exposure to the risk of changes in market interest rates.

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

₹ crore

Particulars	As at 31/03/2019	As at 31/03/2018
Fixed rate borrowings	2.24	2.59
Floating rate borrowings	-	-
Total borrowings	**2.24**	**2.59**

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. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit risk is minimal due to the fact that the customer base largely consists of Distribution companies.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on. No amount has been recognised in the financial position as financial liabilities

Liquidity risk management

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected ash flows.

The table below provides details regarding the remaining contracturial maturities of financial libailities at the reporting date based on contractual undiscounted payments.

₹ crore

Particulars	< 1 year	1-5 years	> 5 years	Total
Non-current liabilities				
Long term borrowings	-	-	2.24	**2.24**
Total Non-Current Liabilities	-	-	2.24	**2.24**
Current Liabilities				
Short term borrowings	4.08	-	-	**4.08**
Trade and other payables	9.01	-	-	**9.01**
Total Financial Liabilities	**13.09**	-	-	**13.09**

27 *Trade Receivables*

The average credit period on sales of power is 30 days. No interest is charged on trade receivables for the first 30 days from the date of the invoice. Thereafter, overdue interest is chargeable on the outstanding balance depending upon the contract with the customer involved.

Major customers of the Company are government bodies. Concentration of credit risk is minimal due to the fact that the customer base largely consists of Government bodies.

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 (which include interest accrued after the receivable is more than 180 days outstanding) are still considered recoverable. The Company does not generally hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Company to the counterparty.

Age of receivables:

₹ crore

	As at 31/03/2019	As at 31/03/2018
Within the credit period	2.42	88.20
1-30 days past due	-	-
31-60 days past due	-	-
61-90 days past due	-	-
91-180 days past due	-	-
181-365 days past due	40.27	45.91
Total	**42.69**	**134.11**

With respect to dispute over power supplied by the Company to distribution licensees of Karnataka ("ESCOMS") during the enforcement of section 11 of the Electricity Act, 2003 ("Section 11 Direction") in the state of Karnataka, Karnataka Electricity Regulatory Commission ("KERC") pronounced its order dated 5th December, 2017 in favour of the ESCOMS. KERC awarded a compensation to the extent of 20% of the tariff paid on the quantum of energy supplied by the Group under Section 11 Direction. Such compensation works out to be ₹ 106.89 crore (As at 31st March, 2018 – ₹ 106.89 crore), out of which amount already withheld by Power Company of Karnataka Limited on behalf of ESCOMS as at 31st March 2019 is ₹ 40.27 crore (As at 31st March, 2018 ₹ 40.27 crore). During the current year, the Company has withdrawn the writ petition filed against the said KERC order pending before the Karnataka High Court due to the availability of an alternative remedy before the Appellate Tribunal for Electricity ("APTEL"). Subsequently, the Company has on 28th November 2018 filed an appeal before APTEL against KERC Order, which is pending adjudication. The Company has been legally advised that it has a legally good grounds to contend that ESCOMS are not entitled for the afore mentioned compensation.

28 *Other equity:*

Description of the nature and purpose of each reserve within equity

(i) General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to the Statement of Profit and Loss.

(ii) As per Ind AS 19 - Employee Benefits Gain / Loss on account of remeasurements of the defined benefit liabilities / (assets) have been realised through other comprehensive income.

(iii) Capital Reserve: Reservce created as a result of scheme of arrangement approved for demerger of JSW Power Trading Limited into JSW Green Energy Limited..

29 *Deferred tax balances:*

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

₹ crore

Particulars	As at 31/03/2019	As at 31/03/2018
Deferred tax Assets	1.76	1.48
Deferred tax Liabilities	(3.66)	(3.54)
	(1.90)	**(2.06)**

Deductible temporary differences and unused tax losses recognised are attributable to the following:

₹ crore

Particulars	As at 31/03/2019	As at 31/03/2018
--Plant Property & Equipment	0.18	0.20
--Carry forward losses	0.06	0.73
--Preference shares	(3.66)	(3.54)
--MAT Credit	1.52	0.55
Deferred tax	**(1.90)**	**(2.06)**

30 *Income tax:*

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

₹ crore

Particulars	As at 31/03/2019	As at 31/03/2018
Profit before tax	2.43	0.40
Enacted tax rate (%)	33.38%	34.32%
Computed expected tax expense	0.81	0.14
Carryfoward Losses	(0.00)	0.22
Effect of expenses that are not deductible in determining taxable profit	0.01	-
Rate difference (income tax)	(0.02)	(0.01)
Income tax expense recognised in profit or loss	**0.80**	**0.35**

31 *Earnings per share:*

Particulars	As at 31/03/2019	As at 31/03/2018
Profit attributable to equity holders of the company (₹ crore)	1.62	0.05
Weighted average number of Equity shares for basic & diluted EPS (Nos.)	7,00,50,000	7,00,50,000
Earning per share - Basic & Diluted (₹)	**0.23**	**0.01**
Nominal value of share (₹10 each))	10	10

32 *Employee benefit plans:*

Defined contribution plans:-

A. Provident Fund:

As per Ind AS 19 on "Employee Benefits", employer established provident fund trusts are treated as defined benefit plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. According to the defined benefit obligation of interest rate guarantee on exempted provident fund in respect of employees of the Company as at 31st March 2019 is 8.55% and hence no provision is required to be provided for in the books of accounts towards the guarantee given for notified interest rates

Company's contribution to provident fund recognized in the Statement of Profit and Loss of ₹ 0.02 crores (for the year ended 31st March 2018: ₹ 0.05 crores) (included in note no. 21)

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

Particulars	As at 31/03/2019	As at 31/03/2018
Discount Rate	7.79%	7.85%
Rate of return on assets	8.64%	8.88%
Guaranteed rate of return	8.65%	8.55%

B. Gratuity :

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 employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years service completed. The gratuity plan is a funded plan administered by a separate Fund that is legally separated from the entity and the Company makes contributions to the insurer (LIC). The Company 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.

The Company has a policy on compensated absences with provisions on accumulation and encashment by the employees during employment or on separation from the Company 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.

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

C. Leave Encashment:

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

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, 2019 by M/S K. A. Pandit Consultants & Actuaries. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

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

Particulars	₹ crore
Defined benefit obligation at 31 March 2017	**0.10**
Interest cost	0.01
Current service cost	0.02
Benefits paid	(0.03)
Actuarial (Gains)/Loss	(0.08)
Defined benefit obligation at 31 March 2018	**0.02**
Interest cost	0.00
Current service cost	0.00
Liability transferred (acqisition/divestment)	-
Actuarial (Gains)/Loss	0.00
Defined benefit obligation at 31 March 2019	**0.02**

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

₹ crore

		Defined Benefit Obligation	Fair Value of Plan assets	(Benefit) / Liability
Gratuity cost charged to profit or loss	**Opening Balance as on 1st April 2018**	0.02	(0.01)	0.01
	Service cost	0.00		0.00
	Net interest expense	0.00	(0.00)	0.00
	Liability transferred (acquisition/ divestment)	-	-	-
	Sub-total included in profit or loss	**0.02**	**(0.01)**	**0.01**
	Benefits Paid	-	-	-
Remeasurement gains/(losses) in other comprehensive income	Return on plan assets (excluding amounts included in net interest expense)	-	0.00	0.00
	Actuarial changes arising from changes in	-	-	-
	Actuarial changes arising from changes in	0.00	-	0.00
	Experience adjustments	0.00	-	0.00
	Sub-total included in OCI	**0.00**	**0.00**	**0.00**
	Contributions by employer	-	-	-
	Closing Balance as on 31st March 2019	**0.02**	**(0.01)**	**0.01**

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2018:

₹ crore

		Defined Benefit Obligation	Fair Value of Plan assets	(Benefit) / Liability
Gratuity cost charged to profit or loss	**Opening Balance as on 1st April 2017**	0.10	(0.01)	0.09
	Service cost	0.03	-	0.03
	Net interest expense	0.00	(0.00)	0.00
	Liability transferred (acquisition/ divestment)	(0.03)	-	(0.03)
	Sub-total included in profit or loss	**0.10**	**(0.01)**	**0.09**
	Benefits Paid	-	-	-
Remeasurement gains/(losses) in other comprehensive income	Return on plan assets (excluding amounts included in net interest expense)	-	(0.00)	(0.00)
	Actuarial changes arising from changes in demographic assumptions	-	-	-
	Actuarial changes arising from changes in financial assumptions	(0.00)	-	(0.00)
	Experience adjustments	(0.08)	-	(0.08)
	Sub-total included in OCI	**(0.08)**	**(0.00)**	**(0.08)**
	Contributions by employer	-	0.00	0.00
	Closing Balance as on 31st March 2018	**0.02**	**(0.01)**	**0.01**

The actual return on plan assets (excluding interest income) was Rs. 819 (previous year Rs. 1287)

Normal Option (ESOP Plan) (Grant Date : 3rd May, 2016)	31 March 2019	31 March 2018
Outstanding as at 1 April	-	46,084
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	46,084
Outstanding as at 31 March	-	-
Exercisable as at 31 March	-	-

Normal Option (ESOP Plan) (Grant Date : 19th May, 2017)	31 March 2019	31 March 2018
Outstanding as at 1 April	-	-
Granted during the year	-	67,194
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	67,194
Outstanding as at 31 March	-	-
Exercisable as at 31 March	-	-

The method of settlement for above grants are as below:

Particulars	Grant Date			
	8th Nov., 2011	31st Oct., 2012	3rd May, 2016	19th May, 2017
Vesting Period	3 years	3 Years	3/4 Years	3/4 Years
Method of Settlement	Equity	Equity	Equity	Equity
Exercise Price (₹)	52.35	60.90	53.68	51.80
Fair Value (₹)	20.39	24.17	30.78	28.88
Dividend yield (%)	10.00%	5.00%	20.00%	2.00%
Expected volatility (%)	34.85%	39.65%	46.32%/44.03%	44.50%/45.16%
Risk–free interest rate (%)	8.86%	8.09%	7.40%/7.47%	6.90%/6.98%
Expected life of share options (years)	5	3	5/6 years	5/6 years
Weighted average share price (INR)	52.35	60.90	53.68	51.80
Pricing formula	Exercise Price determined based on closing market price on the day prior to the Compensation Committee meeting on that exchange where higher shares are traded		Exercise Price determined at ₹ 53.68 per share, was at a discount of 20% to the closing market price of Parent Company's share i.e. ₹ 67.10/- at the close of 2nd May, 2016 at Exchange having highest trading volume.	Exercise Price determined at ₹ 51.80 per share, was at a discount of 20% to the closing market price of Parent Company's share i.e. ₹ 64.75 at the close of 19th May, 2017 at Exchange having highest trading volume.
Expected option Life	The expected option life is assumed to be mid-way between the option vesting period and contractual term of the option		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.	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.	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.	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 Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	The following factors have been considered: (a) Share price (b) Exercise prices (c) Historical volatility (d) Expected option life (e) Dividend Yield		
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.

34 *Operating Lease:*

The Company, as a lessee, has entered into operating leases for right to use office premises
The Company has paid 0.03 crore (31 March 2018: ₹ 0.08 Crore) during the year towards minimum lease payment.

Future minimum rentals payable under non-cancellable operating leases as

₹ crore

Particulars	31 March 2019	31 March 2018
Within one year	-	-
After one year but not more than five years	-	-
More than five years	-	-
Total	-	-

35 ***Contingent liabilities***

1] *Claims against the Company not acknowledged as debt:*
a) Disputed claims / levies (excluding interest, penalty, if any) in respect of:

₹ crore

Particulars	As at 31/03/2019	As at 31/03/2018
(a) Claims against the Company not acknowledged as debt	-	-
i) Income Tax Matters	0.84	3.40
ii) Dispute with customers	40.27	-
	41.11	**3.40**

36 *Related party disclosure*

A) **List of Related Parties**

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

I	**Parent Company**
	JSW Energy Limited
II	**Fellow Subsidiaries**
1	JSW Energy (Barmer) Limited
2	JSW Hydro Energy Limited
III	**Enterprises over which key management personnel and relatives of such personnel exercise significant influence**
1	JSW Steel Limited
2	JSW Cement Limited
3	JSW Steel Coated Products Limited
4	JSW Steel (Salav) Limited
5	Amba River Coke Limited
6	Jindal Saw Limited
7	JSW IP Holdings Private Limited
8	JSW Global Business Solutons Limited
9	JSW Foundation
IV	**Key Managerial Persons**
1	Mr. Sharad Mahendra, Director (from 31.10.2018)
2	Mr. Girish Deshpande, Director (upto 30.10.2018)
3	Mr. Satish Jindal, Wholetime Director
4	Mr. Jayaprakash Nair, Director (upto 27.9.2018)
5	Ms. Monica Chopra, Director
6	Mr. RK Sharma, Director (from 28.9.2018)
7	Mr. Chandraprakash Tated , Company Secretary & Chief Financial Officer
8	Mr. N.K. Jain (upto 18.2.2018)
9	Ms. Shailja Chandra (upto 18.2.2018)

B) **Transaction during the year**

	Particulars	**For the year ended 31st March, 2019 (₹ Crore)**	**For the year ended 31st March, 2018 (₹ Crore)**
1	**Sale of power /Material (net)**		
	JSW Steel Limited	9.17	16.02
	JSW Cement Limited	16.44	23.43
	Jindal Saw Limited	3.83	17.55
2	**Sale of Renewable Energy Certificate**		
	JSW Steel Limited	-	0.19
	Jindal Saw Limited	-	0.14
	JSW Cement Limited	-	0.08
3	**Purchase of Power**		
	JSW Hydro Energy Limited	3.29	490.42
	JSW Energy Limited (JSWEL)	934.58	754.75
	JSW Steel Limited	35.16	2.49
4	**Rebate on purchase of Power**		
	JSW Energy Limited (JSWEL)	3.53	4.19
	JSW Hydro Energy Limited	-	1.88
5	**Rent Paid/(received)**		
	JSW Steel Limited	0.03	0.19

6	**Branding expense**		
	JSW IP Holdings Private Limited	0.00	0.01
7	**Reimbursement received from / (paid to)**		
	JSW Steel Limited	0.01	0.03
	JSW Energy Limited (JSWEL)	0.14	0.38
	JSW Cement Limited	0.01	0.01
	Jindal Saw Limited	0.01	0.01
	JSW Hydro Energy Limited	0.02	13.65
8	**Surcharge Given**		
	JSW Energy Limited (JSWEL)	2.82	43.38
9	**Trading Margin on E. S. Certs. / R.E.C.s**		
	JSW Steel Limited	0.01	-
	JSW Energy Limited (JSWEL)	-	0.04
	JSW Cement Limited	0.03	-
	JSW Steel (Salav) Limited	-	0.01
	Amba River Coke Limited	0.29	-
	JSW Steel Coated Product Limited	0.20	-
	Jindal Saw Limited	0.03	0.00
10	**Compensation Given**		
	JSW Energy Limited (JSWEL)	-	77.46
11	**Purchase of services- shared services**		
	JSW Global Business Solutions Limited	0.09	0.02

C) Closing Balances

	Particulars	As at 31/03/2019	As at 31/03/2018
1	**Trade (Payables) / Receivables**		
	JSW Steel Limited	(5.01)	(2.26)
	Amba River Coke Limited	(1.51)	-
	JSW Cement Limited	(0.86)	-
	Jindal Saw Limited	(0.08)	0.05
	JSW Steel (Salav) Limited	-	0.05
	JSW Steel Coated Product Limited	(0.07)	-
	JSW Energy Limited (JSWEL)	118.36	147.70
	JSW Global Business Solutions Limited	(0.01)	(0.01)
	JSW Hydro Energy Limited	0.00	(98.96)
2	**Unsecured borrowings (Including preference shares)**		
	JSW Energy Limited (JSWEL)	17.28	17.28

37 *Disclosure under Micro, Small and Medium Enterprises Development Act:*

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

Sl No	Particulars	As at 31/03/2019	As at 31/03/2018
1	Principal amount outstanding	-	-
2	Principal amount due and remaining unpaid	-	-
3	Interest due on (2) above and the unpaid interest	-	-
4	Interest paid on all delayed payments under the MSMED Act.	-	-
5	Payment made beyond the appointed day during the year	-	-
6	Interest due and payable for the period of delay other than (4) above	-	-
7	Interest accrued and remaining unpaid	-	-
8	Amount of further interest remaining due and payable in succeeding years	-	-

38 ***Details of corporate social responsibility (CSR) expenditure***

(₹ Crore)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Amount required to be spent as per Section 135 of the Act	0.02	0.00
Amount spent during the year on :		
(i) Construction / acquisition of an asset	-	-
(ii) On purchase other than (i) above	0.02	-
Total	**0.02**	-

39 ***Operating Segments***

The Chairman 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 the Company is primarily engaged in only one segment viz., "Trading of power". Hence the Company does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments".

40 No significant events have occurred after the balance sheet date which may have material effect on the Company's financial statements.

41 Previous year figures have been reclassified/ regrouped whereever necessary.

42 ***Approval of financial statements***

The financial statements were approved for issue by the Board of Directors on 15th May 2019.

For and on behalf of Boad of Directors

Raj Kumar Sharma
Director
[DIN: 00294131]

Monica Chopra
Director
[DIN: 05341124]

Chandraprakash Tated
Company Secretary &
Chief Financial Officer

Place : Mumbai
Date : 15.05.2019