BEFORE THE HON'BLE CENTRAL ELECTRICITY REGULATORY COMMISSION, NEW DELHI

Petition No. _________/2019
Diary No. ___________

In the matter of:
Jsw Hydro Energy Limited
(Formerly Himachal Baspa Power Company Limited)
Sholtu Colony, P.O. Tapri, District Kinnaur 172104
Himachal Pradesh **...Petitioner**

Versus

PTC India Limited
NBCC Tower, 15 Bhikaji Cama Place,
New Delhi -66 **...Respondent & Others**

VOLUME 2

Application for true up of capital cost & generation tariff for 2014-19 tariff period under Regulation 8 of the CERC (Terms and Conditions of Tariff) Regulations, 2014 AND determination of generation tariff for 2019-24 tariff period under Regulation 9(2) of the CERC (Terms and Conditions of Tariff) Regulations, 2019, in respect of 1000MW Karcham Wangtoo Hydro Electric Project (KW HEP)

INDEX

ANNEXURE 'T14'

इलाहाबाद बैंक ALLAHABAD BANK
विश्वास की परंपरा A tradition of trust
www.allahabadbank.com
(H.O. 2, N.S. Road, Kolkata- 700001)
Industrial Finance Branch, 2nd Floor,
17 Parliament Street, New Delhi – 110 001
Ph.: 23744621, 23342790 & 23366832 Fax: - 011-23342102
E-mail: ifbnewdelhi@gmail.com

IFB/ND/Gr-II/JPVL/

Date: 30.11.2015

To whomsoever it may concern

This is to confirm that term loan of M/s Jai Prakash Power Ventures Limited (JPVL) for 300 MW Baspa II HEP and 1000 MW Karcham Wangtoo HEP(Account No 50028587313 and Account No 50198390171) has been repaid and no amount is outstanding in the said loan account.

For ALLAHABAD BANK

Chief Manager
I.F.B., New Delhi

Chief Manager

JSW Hydro Energy Limited

ICICI Bank

NO DUES LETTER

PFG1596104395

Date: October 28, 2015

Himachal Baspa Power Company Limited
JSW Centre, Bandra Kurla Complex
Bandra (East)
Mumbai – 400051

Kind Attn: Mr. Rohit Gokhale

Dear Sir

Sub: Financial assistance of Rs. 3.00 billion ("Facility") provided under Loan Agreement dated March 21, 2014 ("Agreement").

This is regarding the full repayment of the Facility, provided to Jaiprakash Power Ventures Limited under the Agreement, which pursuant to a scheme of de-merger was transferred to Himachal Baspa Power Company Limited.

We hereby confirm that the entire amount due and payable by Himachal Baspa Power Company Limited in respect of the subject Facility has been repaid in full and the security provided to secure the Facility stands released.

We accordingly request you to take steps for filing necessary statutory form CHG 4 with the concerned Registrar of Companies within the time as stipulated in law, for satisfying the mortgage and charge securing the Facility.

Yours faithfully,

Ramkumar N
Deputy General Manager

ICICI Bank Limited
ICICI Bank Towers
Bandra-Kurla Complex
Mumbai 400 051, India.

Tel.: (91-22) 2653 1414
Fax: (91-22) 2653 1122
Website www.icicibank.com
CIN.: L65190GJ1994PLC021012

Regd. Office : "Landmark",
Race Course Circle,
Vadodara 390007. India.

JSW Hydro Energy Limited

IDFC

November 18, 2015

HIMACHAL BASPA POWER COMPANY LIMITED (earlier JAIPRAKASH POWER VENTURES LIMITED)
Karcham Wangtoo H.E. Project.
Sholtu Colony, P O Tapri – 172104
District Kinnaur (Himalchal Pradesh)

Dear Sir,

No Due Certificate in respect of Common Loan Agreement Dated March 21, 2014 – for Rs. 1633.87 crores sanctioned by IDFC Limited

Please refer to your request on the subject. We, IDFC Limited (IDFC), hereby confirm that the Common Loan Agreement of Rs. 1633.87 crores (the Loan) sanctioned (Against which Rs.1633.33 crores has been disbursed) to HIMACHAL BASPA POWER COMPANY LIMITED (earlier JAIPRAKASH POWER VENTURES LIMITED), pursuant to terms and conditions of Common Loan Agreement dated March 21, 2014 entered into between HIMACHAL BASPA POWER COMPANY LIMITED (earlier JAIPRAKASH POWER VENTURES LIMITED) and IDFC, has been repaid in full and there are no dues in respect of the Loan. You may please arrange to file necessary forms with relevant Registrar of Company towards "Satisfaction of Charge" within the stipulated period under the Companies Act.

Yours faithfully,

For IDFC Limited

Authorised Signatory

CC:

JAIPRAKASH POWER VENTURES LIMITED
Sector 128,
Noida - 201304

IDFC Limited (*Formerly known as Infrastructure Development Finance Company Limited*)
Naman Chambers, C-32, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051 Tel: +91 22 4222 2000 / 6147 8383
Registered Office: KRM Tower, 8th Floor, No.1, Harrington Road, Chetpet, Chennai 600 031 Tel: +91 44 4564 4000 Fax: +91 44 4564 4022 info@idfc.com www.idfc.com
Corporate Identity Number: L65191TN1997PLC037415

IFCI
LIMITED
आई एफ सी आई लिमिटेड
(A Government of India Undertaking)
(भारत सरकार का उपक्रम)

Ref. No IFCI/DRO/HBPCL (JPVL)/2015 - 151117041 November17, 2015

Himachal Baspa Power Co. Ltd. (HBPCL)
(Formerly Part of Jaiprakash Power Venture Limited)
JUIT Complex, Waknaghat,
P.O. Dumehar Bani,
Kandaghat – 173215,
District - Solan (H.P.)

Kind Attn: Shri Prasad Baji, AVP Finance

Dear Sirs,

Re: No Dues Certificate in r/o of Rupee Term Loan of Rs. 200 crore extended to Karcham-Wangatoo Project Ref: Loan Account No: 2130021001 (formerly part of Jaiprakash Power Ventures Limited and currently transferred to HBPCL) and release of securities

Please refer to your letter dated 9th October, 2015 on the captioned subject.

2. In this connection, we advise that the Company has fully repaid the captioned Rupee Term Loan facility of Rs.200.00 crore (Rupees Two Hundred Crore only), and as on date there is no amount outstanding in respect of the said loan.

3. Further, IFCI has no objection to the Company filing necessary Form(s) for satisfaction of charge with ROC in respect of the above mentioned loan. You may also get in touch with our Legal Department for return of documents etc related to the captioned loan.

4. The account was standard with IFCI Limited at the time of loan closure

Yours Faithfully,

(Sachikanta Mishra)
General Manager-
DRO

[redacted]

इरेडा IREDA
IS/ISO 9001 : 2008 Certified
भारतीय अक्षय ऊर्जा विकास संस्था सीमित
(भारत सरकार का प्रतिष्ठान)
Indian Renewable Energy Development Agency Limited
(A Government of India Enterprise)
कॉर्पोरेट कार्यालय : तीसरा तल, अगस्त क्रांति भवन, भीकाएजी कामा प्लेस, नई दिल्ली-110 066
Corporate Office : 3rd Floor, August Kranti Bhawan, Bhikaji Cama Place, New Delhi - 110 066
दूरभाष/Tel.:011-26717400-12 फैक्स/Fax: 91-11-26717416, ई-मेल/E-mail: cmd@ireda.gov.in वेबसाईट/Website: www.ireda.gov.in
CIN : U40108DL1987GOI027265

SPEED POST
20th November, 2015

IREDA/FIN/REC/

M/s Himachal Baspa Power Company Limited
(Earlier owned & operated by
Jaiprakash Power Venture Ltd)
JSW Centre, Bandra Kurla Complex
Bandra (East)
Mumbai-400051

Sub: No Dues Certificate-Project No. 2040

Dear Sir,

M/s Jaiprakash Power Ventures Ltd. was sanctioned a term loan of Rs. 300.00 Crore vide loan agreement dated **21.03.2014** by IREDA **" Under consortium financing arrangement for the 1000 MW Karcham Wangtoo Hydro Electric Project already set up at Villages Karcham & Wangtoo, District Kinnaur, Himachal Pradesh (Project No. 2040)".** The company has prepaid all its dues against the project no. 2040 and there are no dues as on date. The loan was closed on 28.09.2015. The account was classified as Standard Asset at the time of pre-payment.

Thanking You,

Yours faithfully

(Punnu Grover)
Senior Manager (F&A)

L&T Infra Finance

Ref No. LTI0000000624001717617122015

17th December 2015

Himachal Baspa Power Company Limited
Sector 128, Gautam Buddh Nagar District
Noida, Uttar Pradesh 201304

Kind Attn.: Mr. Suresh Jain - Managing Director

Dear Sir / Madam,

Sub: No Due Certificate in respect of Facility Agreement No. 6240017176 dated 21st March 2014

This is with respect to the Term Loan Assistance provided by L&T Infrastructure Finance Co. Ltd.('L&T Infra Finance') to Himachal Baspa Power Company Limited under Facility Agreement No. 6240017176 dated 21st March 2014 for Rs. 71,00,00,000.00 (Rupees Seventy One Crores Only).

In this regard, we hereby confirm that as on date, the dues related to principal repayment and interest is NIL.

Kindly acknowledge the receipt of the same.

Thanking you.

Yours faithfully,

Authorized Signatory

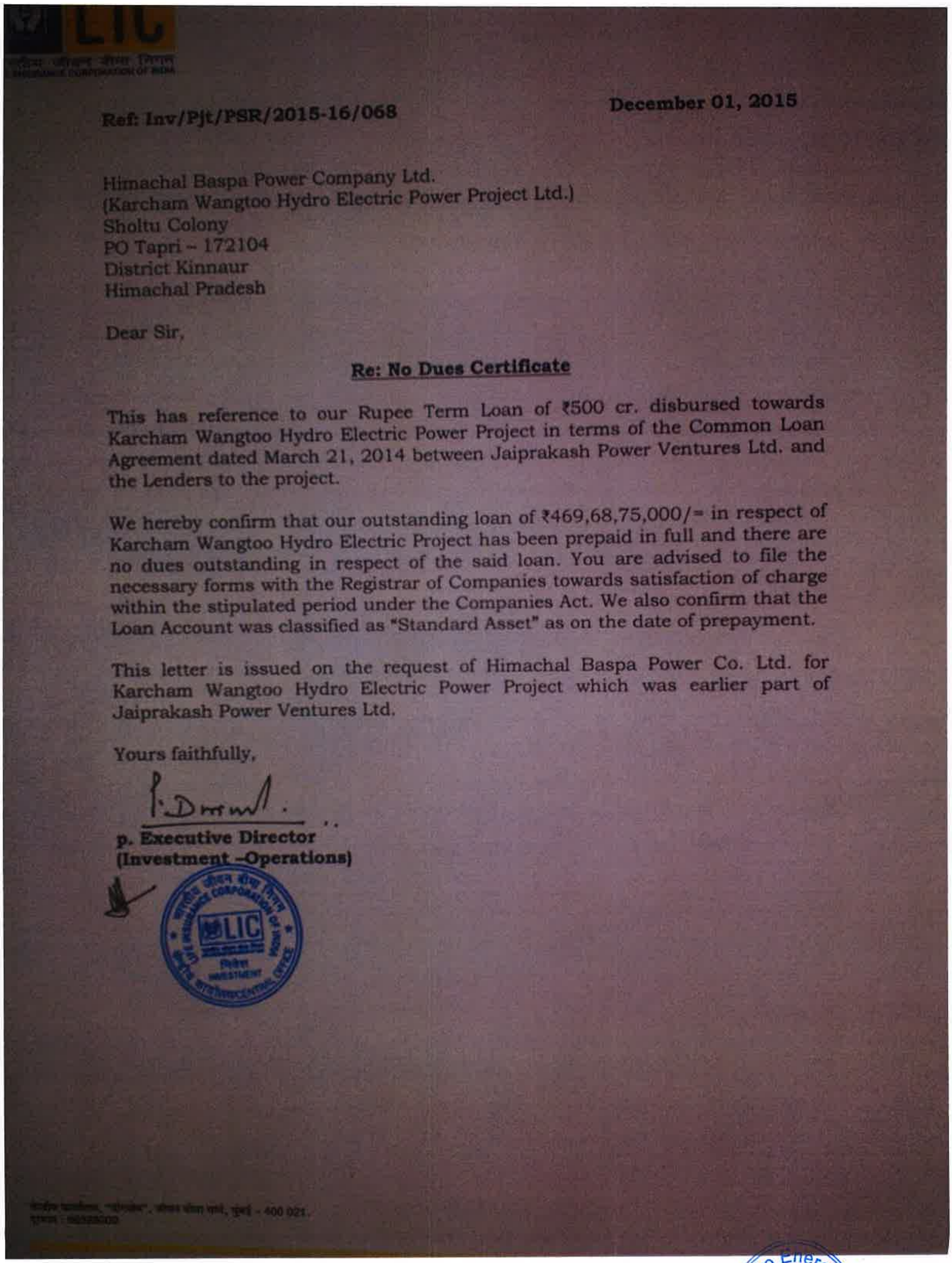
L&T Infrastructure Finance Co Ltd
3B, 2nd Floor, Laxmi Towers, 'G' Block
Plot No C-25, Bandra Kurla Complex
Bandra (E), Mumbai 400 051, India

Registered Office
Mount Poonamallee Road
Manapakkam, Chennai 600 089, India
CIN: U67190TN2006PLC059527

T +91 22 4060 5300
F +91 22 4060 5353
E contact@ltinfra.com

www.ltinfra.com

JSW Hydro Energy Limited



LIC

Ref: Inv/Pjt/PSR/2015-16/068 **December 01, 2015**

Himachal Baspa Power Company Ltd.
(Karcham Wangtoo Hydro Electric Power Project Ltd.)
Sholtu Colony
PO Tapri – 172104
District Kinnaur
Himachal Pradesh

Dear Sir,

Re: No Dues Certificate

This has reference to our Rupee Term Loan of ₹500 cr. disbursed towards Karcham Wangtoo Hydro Electric Power Project in terms of the Common Loan Agreement dated March 21, 2014 between Jaiprakash Power Ventures Ltd. and the Lenders to the project.

We hereby confirm that our outstanding loan of ₹469,68,75,000/= in respect of Karcham Wangtoo Hydro Electric Project has been prepaid in full and there are no dues outstanding in respect of the said loan. You are advised to file the necessary forms with the Registrar of Companies towards satisfaction of charge within the stipulated period under the Companies Act. We also confirm that the Loan Account was classified as "Standard Asset" as on the date of prepayment.

This letter is issued on the request of Himachal Baspa Power Co. Ltd. for Karcham Wangtoo Hydro Electric Power Project which was earlier part of Jaiprakash Power Ventures Ltd.

Yours faithfully,

p. Executive Director
(Investment –Operations)

[illegible] - 400 021.
[illegible]

JSW Hydro Energy Limited

L&T Infra Finance

Ref No. LTI0000000624001716517122015

17th December 2015

Himachal Baspa Power Company Limited
Sector 128, Gautam Buddh Nagar District
Noida, Uttar Pradesh 201304

Kind Attn.: Mr. Suresh Jain - Managing Director

Dear Sir / Madam,

Sub: No Due Certificate in respect of Facility Agreement No. 6240017165 dated 21st March 2014

This is with respect to the Term Loan Assistance provided by L&T Infrastructure Finance Co. Ltd.('L&T Infra Finance') to Himachal Baspa Power Company Limited under Facility Agreement No. 6240017165 dated 21st March 2014 for Rs. 2,29,00,00,000.00 (Rupees Two Hundred and Twenty Nine Crores Only).

In this regard, we hereby confirm that as on date, the dues related to principal repayment and interest is NIL.

Kindly acknowledge the receipt of the same.

Thanking you.

Yours faithfully,

Authorized Signatory

L&T Infrastructure Finance Co Ltd
3B, 2nd Floor, Laxmi Towers, 'G' Block
Plot No C-25, Bandra Kurla Complex
Bandra (E), Mumbai 400 051, India

Registered Office
Mount Poonamallee Road
Manapakkam, Chennai 600 089, India
CIN: U67190TN2006PLC059527

T +91 22 4060 5300
F +91 22 4060 5353
E contact@ltinfra.com

www.ltinfra.com

JSW Hydro Energy Limited

पावर फाइनेंस कॉर्पोरेशन लिमिटेड
POWER FINANCE CORPORATION LTD.
(भारत सरकार का उपक्रम) (A Govt. of India Undertaking)
(आई.एस.ओ. 9001:2008 प्रमाणित) (ISO 9001:2008 Certified)

By Speed Post/Fax

No: 04:06:J02:2015-16 **Dated: 09.11.2015**

Himachal Baspa Power Co. Ltd.
(Karcham-wangatoo Project earlier part of Jaiprakash Power Venture Limited)
JUIT Complex, Waknaghat,
P.O. Dumehar Bani,
Kandaghat – 173215,
District - Solan (H.P.)

Reg: Your mail dt 16.10.2015 regarding No Due Certificate in respect of Loan No. J0202002 (1000 MW Karcham-Wangtoo Hydro Power Project.)

Sir,

This is with reference to Rupee Term Loan of Rs.1500 crore (Loan A – Rs 1150 crore and Loan-B – Rs 350 crore) extended for Karcham-Wangatoo Project pursuant to Common Loan Agreement dated March 21, 2014. It is informed that the aforesaid financial assistance has been pre-paid in full on 16.10.2015 and there are 'No dues' as on date. On the date of prepayment, the loan was classified as 'Standard Asset'.

This letter is issued on the request of **Himachal Baspa Power Co. Ltd.** (Karcham-wangatoo Project earlier part of Jaiprakash Power Venture Limited)

Thanking you.

Yours faithfully,
For Power Finance Corporation Ltd

(Sanjay Mehrotra)
AGM (Finance)
Ph: 011-23456865
E-mail: sanjay_mehrotra@pfcindia.com

पंजीकृत कार्यालय : "ऊर्जानिधि", 1, बाराखंबा लेन, कनॉट प्लेस, नई दिल्ली - 110001 दूरभाष : 23456000 फैक्स : 011-23412545
Regd. Office : "Urjanidhi", 1, Barakhamba Lane, Connaught Place, New Delhi-110001 Phones : 23456000 Fax : 011-23412545
वैबसाईट / Website : www.pfcindia.com ● CIN : L65910DL1986GOI024862

PFS India Financial Services Limited

November 30th, 2015

File No. PFS/ HBPCL/DJ0301001/II

Himachal Baspa Power Company Limited
Karcham Wangtoo HE Project,
Sholtu Company,
PO Tapri- 172104
District Kinnaur (Himachal Pradesh)

Subject: Loan No. DJ0301001 –M/s Himachal Baspa Power Company Limited (HBPCL) - 1000 MW (4x250 MW), Run of the River, Karcham Wangtoo Hydro Power Project, Distt Kinnaur, Himachal Pradesh - No Dues Certificate

Ref: Your letter reference dated October 01, 2015

This has reference to your request vide letter cited at the reference above for providing No Dues Certificate of the term loan of Rs 200 crores for the subject mentioned project, we hereby confirm that we have received the entire loan amount including interest and all other charges due on the loan amount and nothing is outstanding as on date.

Thanking You

Yours faithfully,
For and behalf of **PTC India Financial Services Ltd.**

(Sitesh Sinha)
Vice President

PTC India Financial Services Ltd. (CIN: L65999DL2006PLC153373)
(A subsidiary of PTC India Limited)
Delhi - 110 066, India

Union Bank
of India

(भारत सरकार का उपक्रम)
औद्योगिक वित्त शाखा
(आय.एस ओ - 9001:2000 प्रमाणित)
यूनियन बैंक भवन,
239, विधान भवन मार्ग,नरीमन पॉईंट, मुंबई - 400 021
टेलिफोन - 2202 46 47, 2285 50 37,
2287 10 55, फॅक्स : 2285 50 37
ई-मेल : unionifb@bol.net.in

(A Government of India Undertaking)
INDUSTRIAL FINANCE BRANCH
(ISO - 9001:2000 Certified)
Union Bank Bhavan,
239, Vidhan Bhavan Marg, Nariman Point,
Mumbai 400 021
Telephone : 2202 46 47, 2285 36 22,
2287 10 55, Fax: 2285 50 37
E-Mail : unionifb@bol.net.in

IFB: ADV:KKO: 2015

Dated 24.11.2015

To,

Himachal Baspa Power Co. Ltd.
(Erstwhile Jaiprakash Power Venture Limited for
Karcham-wangatoo Project)
JUIT Complex, Waknaghat,
P.O. Dumehar Bani,
Kandaghat – 173215, District - Solan (H.P.)

Dear Sir,

Sub: No dues certificate for Term Loan extended to Karcham-Wangatoo Project
Ref: Charge ID - 10485115

This is to certify that M/s. Jaiprakash Power Venture Limited was having Term Loan account No.495806390002037. for Rs.250.00 Crores (Rupees Two Hundred Fifty crores only) in the name of Jaiprakash Power Venture Limited which was subsequently transferred From JPVL to its subsidiary Himachal Baspa Power Company Limited (HBPCL) subsequently divestment of HBCL to JSW energy ltd.

The aforesaid financial assistance by way of term Loan 495806390002037 has been pre-paid in full and there are 'No dues' as on date. Account was standard with our bank on the date of pre payment.

This certificate is being issued for the purpose of satisfaction of charge with ROC.

For UNION BANK OF INDIA
Industrial Finance Branch

Chief Manager

Received
Vamn
24/11/2015

JSW Hydro Energy Limited

JSW Hydro Energy Limited
Karcham Wangtoo HEP

Annexure T 15

Details of new loans availed during Sep-Oct'15

Rs. In crore

Banker	Loan amount sanctioned	Sanction letter date	Loan amount availed by Petitioner		
			Karcham	Baspa II	Total
State Bank of India	4000.00	28.7.15	3497.00	503.00	4,000.00
Syndicate Bank	750.00	14.8.15	597.00	86.00	683.00
Allahabad Bank	500.00	14.8.15	398.00	57.00	455.00
Vijaya Bank	500.00	30.7.15	398.00	57.00	455.00
Central Bank of India	750.00	14.8.15	597.00	86.00	683.00
Punjab National Bank	400.00	31.7.15	317.00	47.00	364.00
L&T Infra Finance	500.00	18.8.15	398.00	57.00	455.00
Axis Bank	300.00	29.5.15	239.00	34.00	273.00
State Bank of Hyderabad (merged with SBI)	200.00	10.9.15	159.00	23.00	182.00
	7900.00		**6600.00**	**950.00**	**7550.00**

Annexure T 16'

विजया बैंक
आई एफ बी, मुंबई
एक्सलसियर बिल्डिंग
वल्लास स्ट्रीट
फोर्ट
मुंबई, महाराष्ट्र - 400001
दूरभाष : 022-22064756

VIJAYA BANK
I F B,MUMBAI
NEW EXCELSIOR BLDG
2nd FLOOR,WALLACE STREET
FORT,MUMBAI,
MAHARASTRA - 400001
Phone : 022-22064756
e-mail-mumbaiifb@vijayabank.co.in

www.vijayabank.com

Ref : IFB/MUM/HBPCL/2015-16

Date : 30.07.2015

M/s Himachal Baspa Power Company Limited
Registered office:
JUIT Complex, Waknaghat, P.O. Dumehar Bani,
Kandaghat, Himachal Pradesh- 173215.

Dear Sir,

Sub: Your Application seeking various Credit facilities

We are pleased to inform you that the under mentioned credit limits are sanctioned to you subject to compliance of the following terms and conditions:

a) Nature of facility	Fresh Term Loan
Borrower:-	M/s Himachal Baspa Power Company Limited [CIN- U40101HP2014PTC000681] Registered office: JUIT Complex, Waknaghat, P.O. Dumehar Bani, Kandaghat, Himachal Pradesh- 173215.

b.

Nature of facility	Amount		Approved* Interest & charges	Repayment terms
	Existing	Sanctioned		
Term Loan [Fresh]	0.00	500.00	ROI linked to SBI Base Rate (presently 9.70% p.a.) plus spread of 100 bps p.a. (Floating) i.e. present effective ROI of 10.70 % p.a.	The door to door tenor of the Facility shall be upto 15 years including period of availability upto 31.03.2016 and 14 years of structured repayment (5 monthly instalments per annum) and a bullet instalment of 50% payable at the end of repayment period by way of refinancing. The repayment shall start from Jun 2016. Interest to be serviced monthly as and when debited. Availability Period- Upto 31.03.2016
Total	0.00	500.00		

(*) *The effective interest rate at any time should not fall below our Base Rate.*

JSW Hydro Energy Limited

Repayment Schedule:

FY	Jun	Jul	Aug	Sept	Oct	Total
2016-17	0.61%	0.62%	0.62%	0.62%	0.62%	3.09%
2017-18	0.61%	0.62%	0.62%	0.62%	0.62%	3.09%
2018-19	0.61%	0.62%	0.62%	0.62%	0.62%	3.09%
2019-20	0.70%	0.75%	0.75%	0.75%	0.75%	3.70%
2020-21	0.71%	0.86%	0.86%	0.86%	0.86%	4.15%
2021-22	0.79%	0.91%	0.91%	0.91%	0.91%	4.43%
2022-23	0.82%	1.00%	1.00%	1.00%	1.00%	4.82%
2023-24	0.82%	1.07%	1.07%	1.07%	1.07%	5.10%
2024-25	0.37%	0.46%	0.46%	0.46%	0.46%	2.21%
2025-26	0.41%	0.47%	0.47%	0.47%	0.47%	2.29%
2026-27	0.45%	0.60%	0.60%	0.60%	0.60%	2.85%
2027-28	0.52%	0.68%	0.68%	0.68%	0.68%	3.24%
2028-29	0.59%	0.77%	0.77%	0.77%	0.77%	3.67%
2029-30	0.75%	0.88%	0.88%	0.88%	0.88%	4.27%
Bullet Installment	50% (March 2030)					

c.	Sanction Reference No.	MC-A-187/2015 dated 17.07.2015
d.	Purpose for which the facility/facilities are sought	1. Repayment/prepayment/refinancing of the existing Debt of the Borrower; 2. Repayment/prepayment of short term loan/interim funding, if any; 3. Payment in respect of creditors/NCDs/securities other than equity share capital; 4. Meeting the capital expenditure, if any; 5. Meeting financing expenses & other costs including cost of refinancing/prepayment; and 6. Meeting margin money for working capital.
e.	Details of securities to be offered with value	As Under:-

Primary Security:-

The Facility together with interest, default interest, liquidated damages, costs, charges, expenses and all other monies whatsoever payable by the Borrower shall be secured by:

1. First charge by way of mortgage of all immovable properties of the Projects as may be permissible under the Applicable Law;
2. First charge by way of hypothecation of all the movable assets of the Projects as may be permissible under the Applicable Law;
3. First charge by way of assignment of all Project related documents, licenses, permits, approvals, rights, title, interests etc. pertaining to the Projects by way of Hypothecation Deed as may be permissible under the Applicable Law;
4. First charge on book-debts, operating cash flows, receivables, commissions, revenue of whatsoever nature and wherever arising, present and future; and
5. First charge on all the bank accounts of the Borrower including Escrow Account.

The above mentioned security shall be shared on pari-passu first charge basis with working

<table>
<tr><td colspan="3">capital lenders of the Borrower as assessed by the Lead Bank.

The security as above in favour of the Lenders shall be created separately for Karcham and Baspa Projects for the respective tranche of the Loan/ Facility (Loan A and Loan B).

<u>Timeline for perfection of the security</u>
The Borrower shall perfect the above mentioned security within 6 months from the date of first disbursement.</td></tr>
<tr><td colspan="3">Collateral Securities: Nil</td></tr>
<tr><td>f.</td><td>Name and address of the guarantor/s</td><td>None</td></tr>
<tr><td>g.</td><td>Upfront Fee on Rupee Term Loan</td><td>0.10% of the Loan amount + Applicable taxes</td></tr>
<tr><td></td><td>Documentation Charges</td><td>In line with the Lead Bank</td></tr>
<tr><td>h.</td><td>Commitment charges:</td><td>0.25% p.a. on the amount undrawn with respect to drawdown schedule agreed to by the Lenders. The fees shall be calculated on the basis of amount undrawn and the number of days deviated from the scheduled date.
However, the Borrower will have the option to modify/revise the draw down schedule with 30 days written notice to the Lenders prior to beginning of each quarter, without any commitment charges.</td></tr>
<tr><td>h.</td><td>Other applicable Charges</td><td>In line with the Lead Bank</td></tr>
</table>

Further, the following are also approved, subject to similar approval from all other consortium banks:

1. Waiver of personal guarantee of the directors and corporate guarantee of the Holding company, M/s JSW Energy Limited.
2. Permission to release 50% of the sanctioned Term Loan (i.e., Rs. 250.00 crore) pending compliance with the Pre-disbursement conditions provided the Corporate Guarantee from the Sponsor, M/s JSW Energy Limited, is furnished and upfront equity of at least Rs. 1250 crore is brought in/ utilized.
3. Permission to the company for perfection of security within 06 months from the date of first disbursement.
4. Permitting timeline upto March 31, 2016 to the company for opening of and maintaining the required balance in the DSRA. The Borrower shall also have the option of substituting such cash DSRA with LC/BG without recourse to Project assets.
5. Permission to the company to open Escrow Account within 6 months from the first disbursement date.

<u>TERMS AND CONDITIONS:</u> [In addition to all other terms proposed in the Term Sheet by the joint syndicators, SBICAPs & Axis Bank Ltd.]

Pre-disbursement:
For Release of 1st Tranche- 50% of our allocated share (Interim Facility)

1. Release of 1st Tranche of the sanctioned Term Loan is subject to compliance of the following:
    a) The entire debt requirement shall have to be tied-up in full and financial closure to be declared.
    b) Corporate Guarantee of the Sponsor Company, M/s JSW Energy Limited (JSWEL), shall be furnished and will continue till the compliance of all pre-disbursement conditions, including those applicable for release of 2nd Tranche of the Term Loan.
    c) The Sponsor shall bring in upfront of at least Rs. 1250 crore out of its total contribution of Rs. 2,150 crore towards the total cost of the Transaction.
    d) A Certificate from the Statutory Auditor of the borrower evidencing the sources of the said infusion and utilization of the same, be furnished.

2. Company should submit Audited financials of the associate concerns/holding company for past two years.

3. The company shall ensure that the asset status of the existing exposure of Baspa & Karcham projects is Standard.

4. The Company should submit an undertaking from the Sponsor Company that M/s JSW Energy Ltd. [JSWEL] shall continue to hold at least 51% shareholding in HBPCL and the management and control of the Borrower during the currency of the Facility.

5. Corporate Guarantee from the Sponsor shall be furnished for meeting the debt service obligation of the Borrower till all the Pre-Disbursement Conditions are complied with and regular disbursement of the 2nd Tranche under the Facility is availed.

6. A Lender's Legal Counsel (LLC) be appointed in consultation with other participating lenders for preparation of the Legal Documents for the Facility, reviewing the corporate authorization as also consummating the proposed transaction including providing legal opinion. The Sponsor shall undertake to bear all the expenses with respect to such LLC.

7. Any other terms and conditions stipulated by any other lender in the consortium that enhances comfort of the lenders shall apply to our sanction also.

8. The Borrower shall undertake that they shall not declare or pay dividends on its equity share capital or pay interest on any unsecured loan/quasi-equity from the Sponsor during the currency of the Facility until:
    a) The Borrower meets its obligations to pay interest and/or instalments and/or other monies due to the Lenders;
    b) DSRA has been created and topped up; and
    c) There being no outstanding Event of Default.

Pre-disbursement:
For Release of 2nd Tranche- Remaining 50% of our allocated share

1. Joint documents to be executed and Lending Confirmation Notice (LCN) to be received by the Branch for release of the Term Loan approved by the Bank.

2. The approval of High Court of Himachal Pradesh shall be obtained by JPVL for demerger of Karcham and Baspa Project into the Borrower.

3. The company shall furnish an undertaking that Quasi Equity/ Unsecured loan from the Sponsor Company shall be sub-ordinated to the Senior Debt Facility lenders. Repayment of quasi equity/unsecured loan during the currency of the loan will be permitted after meeting the conditions mentioned in Sl. No. 3 above and subject to Debt to Equity (TNW) ratio not exceeding 3.5:1.

4. The company shall ensure that the PPA with PTCIL or any other prospective buyer for the Karcham Project, all statutory approvals/ clearances for both the projects as well as for the subject acquisition are in place. Copies of such approvals shall be submitted by the company and a certificate of the said approvals shall be furnished from LLC confirming obtention of these approvals.

5. JSWEL shall obtain necessary regulatory approval for project cost of Karcham Project for tariff purposes and shall undertake to meet any cash shortfall in servicing the debt till such approval is in place. The Company shall be ensured that the power Tariff fixed in the PPA is in line with the tariff factored in the Project Information Memorandum [PIM] of SBICAP & Axis Bank.

6. JSWEL shall reduce the overall debt in the debt equity ratio of 3.5:1 for the incremental reduction in project cost below the level of Rs. 6,300 Crore, e.g., if the project cost of Karcham gets approved at Rs. 6,200 Crore than the overall debt will reduce by Rs. 78 Crore. JSWEL shall furnish a suitable undertaking in this regard.

7. The draw-down of the 2nd tranche of the term loan shall be on pro-rata basis along with other Term Lenders/ consortium members, for the project and after ensuring promoters' contribution is brought in pro-rata alongwith LCN of leader bank.

8. The company shall ensure compliance of NDMA guidelines of ensuring disaster resilient infrastructure. The company should submit a certificate from Lenders' Engineer/ Borrower's architect that the assets created are disaster resilient.

9. The ROI/charges charged by our Bank shall not lower than that of charged by other Banks of the consortium.

Other Terms and conditions:

1. The Borrower shall provide CA certificate on the sources and uses of funds utilized towards acquisition of HBPCL within 180 days from the date of first disbursement under the Facility.

2. The Borrower shall provide CA certificate detailing the utilization of the Facility within 30 days from the end of each quarter, for disbursement done in the quarter, till utilization of full facility.

3. The Borrower shall pay to the Lenders, a commitment fee of 0.25% per annum on the amount undrawn with respect to drawdown schedule agreed to by the Lenders. The fees shall be calculated on the basis of amount undrawn and the number of days deviated from the scheduled date. However, the Borrower will have the option to modify/revise the draw down schedule with 30 days written notice to the Lenders prior to beginning of each quarter, without any commitment charges.

4. The Borrower shall create the security within 6 months from the date of first disbursement. The same is recommended for approval subject to all other participating lenders according similar approval. In case of non-perfection of security within such stipulated timeline, an additional interest of 1% p.a. will be applicable on the entire outstanding from expiry of such stipulated time period till perfection of security and further disbursement shall be at the option of the Lenders. The borrower should furnish an undertaking to this effect.

5. The Borrower shall create and maintain with Lead Bank/Escrow Bank a DSRA for the amount equivalent to ensuing 3 months Term Loan obligations (Principal + term Interest) from the cash flows available after meeting debt service obligations. However, Borrower shall have the option of substituting cash DSRA with Letter of Credit or Bank Guarantee for an amount equivalent to ensuing 3 months principal and interest payment (excluding bullet repayment) to the lenders, in lieu of such deposit without recourse to Project assets. The amounts accumulated in the DSRA shall not be used for any purpose other than for servicing the debt and would be utilized only in case of a shortfall in cash flows for meeting debt service requirements from time to time, which shall be topped up immediately on availability of the cash flows. The Borrower shall invest the funds in the DSRA only in permitted investments and securities i.e. debt mutual funds/bank deposits/any other instrument as approved by the Lead Bank. The Borrower will get time till March 31, 2016 to open and maintain the balance required in the DSRA. A suitable undertaking in this regard to be furnished by the borrower.

6. The Borrower shall open and maintain two separate Escrow Accounts with the designated bank for each of the Project through which all the proceeds from sale of power including receivables shall be routed through. The Escrow Account shall be opened with SBI or as decided by the Consortium, within 6 months from the first disbursement date.

7. The Borrower shall ensure that all requisite insurance policies are taken in respect of the Projects and are suitably endorsed in favour of the Lenders/Security Trustee as Loss Payee within 6 months from the date of first disbursement.

8. The Borrower shall pay liquidated damages/ penal interest at the rate of 1% p.a. on the outstanding amount, in the event of any default in payment of interest, principal, upfront fee or any other monies due to the Lenders on their respective dates, for the period of such default.

9. The account should be rated by an accredited External Rating Agency within 06 months from the date of first disbursement.

10. The company shall ensure end use of funds.

Kindly return the duplicate copy of this communication duly signed for recording your acceptance and call on us for executing the documents.

Yours faithfully,

For VIJAYA BANK

महा. प्रबंधक
ASST. GENERAL MANAGER
औ. वि. शा. मुंबई
I.F.B. MUMBAI
Assistant General Manager

औ.वि.शा. I.F.B. VIJAYA BANK

We agree to the above mentioned terms and conditions.

Annexed to letter ref. HBPCL/VZ/302 dtd 8/10/15. Allocated amount Rs. 455 crs.

Place:
Date:

For Himachal Baspa Power Company Limited

R. T. Purrmigo

Authorised Signatories

(SIGNATURE OF THE BORROWER)

JSW Hydro Energy Limited

Sbhosbmumbai

HBPCL

SBH | Modern Innovative Dependable
स्टेट बैंक ऑफ हैदराबाद
State Bank of Hyderabad

Overseas Branch
Ashok Mahal,
1204 Tulloch Road,
Mumbai – 400 001
PH: 022-22820177, 22831814
Fax: 22851321
E-Mail: sbhosbmumbai@yahoo.co.in

F/OSB/ADV/KR

Date: 10.09.2015

The Senior Vice President
Infrastructure Group
SBI Capital Markets Ltd.
202, Maker Tower 'E'
Cuffe Parade,
Mumbai – 400 005.

Dear Sir,

Reg : Sanction of credit facilities : Himachal Baspa Power Company Ltd.

With reference to your request and subsequent correspondences and discussions in this regard, we have pleasure in advising you that the bank has sanctioned the following credit facilities to Himachal Baspa Power Company Ltd, [illegible]

Facility	Limit
Term Loan	Rs.200.00 cr

The above limit shall be governed as per terms and conditions set out in Annexure 'A', which forms a part of sanction.

In addition, the limit shall be governed by the basic terms and conditions enumerated below :

i) The credit facility sanctioned to the company is to be utilised only for purpose as mentioned in annexure A.

ii) The company should maintain adequate books of accounts, which should correctly reflect its financial position and scale of operations and should not radically change its accounting system without notice to the bank.

iii) The accompany should submit to the bank such financial statements as may be required by the bank as on date of publication of the company's annual accounts

iv) The company must keep the about informed of the happening of any event likely to have a substantial effect on their sale, profits and remedial steps proposed to be taken by the accompany.

v) The company will keep the bank advised of any circumstances adversely affecting the financial position of their subsidiaries including any action, taken by any creditor against the subsidiary.

JSW Hydro Energy Limited

Please arrange to return to us the duplicate copy of this letter, all the pages duly signed by an authorised signatory of the company in the token of acceptance of the terms and conditions stipulated herein. The company is requested to pass suitable Board Resolution in this regard and arrange to all on us for executing the necessary documents along with the certified copy of the resolution fro our record. Please also submit KYC of authorised signatories.

Yours faithfully,

DEPUTY GENERAL MANAGER

// Accepted all terms and conditions as above and as per Annexure 'A' //

Allocated amnt Rs. 182 cr.

For Himachal Baspa Power Company Limited

Authorised Signatories

BORROWER

GUARANTORS

CC:
M/s Himachal Baspa Power Company Ltd
C/o JSW Energy Ltd
JSW Centre, Bandra Kurla Complex,
Mumbai-400051

Annexure 'A'

Terms and conditions

Nature of Facility: Term Loan - Rs.200.00 cr

<table>
<tr><th>Particulars</th><th>Proposed Terms</th></tr>
<tr><td>Borrower</td><td>Himachal Baspa Power Company Limited ("HBPCL" or the "Borrower")</td></tr>
<tr><td>Sponsor</td><td>JSW Energy Ltd. ("JSWEL" or the "Sponsor")</td></tr>
<tr><td>Project(s)</td><td>• 1000 (4x250) MW hydro power plant at Karcham in the Kinnaur district of Himachal Pradesh ("Karcham Project"); and
• 300 (3x100) MW hydro power plant on river Baspa in the Kinnaur district of Himachal Pradesh ("Baspa Project").
Collectively referred to as the "Projects".</td></tr>
<tr><td>Transaction</td><td>JSW Energy Ltd. has entered into a Definitive Agreement with Jaiprakash Power Ventures Limited ("JPVL"), a Jaypee group company, dated November 16, 2014 for acquisition of Karcham and Baspa Projects. The acquisition is proposed in 2 stages:
In the first stage, JPVL will demerge both the Projects into HBPCL (subsidiary of JPVL) through a scheme of arrangement to be sanctioned under Section 391-394 of the Companies Act, 1956 by the High Court of Himachal Pradesh.
In the second stage, once the scheme is approved and becomes effective, JSWEL proposes to acquire HBPCL and HBPCL will become a subsidiary of JSWEL.</td></tr>
<tr><td>Acquisition Cost and Funding</td><td>The total acquisition cost of the Transaction is estimated as Rs. 9,700 Crore will be funded in the following manner:
(Rs. Crore)
<table>
<tr><th>Particulars</th><th>Total</th></tr>
<tr><td>Equity/ Sponsor's Contribution</td><td>2,150</td></tr>
<tr><td>Senior Debt</td><td>7,550</td></tr>
<tr><td>Total</td><td>9,700</td></tr>
</table>
• Sponsor's Contribution of Rs. 2,150 Crore shall be in the form of Equity/Quasi Equity/ Unsecured loan from Sponsor and should have been paid/deposited by JSW Energy Ltd./JSW Group companies to JPVL/Jaiprakash group companies/Borrower.
• Quasi Equity/ Unsecured loan from Sponsor shall be sub-ordinated to the Senior Debt Facility lenders and can be serviced after meeting the Restricted Payment conditions. Repayment of quasi equity/unsecured loan during the currency of the loan will be permitted after meeting Restricted Payment Conditions and subject to Debt to Equity (TNW) ratio not exceeding 3.5:1.</td></tr>
<tr><td></td><td>The proposed debt amount would be reduced on a pro-rata basis in case of any reduction in the deal value, maintaining the overall debt equity (total sponsor's contribution) ratio of 3.5:1.</td></tr>
</table>

JSW Hydro Energy Limited

Facility	Senior Debt by way of Rupee Term Loan Facility of Rs. 7,550 Crore out of which Rs. 6,600 Crore is allocated to Karcham Project (Loan A) and Rs. 950 Crore is allocated to Baspa Project (Loan B). All the term loans sanctioned by Lenders would be allocated to both the tranches (Loan A and Loan B, rounded off the nearest Rupees Crore) in proportion to their respective Tranche Amount as above Share of SBH-200.00 Cr
Lead Bank	State Bank of India/ as decided by the consortium.
Purpose	The proceeds of the Facility will be used for i) Acquisition of two hydro projects ii) Repayment/redemption/refinancing of the existing Debt of the Borrower; iii) Meeting the capital expenditure, if any; iv) Meeting financing expenses & other costs including cost of refinancing/prepayment; and v) Meeting margin money for working capital
Upfront Fee	0.10% of the allocated amount plus applicable taxes payable at the time of Facility Documentation
Rate of Interest	1.15% (115 bps) (Spread) over State Bank of India Base Rate floating, present effective rate of 10.85% p.a. payable at monthly rests. The effective interest rate at any time would not fall below the Base Rate.
Taxes	Interest tax/other levies/duties, if any, shall be payable by the Borrower over and above the interest rates mentioned above.
Re-pricing	The Facility is subject to re-pricing as under: 1. In case of adverse deviation by more than 20%, or below the minimum level stipulated, as applicable, in respect of any two of the following four financial parameters, arrived at based on audited financial statement each year starting from FY2017, will attract re-pricing of the loan in the form of revised Spread at the time of annual review every year: a) TOL/TNW – 3.50:1; b) Interest Coverage Ratio –1.50; c) GDSCR – 1.25 (not to fall below 1.10 in any year); and d) FACR – 1.25 (not to fall below 1.15 in any year). Of the above, TOL/ TNW and FACR ratios would also be tested for the FY ended March 31, 2016 and adverse deviation as above in any one of the two will attract re-pricing of the loan in the form of revised spread The above ratios would be tested every year.

JSW Hydro Energy Limited

	2. In case the external rating of the Borrower/ Facility deteriorates below A- at any time. Total Outside Liabilities: Secured Loans + Unsecured Loans excluding unsecured loans from Sponsor + Current Liabilities & Provisions (DTL not to be included) Tangible Net Worth: Equity + Quasi-Equity/ Unsecured loans from Sponsor including NCDs + Reserves & Surplus-Intangible assets-DTA-Revaluation Reserve. Interest Coverage Ratio: EBITDA/ (Interest on Term Loan + Interest on Working Capital). GDSCR: (PAT + non-cash expenses + Interest on Terms Loans)/ (Interest on Term Loans + Repayment of Term loans). Fixed Asset Coverage Ratio (FACR): Net Fixed Assets/ Long Term Loans.
Commitment Fee	The Borrower shall pay to the Lenders, a commitment fee of 0.25% per annum on the amount undrawn with respect to drawdown schedule agreed to by the Lenders. The fees shall be calculated on the basis of amount undrawn and the number of days deviated from the scheduled date. However, the Borrower will have the option to modify/revise the draw down schedule with 30 days written notice to the Lenders prior to beginning of each quarter, without any commitment charges.
Availability Period	Upto March 31, 2016
Door to Door Tenor and Repayment	The door to door tenor of the Facility shall be upto 15 years including period of availability and 14 years of structured repayment (5 monthly instalments per annum) with a bullet instalment of 50% ("Bullet Instalment") payable at the end of repayment period by way of refinancing. The repayment shall start from Jun 2016. Repayment schedule : BASPA

FY	Jun	Jul	Aug	Sept	Oct	Total
2016-17	0.00%	0.06%	0.06%	0.06%	0.06%	0.24%
2017-18	0.00%	0.06%	0.06%	0.06%	0.06%	0.24%
2018-19	0.00%	0.06%	0.06%	0.06%	0.06%	0.24%
2019-20	0.00%	0.50%	0.50%	0.50%	0.50%	2.00%
2020-21	0.00%	1.25%	1.25%	1.25%	1.25%	5.00%
2021-22	0.00%	1.00%	1.00%	1.00%	1.00%	4.00%
2022-23	0.00%	1.50%	1.50%	1.50%	1.50%	6.00%
2023-24	0.00%	1.94%	1.94%	1.94%	1.94%	7.76%

2024-25	0.00%	0.75%	0.75%	0.75%	0.75%	3.00%
2025-26	0.00%	0.50%	0.50%	0.50%	0.50%	2.00%
2026-27	0.00%	1.13%	1.13%	1.13%	1.13%	4.52%
2027-28	0.00%	1.25%	1.25%	1.25%	1.25%	5.00%
2028-29	0.00%	1.50%	1.50%	1.50%	1.50%	6.00%
2029-30	0.00%	1.00%	1.00%	1.00%	1.00%	4.00%
Bullet Instalment	50% (March 2030)					

Karcham

FY	Jun	Jul	Aug	Sept	Oct	Total
2016-17	0.70%	0.70%	0.70%	0.70%	0.70%	3.50%
2017-18	0.70%	0.70%	0.70%	0.70%	0.70%	3.50%
2018-19	0.70%	0.70%	0.70%	0.70%	0.70%	3.50%
2019-20	0.79%	0.79%	0.79%	0.79%	0.79%	3.95%
2020-21	0.81%	0.81%	0.81%	0.81%	0.81%	4.05%
2021-22	0.90%	0.90%	0.90%	0.90%	0.90%	4.50%
2022-23	0.93%	0.93%	0.93%	0.93%	0.93%	4.65%
2023-24	0.94%	0.94%	0.94%	0.94%	0.94%	4.70%
2024-25	0.41%	0.41%	0.41%	0.41%	0.41%	2.05%
2025-26	0.47%	0.47%	0.47%	0.47%	0.47%	2.35%
2026-27	0.52%	0.52%	0.52%	0.52%	0.52%	2.60%
2027-28	0.60%	0.60%	0.60%	0.60%	0.60%	3.00%
2028-29	0.67%	0.67%	0.67%	0.67%	0.67%	3.35%
2029-30	0.86%	0.86%	0.86%	0.86%	0.86%	4.30%
Bullet Instalment	50% (March 2030)					

Security

The Facility together with interest, default interest, liquidated damages, costs, charges, expenses and all other monies whatsoever payable by the Borrower shall be secured by:

1. First charge by way of mortgage of all immovable properties of the Projects as may be permissible under the Applicable Law;
2. First charge by way of hypothecation of all the movable assets of the Projects as may be permissible under the Applicable Law;
3. First charge by way of assignment of all Project related documents, licenses, permits, approvals, rights, title, interests etc. pertaining to the Projects by way of Hypothecation Deed as may be permissible under the Applicable Law;
4. First charge on book debts, operating cash flows, receivables, commissions, revenue of whatsoever nature and wherever arising, present and future; and
5. First charge on all the bank accounts of the Borrower including Escrow Account.

The above mentioned security shall be shared on pari-passu first

1/

	charge basis with working capital lenders of the Borrower as assessed by the Lead Bank. The security as above in favour of the Lenders shall be created separately for Karcham and Baspa Projects for the respective tranche of the Loan/ Facility(Loan A and Loan B). <u>Timeline for creation of the security</u> The Borrower shall create the above mentioned security within 6 months from the date of first disbursement.
Security Trustee	As decided by the consortium.
Debt Service Reserve Account (DSRA)	The Borrower shall create and maintain with Lead Bank/Escrow Bank a DSRA for the amount equivalent to ensuing 3 months Term Loan obligations (Principal + term Interest) from the cash flows available after meeting debt service obligations. However Borrower shall have the option of substituting cash DSRA with Letter of Credit or Bank Guarantee for an amount equivalent to ensuing 3 months principal and interest payment (excluding bullet repayment) to the lenders, in lieu of such deposit without recourse to Project assets. The amounts accumulated in the DSRA shall not be used for any purpose other than for servicing the debt and would be utilized only in case of a shortfall in cash flows for meeting debt service requirements from time to time, which shall be topped up immediately on availability of the cash flows. The Borrower shall invest the funds in the DSRA only in permitted Investments and securities i.e. debt mutual funds/bank deposits/any other instrument as approved by the Lead Bank. The Borrower will get time till March 31, 2016 to open and maintain the balance required in the DSRA.
Escrow Account	The Borrower shall open and maintain two separate Escrow Accounts with the designated bank for each of the Project through which all the proceeds from sale of power including receivables shall be routed through. The Escrow Account shall be opened within 6 months from the first disbursement date.
Escrow Account Bank	State Bank of India or as decided by the consortium.
Additional Interest	In case of non-creation of security within such stipulated timeline, an additional interest of 1% p.a. will be applicable on the entire outstanding from expiry of such stipulated time period till creation of security and further disbursement shall be at the option of the Lenders.
Liquidated Damages	The Borrower shall pay liquidated damages/ penal interest at the rate of 1% p.a. on the outstanding amount, in the event of any default in payment of interest, principal, upfront fee or any other monies due to the Lenders on their respective dates, for the period of such default.

Prepayment of Rupee Term Loan	The Borrower shall at any time have the option to prepay the Facility in part or in full together with all interests, prepayment premium and other charges & monies due and payable to the Lenders up to the date of such prepayment on payment of prepayment premium equal to 1% of the principal amount prepaid. Provided that no prepayment premium would be payable to the Lenders: • If the pre-payment is effected at the instance of the Lenders; • If the pre-payment is made from surplus cash accruals generated by the Project with 30 days prior notice; • If the pre-payment is made on anniversaries of Facility Documentation with 30 days prior notice; • If the interest rate spread is increased by the Lenders, which is not acceptable to the Borrower, the Borrower would have the option to prepay the outstanding loan within the next 3 months from such date of spread reset/receipt of advice from the lenders by giving a notice for 30 days; • If the rate of interest of any lender is higher than the rate of interest charged by other Lender (s) in the consortium, the Borrower shall have the option to prepay the outstanding loan of such Lender within next 3 months from such dates/receipt of advice from the lenders by giving a notice for 30 days. In case of partial prepayment, the prepayment amount shall be applied to the remaining instalments proportionately. No prepayment premium would be payable on prepayment of the existing loans to the existing lenders of the Karcham and Baspa project participating in the Senior Debt Facility.
Undertakings from the Borrower	The Borrower shall to the satisfaction of the Lenders undertake: 1. To obtain and maintain all statutory & non-statutory clearances as may be required for operations of the Projects and comply with all the conditions of such clearances. 2. To assign any fresh PPA/PSA executed by it with state discoms/other parties within 90 days of execution. 3. To open and maintain an Escrow Account within the stipulated timeline with the designated bank through which all the proceeds from sale of power including receivables shall be routed through. 4. To create security within the stipulated timeline. 5. To create and maintain DSRA account. 6. To get the Facility rated within 6 months from the date of first disbursement.
Undertakings from the	The Sponsor shall to the satisfaction of Lenders provide the following undertakings:

JSW Hydro Energy Limited

Sponsor	1. The Sponsor and its associates shall continue to hold at least 51% of the total paid up equity share capital. 2. The Sponsor shall also maintain the management control of the Borrower during the currency of the Facility. 3. The sponsor shall obtain necessary regulatory approval for project cost of Karcham Project for tariff purposes and shall undertake to meet any cash shortfall in servicing the debt till such approval is In place. In case the approved project cost of Karcham Project is below Rs. 6,300 Crore, then the Sponsor shall undertake to pro-rata reduce the overall debt in the debt equity (total sponsor's contribution) ratio of 3.5:1 for the incremental reduction in project cost below the level of Rs. 6,300 Crore i.e. if the project cost of Karcham gets approved at Rs. 6,200 Crore than the overall debt will reduce by Rs. 78Crore.
Pre Commitment Conditions	The Borrower shall to the satisfaction of the Lenders: 1. The Sponsor shall have appointed the Lender's Legal Counsel (LLC) for preparation of the Legal Documents for the Facility, reviewing the corporate authorization as also consummating the proposed transaction including providing legal opinion. The Sponsor shall also undertake to bear all the expenses with respect to such LLC. 2. Have provided Know your customer (KYC) documents including MOA, AOA etc. to the Lenders.
Pre Disbursement Conditions	The Borrower shall comply with the following conditions prior to first regular disbursement under the Facility: 1. Necessary statutory/ regulatory approval, as applicable have been obtained for acquisition of Karcham and Baspa Project by the Sponsor and reviewed by the LLC. 2. Confirmation from the existing lenders of Karcham and Baspa project that the account is standard should be available to the satisfaction of the Lead Bank. 3. The Borrower has obtained a satisfactory legal opinion from LLC covering Facility Documentation. 4. The approval of High Court of Himachal Pradesh has been obtained by JPVL for demerger of Karcham and Baspa Project into the Borrower. 5. The Sponsor has paid/deposited the required money for acquisition of 100% equity shares in HBPCL to JPVL/other Jaiprakash Group entities. 6. The Sponsor has paid/deposited/brought in the balance envisaged Sponsor's Contribution to JPVL/other Jaiprakash group entities/Borrower as per the financing proposal.
Other Conditions	The Borrower shall to the satisfaction of the Lenders: 1. Furnish to the Lenders such information and data as may be required by them or any agency appointed by them for monitoring the operations of the Borrower. 2. Agree that the Lenders collectively reserve the right to

JSW Hydro Energy Limited

appoint any independent/other consultant for the review of the Projects as deemed fit during the currency of the Facility in consultation with the Borrower. The Borrower shall also agree to provide all information reasonably required by the consultants and bear the expenses thereof.

3. Agree that the Lender will have the right to examine at all times the Borrower's books of accounts and to have the Borrower's factories inspected, from time to time, by officer(s) of the Lender and/or qualified auditors and/or technical experts and/or management consultants of the Lender's choice. Cost of such inspection shall be borne by the Borrower.
4. Appoint technical, financial & executive personnel of proper qualification & experience for the key posts and ensure that the organization set up is adequate enough for smooth operation of the Projects.
5. Provide CA certificate for funding of acquisition of HBPCL within 180 days from the date of first disbursement under the Facility.
6. Provide CA certificate detailing the utilization of the Facility within 30 days from the end of each quarter, for disbursement done in the quarter, till utilization of full facility.
7. Ensure that all requisite insurance policies are taken in respect of the Projects and are suitably endorsed in favour of the Lenders/Security Trustee as Loss Payee within 6 months from the date of first disbursement.
8. Maintain adequate books of accounts which should correctly reflect its financial position & scale of operations and should not radically change its accounting system without prior notice to the Lenders.
9. Furnish to the Lenders every year a copy of audited annual accounts of the Borrower immediately on finalization of the same but in any case not later than 180 days from the end of each relevant accounting period.
10. Submit to the Lenders such financial statements as may be required by the Lenders from time to time.
11. Keep the Lenders informed of the happening of any event likely to have Material Adverse Effect on its profit & business with explanations and the remedial steps taken/ proposed to be taken.
12. Make satisfactory arrangements for the required working capital for the Projects as may be required.
13. To make necessary arrangements for operation & maintenance of the Projects during the continuance of the Facility.
14. In case of default in repayment of the loan / advances or in the payment of the interest thereon or any of the agreed instalments of the loan on due date/s by the Borrower, the

	Lenders and / or the RBI will have an unqualified right to disclose or publish the name of the Borrower/ unit and its directors / partners / proprietors as defaulter in such manner and through such medium as the Lenders or RBI in their absolute discretion may think fit. 15. The Lenders will have the right to share credit information as deemed appropriate with CIBIL or any other institution as approved by RBI from time to time. 16. The Borrower shall not induct into its Board a person whose name appears in the wilful defaulters list of RBI/ CIBIL and shall remove the directors, whose names appear in RBI wilful defaulters' list from its Board, or get their names deleted from the list. 17. The Borrower shall get the Facility rated from an accredited credit agency. The first such credit rating should be obtained and furnished to the Lenders within a period of 6 months from the first disbursement. Thereafter, the rating should be obtained and furnished at least at annual intervals.
Restricted Payment Conditions	The Borrower shall be able to declare or pay dividends on its equity share capital or pay interest on any unsecured loan/quasi-equity from the Sponsor during the currency of the Facility only when the following conditions are fulfilled: (i) The Borrower meets its obligations to pay interest and/or Instalments and/or other monies due to the Lenders; (ii) DSRA has been created and topped up; and (iii) There being no outstanding Event of Default.
Negative Covenants	The Borrower shall not without the prior written approval of the Lenders: 1. Effect any change in the capital structure other than as contemplated for the Transaction, which will result in the long term debt equity (TNW) ratio for the Borrower increasing beyond 3.75:1. 2. Sell, assign, mortgage or otherwise dispose off any of the fixed assets (the cost of which exceeds an amount of Rs. 100 Crore) per annum charged to the Lenders. 3. Augment, modernize, expand, invest other than in the same line of business for an amount beyond Rs. 100 Crore; 4. Make material change in the scope of the Projects other than in the ordinary course of business; 5. Make any material modifications to Project contracts/agreements; 6. Formulate any scheme of amalgamation or reconstruction except within JSW Group companies provided there is no breach in re-pricing covenant; 7. Undertake any guarantee obligation on behalf of any other company except in ordinary course of business. 8. Undertake any trading activity other than the sale of electricity arising out of its own operations.

HIMACHAL BASPA POWER COMPANY LTD

JSW Hydro Energy Limited

	9. Invest by way of share capital in or lend or advance funds to or place deposits with any other concern(Including group companies), If TOL/Adjusted TNW exceeds 4:1. Permitted investments, normal trade credit or security deposits in normal course of business or advance to employees are excluded. 10. Enter into borrowing arrangement either secured or unsecured with any other bank, financial institution, company or otherwise or accept deposits apart from the arrangement indicated in the fund flow statements submitted to the bank from time to time and approved by the bank except unsecured borrowing upto Rs.100.00 cr Also the borrower will be allowed to borrow upto the limit of Working Capital in case of non utilisation of limit. 11. Create any charge, lien or encumbrance over its undertaking or any part thereof in favour of any financial institution, bank, company firm or persons except as provided in this term sheet. Adjusted TNW + Tangible networth-Investment, Loans and advances in group associates/JVs/SPVs.
Events of Default	To include the following: 1. Non-payment of interest and/or scheduled repayment by the Borrower remaining unpaid for a period exceeding seven days from their respective due dates; 2. Non-compliance with any material provisions of the Financing Documents Including covenants If remediable and the same are not remedied within a period of thirty days from being brought to notice of the Borrower by the Lenders; 3. Execution or distress being enforced or levied against the whole or any part of the Borrower's asset/property and any other relating thereto is not discharged or stayed within a period of ninety days from the date of enforcement or levy. 4. The Borrower ceasing or threatening to cease to carry on its business for a period exceeding ninety days. 5. A receiver being appointed in respect of the whole or any part of the property of the Borrower and such appointment is not stayed, quashed or dismissed within a period of ninety days. 6. Revocation/withdrawal of any critical approval/permission/ license, critical for the Projects' implementation and operation by any authority/agency, if not reinstated/re-approved within ninety days of such revocation/withdrawal. 7. Non-adherence to the material terms of the Transaction/Project documents. 8. The occurrence of any event or circumstance which is prejudicial to or imperils or depreciates the security given to the Lenders or materially impacts the viability of the Projects and such event or circumstance continues to have an effect for a period In excess of ninety days.

JSW Hydro Energy Limited

	9. Cross default by the Borrower in meeting any payment obligations towards Lenders exceeding Rs. 100 Crore for a period exceeding thirty days from the respective due dates. Upon the occurrence of Event of Default, the Lenders may exercise by giving a notice of thirty (30) days, inter alia, any one or more of the following rights: • Accelerate the maturity of the Facility; • Enforce Security; • Declare the Commitments to be cancelled; • Exercise any other right that the Lenders may have under the Financing and the Security Documents or under Indian law; • Appoint one Nominee Director on the Board of the Borrower, provided that the term of such Nominee Director shall not be more than one year and the reappointment of such director shall be made only in case of existence of default on the date of expiry of such one year period.
Documentation	In addition to the terms and conditions contained in this Term Sheet, the Final Documentation will contain other customary clauses such as, Representation & Warranties from the Borrower, Affirmative covenants by Borrower, Information Covenants, Events of Default by the Borrower and the consequences of Event of Default, other Covenants, RBI disclosure norms, as applicable, etc. The Facility Documents will be finalized in consultation with Lender's Legal Counsel.
All our terms and conditions and pricing will in line with State Bank of India.	

भारतीय स्टेट बैंक
State Bank of India

कारपोरेट लेखा समूह - मुंबई, नेवील हॉऊस, 3री मंजिल, जे. एन. हेरेडीया मार्ग,
बेलार्ड इस्टेट, मुंबई - 400 001.
Corporate Accounts Group - Mumbai, Neville House, 3rd Floor,
J. N. Heredia Marg, Ballard Estate, Mumbai - 400 001.

Date :

Ref. No. :

M/s. Himachal Baspa Power Company Ltd,
C/o JSW Energy Ltd,
JSW Centre,
BKC, Mumbai.

Tel:022-61542871
Fax: 022-61542802
Email: amt4.09995@sbi.co.in

CAG/AMT-4/15-16/422 Date: 28.07.2015

Dear Sir,

SANCTION LETTER
HIMACHAL BASPA POWER COMPANY LTD
TERM LOAN FACILITIES

With reference to your request and subsequent correspondences and discussions in this regard, we have pleasure in advising you that the Bank has sanctioned the following credit facilities to your Company:-

(Rs in crs)

Facility	Limit
Term Loan	4000.00

2. The above limits shall be governed as per the terms and conditions set out in Annexure 'A', which forms a part of the sanction. In addition, the limit shall be governed by the basic terms and conditions enumerated below:

- I) The credit facility sanctioned to the Company is to be utilised for its genuine requirements only with no diversion of funds.
- II) The Company should maintain adequate books of accounts, which should correctly reflect its financial position and scale of operations and should not radically change its accounting system without notice to the Bank.
- iii) The Company should submit to the Bank such financial statements as may be required by the Bank from time to time, apart from the set of such statements to be furnished by the company to the Bank as on the date of publication of the Company's annual accounts.
- iv) The Company must keep the Bank informed of the happening of anyevent likely to have a substantial effect on their sales, profits etc., such as labour problems, power cut, etc. and the remedial steps proposed to be taken by the Company.
- v) The Company will keep the Bank advised of any circumstances adversely affecting the financial position of their subsidiaries including any action, taken by any creditor against the subsidiary.
- vi) The Bank reserves the absolute right to cancel the limits (either fully or partially) unconditionally without prior notice
    - i. in case the limits/ part of the limits are not utilized by you, and/or
    - ii. in case of deterioration in the loan accounts in any manner whatsoever, and/or
    - iii. in case of non-compliance of terms and conditions of sanction.

vii) The company shall pass special resolution by convening EGM to approve the right of the Bank to convert the outstanding debt (wholly or partially) into fully paid up voting equity shares and also to divest the same as per norms stipulated by the RBI vide Notification No. DBR.BP.BC.No. 101/21.04.132/2014-15 dated 8.6.2015 and clarifications thereto (if any) issued from time to time. The said resolution should also authorize the Company to increase the authorized capital of the Company should such increase be necessary, for issuing fully paid up equity shares in favour of the Bank. The company shall also obtain approval from any other authority that may be required for effecting such conversion.

3. Miscellaneous Facilities:We request you –

a. to utilize the services of our Associate Banks for all your banking needs wherever we are not established;
b. to furnish to the Bank every year five copies of audited / printed / balance sheet and profit and loss account statements of the Company immediately on these being published/signed by the auditors, along with the usual renewal particulars;
c. to forward quarterly financial statements (FSMTL) within six weeks from the end of the quarter and annual audited accounts within 6 months;
d. to provide Annual debit confirmation on the letter head of the Company.
e. to provide Certificate on quarterly basis furnishing details of accounts opened with other Banks.
f. to furnish Details of Investments made in Stock Markets, MFs, NBFCs, ICDs, Associate/ Subsidiary Companies, Real Estates by the Company on quarterly basis.
g. to provide due diligence report or regular certification by a professional on a half yearly basis.

4. The Company to ensure routing of pro rata business of insurance and other products of SBI viz., SBI Life, SBI General, Corporate Salary Package, eTrade, CMP etc. through our Bank.

5. Please return to us the duplicate copy of this letter, all the pages duly signed by an authorized signatory of the Company in token of acceptance of the terms and conditions stipulated herein. Please also arrange to pass suitable Board resolution in this regard and arrange to call on us for executing the necessary security documents along with certified copy of the resolution for our record. Please also submit KYC of the authorized signatories viz. Copy of the passport, driving Licence or PAN card etc.

Yours faithfully,

DGM & RM (AMT-4)

Himachal Baspa Power Company Limited

S.B.I. AMT 4 CAG MUMBAI

JSW Hydro Energy Limited

Annexure – A

Himachal Baspa Power Company Ltd
Term Sheet

Sr	Particulars	Terms
1.	**Borrower**	Himachal Baspa Power Company Limited ("HBPCL" or the "Borrower"), which is proposed to be a subsidiary of JSW Energy Limited).
2.	**Sponsor**	JSW Energy Ltd. ("JSWEL" or the "Sponsor")
3.	**Project(s)**	• 1000 (4x250) MW hydro power plant at Karcham in the Kinnaur district of Himachal Pradesh ("Karcham Project"); and • 300 (3x100) MW hydro power plant on river Baspa in the Kinnaur district of Himachal Pradesh ("Baspa Project"). Collectively referred to as the "Projects".
4.	**Transaction**	JSW Energy Ltd. has entered into a Definitive Agreement with Jaiprakash Power Ventures Limited ("JPVL"), a Jaypee group company, dated November 16, 2014 for acquisition of Karcham and Baspa Projects. The acquisition is proposed in 2 stages: In the first stage, JPVL will demerge both the Projects into HBPCL (subsidiary of JPVL) through a scheme of arrangement to be sanctioned under Section 391-394 of the Companies Act, 1956 by the High Court of Himachal Pradesh. In the second stage, once the scheme is approved and becomes effective, JSWEL proposes to acquire HBPCL and HBPCL will become a subsidiary of JSWEL.
5.	**Acquisition Cost and Funding**	The total acquisition cost of the Transaction is estimated as Rs. 9,700 Crore which is proposed to be funded in the following manner: Equity/ Sponsor's Contribution – Rs.2150 crs Senior Debt – Rs.7550 crs • Sponsor's Contribution of Rs. 2,150 Crore shall be in the form of Equity/Quasi Equity/ Unsecured loan from Sponsor and should have been paid/deposited by JSW Energy Ltd/ JSW Group companies to JPVL/Jaiprakash group companies/Borrower. • Quasi Equity/ Unsecured loan from Sponsor shall be sub-ordinated to the Senior Debt Facility lenders and can be serviced after meeting the Restricted Payment conditions. Repayment of quasi equity/unsecured loan during the currency of the loan will be permitted after meeting Restricted Payment Conditions and subject to Debt to Equity (TNW) ratio not exceeding 3.5:1. The proposed debt amount would be reduced on a pro-rata basis in case of any reduction in the deal value, maintaining the overall debt equity (total sponsor's contribution) ratio of 3.5:1.
6.	**Facility**	Senior Debt by way of Rupee Term Loan Facility of Rs. 7,550 Crore out of which Rs. 6,600 Crore is allocated to Karcham Project (Loan A) and Rs. 950 Crore is allocated to Baspa Project (Loan B). All the term loans sanctioned by Lenders would be allocated to both the

		tranches (Loan A and Loan B, rounded off the nearest Rupees Crore) in proportion to their respective Tranche Amount as above. Share of SBI – Rs.4000 crs (total)
7.	**Lead Bank**	State Bank of India
8.	**Purpose**	The proceeds of the Facility will be used for i) Acquisition of two hydro projects; ii) Repayment/refinancing/redemption of any debt; iii) Meeting the capital expenditure, if any; iv) Meeting financing expenses & other costs including cost of refinancing/prepayment; and v) Meeting margin money for working capital
9.	**Upfront Fee**	0.10% of the allocated amount plus applicable taxes payable at the time of documentation
10.	**Rate of Interest**	1.15% over SBI Base Rate (floating), present effective rate of 10.85% p.a. at monthly rests.
11.	**Taxes**	Interest tax/other levies/duties, if any, shall be payable by the Borrower over and above the interest rates mentioned above.
12.	**Re-pricing**	The Facility is subject to re-pricing as under: 1. In case of adverse deviation by more than 20%, or below the minimum level stipulated, as applicable, in respect of any two of the following four financial parameters, arrived at based on audited financial statement each year starting from FY2017, will attract re-pricing of the loan in the form of revised Spread at the time of annual review every year: a) TOL/TNW of 3.50:1; b) Interest Coverage Ratio of1.50; c) GDSCR of 1.25 (not to fall below 1.10 in any year); and d) FACR of 1.25 (not to fall below 1.15 in any year). Of the above, TOL/ TNW and FACR ratios would also be tested for the FY ended March 31, 2016, and adverse deviation as above in any one of the two will attract re-pricing of the loan in the form of revised Spread. The above ratios would be tested every year. 2. In case the external rating of the Borrower/ Facility deteriorates below A- at any time. Total Outside Liabilities: Secured Loans + Unsecured Loans excluding unsecured loans from Sponsor + Current Liabilities & Provisions (Deferred Tax Liabilities not to be Included) Tangible Net Worth: Equity + Quasi-Equity/ Unsecured loans from Sponsor including NCDs + Reserves & Surplus- Intangible Assets – Deferred Tax Assets – Revaluation Reserve. Interest Coverage Ratio: EBITDA/ (Interest on Term Loan + Interest on Working Capital).

HBPCL

		GDSCR: (PAT + non-cash expenses + Interest on Terms Loans)/ (Interest on Term Loans + Repayment of Term loans). Fixed Asset Coverage Ratio (FACR): Net Fixed Assets/ Long Term Loans.
13.	**Commitment Fee**	The Borrower shall pay to the Lenders, a commitment fee of 0.25% per annum on the amount undrawn with respect to drawdown schedule agreed to by the Lenders. The fees shall be calculated on the basis of amount undrawn and the number of days deviated from the scheduled date. However, the Borrower will have the option to modify/revise the draw down schedule with 30 days written notice to the Lenders prior to beginning of each quarter, without any commitment charges.
14.	**Availability Period**	Upto March 31, 2016
15.	**Door to Door Tenor and Repayment**	The door to door tenor of the Facility shall be upto 15 years including period of availability and 14 years of structured repayment (5 monthly instalments per annum) with a bullet instalment of 50% ("Bullet Instalment") payable at the end of repayment period by way of refinancing. The repayment shall start from Jun 2016.

Baspa

FY	Jun	Jul	Aug	Sep	Oct	Total
2016-17	0.00%	0.06%	0.06%	0.06%	0.06%	0.24%
2017-18	0.00%	0.06%	0.06%	0.06%	0.06%	0.24%
2018-19	0.00%	0.06%	0.06%	0.06%	0.06%	0.24%
2019-20	0.00%	0.50%	0.50%	0.50%	0.50%	2.00%
2020-21	0.00%	1.25%	1.25%	1.25%	1.25%	5.00%
2021-22	0.00%	1.00%	1.00%	1.00%	1.00%	4.00%
2022-23	0.00%	1.50%	1.50%	1.50%	1.50%	6.00%
2023-24	0.00%	1.94%	1.94%	1.94%	1.94%	7.76%
2024-25	0.00%	0.75%	0.75%	0.75%	0.75%	3.00%
2025-26	0.00%	0.50%	0.50%	0.50%	0.50%	2.00%
2026-27	0.00%	1.13%	1.13%	1.13%	1.13%	4.52%
2027-28	0.00%	1.25%	1.25%	1.25%	1.25%	5.00%
2028-29	0.00%	1.50%	1.50%	1.50%	1.50%	6.00%
2029-30	0.00%	1.00%	1.00%	1.00%	1.00%	4.00%

Bullet Instalment – March 2030- 50%

Karcham

FY	Jun	Jul	Aug	Sep	Oct	Total
2016-17	0.70%	0.70%	0.70%	0.70%	0.70%	3.50%
2017-18	0.70%	0.70%	0.70%	0.70%	0.70%	3.50%
2018-19	0.70%	0.70%	0.70%	0.70%	0.70%	3.50%
2019-20	0.79%	0.79%	0.79%	0.79%	0.79%	3.95%
2020-21	0.81%	0.81%	0.81%	0.81%	0.81%	4.05%
2021-22	0.90%	0.90%	0.90%	0.90%	0.90%	4.50%
2022-23	0.93%	0.93%	0.93%	0.93%	0.93%	4.65%
2023-24	0.94%	0.94%	0.94%	0.94%	0.94%	4.70%
2024-25	0.41%	0.41%	0.41%	0.41%	0.41%	2.05%

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<tr><td>2025-26</td><td>0.47%</td><td>0.47%</td><td>0.47%</td><td>0.47%</td><td>0.47%</td><td>2.35%</td></tr>
<tr><td>2026-27</td><td>0.52%</td><td>0.52%</td><td>0.52%</td><td>0.52%</td><td>0.52%</td><td>2.60%</td></tr>
<tr><td>2027-28</td><td>0.60%</td><td>0.60%</td><td>0.60%</td><td>0.60%</td><td>0.60%</td><td>3.00%</td></tr>
<tr><td>2028-29</td><td>0.67%</td><td>0.67%</td><td>0.67%</td><td>0.67%</td><td>0.67%</td><td>3.35%</td></tr>
<tr><td>2029-30</td><td>0.86%</td><td>0.86%</td><td>0.86%</td><td>0.86%</td><td>0.86%</td><td>4.30%</td></tr>
</table>
Bullet Instalment – March 2030- 50%
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<tr><td>16.</td><td>Security</td><td>
The Facility together with interest, default interest, liquidated damages, costs, charges, expenses and all other monies whatsoever payable by the Borrower shall be secured by:

First charge by way of mortgage of all immovable properties of the Projects as may be permissible under the Applicable Law;
First charge by way of hypothecation of all the movable assets of the Projects as may be permissible under the Applicable Law;
First charge by way of assignment of all Project related documents, licenses, permits, approvals, rights, title, interests etc. pertaining to the Projects by way of Hypothecation Deed as may be permissible under the Applicable Law;
First charge on book debts, operating cash flows, receivables, commissions, revenue of whatsoever nature and wherever arising, present and future; and
First charge on all the bank accounts of the Borrower including Escrow Account.

<p>The above mentioned security shall be shared on pari-passu first charge basis with working capital lenders of the Borrower as assessed by the Lead Bank.</p>
<p>The security as above in favour of the Lenders shall be created separately for Karcham and Baspa Projects for the respective tranche of the Loan/ Facility (Loan A and Loan B).</p>
<p><u>Timeline for creation of the security</u>
The Borrower shall create the above mentioned security within 6 months from the date of first disbursement.</p>
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<tr><td>17.</td><td>Security Trustee</td><td>As decided by the consortium.</td></tr>
<tr><td>18.</td><td>Debt Service Reserve Account (DSRA)</td><td>
The Borrower shall create and maintain with Lead Bank/Escrow Bank a DSRA for the amount equivalent to ensuing 3 months Term Loan obligations (Principal + term interest) from the cash flows available after meeting debt service obligations. However Borrower shall have the option of substituting cash DSRA with Letter of Credit or Bank Guarantee for an amount equivalent to ensuing 3 months principal and interest payment (excluding bullet repayment) to the lenders, in lieu of such deposit without recourse to Project assets.
The amounts accumulated in the DSRA shall not be used for any purpose other than for servicing the debt and would be utilized only in case of a shortfall in cash flows for meeting debt service requirements from time to time, which shall be topped up immediately on availability of the cash flows.
The Borrower shall invest the funds in the DSRA only in permitted
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HBPCL

		investments and securities i.e. debt mutual funds/bank deposits/any other instrument as approved by the Lead Bank. The Borrower will get time till March 31, 2016 to open and maintain the balance required in the DSRA.
19.	**Escrow Account**	The Borrower shall open and maintain 2 separate Escrow Accounts with the designated bank for each of the Project through which all the proceeds from sale of power including receivables shall be routed through. The Escrow Account shall be opened within 6 months from the first disbursement date.
20.	**Escrow Account Bank**	State Bank of India or as decided by the consortium.
21.	**Additional Interest**	In case of non-creation of security within such stipulated timeline, an additional interest of 1% p.a. will be applicable on the entire outstanding from expiry of such stipulated time period till creation of security and further disbursement shall be at the option of the Lenders.
22.	**Liquidated Damages**	The Borrower shall pay liquidated damages/ penal interest at the rate of 1% p.a. on the outstanding amount, in the event of any default in payment of interest, principal, upfront fee or any other monies due to the Lenders on their respective dates, for the period of such default.
23.	**Prepayment of Rupee Term Loan**	The Borrower shall at any time have the option to prepay the Facility in part or in full together with all interests, prepayment penalty and other charges & monies due and payable to the Lenders up to the date of such prepayment on payment of prepayment penalty equal to 1% of the principal amount prepaid. Provided that no prepayment penalty would be payable to the Lenders: • If the pre-payment is effected at the instance of the Lenders; • If the pre-payment is made from surplus cash accruals generated by the Project with 30 days prior notice; • If the pre-payment is made on anniversaries of Facility Documentation with 30 days prior notice; • If the interest rate spread is increased by the Lenders, which is not acceptable to the Borrower, the Borrower would have the option to prepay the outstanding loan within the next 3 months from such date of spread reset/receipt of advice from the lenders by giving a notice for 30 days; • If the rate of interest of any lender is higher than the rate of interest charged by other Lender (s) in the consortium, the Borrower shall have the option to prepay the outstanding loan of such Lender within next 3 months from such dates/receipt of advice from the lenders by giving a notice for 30 days. In case of partial prepayment, the prepayment amount shall be applied to the remaining instalments proportionately. No prepayment penalty would be payable on prepayment of the existing loans to the existing lenders of the Karcham and Baspa project participating in the Senior Debt Facility.
24.	**Undertakings from the Borrower**	The Borrower shall to the satisfaction of the Lenders undertake: 1. To obtain and maintain all statutory & non-statutory clearances as may be required for operations of the Projects and comply with all

		the conditions of such clearances. 2. To assign any fresh PPA/PSA executed by it with state discoms/other parties within 90 days of execution. 3. To open and maintain an Escrow Account within the stipulated timeline with the designated bank through which all the proceeds from sale of power including receivables shall be routed through. 4. To create security within the stipulated timeline. 5. To create and maintain DSRA account. 6. To get the Facility rated within 3 months from the date of first disbursement.
25.	**Undertakings from the Sponsor**	The Sponsor shall to the satisfaction of Lenders provide the following undertakings: 1. The Sponsor and its associates shall continue to hold at least 51% of the total paid up equity share capital. 2. The Sponsor shall also maintain the management control of the Borrower during the currency of the Facility. 3. The sponsor shall obtain necessary regulatory approval for project cost of Karcham Project for tariff purposes and shall undertake to meet any cash shortfall in servicing the debt till such approval is in place. In case the approved project cost of Karcham Project is below Rs. 6,300 Crore, then the Sponsor shall undertake to pro-rata reduce the overall debt in the debt equity (total sponsor's contribution) ratio of 3.5:1 for the incremental reduction in project cost below the level of Rs. 6,300 Crore i.e. if the project cost of Karcham gets approved at Rs. 6,200 Crore than the overall debt will reduce by Rs. 78 Crore.
26.	**Pre Commitment Conditions**	The Borrower shall to the satisfaction of the Lenders: 1. The Sponsor shall have appointed the Lender's Legal Counsel (LLC) for preparation of the Legal Documents for the Facility, reviewing the corporate authorization as also consummating the proposed transaction including providing legal opinion. The Sponsor shall also undertake to bear all the expenses with respect to such LLC. 2. Have provided Know your customer (KYC) documents including MOA, AOA etc. to the Lenders.
27.	**Pre Disbursement Conditions**	The Borrower shall comply with the following conditions prior to first regular disbursement under the Facility: 1. Necessary statutory/ regulatory approval, as applicable have been obtained for acquisition of Karcham and Baspa Project by the Sponsor and reviewed by the LLC. 2. Confirmation from the existing lenders of Karcham and Baspa project that the account is standard should be available to the satisfaction of the Lead Bank. 3. The Borrower has obtained a satisfactory legal opinion from LLC covering Facility Documentation. 4. The approval of High Court of Himachal Pradesh has been obtained by JPVL for demerger of Karcham and Baspa Project into the Borrower. 5. The Sponsor has paid/deposited the required money for

		acquisition of 100% equity shares in HBPCL to JPVL/other Jaiprakash Group entities. 6. The Sponsor has paid/deposited/brought in the balance envisaged Sponsor's Contribution to JPVL/other Jaiprakash group entities/Borrower as per the financing proposal.
28.	**Other Conditions**	The Borrower shall to the satisfaction of the Lenders: 1. Furnish to the Lenders such information and data as may be required by them or any agency appointed by them for monitoring the operations of the Borrower. 2. Agree that the Lenders collectively reserve the right to appoint any independent/other consultant for the review of the Projects as deemed fit during the currency of the Facility in consultation with the Borrower. The Borrower shall also agree to provide all information reasonably required by the consultants and bear the expenses thereof. 3. Agree that the Lender will have the right to examine at all times the Borrower's books of accounts and to have the Borrower's factories inspected, from time to time, by officer(s) of the Lender and/or qualified auditors and/or technical experts and/or management consultants of the Lender's choice. Cost of such inspection shall be borne by the Borrower. 4. Appoint technical, financial & executive personnel of proper qualification & experience for the key posts and ensure that the organization set up is adequate enough for smooth operation of the Projects. 5. Provide CA certificate for funding of acquisition of HBPCL within 90 days from the date of first disbursement under the Facility. 6. Provide CA certificate detailing the utilization of the Facility within 30 days from the end of each quarter, for disbursement done in the quarter, till utilization of full facility. 7. Ensure that all requisite insurance policies are taken in respect of the Projects and are suitably endorsed in favour of the Lenders/Security Trustee as Loss Payee within 6 months from the date of first disbursement. 8. Maintain adequate books of accounts which should correctly reflect its financial position & scale of operations and should not radically change its accounting system without prior notice to the Lenders. 9. Furnish to the Lenders every year a copy of audited annual accounts of the Borrower immediately on finalization of the same but in any case not later than 180 days from the end of each relevant accounting period. 10. Submit to the Lenders such financial statements as may be required by the Lenders from time to time. 11. Keep the Lenders informed of the happening of any event likely to have Material Adverse Effect on its profit & business with explanations and the remedial steps taken/ proposed to be taken. 12. Make satisfactory arrangements for the required working capital for the Projects as may be required. 13. To make necessary arrangements for operation & maintenance of

		the Projects during the continuance of the Facility. 14. In case of default in repayment of the loan / advances or in the payment of the interest thereon or any of the agreed instalments of the loan on due date/s by the Borrower, the Lenders and / or the RBI will have an unqualified right to disclose or publish the name of the Borrower/ unit and its directors / partners / proprietors as defaulter in such manner and through such medium as the Lenders or RBI in their absolute discretion may think fit. 15. The Lenders will have the right to share credit information as deemed appropriate with CIBIL or any other institution as approved by RBI from time to time. 16. The Borrower shall not induct into its Board a person whose name appears in the wilful defaulters list of RBI/ CIBIL and shall remove the directors, whose names appear in RBI wilful defaulters' list from its Board, or get their names deleted from the list. 17. The Borrower shall get the Facility rated from an accredited credit agency. The first such credit rating should be obtained and furnished to the Lenders within a period of 3 months from the first disbursement. Thereafter, the rating should be obtained and furnished at least at annual intervals.
29.	**Restricted Payment Conditions**	The Borrower shall be able to declare or pay dividends on its equity share capital or pay interest on any unsecured loan/quasi-equity from the Sponsor during the currency of the Facility only when the following conditions are fulfilled: (i) The Borrower meets its obligations to pay interest and/or instalments and/or other monies due to the Lenders; (ii) DSRA has been created and topped up; and (iii) There being no outstanding Event of Default.
30.	**Negative Covenants**	The Borrower shall not without the prior written approval of the Lenders: 1. Effect any change in the capital structure other than as contemplated for the Transaction, which will result in the long term debt equity (TNW) ratio for the Borrower increasing beyond 3.75:1; 2. Sell, assign, mortgage or otherwise dispose off any of the fixed assets (the cost of which exceeds an amount of Rs. 100 Crore) per annum charged to the Lenders. 3. Augment, modernize, expand, invest other than in the same line of business for an amount beyond Rs. 100 Crore; 4. Make material change in the scope of the Projects other than in the ordinary course of business; 5. Make any material modifications to Project contracts/agreements; 6. Formulate any scheme of amalgamation or reconstruction except within JSW Group companies provided there is no breach in re-pricing covenant; 7. Undertake any guarantee obligation on behalf of any other company except in ordinary course of business. 8. Undertake any trading activity other than the sale of electricity arising out of its own operations. 9. Invest by way of share capital in or lend or advance funds to or place deposits with any other concern (including group

Himachal Baspa Power Company Limited

JSW Hydro Energy Limited

S.B.I. CAG MUMBAI

		companies), if TOL/Adjusted TNW exceeds 4:1. Permitted investments, normal trade credit or security deposits in normal course of business or advances to employees are excluded. 10. Enter into borrowing arrangement either secured or unsecured with any other bank, financial institution, company or otherwise or accept deposits apart from the arrangement indicated in the funds flow statements submitted to the Bank from time to time and approved by the Bank except unsecured borrowing upto Rs. 100 Crore. Also the Borrower will be allowed to borrow upto the limit of Working Capital in case of non-utilization of limit. 11. Create any charge, lien or encumbrance over its undertaking or any part thereof in favour of any financial institution, bank, company, firm or persons except as provided in this term sheet. Adjusted TNW = Tangible Networth – Investments, Loans & advances in Group associates/JVs/SPVs
31.	**Events of Default**	To include the following: 1. Non-payment of interest and/or scheduled repayment by the Borrower remaining unpaid for a period exceeding seven days from their respective due dates; 2. Non-compliance with any material provisions of the Financing Documents including covenants if remediable and the same are not remedied within a period of thirty days from being brought to notice of the Borrower by the Lenders; 3. Execution or distress being enforced or levied against the whole or any part of the Borrower's asset/property and any other relating thereto is not discharged or stayed within a period of ninety days from the date of enforcement or levy. 4. The Borrower ceasing or threatening to cease to carry on its business for a period exceeding ninety days. 5. A receiver being appointed in respect of the whole or any part of the property of the Borrower and such appointment is not stayed, quashed or dismissed within a period of ninety days. 6. Revocation/withdrawal of any critical approval/permission/ license, critical for the Projects' implementation and operation by any authority/agency, if not reinstated/re-approved within ninety days of such revocation/withdrawal. 7. Non-adherence to the material terms of the Transaction/Project documents. 8. The occurrence of any event or circumstance which is prejudicial to or imperils or depreciates the security given to the Lenders or materially impacts the viability of the Projects and such event or circumstance continues to have an effect for a period in excess of ninety days. 9. Cross default by the Borrower in meeting any payment obligations towards Lenders exceeding Rs. 100 Crore for a period exceeding thirty days from the respective due dates. Upon the occurrence of Event of Default, the Lenders may exercise by giving a notice of thirty (30) days, inter alia, any one or more of the

		following rights: • Accelerate the maturity of the Facility; • Enforce Security; • Declare the Commitments to be cancelled; • Exercise any other right that the Lenders may have under the Financing and the Security Documents or under Indian law; • Appoint one Nominee Director on the Board of the Borrower, provided that the term of such Nominee Director shall not be more than one year and the reappointment of such director shall be made only in case of existence of default on the date of expiry of such one year period.
32.	**Documentation**	In addition to the terms and conditions contained in this Term Sheet, the Final Documentation will contain other customary clauses such as, Representation & Warranties from the Borrower, Affirmative covenants by Borrower, Information Covenants, Events of Default by the Borrower and the consequences of Event of Default, other Covenants, RBI disclosure norms, as applicable, etc. The Facility Documents will be finalized in consultation with Lender's Legal Counsel.

ALLAHABAD BANK
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Industrial Finance Branch,
37, Mumbai Samachar Marg,
Fort, Mumbai. 400 023.
Tel: 22702745 / 46 / 47 Fax: 22702733 / 35
Email: br.mumifb@allahabadbank.in

Ref. No. MIFB/ADV/HBPCL/1266 **Date : 14/08/2015**

M/s Himachal Baspa Power Company Limited (HBPCL)
JUIT Complex, Waknaghat,
P.O. Dumehar Bani, District Solan,
Himachal Pradesh, Kandaghat – 173215

Dear Sir,

Subject: Sanction of fresh Term loan
Account: M/s Himachal Baspa Power Company Limited (HBPCL)

This has reference to your request for sanction of Term Loan Facilities. In this connection, we are pleased to inform you that the competent authority of the Bank, has sanctioned the fresh Term Loan of Rs 500.00 crs under consortium banking arrangement with SBI as the Lead Bank on the following terms and conditions

(Rs. in crores)

S. No	Facilities	Existing limits		Limits now sanctioned		Period	Margin
		Cons	Our Share	Cons	Our Share		
1	Term Loan	0	0	7550	500	15 years	22.16%
	Total	0	0	7550	500		

- **Detailed Terms & Conditions: As per Annexure A**
- General Terms and conditions:- As per Annexure B
- **Pre Disbursement Terms and Conditions:**

1. The facility amount to be tied up in full and consortium formed.
2. The transfer of assets and liabilities from JVPL and acquisition of the company from JVPL by JSWEL will be completed.

Yours Faithfully,

(Amar Singh)
Chief Manager

Allocated amount 4.455 crs.
For Himachal Baspa Power Company Limited
Authorised Signatories

JSW Hydro Energy Limited

Annexure A
Detailed Terms and Conditions

<table>
<tr><th colspan="2">Term Loan (Fresh sanction)</th></tr>
<tr><td>Borrower</td><td>Himachal Baspa Power Company Limited ("HBPCL" or the "Borrower"), which is proposed to be a subsidiary of JSW Energy Limited).</td></tr>
<tr><td>Sponsor</td><td>JSW Energy Ltd. ("JSWEL" or the "Sponsor")</td></tr>
<tr><td>Project(s)</td><td>• 1000 (4x250) MW hydro power plant at Karcham in the Kinnaur district of Himachal Pradesh ("Karcham Project"); and
• 300 (3x100) MW hydro power plant on river Baspa in the Kinnaur district of Himachal Pradesh ("Baspa Project").
Collectively referred to as the "Projects".</td></tr>
<tr><td>Transaction</td><td>JSW Energy Ltd. has entered into a Definitive Agreement with Jaiprakash Power Ventures Limited ("JPVL"), a Jaypee group company, dated November 16, 2014 for acquisition of Karcham and Baspa Projects. The acquisition is proposed in 2 stages:
In the first stage, JPVL will demerge both the Projects into HBPCL (subsidiary of JPVL) through a scheme of arrangement to be sanctioned under Section 391-394 of the Companies Act, 1956 by the High Court of Himachal Pradesh.
In the second stage, once the scheme is approved and becomes effective, JSWEL proposes to acquire HBPCL and HBPCL will become a subsidiary of JSWEL.</td></tr>
<tr><td>Acquisition Cost and Funding</td><td>The total acquisition cost of the Transaction is estimated as Rs. 9,700 Crore which is proposed to be funded in the following manner:
(Rs. Crore)
<table>
<tr><th>Particulars</th><th>Total</th></tr>
<tr><td>Equity/ Sponsor's Contribution</td><td>2,150</td></tr>
<tr><td>Senior Debt</td><td>7,550</td></tr>
<tr><td>Total</td><td>9,700</td></tr>
</table>
Sponsor's Contribution of Rs. 2,150 Crore shall be in the form of Equity/Quasi Equity/ Unsecured loan from Sponsor and should have been paid/deposited by JSW Energy Ltd./ JSW Group companies to JPVL/Jaiprakash group companies/Borrower.
Quasi Equity/ Unsecured loan from Sponsor shall be sub-ordinated to the Senior Debt Facility lenders and can be serviced after meeting the Restricted Payment conditions. Repayment of quasi equity/unsecured loan during the currency of the loan will be permitted after meeting Restricted Payment Conditions and subject to Debt to Equity (TNW) ratio not exceeding 3.5:1.
The proposed debt amount would be reduced on a pro-rata basis in case of any reduction in the deal value, maintaining the overall debt equity (total sponsor's contribution) ratio of 3.5:1.</td></tr>
<tr><td>Facility</td><td>Senior Debt by way of Rupee Term Loan Facility of Rs. 500 Cr out of Rs 7,550 Crore from Which Rs. 6,600 Crore is allocated to Karcham Project</td></tr>
</table>

	(Loan A) and Rs. 950 Crore is allocated to Baspa Project (Loan B). All the term loans sanctioned by Lenders would be allocated to both the tranches (Loan A and Loan B, rounded off the nearest Rupees Crore) in proportion to their respective Tranche Amount as above Interim Facility The Borrower shall have the option to avail upto 50% of the sanctioned loan amount under the current Facility pending compliance with the Pre-Disbursement Conditions provided a Corporate Guarantee from the Sponsor is furnished for meeting the debt service obligation of the Borrower and the Sponsor has brought in/utilized at least Rs. 1250 crore out of its total contribution of Rs. 2,150 crore towards the total acquisition cost of the Transaction. Such Corporate Guarantee will fall off once the Borrower complies with all Pre-Disbursement Conditions and avails regular disbursement under the Facility. In case the Borrower fails to comply with the Pre-Disbursement Conditions and avail regular disbursement within 6 months from the date of first disbursement under the Interim Facility, the entire loan disbursed till that time shall become immediately payable. It is hereby clarified that other than the above clause, the date of first disbursement for the purpose of this term sheet shall be first disbursement date under the regular facility and not interim facility.
Lender	Banks/Financial Institutions participating in the proposed Senior Debt Facility.
Lead Bank	State Bank of India/ as decided by the consortium.
Purpose	The proceeds of the Facility will be used for i) Repayment/prepayment/refinancing of the existing Debt of the Borrower; ii) Repayment/prepayment of short term loan/interim funding, if any; iii) Payment in respect of creditors/NCDs/securities other than equity share capital; iv) Meeting the capital expenditure, if any; v) Meeting financing expenses & other costs including cost of refinancing/prepayment; and vi) Meeting margin money for working capital
Upfront Fee	0.10% of the allocated amount plus applicable taxes payable at the time of Facility Documentation
Rate of Interest	1.15% (115 bps) (Spread) over State Bank of India Base Rate floating, present effective rate of 10.85% p.a. payable monthly. **Our rate of interest will be at par with the other lenders of the consortium and will not be lower than that of any of the lenders.**
Taxes	Interest tax/other levies/duties, if any, shall be payable by the Borrower over and above the interest rates mentioned above.
Inspection/Supervision Charges	Rs.8500/-+Service tax per quarter

Other Charge	Legal & Other charges on actual basis, As and when applied.
Re-pricing	In case of adverse deviation by more than 20%, or below the minimum level stipulated, as applicable, in respect of any two of the following four financial parameters, arrived at based on audited financial statement each year starting from FY2017, will attract re-pricing of the loan in the form of revised Spread at the time of annual review every year: a) TOL/TNW : 4:1 b) Interest Coverage Ratio :1.50 c) GDSCR : 1.20 (not to fall below 1.10 in any year) d) FACR :1.15 (not to fall below 1.15 in any year). Of the above, TOL/ TNW and FACR ratios would also be tested for the FY ended March 31, 2016. In case the external rating of the Borrower/ Facility deteriorates below A- at any time. Similarly, if the rating of the Borrower/ Facility improves to AA- or above, the lenders would consider reduction in the interest rate.
Commitment Fee	The Borrower shall pay to the Lenders, a commitment fee of 0.25% per annum on the amount undrawn with respect to drawdown schedule agreed to by the Lenders. The fees shall be calculated on the basis of amount undrawn and the number of days deviated from the scheduled date. However, the Borrower will have the option to modify/revise the draw down schedule with 30 days written notice to the Lenders prior to beginning of each quarter, without any commitment charges.
Availability Period	Upto March 31, 2016
Door to Door Tenor and Repayment	The door to door tenor of the Facility shall be up to 15 years including period of availability and 14 years of structured repayment (5 monthly instalments per annum) with a bullet instalment of 50% ("Bullet Instalment") payable at the end of repayment period by way of refinancing. The repayment shall start from Jun 2016. Repayment schedule

FY	Jun	Jul	Aug	Sept	Oct	Total
2016-17	0.61%	0.62%	0.62%	0.62%	0.62%	3.09%
2017-18	0.61%	0.62%	0.62%	0.62%	0.62%	3.09%
2018-19	0.61%	0.62%	0.62%	0.62%	0.62%	3.09%
2019-20	0.70%	0.75%	0.75%	0.75%	0.75%	3.70%
2020-21	0.71%	0.86%	0.86%	0.86%	0.86%	4.15%
2021-22	0.79%	0.91%	0.91%	0.91%	0.91%	4.43%
2022-23	0.82%	1.00%	1.00%	1.00%	1.00%	4.82%

2023-24	0.82%	1.07%	1.07%	1.07%	1.07%	5.10%
2024-25	0.37%	0.46%	0.46%	0.46%	0.46%	2.21%
2025-26	0.41%	0.47%	0.47%	0.47%	0.47%	2.29%
2026-27	0.45%	0.60%	0.60%	0.60%	0.60%	2.85%
2027-28	0.52%	0.68%	0.68%	0.68%	0.68%	3.24%
2028-29	0.59%	0.77%	0.77%	0.77%	0.77%	3.67%
2029-30	0.75%	0.88%	0.88%	0.88%	0.88%	4.27%
Bullet Instalment	50% (March 2030)					

The debt allocated to Karcham has been amortized over a period of 25 years i.e. upto FY2040 and debt allocated to Baspa has been amortized over a period of 22 years i.e. upto FY2037.

Security	The Facility together with interest, default interest, liquidated damages, costs, charges, expenses and all other monies whatsoever payable by the Borrower shall be secured by: 1. First charge by way of mortgage of all immovable properties of the Projects as may be permissible under the Applicable Law; 2. First charge by way of hypothecation of all the movable assets of the Projects as may be permissible under the Applicable Law; 3. First charge by way of assignment of all Project related documents, licenses, permits, approvals, rights, title, interests etc. pertaining to the Projects by way of Hypothecation Deed as may be permissible under the Applicable Law; 4. First charge on book debts, operating cash flows, receivables, commissions, revenue of whatsoever nature and wherever arising, present and future; and 5. First charge on all the bank accounts of the Borrower including Escrow Account. The above mentioned security shall be shared on pari-passu first charge basis with working capital lenders of the Borrower as assessed by the Lead Bank. The security as above in favour of the Lenders shall be created separately for Karcham and Baspa Projects for the respective tranche of the Loan/ Facility (Loan A and Loan B). <u>Timeline for creation of the security</u> The Borrower shall create the above mentioned security within 6 months from the date of first disbursement.
Security Trustee	IDBI Trusteeship Services Limited or as decided by the consortium.
Debt Service Reserve Account (DSRA)	The Borrower shall create and maintain with Lead Bank/Escrow Bank a DSRA for the amount equivalent to ensuing 3 months Term Loan obligations (Principal + term Interest) from the cash flows available after meeting debt service obligations. However Borrower shall have the option of substituting

	cash DSRA with Letter of Credit or Bank Guarantee for an amount equivalent to ensuing 3 months principal and interest payment (excluding bullet repayment) to the lenders, in lieu of such deposit without recourse to Project assets. The amounts accumulated in the DSRA shall not be used for any purpose other than for servicing the debt and would be utilized only in case of a shortfall in cash flows for meeting debt service requirements from time to time, which shall be topped up immediately on availability of the cash flows. The Borrower shall invest the funds in the DSRA only in permitted investments and securities i.e. debt mutual funds/bank deposits/any other instrument as approved by the Lead Bank. The Borrower will get time till March 31, 2016 to open and maintain the balance required in the DSRA.
Escrow Account	The Borrower shall open and maintain two separate Escrow Accounts with the designated bank for each of the Project through which all the proceeds from sale of power including receivables shall be routed through. The Escrow Account shall be opened within 6 months from the first disbursement date.
Escrow Account Bank	State Bank of India or as decided by the consortium.
Additional Interest	In case of non-creation of security within such stipulated timeline, an additional interest of 1% p.a. will be applicable on the entire outstanding from expiry of such stipulated time period till creation of security and further disbursement shall be at the option of the Lenders.
Liquidated Damages	The Borrower shall pay liquidated damages/ penal interest at the rate of 1% p.a. on the outstanding amount, in the event of any default in payment of interest, principal, upfront fee or any other monies due to the Lenders on their respective dates, for the period of such default.
Prepayment of Rupee Term Loan	The Borrower shall at any time have the option to prepay the Facility in part or in full together with all interests, prepayment premium and other charges & monies due and payable to the Lenders up to the date of such prepayment on payment of prepayment premium equal to 1% of the principal amount prepaid. Provided that no prepayment premium would be payable to the Lenders: • If the pre-payment is effected at the instance of the Lenders; • If the pre-payment is made from surplus cash accruals generated by the Project with 30 days prior notice; • If the pre-payment is made on anniversaries of Facility Documentation with 30 days prior notice; • If the interest rate spread is increased by the Lenders, which is not acceptable to the Borrower, the Borrower would have the option to prepay the outstanding loan within the next 3 months from such date of spread reset/receipt of advice from the lenders by giving a notice for 30 days; • If the rate of interest of any lender is higher than the rate of interest charged by other Lender (s) in the consortium, the Borrower shall have the option to prepay the outstanding loan of such Lender within next 3 months from such dates/receipt of advice from the lenders by giving a notice for 30 days;

	In case of partial prepayment, the prepayment amount shall be applied to the remaining instalments proportionately. No prepayment premium would be payable on prepayment of the existing loans to the existing lenders of the Karcham and Baspa project participating in the Senior Debt Facility.
Undertakings from the Borrower	The Borrower shall to the satisfaction of the Lenders undertake: 1. To obtain and maintain all statutory & non-statutory clearances as may be required for operations of the Projects and comply with all the conditions of such clearances. 2. To assign any fresh PPA/PSA executed by it with state discoms/other parties within 90 days of execution. 3. To open and maintain an Escrow Account within the stipulated timeline with the designated bank through which all the proceeds from sale of power including receivables shall be routed through. 4. To create security within the stipulated timeline. 5. To create and maintain DSRA account. 6. To get the Facility rated within 6 months from the date of first disbursement.
Undertakings from the Sponsor	The Sponsor shall to the satisfaction of Lenders provide the following undertakings: 1. The Sponsor and its associates shall continue to hold at least 51% of the total paid up equity share capital. 2. The Sponsor shall also maintain the management control of the Borrower during the currency of the Facility. 3. The sponsor shall obtain necessary regulatory approval for project cost of Karcham Project for tariff purposes and shall undertake to meet any cash shortfall in servicing the debt till such approval is in place. In case the approved project cost of Karcham Project is below Rs. 6,300 Crore, then the Sponsor shall undertake to pro-rata reduce the overall debt in the debt equity (total sponsor's contribution) ratio of 3.5:1 for the incremental reduction in project cost below the level of Rs. 6,300 Crore i.e. if the project cost of Karcham gets approved at Rs. 6,200 Crore than the overall debt will reduce by Rs. 78 Crore.
Pre Commitment Conditions	The Borrower shall to the satisfaction of the Lenders: 1. The Sponsor shall have appointed the Lender's Legal Counsel (LLC) for preparation of the Legal Documents for the Facility, reviewing the corporate authorization as also consummating the proposed transaction including providing legal opinion. The Sponsor shall also undertake to bear all the expenses with respect to such LLC. 2. Have provided Know your customer (KYC) documents including MOA, AOA etc. to the Lenders.
Pre Disbursement Conditions	The Borrower shall comply with the following conditions prior to first regular disbursement under the Facility

	1. Necessary statutory/ regulatory approval, as applicable have been obtained for acquisition of Karcham and Baspa Project by the Sponsor and reviewed by the LLC. 2. Confirmation from the existing lenders of Karcham and Baspa project that the account is standard should be available to the satisfaction of the Lead Bank. 3. The Borrower has obtained a satisfactory legal opinion from LLC covering Facility Documentation. 4. The approval of High Court of Himachal Pradesh has been obtained by JPVL for demerger of Karcham and Baspa Project into the Borrower. 5. The Sponsor has paid/deposited the required money for acquisition of 100% equity shares in HBPCL to JPVL/other Jaiprakash Group entities. 6. The Sponsor has paid/deposited/brought in the balance envisaged Sponsor's Contribution to JPVL/other Jaiprakash group entities/Borrower as per the financing proposal.
Other Conditions	The Borrower shall to the satisfaction of the Lenders: 1. Furnish to the Lenders such information and data as may be required by them or any agency appointed by them for monitoring the operations of the Borrower. 2. Agree that the Lenders collectively reserve the right to appoint any independent/other consultant for the review of the Projects as deemed fit during the currency of the Facility in consultation with the Borrower. The Borrower shall also agree to provide all information reasonably required by the consultants and bear the expenses thereof. 3. Agree that the Lender will have the right to examine at all times the Borrower's books of accounts and to have the Borrower's factories inspected, from time to time, by officer(s) of the Lender and/or qualified auditors and/or technical experts and/or management consultants of the Lender's choice. Cost of such inspection shall be borne by the Borrower. 4. Appoint technical, financial & executive personnel of proper qualification & experience for the key posts and ensure that the organization set up is adequate enough for smooth operation of the Projects. 5. Provide CA certificate for funding of acquisition of HBPCL within 180 days from the date of first disbursement under the Facility. 6. Provide CA certificate detailing the utilization of the Facility within 30 days from the end of each quarter, for disbursement done in the quarter, till utilization of full facility. 7. Ensure that all requisite insurance policies are taken in respect of the Projects and are suitably endorsed in favour of the Lenders/Security Trustee as Loss Payee within 6 months from the date of first disbursement. 8. Maintain adequate books of accounts which should correctly reflect its financial position & scale of operations and should not radically change its accounting system without prior notice to the Lenders. 9. Furnish to the Lenders every year a copy of audited annual accounts of the Borrower immediately on finalization of the same but in any case not later than 180 days from the end of each relevant accounting period. 10. Submit to the Lenders such financial statements as may be required by the Lenders from time to time. 11. Keep the Lenders informed of the happening of any event likely to have Material Adverse Effect on its profit & business with

	explanations and the remedial steps taken/ proposed to be taken. 12. Make satisfactory arrangements for the required working capital for the Projects as may be required. 13. To make necessary arrangements for operation & maintenance of the Projects during the continuance of the Facility. 14. In case of default in repayment of the loan / advances or in the payment of the interest thereon or any of the agreed instalments of the loan on due date/s by the Borrower, the Lenders and / or the RBI will have an unqualified right to disclose or publish the name of the Borrower/ unit and its directors / partners / proprietors as defaulter in such manner and through such medium as the Lenders or RBI in their absolute discretion may think fit. 15. The Lenders will have the right to share credit information as deemed appropriate with CIBIL or any other institution as approved by RBI from time to time. 16. The Borrower shall not induct into its Board a person whose name appears in the wilful defaulters list of RBI/ CIBIL and shall remove the directors, whose names appear in RBI wilful defaulters' list from its Board, or get their names deleted from the list. 17. The Borrower shall get the Facility rated from an accredited credit agency. The first such credit rating should be obtained and furnished to the Lenders within a period of 6 months from the first disbursement. Thereafter, the rating should be obtained and furnished at least at annual intervals.
Restricted Payment Conditions	The Borrower shall be able to declare or pay dividends on its equity share capital or pay interest on any unsecured loan/quasi-equity from the Sponsor during the currency of the Facility only when the following conditions are fulfilled: (i) The Borrower meets its obligations to pay interest and/or instalments and/or other monies due to the Lenders; (ii) DSRA has been created and topped up; and (iii) There being no outstanding Event of Default.
Negative Covenants	The Borrower shall not without the prior written approval of the Lenders: 1. Create any Security Interest over the assets/properties and contracts charged to the Lenders in relation to the Projects except as provided in this term sheet. 2. Effect any change in the capital structure other than as contemplated for the Transaction, which will result in the long term debt equity (TNW) ratio for the Borrower increasing beyond 4.25:1. 3. Sell, assign, mortgage or otherwise dispose off any of the fixed assets (the cost of which exceeds an amount of Rs. 100 Crore) per annum charged to the Lenders. 4. Augment, modernize, expand, invest other than in the same line of business for an amount beyond Rs. 100 Crore; 5. Make material change in the scope of the Projects other than in the ordinary course of business; 6. Make any material modifications to Project contracts/agreements; 7. Formulate any scheme of amalgamation or reconstruction except within JSW Group companies provided there is no breach in re-pricing covenant; 8. Undertake any guarantee obligation on behalf of any other company except in ordinary course of business. 9. Undertake any trading activity other than the sale of electricity arising out of its own operations.

Events of Default	To include the following: 1. Non-payment of interest and/or scheduled repayment by the Borrower remaining unpaid for a period exceeding seven days from their respective due dates; 2. Non-compliance with any material provisions of the Financing Documents including covenants if remediable and the same are not remedied within a period of thirty days from being brought to notice of the Borrower by the Lenders; 3. Execution or distress being enforced or levied against the whole or any part of the Borrower's asset/property and any other relating thereto is not discharged or stayed within a period of ninety days from the date of enforcement or levy. 4. The Borrower ceasing or threatening to cease to carry on its business for a period exceeding ninety days. 5. A receiver being appointed in respect of the whole or any part of the property of the Borrower and such appointment is not stayed, quashed or dismissed within a period of ninety days. 6. Revocation/withdrawal of any critical approval/permission/ license, critical for the Projects' implementation and operation by any authority/agency, if not reinstated/re-approved within ninety days of such revocation/withdrawal. 7. Non-adherence to the material terms of the Transaction/Project documents. 8. The occurrence of any event or circumstance which is prejudicial to or imperils or depreciates the security given to the Lenders or materially impacts the viability of the Projects and such event or circumstance continues to have an effect for a period in excess of ninety days. 9. Cross default by the Borrower in meeting any payment obligations towards Lenders exceeding Rs. 100 Crore for a period exceeding thirty days from the respective due dates. Upon the occurrence of Event of Default, the Lenders may exercise by giving a notice of thirty (30) days, inter alia, any one or more of the following rights: • Accelerate the maturity of the Facility; • Enforce Security; • Declare the Commitments to be cancelled; • Exercise any other right that the Lenders may have under the Financing and the Security Documents or under Indian law; • Appoint one Nominee Director on the Board of the Borrower, provided that the term of such Nominee Director shall not be more than one year and the reappointment of such director shall be made only in case of existence of default on the date of expiry of such one year period.
Documentation	In addition to the terms and conditions contained in this Term Sheet, the Final Documentation will contain other customary clauses such as, Representation & Warranties from the Borrower, Affirmative covenants by Borrower, Information Covenants, Events of Default by the Borrower and the consequences of Event of Default, other Covenants, RBI disclosure norms, as applicable, etc. The Facility Documents will be finalized in consultation with Lender's Legal Counsel.

Annexure - B

General Terms and Conditions

1. During the currency of the Facility, no loans to the Promoters shall be made from the Project proceeds/ revenues without the approval of the Lenders.
2. In case of default in repayment of the loan / advances or in the payment of the interest thereon or any of the agreed installments of the loan on due date by the Borrower, the Lenders shall have an unqualified right to disclose or publish the Borrower's name or the name of the Borrower's Company / unit and its directors/partners/proprietors as defaulter in such manner and through such medium as the Lenders in their absolute discretion may think fit and intimation of the same will be provided to the borrower.
3. The Borrower shall agree to appoint technical, financial and executive personnel of proper qualification and experience for the key posts and ensure that the organization set up is adequate enough for smooth implementation and operation of the project.
4. The Borrower shall ensure that adequate O&M arrangement continues during the tenure of the loan.
5. The Borrower shall agree that the Board of Directors or a committee of Directors of the Borrower shall be responsible for supervising and monitoring the progress during the implementation/ construction of the Project.
6. The Borrower shall agree that the Board of Directors or a Committee of Directors of the Borrower shall be responsible for audit and corporate governance related matters for close monitoring of the Borrower's operations.
7. The Borrower shall furnish to the Lenders every year a copy of audited balance sheet and profit and loss account statements of the Borrower immediately on these being published, in any case not later than 180 days from the close of financial year.
8. The Borrower shall ensure that the Project complies with all regulatory /non statutory approvals and clearances as may be required under the existing laws.
9. The Borrower shall ensure that all representations and warranties that are made or repeated the date of each drawdown are true in all material respect.
10. The Lender shall have the right to down-sell their loans to any other bank/financial institution.
11. The Borrower shall permit the Lender and their authorized officers or employees to carry out technical, financial and legal inspections of the asset created out of the Facility and to visit any facilities and construction sites included in the Project and to examine any plants, installations, sites, works, building, properties, equipment, records and documents relevant to the performance of the obligations of Borrower under the Facility Agreement. Any such representative of the Lender shall have access to Borrower's properties and shall receive full cooperation and assistance from the employees of Borrower provided no disturbance will be caused to the business and operation of the Borrower.
12. The Borrower shall pay on demand to the Lender the actual cost incurred by the Solicitors/ Advocates/ Company Secretaries used by the Lender in connection with the creation and registration of security, certification of charge thereof with the Registrar of Companies, compilation of Search/Status Reports or other similar matters.
13. The Borrower's assets offered as security for the Facility should be kept fully insured against fire and such other risks as may be required by the Lender and the policies retained by the Borrower. However, a copy of this policy should be submitted to the Lender. A list of the current insurance policies should be submitted to the Lender detailing therein the names and addresses of the insurer, brief particulars of equipments covered, type of cover, amount of cover and date of expiry of each policy. The Insurance policies should contain the Lender's Security Stipulation described herein and name the Lender as loss payees.
14. The Borrower shall agree and undertake that, the Borrower shall furnish to the Lender such information and data as may be required by Lender to ensure that the physical progress as well as the expenditure incurred is reasonable and in line with schedule.
15. The Borrower shall agree that the Lender shall have the right to stipulate any additional conditions, as considered necessary, upon the occurrence of any event, which may have any material adverse impact on the company. Further, the Borrower shall agree that the Lender reserve the right to stipulate additional conditions in their absolute discretion at the time of finalization of the financing documents and prior to financial closure.

JSW Hydro Energy Limited

16. The Borrower shall get the rating done from an External Credit Rating agency recognized by SBI within 6 months from the first.
17. The Borrower shall agree that our terms shall not be inferior to the terms of any other Lender.
18. The Borrower shall agree that any additional terms /modification in terms required as per changes in statutory / regulatory /policy guidelines would be acceptable to the Borrower.
19. The company at all times, shall comply with the environmental, health, safety and social (EHSS) requirements, all the Environmental Laws, and Clearances issued there under, and maintenance of documents to be able to demonstrate compliance with the same to the project lenders.
20. The company shall keep the Bank advised of any circumstance adversely affecting the financial position of their subsidiaries/ group companies or companies in which it has invested, including any action taken by any creditor against the said companies legally or otherwise.
21. Account will be reviewed on or before 29-07-2016 at the discretion of the Bank.

AXIS BANK

in duplicate

AXISB/CO/CRG/SCG/GV/2015-16/ 208224

29 May 2015

Himachal Baspa Power Company Limited
JSW Centre
Bandra Kurla Complex
Bandra East
Mumbai 400051.

Dear Sir,

With reference to your request we are pleased to convey sanction of following facilities to your company.

Rupee Term Loans aggregating to Rs. 300 crore (RTL 1: Rs. 262 cr and RTL 2: Rs. 38 cr.) towards refinancing of the existing debt and securitization of receivables of Karcham (1000 MW) and Baspa (300 MW) hydro projects.

The detailed terms and condition governing the facility are given in Appendix

We request you to return the duplicate copy of this sanction letter duly signed by the authorized signatories of the company, in token of acceptance of this arrangement to our Corporate Banking Branch. Please contact Mr. S Sankarakumar, Vice President & Head, Axis Bank Ltd, Corporate Banking Branch, No.12, "Mittal Tower" 'A' Wing, First Floor, Nariman Point, Mumbai-400021 for completion of the post sanction formalities.

Thanking You.

Yours Faithfully,

Girish Vas
Vice President
Corporate Relationship Group

Vandana Garg
Deputy Vice President
Corporate Relationship Group

Allocated amount Rs. 273 crs.

For Himachal Baspa Power Company Limited

R. T. Punamiya

Authorised Signatories

Axis Bank Ltd, Axis House, 6th floor, Administration Department, Wadia International Centre, Pandurang Budhkar Marg, Near Hard Rock Café, Worli Mumbai - 400 025 Tel No :42445978.
REGISTERED OFFICE : "Trishul" - 3rd Floor Opp. Samartheswar Temple, Near Law Garden, Ellisbridge, Ahmedabad - 380006.
Telephone No. 079-26409322 Fax No. - 079-26409321 CIN: L65110GJ1993PLC020769 Website - www.axisbank.com

JSW Hydro Energy Limited

Appendix-I Terms & Conditions

<table>
<tr><th>Particulars</th><th>Proposed Terms</th></tr>
<tr><td>Borrower</td><td>Himachal Baspa Power Company Limited ("HBPCL" or the "Borrower"), which is proposed to be a subsidiary of JSW Energy Limited).</td></tr>
<tr><td>Facility</td><td>RTL 1: Rs. 262 crore (towards Karcham)
RTL 2: Rs. 38 crore (towards Baspa)</td></tr>
<tr><td>Sponsor</td><td>JSW Energy Ltd. ("JSWEL" or the "Sponsor")</td></tr>
<tr><td>Project(s)</td><td>• 1000 (4x250) MW hydro power plant at Karcham in the Kinnaur district of Himachal Pradesh ("Karcham Project"); and
• 300 (3x100) MW hydro power plant on river Baspa in the Kinnaur district of Himachal Pradesh ("Baspa Project").
Collectively referred to as the "Projects".</td></tr>
<tr><td>Transaction</td><td>JSW Energy Ltd. has entered into a Definitive Agreement with Jaiprakash Power Ventures Limited ("JPVL"), a Jaypee group company, dated November 16, 2014 for acquisition of Karcham and Baspa Projects. The acquisition is proposed in 2 stages:
• In the first stage, JPVL will demerge both the Projects into HBPCL (subsidiary of JPVL) through a scheme of arrangement to be sanctioned under Section 391-394 of the Companies Act, 1956 by the High Court of Himachal Pradesh.
• In the second stage, once the scheme is approved and becomes effective, JSWEL proposes to acquire HBPCL and HBPCL will become a subsidiary of JSWEL.</td></tr>
<tr><td>Means of Finance</td><td>The total cost of the transaction is estimated as Rs. 9,700 Crore which is proposed to be funded in the following manner:
(Rs. Crore)
<table>
<tr><th>Particulars</th><th>Total</th></tr>
<tr><td>Equity/ Sponsor's Contribution</td><td>2,150</td></tr>
<tr><td>Senior Debt/Facility</td><td>7,550</td></tr>
<tr><td>Total</td><td>9,700</td></tr>
</table>
• Sponsor's Contribution of Rs. 2,150 Crore shall be in the form of Equity/Quasi Equity/ Unsecured loan from Sponsor and should have been paid/deposited by JSW Energy Ltd./ JSW Group companies to JPVL/Jaiprakash group companies/Borrower.
• Quasi Equity/ Unsecured loan from Sponsor shall be sub-ordinated to the Senior Debt Facility lenders and can be serviced after meeting the Restricted Payment conditions.
• The Senior Debt shall not be utilised towards purchase/ buyback of equity or extending loans to subsidiary companies / associates or for making inter-corporate deposits or for any speculative purposes.</td></tr>
<tr><td></td><td>The proposed debt amount would be reduced on a pro-rata basis in case of any reduction in the deal value, maintaining the overall debt equity ratio of 3.5:1</td></tr>
<tr><td>Lender</td><td>Banks/Financial Institutions participating in the proposed Senior Debt Facility.</td></tr>
<tr><td>Lead Bank</td><td>State Bank of India/ as decided by the consortium.</td></tr>
<tr><td>Purpose</td><td>The proceeds of the Facility will be used for</td></tr>
</table>

Particulars	Proposed Terms
	i) Repayment/prepayment/refinancing of the existing Debt of the Borrower; ii) Repayment/prepayment of short term loan/interim funding, if any; iii) Payment to creditors/NCDs/securities other than equity share capital; iv) Meeting the capital expenditure, if any; v) Meeting financing expenses & other costs including cost of refinancing/prepayment; and vi) Meeting margin money for working capital
Rate of Interest	1.00% (100 bps) (Spread) over State Bank of India Base Rate floating, present effective rate of 11.00% p.a. payable monthly. The effective interest rate at any time would not fall below the Base Rate of Axis Bank. In case, SBI stipulates a higher rate in its final sanction, we propose to revise our interest rate in line with the final sanction of SBI.
Taxes	Interest tax/other levies/duties, if any, shall be payable by the Borrower over and above the interest rates mentioned above.
Re-pricing	The Spread will be subject to annual review and the Facility is subject to re-pricing as under: 1. In case of adverse deviation by more than 20%, or below the minimum level stipulated, as applicable, in respect of any two of the following four financial parameters, arrived at based on audited financial statement each year starting from FY2017, will attract re-pricing of the loan in the form of revised Spread at the time of annual review every year: a) TOL/TNW – 4:1; b) Interest Coverage Ratio –1.50; c) GDSCR – 1.20 (not to fall below 1.10 in any year); and d) FACR – 1.15 (not to fall below 1.15 in any year). The above ratios would be tested on October 31st every year. 2. In case the external rating of the Borrower/ Facility deteriorates below A- at any time. Similarly, if the rating of the Borrower/ Facility improves to AA- or above, the lenders would consider reduction in the interest rate. Total Outside Liabilities: Secured Loans + Unsecured Loans excluding unsecured loans from Sponsor + Current Liabilities & Provisions Tangible Net Worth: Equity + Quasi-Equity/ Unsecured loans from Sponsor including NCDs + Reserves & Surplus. Interest Coverage Ratio: EBITDA/ (Interest on Term Loan + Interest on Working Capital) GDSCR: (PAT + non-cash expenses + Interest on Terms Loans)/ (Interest on Term Loans + Repayment of Term loans)

<table>
<tr><th>Particulars</th><th>Proposed Terms</th></tr>
<tr><td></td><td>Fixed Asset Coverage Ratio (FACR): Net Fixed Assets/ Long Term Loans</td></tr>
<tr><td>Commitment Fee</td><td>The Borrower shall pay to the Lenders, a commitment fee of 0.25% per annum on the amount undrawn with respect to drawdown schedule agreed to by the Lenders. The fees shall be calculated on the basis of amount undrawn and the number of days deviated from the scheduled date.

However, the Borrower will have the option to modify/revise the draw down schedule with 30 days written notice to the Lenders prior to beginning of each quarter, without any commitment charges.</td></tr>
<tr><td>Availability Period</td><td>Upto March 31, 2016</td></tr>
<tr><td>Door to Door Tenor and Repayment</td><td>The door to door tenor for both the facilities shall be 15 years including 1 year of availability and 14 years of structured repayment with a bullet instalment of 50% ("Bullet Instalment"). The repayment shall start from Jun 2016.

Repayment schedule – RTL 1
<table>
<tr><th>FY</th><th>Jun</th><th>Jul</th><th>Aug</th><th>Sept</th><th>Oct</th><th>Total</th></tr>
<tr><td>2016-17</td><td>0.70%</td><td>0.70%</td><td>0.70%</td><td>0.70%</td><td>0.70%</td><td>3.50%</td></tr>
<tr><td>2017-18</td><td>0.70%</td><td>0.70%</td><td>0.70%</td><td>0.70%</td><td>0.70%</td><td>3.50%</td></tr>
<tr><td>2018-19</td><td>0.70%</td><td>0.70%</td><td>0.70%</td><td>0.70%</td><td>0.70%</td><td>3.50%</td></tr>
<tr><td>2019-20</td><td>0.79%</td><td>0.79%</td><td>0.79%</td><td>0.79%</td><td>0.79%</td><td>3.95%</td></tr>
<tr><td>2020-21</td><td>0.81%</td><td>0.81%</td><td>0.81%</td><td>0.81%</td><td>0.81%</td><td>4.05%</td></tr>
<tr><td>2021-22</td><td>0.90%</td><td>0.90%</td><td>0.90%</td><td>0.90%</td><td>0.90%</td><td>4.50%</td></tr>
<tr><td>2022-23</td><td>0.93%</td><td>0.93%</td><td>0.93%</td><td>0.93%</td><td>0.93%</td><td>4.65%</td></tr>
<tr><td>2023-24</td><td>0.94%</td><td>0.94%</td><td>0.94%</td><td>0.94%</td><td>0.94%</td><td>4.70%</td></tr>
<tr><td>2024-25</td><td>0.41%</td><td>0.41%</td><td>0.41%</td><td>0.41%</td><td>0.41%</td><td>2.05%</td></tr>
<tr><td>2025-26</td><td>0.47%</td><td>0.47%</td><td>0.47%</td><td>0.47%</td><td>0.47%</td><td>2.35%</td></tr>
<tr><td>2026-27</td><td>0.52%</td><td>0.52%</td><td>0.52%</td><td>0.52%</td><td>0.52%</td><td>2.60%</td></tr>
<tr><td>2027-28</td><td>0.60%</td><td>0.60%</td><td>0.60%</td><td>0.60%</td><td>0.60%</td><td>3.00%</td></tr>
<tr><td>2028-29</td><td>0.67%</td><td>0.67%</td><td>0.67%</td><td>0.67%</td><td>0.67%</td><td>3.35%</td></tr>
<tr><td>2029-30</td><td>0.86%</td><td>0.86%</td><td>0.86%</td><td>0.86%</td><td>0.86%</td><td>4.30%</td></tr>
<tr><td>Bullet</td><td colspan="6">50% (March 2030)</td></tr>
</table>

Repayment schedule – RTL 2
<table>
<tr><th>FY</th><th>Jul</th><th>Aug</th><th>Sept</th><th>Oct</th><th>Total</th></tr>
<tr><td>2016-17</td><td>0.06%</td><td>0.06%</td><td>0.06%</td><td>0.06%</td><td>0.24%</td></tr>
<tr><td>2017-18</td><td>0.06%</td><td>0.06%</td><td>0.06%</td><td>0.06%</td><td>0.24%</td></tr>
<tr><td>2018-19</td><td>0.06%</td><td>0.06%</td><td>0.06%</td><td>0.06%</td><td>0.24%</td></tr>
<tr><td>2019-20</td><td>0.50%</td><td>0.50%</td><td>0.50%</td><td>0.50%</td><td>2.00%</td></tr>
<tr><td>2020-21</td><td>1.25%</td><td>1.25%</td><td>1.25%</td><td>1.25%</td><td>5.00%</td></tr>
<tr><td>2021-22</td><td>1.00%</td><td>1.00%</td><td>1.00%</td><td>1.00%</td><td>4.00%</td></tr>
<tr><td>2022-23</td><td>1.50%</td><td>1.50%</td><td>1.50%</td><td>1.50%</td><td>6.00%</td></tr>
<tr><td>2023-24</td><td>1.94%</td><td>1.94%</td><td>1.94%</td><td>1.94%</td><td>7.76%</td></tr>
<tr><td>2024-25</td><td>0.75%</td><td>0.75%</td><td>0.75%</td><td>0.75%</td><td>3.00%</td></tr>
<tr><td>2025-26</td><td>0.50%</td><td>0.50%</td><td>0.50%</td><td>0.50%</td><td>2.00%</td></tr>
<tr><td>2026-27</td><td>1.13%</td><td>1.13%</td><td>1.13%</td><td>1.13%</td><td>4.52%</td></tr>
<tr><td>2027-28</td><td>1.25%</td><td>1.25%</td><td>1.25%</td><td>1.25%</td><td>5.00%</td></tr>
</table></td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Proposed Terms</th></tr>
<tr><td></td><td>
<table>
<tr><td>2028-29</td><td>1.50%</td><td>1.50%</td><td>1.50%</td><td>1.50%</td><td>6.00%</td></tr>
<tr><td>2029-30</td><td>1.00%</td><td>1.00%</td><td>1.00%</td><td>1.00%</td><td>4.00%</td></tr>
<tr><td>Bullet Instalment</td><td colspan="5">50% (March 2030)</td></tr>
</table>
The debt allocated to Karcham has been amortized over a period of 25 years i.e. upto FY2040 and debt allocated to Baspa has been amortized over a period of 22 years i.e. upto FY2037. The detailed amortization schedule is as per the Appendix II.</td></tr>
<tr><td>Security</td><td>RTL 1

<u>Primary Security</u>
The Facility together with interest, default interest, liquidated damages, costs, charges, expenses and all other monies whatsoever payable by the Borrower shall be secured by:

a) First charge by way of mortgage of all immovable properties of the Karcham project as may be permissible under the Applicable Law;
b) First charge by way of hypothecation of all the movable assets of the Karcham project as may be permissible under the Applicable Law;
c) First charge by way of assignment of all Project (karcham) related documents, licenses, permits, approvals, rights, title, interests etc. pertaining to the Project by way of Hypothecation Deed as may be permissible under the Applicable Law;
d) First charge on book debts, operating cash flows, receivables, commissions, revenue of whatsoever nature and wherever arising, present and future; and (karcham Project)
e) First charge on all the bank accounts of the Borrower including Escrow Account.(Karcham project)
f) Negative Lien on 51% shares of the company

The above mentioned security shall be shared on pari-passu first charge basis with working capital lenders of the Borrower as assessed by the Lead Bank.

<u>Collateral</u>
Second pari passu charge on all the bank accounts of the Borrower including Escrow Account of Baspa project

RTL 2

<u>Primary Security</u>
The Facility together with interest, default interest, liquidated damages, costs, charges, expenses and all other monies whatsoever payable by the Borrower shall be secured by:

a) First charge by way of mortgage of all immovable properties of the Baspa project as may be permissible under the Applicable Law;
b) First charge by way of hypothecation of all the movable assets of the Baspa project as may be permissible under the Applicable Law;
c) First charge by way of assignment of all Project (Baspa) related documents, licenses, permits, approvals, rights, title, interests etc. pertaining to the Project by way of Hypothecation Deed as may be</td></tr>
</table>

2

Particulars	Proposed Terms
	permissible under the Applicable Law; d) · First charge on book debts, operating cash flows, receivables, commissions, revenue of whatsoever nature and wherever arising, present and future; and (Baspa Project) e) First charge on all the bank accounts of the Borrower including Escrow Account.(Baspa project) f) Negative Lien on 51% shares of the company The above mentioned security shall be shared on pari-passu first charge basis with working capital lenders of the Borrower as assessed by the Lead Bank. <u>Collateral</u> Second pari passu charge on all the bank accounts of the Borrower including Escrow Account of Karcham project <u>Timeline for creation of the security</u> The Borrower shall create the above mentioned security within 6 months from the date of first disbursement.
Security Trustee	IDBI Trusteeship Services Limited or as decided by the consortium.
Debt Service Reserve Account (DSRA)	The Borrower shall create and maintain with Lead Bank/Escrow Bank a DSRA for the amount equivalent to ensuing 3 months Term Loan obligations (Principal + term Interest) from the cash flows available after meeting debt service obligations. However Borrower shall have the option of substituting cash DSRA with Letter of Credit or Bank Guarantee for an amount equivalent to ensuing 3 months principal and interest payment (excluding bullet repayment) to the lenders, in lieu of such deposit without recourse to Project assets. The amounts accumulated in the DSRA shall not be used for any purpose other than for servicing the debt and would be utilized only in case of a shortfall in cash flows for meeting debt service requirements from time to time, which shall be topped up immediately on availability of the cash flows. The Borrower shall invest the funds in the DSRA only in permitted investments and securities as approved by Lenders. The Borrower will get time till March 31, 2016 to open and maintain the balance required in the DSRA.
Escrow Account	The Borrower shall open and maintain two separate Escrow Accounts with the designated bank for each of the Project through which all the proceeds from sale of power including receivables shall be routed through. <u>The Escrow Account shall be opened</u> within 6 months from the first disbursement date.
Escrow Account Bank	State Bank of India or as decided by the consortium.
Additional Interest	In case of non-creation of security within such stipulated timeline, an additional interest of 1% p.a. will be applicable on the entire outstanding from expiry of such stipulated time period till creation of security and further disbursement shall be at the option of the Lenders.

Particulars	Proposed Terms
Liquidated Damages	The Borrower shall pay liquidated damages/ penal interest at the rate of 1% p.a. on the outstanding amount, in the event of any default in payment of interest, principal,fee or any other monies due to the Lenders on their respective dates, for the period of such default.
Prepayment of Rupee Term Loan	The Borrower shall at any time have the option to prepay the Facility in part or in full together with all interests, prepayment premium and other charges & monies due and payable to the Lenders up to the date of such prepayment on payment of prepayment premium equal to 1% of the principal amount prepaid. Provided that no prepayment penalty would be payable to the Lenders: • If the pre-payment is effected at the instance of the Lenders; • If the pre-payment is made from surplus cash accruals generated by the Project with 30 days prior notice; • If the pre-payment is made on anniversaries of Facility Documentation with 30 days prior notice; • If the Interest rate spread is increased by the Lenders, which is not acceptable to the Borrower, the Borrower would have the option to prepay the outstanding loan within the next 3 months from such date of spread reset/receipt of advice from the lenders by giving a notice for 30 days; • If the rate of interest of any lender is higher than the rate of interest charged by other Lender (s) in the consortium, the Borrower shall have the option to prepay the outstanding loan of such Lender within next 3 months from such dates/receipt of advice from the lenders by giving a notice for 30 days. Further, the Borrower will have the option to utilize 80% of the surplus cash after maintaining the DSRA at the end of FY16 towards reduction in the Bullet Instalment without prepayment premium. In case of partial prepayment, the prepayment amount shall be applied to the remaining instalments proportionately. No prepayment penalty would be payable on prepayment of the existing loans to the existing lenders of the Karcham and Baspa project participating in the Senior Debt Facility.
Undertakings from the Borrower	The Borrower shall to the satisfaction of the Lenders undertake: 1. To obtain and maintain all statutory & non-statutory clearances as may be required for operations of the Projects and comply with all the conditions of such clearances. 2. To assign any fresh PPA/PSA executed by it with state discoms/other parties within 90 days of execution. 3. To open and maintain an Escrow Account within the stipulated timeline with the designated bank through which all the proceeds from sale of power including receivables shall be routed through. 4. To create security within the stipulated timeline. 5. To create and maintain DSRA account. 6. To get the Facility rated within 6 months from the date of first disbursement.
Undertakings from the Sponsor	The Sponsor shall to the satisfaction of Lenders provide the following undertakings: 1. The sponsor and its associates shall continue to hold at least 51%

JSW Hydro Energy Limited

Himachal Baspa Power Company Limited

Particulars	Proposed Terms
	of the total paid up equity share capital and maintain management control of the Borrower during the currency of the Facility. 2. The sponsor shall obtain necessary regulatory approval for project cost of Karcham Project for tariff purposes and shall undertake to meet any cash shortfall in servicing the debt till such approval is in place. 3. In case the approved project cost of Karcham Project is below Rs. 6,300 Crore, then the Sponsor shall undertake to pro-rata reduce the overall debt in the debt equity ratio of 3.5:1 for the incremental reduction in project cost below the level of Rs. 6,300 Crore i.e. if the project cost of Karcham gets approved at Rs. 6,200 Crore than the overall debt will reduce by Rs. 78 Crore.
Pre Commitment Conditions	The Borrower shall to the satisfaction of the Lenders: 1. The Sponsor shall have appointed the Lender's Legal Counsel (LLC) for preparation of the Legal Documents for the Facility, reviewing the corporate authorization as also consummating the proposed transaction including providing legal opinion. The Sponsor shall also undertake to bear all the expenses with respect to such LLC. 2. Have provided Know your customer (KYC) documents including MOA, AOA etc. to the Lenders.
Pre Disbursement Conditions	The Borrower shall comply with the following conditions prior to first regular disbursement under the Facility: 1. Necessary statutory/ regulatory approval, as applicable have been obtained for acquisition of Karcham and Baspa Project by the Sponsor and reviewed by the LLC. 2. Confirmation from the existing lenders of Karcham and Baspa project that the account is standard should be available to the satisfaction of the Bank. (as per format prescribed in Annexure II as per RBI circular date 08.12.2008) 3. The Borrower has obtained a satisfactory legal opinion from LLC covering Facility Documentation. 4. The approval of High Court of Himachal Pradesh has been obtained by JPVL for demerger of Karcham and Baspa Project into the Borrower. 5. The Sponsor has paid/deposited the required money for acquisition of 100% equity shares in HBPCL to JPVL/other Jaiprakash Group entities. 6. The Sponsor has paid/deposited/brought in the balance envisaged Sponsor's Contribution to JPVL/other Jaiprakash group entities/Borrower as per the financing proposal. 7. Company to have sent request letter to HPSEB for issuance of NOC for security creation in favour of lenders.
Other Conditions	The Borrower shall to the satisfaction of the Lenders: 1. Furnish to the Lenders such information and data as may be required by them or any agency appointed by them for monitoring the operations of the Borrower. 2. Agree that the Lenders collectively reserve the right to appoint any independent/other consultant for the review of the Projects as deemed fit during the currency of the Facility in consultation with the Borrower. The Borrower shall also agree to provide all information reasonably required by the consultants and bear the expenses thereof.

Himachal Baspa Power Company Limited

JSW Hydro Energy Limited

Axis Bank Ltd. Corporate Office Mumbai

Particulars	Proposed Terms
	3. Agree that the Lender will have the right to examine at all times the Borrower's books of accounts and to have the Borrower's factories inspected, from time to time, by officer(s) of the Lender and/or qualified auditors and/or technical experts and/or management consultants of the Lender's choice. Cost of such inspection shall be borne by the Borrower. 4. Appoint technical, financial & executive personnel of proper qualification & experience for the key posts and ensure that the organization set up is adequate enough for smooth operation of the Projects. 5. Provide CA certificate for funding of acquisition of HBPCL within 180 days from the date of first disbursement under the Facility. 6. Provide CA certificate (end use certificate) detailing the utilization of the Facility within 30 days from the end of each quarter, for disbursement done in the quarter, till utilization of full facility. 7. Ensure that all requisite insurance policies are taken in respect of the Projects and are suitably endorsed in favour of the Lenders/Security Trustee as Loss Payee within 6 months from the date of first disbursement. 8. Maintain adequate books of accounts which should correctly reflect its financial position & scale of operations and should not radically change its accounting system without prior notice to the Lenders. 9. Furnish to the Lenders every year a copy of audited annual accounts of the Borrower immediately on finalization of the same but in any case not later than 180 days from the end of each relevant accounting period. 10. Submit to the Lenders such financial statements as may be required by the Lenders from time to time. 11. Keep the Lenders informed of the happening of any event likely to have Material Adverse Effect on its profit & business with explanations and the remedial steps taken/ proposed to be taken. 12. Make satisfactory arrangements for the required working capital for the Projects as may be required. 13. To make necessary arrangements for operation & maintenance of the Projects during the continuance of the Facility. 14. In case of default in repayment of the loan / advances or in the payment of the interest thereon or any of the agreed instalments of the loan on due date/s by the Borrower, the Lenders and / or the RBI will have an unqualified right to disclose or publish the name of the Borrower/ unit and its directors / partners / proprietors as defaulter in such manner and through such medium as the Lenders or RBI in their absolute discretion may think fit. 15. The Lenders will have the right to share credit information as deemed appropriate with CIBIL or any other institution as approved by RBI from time to time. 16. The Borrower shall not induct into its Board a person whose name appears in the wilful defaulters list of RBI/ CIBIL and shall remove the directors, whose names appear in RBI wilful defaulters' list from its Board, or get their names deleted from the list. 17. The Borrower shall get the Facility rated from a credit agency accredited by RBI. The first such credit rating should be obtained

Himachal Baspa Power Company Limited

JSW Hydro Energy Limited

Axis Bank Ltd. Corporate Office Mumbai

Particulars	Proposed Terms
	and furnished to the Lenders within a period of 6 months from the first disbursement. Thereafter, the rating should be obtained and furnished at least at annual intervals. 18. The Borrower shall provide the Lenders with the Unhedged Foreign Currency Exposure (UFCE) Certificate in line with regulatory guidelines and make good any incremental cost the Lenders may incur on account of UFCE guidelines. 19. The borrower shall give a written undertaking that a. none of the directors of Axis Bank or their relatives as defined in the RBI Master Circular - Loans and Advances - Statutory and Other Restrictions is a director / partner, manager, managing agent, employee or guarantor of the borrower or of a subsidiary of the borrower or of the holding company of the borrower and that none of them hold substantial interest in the borrower or its subsidiary or its holding company. b. to the best of the borrower's knowledge none of the directors of any other bank or the subsidiaries of the banks or trustees of mutual funds / venture capital funds set up by the banks or their relatives as defined in the RBI Master Circular - Loans and Advances - Statutory and Other Restrictions is a director / partner, manager, managing agent, employee or guarantor of the borrower or its subsidiary or its holding company and that none of them holds substantial interest in the borrower or its subsidiary or its holding company. c. to the best of the borrower's knowledge none of senior officials of the bank or the participating banks under consortium or their relatives as defined in the RBI Master Circular - Loans and Advances - Statutory and Other Restrictions is a director / partner, manager, managing agent, employee or guarantor of the borrower or its subsidiary or its holding company and that none of them hold substantial interest in the borrower or its subsidiary or its holding company and d. in case if any of the above requirement is breached, the borrower shall inform the Bank the same immediately. 20. The borrower shall submit to the Bank the following as required vide RBI circular No. DBOD.No.BP.BC.94 /08.12.001/2008-09 dated 8th December 2008 - Information as required under Annexure I of the above circular - Undertake to facilitate exchange of information with other Banks as required under Annexure II of the above circular - Submit a certificate from a Company Secretary/ Chartered Accountants, regarding compliance of various statutory prescriptions that are in vogue, as per specimen given in Annexure III of the above circular 21. In case any consortium lender stipulates a favourable condition, the same shall also be applicable to Axis Bank (Mutatis mutandis)
Restricted Payment Conditions	The Borrower shall be able to declare or pay dividends on its equity share capital or pay interest on any unsecured loan/quasi-equity from the Sponsor during the currency of the Facility only when the following conditions are fulfilled:

Particulars	Proposed Terms
	(i) The Borrower meets its obligations to pay interest and/or instalments and/or other monies due to the Lenders; (ii) DSRA has been created and topped up; and (iii) There being no outstanding Event of Default.
Negative Covenants	The Borrower shall not without the prior written approval of the Lenders: 1. Create any Security Interest over the assets/properties and contracts charged to the Lenders in relation to the Projects except as provided in this term sheet. 2. Effect any change in the capital structure other than as contemplated for the Transaction, which will result in the long term debt equity ratio for the Borrower increasing beyond 4.25:1; 3. Sell, assign, mortgage or otherwise dispose off any of the fixed assets (the cost of which exceeds an amount of Rs. 100 Crore) per annum charged to the Lenders. 4. Augment, modernize, expand, invest other than in the same line of business for an amount beyond Rs. 100 Crore; 5. Make material change in the scope of the Projects other than in the ordinary course of business; 6. Make any material modifications to Project contracts/agreements; 7. Formulate any scheme of amalgamation or reconstruction except within JSW Group companies provided there is no breach in re-pricing covenant; 8. Undertake any guarantee obligation on behalf of any other company except in ordinary course of business. 9. Undertake any trading activity other than the sale of electricity arising out of its own operations.
Events of Default	To include the following: 1. Non-payment of interest and/or scheduled repayment by the Borrower remaining unpaid for a period exceeding seven days from their respective due dates; 2. Non-compliance with any material provisions of the Financing Documents including covenants if remediable and the same are not remedied within a period of thirty days from being brought to notice of the Borrower by the Lenders; 3. Execution or distress being enforced or levied against the whole or any part of the Borrower's asset/property and any other relating thereto is not discharged or stayed within a period of ninety days from the date of enforcement or levy. 4. The Borrower ceasing or threatening to cease to carry on its business for a period exceeding ninety days. 5. A receiver being appointed in respect of the whole or any part of the property of the Borrower and such appointment is not stayed, quashed or dismissed within a period of ninety days. 6. Revocation/withdrawal of any critical approval/permission/ license, critical for the Projects' implementation and operation by any authority/agency, if not reinstated/re-approved within ninety days of such revocation/withdrawal. 7. Non-adherence to the terms of the Transaction/Project documents. 8. The occurrence of any event or circumstance which is prejudicial to or imperils or depreciates the security given to the Lenders or materially impacts the viability of the Projects and such event or circumstance continues to have an effect for a period in excess of ninety days.

Particulars	Proposed Terms
	9. Cross default by the Borrower in meeting any payment obligations towards Lenders exceeding Rs. 100 Crore for a period exceeding thirty days from the respective due dates. Upon the occurrence of Event of Default, the Lenders may exercise by giving a notice of thirty (30) days, inter alia, any one or more of the following rights: • Accelerate the maturity of the Facility; • Enforce Security; • Declare the Commitments to be cancelled; • Exercise any other right that the Lenders may have under the Financing and the Security Documents or under Indian law; • Appoint one Nominee Director on the Board of the Borrower, provided that the term of such Nominee Director shall not be more than one year and the reappointment of such director shall be made only in case of existence of default on the date of expiry of such one year period.
Assignment, transfers and sub-participants	The Lenders shall have the right to novate/ downsell / assign the loan to Scheduled Commercial Banks.
Documentation	In addition to the terms and conditions contained in this Term Sheet, the Final Documentation will contain other customary clauses such as, Representation & Warranties from the Borrower, Affirmative covenants by Borrower, Information Covenants, Events of Default by the Borrower and the consequences of Event of Default, other Covenants, RBI disclosure norms, as applicable, etc. The Facility Documents will be finalized in consultation with Lender's Legal Counsel.

AXIS BANK

in duplicate

AXISB/CO/CRG/SCG/GV/2015-16/~~2015~~ 2155

29 September 2015

Himachal Baspa Power Company Limited
JSW Centre
Bandra Kurla Complex
Bandra East
Mumbai 400051

Dear Sir,

Sub: Modification in terms of sanction of RTL-1 and RTL-2 aggregating to Rs.300 crores and sanction of SBLC/BG limits of Rs.45 crores

We refer to our sanction letter no. AXISB/CO/CRG/SCG/GV/2015-16/20822A dated 29th May 2015 conveying sanction of RTL-1 and RTL-2 aggregating to Rs.300 crores.

In continuation to the above and at your request we hereby convey modifications to the terms of Rupee Term Loan as mentioned below. All other terms and conditions of the sanction would remain unchanged.

Particulars	Existing Term	Modified Term
Re-pricing	**The Spread will be subject to annual review and** the Facility is subject to re-pricing as under: 1. In case of adverse deviation by more than 20%, or below the minimum level stipulated, as applicable, in respect of any two of the following four financial parameters, arrived at based on audited financial statement each year starting from FY2017, will attract re-pricing of the loan in the form of revised Spread at the time of annual review every year: a) TOL/TNW – 4:1; b) Interest Coverage Ratio – 1.50; c) GDSCR – 1.20 (not to fall below 1.10 in any year); and d) FACR – 1.15 (not to fall below 1.15 in any year). **The above ratios would be tested on October 31st every year.**	The Facility is subject to re-pricing as under: 1. In case of adverse deviation by more than 20%, or below the minimum level stipulated, as applicable, in respect of any two of the following four financial parameters, arrived at based on audited financial statement each year starting from FY2017, will attract re-pricing of the loan in the form of revised Spread at the time of annual review every year: e) TOL/TNW – **3.5:1**; f) Interest Coverage Ratio – 1.50; g) GDSCR – **1.25** (not to fall below 1.10 in any year); and h) FACR – **1.25** (not to fall below 1.15 in any year). **Of the above, TOL/TNW and FACR ratios would be tested for FY ended March 31, 2016, and adverse deviation as above in any one of the two will attract re-pricing of the loan in the form of revised spread**

Axis Bank Ltd, Axis House, 6th floor, Administration Department, Wadia International Centre, Pandurang Budhkar Marg, Near Hard Rock Café, Worli Mumbai 400 025 Tel.No. 42445978.
REGISTERED OFFICE : "Trishul" - 3rd floor, Opp. Samartheswar Temple, Near Law Garden, Ellisbridge, Ahmedabad - 380006.
Telephone No. 079-26409322 Fax No. 079-26409321 CIN: L65110GJ1993PLC020769 Website - www.axisbank.com

	2. In case the external rating of the Borrower/ Facility deteriorates below A- at any time. **Similarly, if the rating of the Borrower/ Facility improves to AA- or above, the lenders would consider reduction in the interest rate.** Total Outside Liabilities: Secured Loans + Unsecured Loans excluding unsecured loans from Sponsor + Current Liabilities & Provisions Tangible Net Worth: Equity + Quasi-Equity/ Unsecured loans from Sponsor including NCDs + Reserves & Surplus. Interest Coverage Ratio: EBITDA/ (Interest on Term Loan + Interest on Working Capital) GDSCR: (PAT + non-cash expenses + Interest on Terms Loans)/ (Interest on Term Loans + Repayment of Term loans) Fixed Asset Coverage Ratio (FACR): Net Fixed Assets/ Long Term Loans	2. In case the external rating of the Borrower/ Facility deteriorates below A- at any time. Total Outside Liabilities: Secured Loans + Unsecured Loans excluding unsecured loans from Sponsor + Current Liabilities & Provisions **(DTL not to be included)** Tangible Net Worth: Equity + Quasi-Equity/ Unsecured loans from Sponsor including NCDs + Reserves & Surplus – **intangible assets – DTA – revaluation reserve** Interest Coverage Ratio: EBITDA/ (Interest on Term Loan + Interest on Working Capital) GDSCR: (PAT + non-cash expenses + Interest on Terms Loans)/ (Interest on Term Loans + Repayment of Term loans) Fixed Asset Coverage Ratio (FACR): Net Fixed Assets/ Long Term Loans
Security	**RTL -1** Primary Security The Facility together with interest, default interest, liquidated damages, costs, charges, expenses and all other monies whatsoever payable by the Borrower shall be secured by: a) First charge by way of mortgage of all immovable properties of the Karcham project as may be permissible under the Applicable Law; b) First charge by way of hypothecation of all the movable assets of the Karcham project as may be permissible under the Applicable Law; c) First charge by way of assignment of all Project (karcham) related documents, licenses, permits, approvals, rights, title, interests etc. pertaining to the Project by way of Hypothecation Deed as may be permissible under the Applicable	**RTL -1** Primary Security The Facility together with interest, default interest, liquidated damages, costs, charges, expenses and all other monies whatsoever payable by the Borrower shall be secured by: a) First charge by way of mortgage of all immovable properties of the Karcham project as may be permissible under the Applicable Law; b) First charge by way of hypothecation of all the movable assets of the Karcham project as may be permissible under the Applicable Law; c) First charge by way of assignment of all Project (karcham) related documents, licenses, permits, approvals, rights, title, interests etc. pertaining to the Project by way of Hypothecation Deed as may be permissible under the Applicable

	Law; d) First charge on book debts, operating cash flows, receivables, commissions, revenue of whatsoever nature and wherever arising, present and future; and (karcham Project) e) First charge on all the bank accounts of the Borrower including Escrow Account.(Karcham project) **f) Negative Lien on 51% shares of the company** The above mentioned security shall be shared on pari-passu first charge basis with working capital lenders of the Borrower as assessed by the Lead Bank. **Collateral** **Second pari passu charge on all the bank accounts of the Borrower Including Escrow Account of Baspa project** **RTL -2** Primary Security The Facility together with interest, default interest, liquidated damages, costs, charges, expenses and all other monies whatsoever payable by the Borrower shall be secured by: a) First charge by way of mortgage of all immovable properties of the Baspa project as may be permissible under the Applicable Law; b) First charge by way of hypothecation of all the movable assets of the Baspa project as may be permissible under the Applicable Law; c) First charge by way of assignment of all Project (Baspa) related documents, licenses, permits, approvals, rights, title, interests etc. pertaining to the Project by way of Hypothecation Deed as may be permissible under the Applicable Law; d) First charge on book debts, operating cash flows, receivables, commissions, revenue of whatsoever nature and wherever arising, present and future; and (Baspa Project) e) First charge on all the bank	Law; d) First charge on book debts, operating cash flows, receivables, commissions, revenue of whatsoever nature and wherever arising, present and future; and (karcham Project). e) First charge on all the bank accounts of the Borrower including Escrow Account.(Karcham project) The above mentioned security shall be shared on pari-passu first charge basis with working capital lenders of the Borrower as assessed by the Lead Bank. RTL-2 Primary Security The Facility together with interest, default interest, liquidated damages, costs, charges, expenses and all other monies whatsoever payable by the Borrower shall be secured by: a) First charge by way of mortgage of all immovable properties of the Baspa project as may be permissible under the Applicable Law; b) First charge by way of hypothecation of all the movable assets of the Baspa project as may be permissible under the Applicable Law; c) First charge by way of assignment of all Project (Baspa) related documents, licenses, permits, approvals, rights, title, interests etc. pertaining to the Project by way of Hypothecation Deed as may be permissible under the Applicable Law; d) First charge on book debts, operating cash flows, receivables, commissions, revenue of whatsoever nature and wherever arising, present and future; and (Baspa Project) e) First charge on all the bank accounts of the Borrower including Escrow Account.(Baspa project) The above mentioned security shall be shared on pari-passu first charge basis with working capital lenders of the Borrower as assessed by the Lead

JSW Hydro Energy Limited

	accounts of the Borrower including Escrow Account.(Baspa project) f) **Negative Lien on 51% shares of the company** The above mentioned security shall be shared on pari-passu first charge basis with working capital lenders of the Borrower as assessed by the Lead Bank. <u>Collateral</u> **Second pari passu charge on all the bank accounts of the Borrower including Escrow Account of Karcham project**	Bank.
Prepayment of Rupee term loan	The Borrower shall at any time have the option to prepay the Facility in part or in full together with all interests, prepayment premium and other charges & monies due and payable to the Lenders up to the date of such prepayment on payment of prepayment premium equal to 1% of the principal amount prepaid. Provided that no prepayment penalty would be payable to the Lenders: • If the pre-payment is effected at the instance of the Lenders; • If the pre-payment is made from surplus cash accruals generated by the Project with 30 days prior notice; • If the pre-payment is made on anniversaries of Facility Documentation with 30 days prior notice; • If the interest rate spread is increased by the Lenders, which is not acceptable to the Borrower, the Borrower would have the option to prepay the outstanding loan within the next 3 months from such date of spread reset/receipt of advice from the lenders by giving a notice for 30 days; • If the rate of interest of any lender is higher than the rate of interest charged by other Lender (s) in the consortium, the Borrower shall have the option to prepay the outstanding loan of such Lender.	The Borrower shall at any time have the option to prepay the Facility in part or in full together with all interests, prepayment premium and other charges & monies due and payable to the Lenders up to the date of such prepayment on payment of prepayment premium equal to 1% of the principal amount prepaid. Provided that no prepayment penalty would be payable to the Lenders: • If the pre-payment is effected at the instance of the Lenders; • If the pre-payment is made from surplus cash accruals generated by the Project with 30 days prior notice; • If the pre-payment is made on anniversaries of Facility Documentation with 30 days prior notice; • If the interest rate spread is increased by the Lenders, which is not acceptable to the Borrower, the Borrower would have the option to prepay the outstanding loan within the next 3 months from such date of spread reset/receipt of advice from the lenders by giving a notice for 30 days; • If the rate of interest of any lender is higher than the rate of interest charged by other Lender (s) in the consortium, the Borrower shall have the option to prepay the outstanding loan of such Lender.

	within next 3 months from such dates/receipt of advice from the lenders by giving a notice for 30 days. **Further, the Borrower will have the option to utilize 80% of the surplus cash after maintaining the DSRA at the end of FY16 towards reduction in the Bullet Instalment without prepayment premium.** In case of partial prepayment, the prepayment amount shall be applied to the remaining instalments proportionately. No prepayment penalty would be payable on prepayment of the existing loans to the existing lenders of the Karcham and Baspa project participating in the Senior Debt Facility.	within next 3 months from such dates/receipt of advice from the lenders by giving a notice for 30 days. In case of partial prepayment, the prepayment amount shall be applied to the remaining instalments proportionately. No prepayment penalty would be payable on prepayment of the existing loans to the existing lenders of the Karcham and Baspa project participating in the Senior Debt Facility.
Negative covenant	1. Effect any change in the capital structure other than as contemplated for the Transaction, which will result in the long term debt equity ratio for the Borrower increasing beyond 4.25:1;	1. Effect any change in the capital structure other than as contemplated for the Transaction, which will result in the long term debt equity ratio for the Borrower increasing beyond **3.75:1;** 2. Invest by way of share capital in or lend or advance funds to or place deposits with any other concern (including group companies), if TOL/adjusted TNW exceeds 4:1. Permitted investments, normal trade credit or security deposits in normal course of business or advances to employees are excluded. Adjusted TNW = TNW – investments, loans & advances in group associates/JVs/SPVs 3. Enter into borrowing arrangement either secured or unsecured with any other bank, financial institution, company, or otherwise or accept deposits apart from arrangement indicated in the funds slow statement submitted to the lead bank from time to time and approved except unsecured

		borrowing upto Rs. 100 crore. Also borrower will be allowed to borrow upto limit of working capital in case of non-utilization of limit.
PDC	Company to have sent request letter to HPSEB for issuance of NOC for security creation in favour of lenders	Waived
ROI	1.00% (Spread) over State Bank of India Base Rate floating (originally 11% p.a.)	1.15% (Spread) over State Bank of India Base Rate floating

Further, we convey sanction of SBLC/BG limits of Rs.45 crores as standalone limits (i.e. transfer the existing sub-limit to individual limits) against corporate guarantee of JSW Energy Limited.

Terms and conditions are placed below

Facility	**Unconditional irrevocable Standby Letter of Credit (SBLC)/ Bank guarantee**
Limit	Rs. 45 crores
Purpose	To be issued in favour of PGCIL as payment security mechanism for grant of long term open access
Tenor	1 year
Commission/ Charges	0.75% plus service tax as applicable (payable upfront quarterly on the basis of actual number of days)
Security	Corporate Guarantee of JSW Energy Limited to be submitted upfront
Other covenants	i) Commitments under the SBLC/bank guarantee will be honoured by the borrower from its own resources. ii) In the event of invocation of SBLC/BG or non-payment of any other charges/commission, on the due dates, the same would carry interest at Base Rate + 2 % p.a. for the period of delay/default iii) The Borrower shall get the Facility rated from a RBI accredited credit agency within a period of 6 months from the first disbursement.

We request you to return the duplicate copy of this sanction letter duly signed by the authorized signatories of the company, in token of acceptance of this arrangement to our Corporate Banking Branch. Please contact Mr. S Sankarakumar, Vice President & Head, Axis Bank Ltd, Corporate Banking Branch, No.12, "Mittal Tower" 'A' Wing, First Floor, Nariman Point, Mumbai-400021 for completion of the post sanction formalities.

Thanking You.

Yours Faithfully,

Girish Vas
Vice President
Corporate Relationship Group

Vandana Garg
Deputy Vice President
Corporate Relationship Group

For Himachal Baspa Power Company Limited

Authorised Signatories

Himachal Baspa Power

सेंट्रल बैंक ऑफ इंडिया
सेन्ट्रल बैंक ऑफ़ इंडिया
Central Bank of India
1911 से आपके लिए "केंद्रित" "CENTRAL" TO YOU SINCE 1911

कॉर्पोरेट फाइन्नास शाखा, फोर्ट मुंबई कॉर्पोरेट वित्त शाखा, फोर्ट मुंबई Corporate Finance Branch, Fort Mumbai

14.08.2015

CFB/CR/HBPCL/2015-16/ १६१

Himachal Baspa Power Company Ltd
JUIT Complex, Waknaghat,
P.O. Dumehar Bani,
District Solan,
Himachal Pradesh,
Kandaghat – 173215

Reg: M/s HIMACHAL BASPA POWER COMPANY LTD

We are pleased to inform you that our higher authorities have SANCTIONED the following:

1. Fresh Term Loan of Rs 750.00 crore out of the total debt requirement of Rs. 7550.00 crore under consortium for acquisition of its two operational hydro power projects as per RBI Guidelines on "Flexible Structuring/Refinancing of Existing Term loans to Infrastructure projects":
    a) Baspa Project- Rs 950crore (Loan A) and
    b) Karcham Wangtoo Project (Loan B) – Rs 6600 crore)

2. Permitted 6 months time for perfection from the date of first disbursement.

DETAILS OF LIMITS:

LIMITS SANCTIONED:			**(Rs in crore)**	
Facility	**Limits**	**Interest/Comm.**	**Margin**	**Our Share in case of consortium**
Term Loan	750.00	SBI base rate +115 bps. Effective ROI 10.85%*	22.16%$	9.93% (750/7550)
TOTAL	**750.00**			

* (115 bps) (Spread) over State Bank of India Base Rate floating, present effective rate of 10.85% p.a. payable monthly. SBI Base rate is 9.70% p.a. w.e.f 08.06.2015

The effective interest rate at any time would not fall below the Base Rate of any of the participating banks in the Facility under the lenders consortium

$ Margin of 22.16% includes the following:

- Equity of Rs 1250 crore
- NCDs of Rs 900 crore
- Excluding NCDs the margin is 12.89%

SECURITY DETAILS:

Primary Security:
The Facility together with interest, default interest, liquidated damages, costs, charges, expenses and all other monies whatsoever payable by the Borrower shall be secured by:

1. First charge by way of mortgage of all immovable properties of the Projects as may be permissible under the Applicable Law;

सेंट्रल बैंक ऑफ इंडिया
सेन्ट्रल बैंक ऑफ़ इंडिया
Central Bank of India
1911 से आपके लिए "केंद्रित" "CENTRAL" TO YOU SINCE 1911

कॉर्पोरेट फाइनान्स शाखा, फोर्ट मुंबई कॉर्पोरेट वित्त शाखा, फोर्ट मुंबई Corporate Finance Branch, Fort Mumbai

2. First charge by way of hypothecation of all the movable assets of the Projects as may be permissible under the Applicable Law;
3. First charge by way of assignment of all Project related documents, licenses, permits, approvals, rights, title, interests etc. pertaining to the Projects by way of Hypothecation Deed as may be permissible under the Applicable Law;
4. First charge on book debts, operating cash flows, receivables, commissions, revenue of whatsoever nature and wherever arising, present and future; and
5. First charge on all the bank accounts of the Borrower including Escrow Account.

The above mentioned security shall be shared on pari-passu first charge basis with working capital lenders of the Borrower as assessed by the Lead Bank.

b	**Collateral Security: NIL**
c	**PERSONAL/CORPORATE GUARANTEE: NIL**

PRICING /COMMISSION/UPFRONT FEE/PROCESSING /OTHER CHARGES	
Approval for pricing	**Approved**
Upfront Fee	0.10% of the sanctioned amount plus taxes in line with consortium and Lead Bank SBI
Inspection Charges	Actual will be borne by the company

Terms and Conditions are as under:

- Our effective ROI will not be lower than our Base Rate at any point of time. The spread will be subject to re-pricing at the time of annual review.
- Inspection will be conducted before first disbursement.
- The disbursements will be made after security creation and after tie up of entire envisaged debt component of Rs.7550.00 crore.
- The company to submit an Undertaking to meet any cash short fall in debt till such approval is in place.
- The company to explore refinancing of debt after 5 years as permitted under RBI guidelines
- All other terms & conditions as per enclosed Term Sheet of Annexure I to be complied with.
- All other favourable terms & conditions are in line with Lead bank/ Consortium

We request you to acknowledge copy of sanction duly signed by authorized signatory as token of having accepted all the terms of sanction.

Thanking you,

Yours faithfully

(RAJIV KUMAR)
RELATIONSHIP MANAGER/CHIEF MANAGER

- Re-pricing on annual review is subject to Repricing clause of sanction letter.
- Allocated amount is Rs.683 crs.

For Himachal Baspa Power Company Limited
R. S. Paramjee
Authorised Signatories

JSW Hydro Energy Limited

Annexure I

Term sheet

<table>
<tr><th>Particulars</th><th>Terms and Conditions</th></tr>
<tr><td>Borrower</td><td>Himachal Baspa Power Company Limited ("HBPCL" or the "Borrower"), which is proposed to be a subsidiary of JSW Energy Limited).</td></tr>
<tr><td>Sponsor</td><td>JSW Energy Ltd. ("JSWEL" or the "Sponsor")</td></tr>
<tr><td>Project(s)</td><td>• 1000 (4x250) MW hydro power plant at Karcham in the Kinnaur district of Himachal Pradesh ("Karcham Project"); and
• 300 (3x100) MW hydro power plant on river Baspa in the Kinnaur district of Himachal Pradesh ("Baspa Project").
Collectively referred to as the "Projects".</td></tr>
<tr><td>Transaction</td><td>JSW Energy Ltd. Has entered into a Definitive Agreement with Jaiprakash Power Ventures Limited ("JPVL"), a Jaypee group company, dated November 16, 2014 for acquisition of Karcham and Baspa Projects. The acquisition is proposed in 2 stages:
In the first stage, JPVL will demerge both the Projects into HBPCL (subsidiary of JPVL) through a scheme of arrangement to be sanctioned under Section 391-394 of the Companies Act, 1956 by the High Court of Himachal Pradesh.
In the second stage, once the scheme is approved and becomes effective, JSWEL proposes to acquire HBPCL and HBPCL will become a subsidiary of JSWEL.</td></tr>
<tr><td>Acquisition Cost and Funding</td><td>The total acquisition cost of the Transaction is estimated as Rs. 9,700 Crore which is proposed to be funded in the following manner:
(Rs. Crore)
<table>
<tr><th>Particulars</th><th>Total</th></tr>
<tr><td>Equity/ Sponsor's Contribution</td><td>2,150</td></tr>
<tr><td>Senior Debt</td><td>7,550</td></tr>
<tr><td>Total</td><td>9,700</td></tr>
</table>
• Sponsor's Contribution of Rs. 2,150 Crore shall be in the form of Equity/Quasi Equity/ Unsecured loan from Sponsor and should have been paid/deposited by JSW Energy Ltd./JSW Group companies to JPVL/Jaiprakash group companies/Borrower.
Quasi Equity/ Unsecured loan from Sponsor shall be sub-ordinated to the Senior Debt Facility lenders and can be serviced after meeting the Restricted Payment conditions. Repayment of quasi equity/unsecured loan during the currency of the loan will be permitted after meeting Restricted Payment Conditions and subject to Debt to Equity (TNW) ratio not exceeding 3.5:1.

The proposed debt amount would be reduced on a pro-rata basis in case of any reduction in the deal value, maintaining the overall debt equity (total sponsor's contribution) ratio of 3.5:1.</td></tr>
<tr><td>Facility</td><td>Senior Debt by way of Rupee Term Loan Facility of Rs. 7,550 Crore out of which Rs. 6,600 Crore is allocated to Karcham Project (Loan A) and Rs. 950 Crore is allocated to Baspa Project (Loan B).
All the term loans sanctioned by Lenders would be allocated to both the tranches (Loan A and Loan B, rounded off the nearest Rupees Crore) in proportion to their respective Tranche Amount as above.</td></tr>
<tr><td>Our Share</td><td>Term loan of Rs 750 crore (Seven Hundred and Fifty crore)</td></tr>
<tr><td>Lender</td><td>Banks/Financial Institutions participating in the proposed Senior Debt Facility.</td></tr>
<tr><td>Lead Bank</td><td>State Bank of India/ as decided by the consortium.</td></tr>
<tr><td>Purpose</td><td>The proceeds of the Facility will be used for</td></tr>
</table>

	i) Repayment/prepayment/refinancing of the existing Debt of the Borrower; ii) Repayment/prepayment of short term loan/interim funding, if any; iii) Payment in respect of creditors/NCDs/securities other than equity share capital; iv) Meeting the capital expenditure, if any; v) Meeting financing expenses & other costs including cost of refinancing/prepayment; and vi) Meeting margin money for working capital
Upfront Fee	0.10% of the allocated amount plus applicable taxes payable at the time of Facility Documentation
Rate of Interest	1.15% (115 bps) (Spread) over State Bank of India Base Rate floating, present effective rate of 10.85% p.a. payable monthly. The effective interest rate at any time would not fall below the Base Rate of any of the participating banks in the Facility under the lenders consortium.
Taxes	Interest tax/other levies/duties, if any, shall be payable by the Borrower over and above the interest rates mentioned above.
Re-pricing	The Spread will be subject to annual review and the Facility is subject to re-pricing as under: 1. In case of adverse deviation by more than 20%, or below the minimum level stipulated, as applicable, in respect of any two of the following four financial parameters, arrived at based on audited financial statement each year starting from FY2017, will attract re-pricing of the loan in the form of revised Spread at the time of annual review every year: b) TOL/TNW – 4:1; c) Interest Coverage Ratio –1.50; d) GDSCR – 1.20 (not to fall below 1.10 in any year); and e) FACR – 1.15 (not to fall below 1.15 in any year). Of the above, TOL/ TNW and FACR ratios would also be tested for the FY ended March 31, 2016. The above ratios would be tested every year. 2. In case the external rating of the Borrower/ Facility deteriorates below A- at any time. Similarly, if the rating of the Borrower/ Facility improves to AA- or above, the lenders would consider reduction in the interest rate. Total Outside Liabilities: Secured Loans + Unsecured Loans excluding unsecured loans from Sponsor + Current Liabilities & Provisions Tangible Net Worth: Equity + Quasi-Equity/ Unsecured loans from Sponsor including NCDs + Reserves & Surplus. Interest Coverage Ratio: EBITDA/ (Interest on Term Loan + Interest on Working Capital). GDSCR: (PAT + non-cash expenses + Interest on Terms Loans)/ (Interest on Term Loans + Repayment of Term loans).
	Fixed Asset Coverage Ratio (FACR): Net Fixed Assets/ Long Term Loans.
Commitment Fee	The Borrower shall pay to the Lenders, a commitment fee of 0.25% per annum on the amount undrawn with respect to drawdown schedule agreed to by the Lenders. The fees shall be calculated on the basis of amount undrawn and the number of days

	deviated from the scheduled date. However, the Borrower will have the option to modify/revise the draw down schedule with 30 days written notice to the Lenders prior to beginning of each quarter, without any commitment charges.
Availability Period	Upto March 31, 2016

Door to Door Tenor and Repayment

The door to door tenor of the Facility shall be upto 15 years including period of availability and 14 years of structured repayment (5monthly instalments per annum) with a bullet instalment of 50% ("Bullet Instalment") payable at the end of repayment period by way of refinancing. The repayment shall start from Jun 2016.

Repayment schedule: Baspa

FY	Jun	Jul	Aug	Sep	Oct	Total
2016-17	0.00%	0.06%	0.06%	0.06%	0.06%	0.24%
2017-18	0.00%	0.06%	0.06%	0.06%	0.06%	0.24%
2018-19	0.00%	0.06%	0.06%	0.06%	0.06%	0.24%
2019-20	0.00%	0.50%	0.50%	0.50%	0.50%	2.00%
2020-21	0.00%	1.25%	1.25%	1.25%	1.25%	5.00%
2021-22	0.00%	1.00%	1.00%	1.00%	1.00%	4.00%
2022-23	0.00%	1.50%	1.50%	1.50%	1.50%	6.00%
2023-24	0.00%	1.94%	1.94%	1.94%	1.94%	7.76%
2024-25	0.00%	0.75%	0.75%	0.75%	0.75%	3.00%
2025-26	0.00%	0.50%	0.50%	0.50%	0.50%	2.00%
2026-27	0.00%	1.13%	1.13%	1.13%	1.13%	4.52%
2027-28	0.00%	1.25%	1.25%	1.25%	1.25%	5.00%
2028-29	0.00%	1.50%	1.50%	1.50%	1.50%	6.00%
2029-30	0.00%	1.00%	1.00%	1.00%	1.00%	4.00%

Bullet Instalment – March 2030- 50%

Karcham

FY	Jun	Jul	Aug	Sep	Oct	Total
2016-17	0.70%	0.70%	0.70%	0.70%	0.70%	3.50%
2017-18	0.70%	0.70%	0.70%	0.70%	0.70%	3.50%
2018-19	0.70%	0.70%	0.70%	0.70%	0.70%	3.50%
2019-20	0.79%	0.79%	0.79%	0.79%	0.79%	3.95%
2020-21	0.81%	0.81%	0.81%	0.81%	0.81%	4.05%
2021-22	0.90%	0.90%	0.90%	0.90%	0.90%	4.50%
2022-23	0.93%	0.93%	0.93%	0.93%	0.93%	4.65%
2023-24	0.94%	0.94%	0.94%	0.94%	0.94%	4.70%
2024-25	0.41%	0.41%	0.41%	0.41%	0.41%	2.05%
2025-26	0.47%	0.47%	0.47%	0.47%	0.47%	2.35%
2026-27	0.52%	0.52%	0.52%	0.52%	0.52%	2.60%
2027-28	0.60%	0.60%	0.60%	0.60%	0.60%	3.00%
2028-29	0.67%	0.67%	0.67%	0.67%	0.67%	3.35%
2029-30	0.86%	0.86%	0.86%	0.86%	0.86%	4.30%

Bullet Instalment – March 2030- 50%

Security	The Facility together with interest, default interest, liquidated damages, costs, charges, expenses and all other monies whatsoever payable by the Borrower shall be secured by:

	1. First charge by way of mortgage of all immovable properties of the Projects as may be permissible under the Applicable Law; 2. First charge by way of hypothecation of all the movable assets of the Projects as may be permissible under the Applicable Law; 3. First charge by way of assignment of all Project related documents, licenses, permits, approvals, rights, title, interests etc. pertaining to the Projects by way of Hypothecation Deed as may be permissible under the Applicable Law; 4. First charge on book debts, operating cash flows, receivables, commissions, revenue of whatsoever nature and wherever arising, present and future; and 5. First charge on all the bank accounts of the Borrower including Escrow Account. The above mentioned security shall be shared on pari-passu first charge basis with working capital lenders of the Borrower as assessed by the Lead Bank. The security as above in favour of the Lenders shall be created separately for Karcham and Baspa Projects for the respective tranche of the Loan/ Facility (Loan A and Loan B). <u>Timeline for creation of the security</u> The Borrower shall create the above mentioned security within 6 months from the date of first disbursement.
Security Trustee	IDBI Trusteeship Services Limited or as decided by the consortium.
Debt Service Reserve Account (DSRA)	The Borrower shall create and maintain with Lead Bank/Escrow Bank a DSRA for the amount equivalent to ensuing 3 months Term Loan obligations (Principal + term Interest) from the cash flows available after meeting debt service obligations. However Borrower shall have the option of substituting cash DSRA with Letter of Credit or Bank Guarantee for an amount equivalent to ensuing 3 months principal and interest payment (excluding bullet repayment) to the lenders, in lieu of such deposit without recourse to Project assets. The amounts accumulated in the DSRA shall not be used for any purpose other than for servicing the debt and would be utilized only in case of a shortfall in cash flows for meeting debt service requirements from time to time, which shall be topped up immediately on availability of the cash flows. The Borrower shall invest the funds in the DSRA only in permitted investments and securities i.e. debt mutual funds/bank deposits/any other instrument as approved by the Lead Bank. The Borrower will get time till March 31, 2016 to open and maintain the balance required in the DSRA.
Escrow Account	The Borrower shall open and maintain two separate Escrow Accounts with the designated bank for each of the Project through which all the proceeds from sale of power including receivables shall be routed through. The Escrow Account shall be opened within 6 months from the first disbursement date.
Escrow Account Bank	State Bank of India or as decided by the consortium.
Additional Interest	In case of non-creation of security within such stipulated timeline, an additional interest of 1% p.a. will be applicable on the entire outstanding from expiry of such stipulated time period till creation of security and further disbursement shall be at the option of the Lenders.
Liquidated	The Borrower shall pay liquidated damages/ penal interest at the rate of 1% p.a. on

JSW Hydro Energy Limited

Damages	the outstanding amount, in the event of any default in payment of interest, principal, upfront fee or any other monies due to the Lenders on their respective dates, for the period of such default.
Prepayment of Rupee Term Loan	The Borrower shall at any time have the option to prepay the Facility in part or in full together with all interests, prepayment premium and other charges & monies due and payable to the Lenders up to the date of such prepayment on payment of prepayment premium equal to 1% of the principal amount prepaid. Provided that no prepayment premium would be payable to the Lenders: • If the pre-payment is effected at the instance of the Lenders; • If the pre-payment is made from surplus cash accruals generated by the Project with 30 days prior notice; • If the pre-payment is made on anniversaries of Facility Documentation with 30 days prior notice; • If the interest rate spread is increased by the Lenders, which is not acceptable to the Borrower, the Borrower would have the option to prepay the outstanding loan within the next 3 months from such date of spread reset/receipt of advice from the lenders by giving a notice for 30 days; • If the rate of interest of any lender is higher than the rate of interest charged by other Lender (s) in the consortium, the Borrower shall have the option to prepay the outstanding loan of such Lender within next 3 months from such dates/receipt of advice from the lenders by giving a notice for 30 days. In case of partial prepayment, the prepayment amount shall be applied to the remaining instalments proportionately. No prepayment premium would be payable on prepayment of the existing loans to the existing lenders of the Karcham and Baspa project participating in the Senior Debt Facility.
Undertakings from the Borrower	The Borrower shall to the satisfaction of the Lenders undertake: 1. To obtain and maintain all statutory & non-statutory clearances as may be required for operations of the Projects and comply with all the conditions of such clearances. 2. To assign any fresh PPA/PSA executed by it with state discoms/other parties within 90 days of execution. 3. To open and maintain an Escrow Account within the stipulated timeline with the designated bank through which all the proceeds from sale of power including receivables shall be routed through. 4. To create security within the stipulated timeline. 5. To create and maintain DSRA account. 6. To get the Facility rated within 6 months from the date of first disbursement.
Undertakings from the Sponsor	The Sponsor shall to the satisfaction of Lenders provide the following undertakings: 1. The Sponsor and its associates shall continue to hold at least 51% of the total paid up equity share capital. 2. The Sponsor shall also maintain the management control of the Borrower during the currency of the Facility. 3. The sponsor shall obtain necessary regulatory approval for project cost of Karcham Project for tariff purposes and shall undertake to meet any cash shortfall in servicing the debt till such approval is in place. In case the approved project cost of Karcham Project is below Rs. 6,300 Crore, then the Sponsor shall undertake to pro-rata reduce the overall debt by

	the debt equity (total sponsor's contribution) ratio of 3.5:1 for the incremental reduction in project cost below the level of Rs. 6,300 Crore i.e. if the project cost of Karcham gets approved at Rs. 6,200 Crore than the overall debt will reduce by Rs. 78 Crore.
Pre Commitment Conditions	The Borrower shall to the satisfaction of the Lenders: 1. The Sponsor shall have appointed the Lender's Legal Counsel (LLC) for preparation of the Legal Documents for the Facility, reviewing the corporate authorization as also consummating the proposed transaction including providing legal opinion. The Sponsor shall also undertake to bear all the expenses with respect to such LLC. 2. Have provided Know your customer (KYC) documents including MOA, AOA etc. to the Lenders.
Pre Disbursement Conditions	The Borrower shall comply with the following conditions prior to first regular disbursement under the Facility: 1. Inspection of both the project to be carried out by Branch official. 2. Necessary statutory/ regulatory approval, as applicable have been obtained for acquisition of Karcham and Baspa Project by the Sponsor and reviewed by the LLC. 3. Confirmation from the existing lenders of Karcham and Baspa project that the account is standard should be available to the satisfaction of the Lead Bank. 4. The Borrower has obtained a satisfactory legal opinion from LLC covering Facility Documentation. 5. The approval of High Court of Himachal Pradesh has been obtained by JPVL for demerger of Karcham and Baspa Project into the Borrower. 6. The Sponsor has paid/deposited the required money for acquisition of 100% equity shares in HBPCL to JPVL/other Jaiprakash Group entities. 7. The Sponsor has paid/deposited/brought in the balance envisaged Sponsor's Contribution to JPVL/other Jaiprakash group entities/Borrower as per the financing proposal.
Other Conditions	The Borrower shall to the satisfaction of the Lenders: 1. Furnish to the Lenders such information and data as may be required by them or any agency appointed by them for monitoring the operations of the Borrower. 2. Agree that the Lenders collectively reserve the right to appoint any independent/other consultant for the review of the Projects as deemed fit during the currency of the Facility in consultation with the Borrower. The Borrower shall also agree to provide all information reasonably required by the consultants and bear the expenses thereof. 3. Agree that the Lender will have the right to examine at all times the Borrower's books of accounts and to have the Borrower's factories inspected, from time to time, by officer(s) of the Lender and/or qualified auditors and/or technical experts and/or management consultants of the Lender's choice. Cost of such inspection shall be borne by the Borrower. 4. Appoint technical, financial & executive personnel of proper qualification & experience for the key posts and ensure that the organization set up is adequate enough for smooth operation of the Projects. 5. Provide CA certificate for funding of acquisition of HBPCL within 180 days from the date of first disbursement under the Facility. 6. Provide CA certificate detailing the utilization of the Facility within 30 days from the end of each quarter, for disbursement done in the quarter, till utilization of full facility.

JSW Hydro Energy Limited

	7. Ensure that all requisite insurance policies are taken in respect of the Projects and are suitably endorsed in favour of the Lenders/Security Trustee as Loss Payee within 6 months from the date of first disbursement. 8. Maintain adequate books of accounts which should correctly reflect its financial position & scale of operations and should not radically change its accounting system without prior notice to the Lenders. 9. Furnish to the Lenders every year a copy of audited annual accounts of the Borrower immediately on finalization of the same but in any case not later than 180 days from the end of each relevant accounting period. 10. Submit to the Lenders such financial statements as may be required by the Lenders from time to time. 11. Keep the Lenders informed of the happening of any event likely to have Material Adverse Effect on its profit & business with explanations and the remedial steps taken/ proposed to be taken. 12. Make satisfactory arrangements for the required working capital for the Projects as may be required. 13. To make necessary arrangements for operation & maintenance of the Projects during the continuance of the Facility. 14. In case of default in repayment of the loan / advances or in the payment of the interest thereon or any of the agreed instalments of the loan on due date/s by the Borrower, the Lenders and / or the RBI will have an unqualified right to disclose or publish the name of the Borrower/ unit and its directors / partners / proprietors as defaulter in such manner and through such medium as the Lenders or RBI in their absolute discretion may think fit. 15. The Lenders will have the right to share credit information as deemed appropriate with CIBIL or any other institution as approved by RBI from time to time. 16. The Borrower shall not induct into its Board a person whose name appears in the wilful defaulters list of RBI/ CIBIL and shall remove the directors, whose names appear in RBI wilful defaulters' list from its Board, or get their names deleted from the list. 17. The Borrower shall get the Facility rated from an accredited credit agency. The first such credit rating should be obtained and furnished to the Lenders within a period of 6 months from the first disbursement. Thereafter, the rating should be obtained and furnished at least at annual intervals.
Restricted Payment Conditions	The Borrower shall be able to declare or pay dividends on its equity share capital or pay interest on any unsecured loan/quasi-equity from the Sponsor during the currency of the Facility only when the following conditions are fulfilled: (i) The Borrower meets its obligations to pay interest and/or instalments and/or other monies due to the Lenders; (ii) DSRA has been created and topped up; and (iii)There being no outstanding Event of Default.
Negative Covenants	The Borrower shall not without the prior written approval of the Lenders: 1. Create any Security Interest over the assets/properties and contracts charged to the Lenders in relation to the Projects except as provided in this term sheet. 2. Effect any change in the capital structure other than as contemplated for the Transaction, which will result in the long term debt equity (TNW) ratio for the Borrower increasing beyond 4.25:1. 3. Sell, assign, mortgage or otherwise dispose off any of the fixed assets (the cost of which exceeds an amount of Rs. 100 Crore) per annum charged to the Lenders.

	4. Augment, modernize, expand, invest other than in the same line of business for an amount beyond Rs. 100 Crore; 5. Make material change in the scope of the Projects other than in the ordinary course of business; 6. Make any material modifications to Project contracts/agreements; 7. Formulate any scheme of amalgamation or reconstruction except within JSW Group companies provided there is no breach in re-pricing covenant; 8. Undertake any guarantee obligation on behalf of any other company except in ordinary course of business. 9. Undertake any trading activity other than the sale of electricity arising out of its own operations.
Events of Default	To include the following: 1. Non-payment of interest and/or scheduled repayment by the Borrower remaining unpaid for a period exceeding seven days from their respective due dates; 2. Non-compliance with any material provisions of the Financing Documents including covenants if remediable and the same are not remedied within a period of thirty days from being brought to notice of the Borrower by the Lenders; 3. Execution or distress being enforced or levied against the whole or any part of the Borrower's asset/property and any other relating thereto is not discharged or stayed within a period of ninety days from the date of enforcement or levy. 4. The Borrower ceasing or threatening to cease to carry on its business for a period exceeding ninety days. 5. A receiver being appointed in respect of the whole or any part of the property of the Borrower and such appointment is not stayed, quashed or dismissed within a period of ninety days. 6. Revocation/withdrawal of any critical approval/permission/ license, critical for the Projects' implementation and operation by any authority/agency, if not reinstated/re-approved within ninety days of such revocation/withdrawal. 7. Non-adherence to the material terms of the Transaction/Project documents. 8. The occurrence of any event or circumstance which is prejudicial to or imperils or depreciates the security given to the Lenders or materially impacts the viability of the Projects and such event or circumstance continues to have an effect for a period in excess of ninety days. 9. Cross default by the Borrower in meeting any payment obligations towards Lenders exceeding Rs. 100 Crore for a period exceeding thirty days from the respective due dates. Upon the occurrence of Event of Default, the Lenders may exercise by giving a notice of thirty (30) days, inter alia, any one or more of the following rights: - Accelerate the maturity of the Facility; - Enforce Security; - Declare the Commitments to be cancelled; - Exercise any other right that the Lenders may have under the Financing and the Security Documents or under Indian law; - Appoint one Nominee Director on the Board of the Borrower, provided that the term of such Nominee Director shall not be more than one year and the reappointment of such director shall be made only in case of existence of default on the date of expiry of such one year period.
Documentation	In addition to the terms and conditions contained in this Term Sheet, the Final

	Documentation will contain other customary clauses such as, Representation & Warranties from the Borrower, Affirmative covenants by Borrower, Information Covenants, Events of Default by the Borrower and the consequences of Event of Default, other Covenants, RBI disclosure norms, as applicable, etc. The Facility Documents will be finalized in consultation with Lender's Legal Counsel.
Others	• Our effective ROI will not be lower than our Base Rate at any point of time. The spread will be subject to re-pricing at the time of annual review. • Inspection will be conducted before first disbursement. • The disbursements will be made after security creation and after tie up of entire envisaged debt component of Rs.7550.00 crore. • The company to submit an Undertaking to meet any cash short fall in debt till such approval is in place.

CFB MUMBAI

JSW Hydro Energy Limited

L&T Infra Finance

CONFIDENTIAL

H01501A01/15-16

August 18 , 2015

Himachal Baspa Power Company Ltd.
C/o JSW Energy Ltd.
JSW Centre, Bandra Kurla Complex,
Mumbai – 400 051.

Kind Attention: Mr. Prasad Baji, Asst. Vice President – Project Finance and M&A

Dear Sir,

Sub: To Part Refinance 1300 MW run-of-river operational Hydro Electric Power Projects in Kinnaur district of Himachal Pradesh.

This is with reference to your proposal on the captioned subject. L&T Infrastructure Finance Company Limited (**"L&T Infra Finance"**) is pleased to convey its approval for a Rupee Term Loan (**"the Facility"**) of up to Rs.500,00,00,000 (Rupees Five hundred crore only) for the above purpose, subject to the main terms and conditions as provided in Annexure. The proposed facility will be effective post acquisition of HBPCL by JSWEL.

The enclosed main terms and conditions are subject to other terms and conditions, as may be incorporated in the Facility Agreement and other Financing Documents.

We request you to kindly return the duplicate copy of this Sanction Letter duly signed, as a token of your acceptance, supported by certified copies of the resolution duly passed by the Board of Directors along with relevant resolutions of the shareholders under section 180 (1) (a) and 180 (1) (c) of the Companies Act, 2013 as applicable for acceptance of the said Facility.

Please note, this offer is valid for your acceptance up to 30th September, 2015 and is subject to the execution of the Facility Agreement and all the Financing Documents and effecting

JSW Hydro Energy Limited

L&T Infrastructure Finance Co Ltd
3B, 2nd Floor, Laxmi Towers, 'G' Block
Plot No C-25, Bandra Kurla Complex
Bandra (E), Mumbai 400 051, India

Registered Office
Mount Poonamallee Road
Manapakkam, Chennai 600 089, India
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E contact@ltinfra.com

www.ltinfra.com

compliances as may be required by and to the satisfaction of L&T Infra Finance, within thirty days from the date of the acceptance or such additional time as may be acceptable to L&T Infra Finance.

Yours faithfully,

G. Krishnamurthy
Chief Executive

Encl: a/a

Copy To: JSW Energy Ltd., JSW Centre, Bandra Kurla Complex, Mumbai – 400 051

Allocated amount Rs. 455 crs.

For Himachal Baspa Power Company Limited

Authorised Signatories

JSW Hydro Energy Limited

ANNEXURE

Terms & Conditions

Sr. No.	Particulars	Proposed Terms
1	**Borrower**	Himachal Baspa Power Company Limited ("HBPCL" or the "Borrower"), which is proposed to be a subsidiary of JSW Energy Limited).
2	**Sponsor**	JSW Energy Ltd. ("JSWEL" or the "Sponsor")
3	**Project(s)**	• 1000 (4x250) MW hydro power plant at Karcham in the Kinnaur district of Himachal Pradesh ("Karcham Project"); and • 300 (3x100) MW hydro power plant on river Baspa in the Kinnaur district of Himachal Pradesh ("Baspa Project"). Collectively referred to as the "Projects".
4	**Transaction**	JSW Energy Ltd. has entered into a Definitive Agreement with Jaiprakash Power Ventures Limited ("JPVL"), a Jaypee group company, dated November 16, 2014 for acquisition of Karcham and Baspa Projects. The acquisition is proposed in 2 stages: • In the first stage, JPVL will demerge both the Projects into HBPCL (subsidiary of JPVL) through a scheme of arrangement to be sanctioned under Section 391-394 of the Companies Act, 1956 by the High Court of Himachal Pradesh. • In the second stage, once the scheme is approved and becomes effective, JSWEL proposes to acquire HBPCL and HBPCL will become a subsidiary of JSWEL. The proposed facility will be effective post acquisition of HBPCL by JSWEL.
5	**Acquisition Cost and**	The total acquisition cost of the Transaction is estimated as Rs. 9,700 Crs which is proposed to be funded in the following manner.

JSW Hydro Energy Limited

<table>
<tr>
<td></td>
<td>Funding</td>
<td>
(Rs. Crs)
<table>
<tr><th>Particulars</th><th>Total</th></tr>
<tr><td>Equity/ Sponsor's Contribution</td><td>2,150</td></tr>
<tr><td>Senior Debt Facility</td><td>7,550</td></tr>
<tr><td>Total</td><td>9,700</td></tr>
</table>

Sponsor's Contribution of Rs. 2,150 Crore shall be in the form of Equity/Quasi Equity/ Unsecured loan from Sponsor and should have been paid/deposited by JSW Energy Ltd./ JSW Group companies to JPVL/Jaiprakash group companies/Borrower.
Quasi Equity/ Unsecured loan from Sponsor shall be sub-ordinated to the Senior Debt Facility lenders and can be serviced after meeting the Restricted Payment conditions. Repayment of quasi equity/unsecured loan during the currency of the Senior Debt will be permitted after meeting Restricted Payment Conditions and subject to Debt to Equity (TNW) ratio not exceeding 3.5:1.

The proposed L&T Infra Facility (defined below) would be reduced on a pro-rata basis in case of any reduction in the deal value, maintaining the overall debt equity (total sponsor's contribution) ratio of 3.5:1.
</td>
</tr>
<tr>
<td>6</td>
<td>Facility</td>
<td>
Senior Debt Facility by way of Rupee Term Loan Facility of Rs. 7,550 Crore out of which Rs. 6,600 Crore is allocated to Karcham Project (Loan A) and Rs. 950 Crore is allocated to Baspa Project. (Loan B).

All the term loans sanctioned by Lenders would be allocated to both the tranches (Loan A and Loan B, rounded off the nearest Rupees Crore) in proportion to the respective tranche amount as above.
</td>
</tr>
</table>

JSW Hydro Energy Limited

7	**L&T Infra Facility**	Rupee Term Loan of Rs 500 Crs. forming part of Senior Debt Facility. The rupee term loan facility will be prorata distributed under Loan A and Loan B of the Senior Debt Facility.
8	**Lenders**	Banks/Financial Institutions participating in the proposed Senior Debt Facility.
9	**Lead Bank**	State Bank of India/ as decided by the Lenders.
10	**Purpose**	The proceeds of the L&T Infra Facility will be used for i) Repayment/prepayment/refinancing of the existing debt of the Borrower; ii) Repayment/prepayment of short term loan/interim funding, if any; iii) Payment to creditors/subscribers of NCDs/securities other than equity share capital; iv) Meeting the capital expenditure of the Projects, if any; v) Meeting financing expenses & other costs including cost of refinancing/prepayment of the existing debt of the Borrower; and vi) Meeting margin money for working capital of the Borrower.
11	**Upfront Fee**	The Borrower shall pay upfront fee of 0.10% of the L&T Infra Facility plus applicable taxes payable at the time of Facility Documentation
12	**Rate of Interest**	1.15% (Spread) over State Bank of India Base Rate (floating), present effective rate of 10.85% p.a. payable monthly. The effective interest rate at any time would not fall below the Base Rate of any of the participating banks in the Facility under the lenders consortium.
13	**Taxes**	Interest tax/other levies/duties, present and future, if any, shall be

JSW Hydro Energy Limited

		payable by the Borrower over and above the interest rates mentioned above.
14	Re-pricing	The Facility is subject to re-pricing as under: • In case of adverse deviation by more than 20%, or below the minimum level stipulated, as applicable, in respect of any two of the following four financial parameters, arrived at based on audited financial statement each year starting from FY2017, will attract re-pricing of the loan in the form of revised Spread at the time of annual review every year: ▪ TOL/TNW – 3.50:1; ▪ Interest Coverage Ratio – 1.50; ▪ GDSCR – 1.25 (not to fall below 1.10 in any year); and ▪ FACR – 1.25 (not to fall below 1.15 in any year). Of the above, TOL/ TNW and FACR ratios would also be tested for the FY ended March 31, 2016 and adverse variation as above in any one of the two will attract re-pricing of the loan in the form of revised Spread. The above ratios would be tested every year. • In case the external rating of the Borrower/ Facility deteriorates below A- at any time. ✓ Total Outside Liabilities: Secured Loans + Unsecured Loans excluding unsecured loans from Sponsor + Current Liabilities & Provisions ✓ Tangible Net Worth: Equity + Quasi-Equity/ Unsecured loans from Sponsor including NCDs + Reserves & Surplus – Intangible Assets – Deferred Tax Assets – Revaluation Reserve ✓ Interest Coverage Ratio: EBITDA/ (Interest on Term Loan + Interest on Working Capital). ✓ GDSCR: (PAT + non-cash expenses + Interest on Terms

JSW Hydro Energy Limited

<table>
<tr><td></td><td></td><td>Loans)/ (Interest on Term Loans + Repayment of Term loans).
✓ Fixed Asset Coverage Ratio (FACR): Net Fixed Assets/ Long Term Loans.</td></tr>
<tr><td>15</td><td>Commitment Fee</td><td>The Borrower shall pay to the Lenders, a commitment fee of 0.25% per annum on the amount undrawn with respect to drawdown schedule agreed to by the Lenders. The fees shall be calculated on the basis of amount undrawn and the number of days deviated from the scheduled date.

However, the Borrower will have the option to modify/revise the drawdown schedule with 30 days written notice to the Lenders prior to beginning of each quarter, without any commitment charges.</td></tr>
<tr><td>16</td><td>Availability Period</td><td>Upto March 31, 2016.</td></tr>
<tr><td>17</td><td>Door to Door Tenure and Repayment</td><td>The door to door tenor of the Facility shall be upto 15 years including period of moratorium and 14 years of structured repayment (5 monthly instalments per annum) with a bullet instalment of 50% ("Bullet Instalment") payable at the end of repayment period by way of refinancing. The repayment shall start from Jun 2016.

Repayment Schedule
Baspa
<table>
<tr><th>FY</th><th>Jun</th><th>Jul</th><th>Aug</th><th>Sep</th><th>Oct</th><th>Total</th></tr>
<tr><td>2016-17</td><td>0.00%</td><td>0.06%</td><td>0.06%</td><td>0.06%</td><td>0.06%</td><td>0.24%</td></tr>
<tr><td>2017-18</td><td>0.00%</td><td>0.06%</td><td>0.06%</td><td>0.06%</td><td>0.06%</td><td>0.24%</td></tr>
<tr><td>2018-19</td><td>0.00%</td><td>0.06%</td><td>0.06%</td><td>0.06%</td><td>0.06%</td><td>0.24%</td></tr>
<tr><td>2019-20</td><td>0.00%</td><td>0.50%</td><td>0.50%</td><td>0.50%</td><td>0.50%</td><td>2.00%</td></tr>
<tr><td>2020-21</td><td>0.00%</td><td>1.25%</td><td>1.25%</td><td>1.25%</td><td>1.25%</td><td>5.00%</td></tr>
<tr><td>2021-22</td><td>0.00%</td><td>1.00%</td><td>1.00%</td><td>1.00%</td><td>1.00%</td><td>4.00%</td></tr>
<tr><td>2022-</td><td>0.00%</td><td>1.50%</td><td>1.50%</td><td>1.50%</td><td>1.50%</td><td>6.00%</td></tr>
</table></td></tr>
</table>

JSW Hydro Energy Limited

23						
2023-24	0.00%	1.94%	1.94%	1.94%	1.94%	7.76%
2024-25	0.00%	0.75%	0.75%	0.75%	0.75%	3.00%
2025-26	0.00%	0.50%	0.50%	0.50%	0.50%	2.00%
2026-27	0.00%	1.13%	1.13%	1.13%	1.13%	4.52%
2027-28	0.00%	1.25%	1.25%	1.25%	1.25%	5.00%
2028-29	0.00%	1.50%	1.50%	1.50%	1.50%	6.00%
2029-30	0.00%	1.00%	1.00%	1.00%	1.00%	4.00%

Bullet Instalment – March 2030- 50%

Karcham

FY	Jun	Jul	Aug	Sep	Oct	Total
2016-17	0.70%	0.70%	0.70%	0.70%	0.70%	3.50%
2017-18	0.70%	0.70%	0.70%	0.70%	0.70%	3.50%
2018-19	0.70%	0.70%	0.70%	0.70%	0.70%	3.50%
2019-20	0.79%	0.79%	0.79%	0.79%	0.79%	3.95%
2020-21	0.81%	0.81%	0.81%	0.81%	0.81%	4.05%
2021-22	0.90%	0.90%	0.90%	0.90%	0.90%	4.50%
2022-23	0.93%	0.93%	0.93%	0.93%	0.93%	4.65%
2023-24	0.94%	0.94%	0.94%	0.94%	0.94%	4.70%
2024-25	0.41%	0.41%	0.41%	0.41%	0.41%	2.05%
2025-26	0.47%	0.47%	0.47%	0.47%	0.47%	2.35%
2026-27	0.52%	0.52%	0.52%	0.52%	0.52%	2.60%
2027-28	0.60%	0.60%	0.60%	0.60%	0.60%	3.00%
2028-29	0.67%	0.67%	0.67%	0.67%	0.67%	3.35%
2029-30	0.86%	0.86%	0.86%	0.86%	0.86%	4.30%

Bullet Instalment – March 2030- 50%.

18	**Security**	The Facility together with interest, default interest, liquidated damages, costs, charges, expenses and all other monies

JSW Hydro Energy Limited

		whatsoever payable by the Borrower shall be secured by: 1. First charge by way of hypothecation of all the movable assets of the Projects as may be permissible under the Applicable Law, present and future; 2. First charge by way of Assignment by way of security interest over all Project related documents, licenses, permits, approvals, rights, title, interests etc. pertaining to the Projects as may be permissible under the Applicable Law; 3. First charge by way of hypothecation on book debts, operating cash flows, receivables, commissions, revenue of whatsoever nature and wherever arising, present and future; and 4. First charge on all the bank accounts of the Borrower including Escrow Accounts of the Projects. 5. First charge by way of mortgage of all immovable properties (owned/leasehold) of the Projects as may be permissible under the Applicable Law The above mentioned security shall be shared on pari-passu first charge basis inter-se with the terms lenders and with working capital lenders of the Borrower as assessed by the Lead Bank. It is to clarify, the security as above in favour of the Lenders shall be created separately for Karcham and Baspa Projects for the respective tranche of the Loan/ Facility.(Loan A/Loan B). **Timeline for creation of the security** The Borrower shall create and perfect the above mentioned security within 6 months from the date of first disbursement.
19	**Security Trustee**	As decided by the consortium.
20	**Debt Service Reserve Account (DSRA)**	The Borrower shall create and maintain with Lead Bank/Escrow Bank a DSRA for the amount equivalent to ensuing 3 months Senior Debt Facility obligations (Principal + term Interest) from the cash flows available after meeting debt service obligations. However

JSW Hydro Energy Limited

		Borrower shall have the option of substituting cash DSRA with Letter of Credit or Bank Guarantee for an amount equivalent to ensuing 3 months principal and interest payment (excluding bullet repayment) to the lenders, in lieu of such deposit without recourse to Project assets. The amounts accumulated in the DSRA shall not be used for any purpose other than for servicing the debt and would be utilized only in case of a shortfall in cash flows for meeting debt service requirements from time to time, which shall be topped up immediately on availability of the cash flows. The Borrower shall invest the funds in the DSRA only in permitted investments and securities i.e. debt mutual funds/bank deposits/any other instrument as approved by the Lead Bank. The Borrower will get time till March 31, 2016 to open and maintain the balance required in the DSRA.
21	**Escrow Account**	The Borrower shall open and maintain two separate Escrow Accounts with the designated bank for each of the project through which all the proceeds from sale of power including receivables shall be routed through. The Escrow Account shall be opened within 6 months from the first disbursement date.
22	**Escrow Account Bank**	State Bank of India or as decided by the consortium.
23	**Additional Interest**	In case of non-creation of security within such stipulated timeline, an additional interest of 1% p.a. will be applicable on the entire outstanding from expiry of such stipulated time period till creation of security and further disbursement shall be at the option of the Lenders.
24	**Liquidated Damages**	The Borrower shall pay liquidated damages/ penal interest at the rate of 1% p.a. on the outstanding amount, in the event of any

JSW Hydro Energy Limited

		default in payment of interest, principal, upfront fee or any other monies due to the Lenders on their respective dates, for the period of such default.
25	**Prepayment of Rupee Term Loan**	The Borrower shall at any time have the option to prepay the Facility in part or in full together with all interests, prepayment penalty and other charges & monies due and payable to the Lenders up to the date of such prepayment on payment of prepayment penalty equal to 1% of the principal amount prepaid. Provided that no prepayment penalty would be payable to the Lenders: • If the pre-payment is effected at the instance of the Lenders; • If the pre-payment is made from surplus cash accruals generated by the Project with 30 days prior notice; • If the pre-payment is made on anniversaries of Facility Documentation with 30 days prior notice; • If the interest rate spread is increased by the Lenders, which is not acceptable to the Borrower, the Borrower would have the option to prepay the outstanding loan within the next 3 months from such date of spread reset/receipt of advice from the lenders by giving a notice for 30 days; • If the rate of interest of any lender is higher than the rate of interest charged by other Lender (s) in the consortium, the Borrower shall have the option to prepay the outstanding loan of such Lender within next 3 months from such dates/receipt of advice from the lenders by giving a notice for 30 days. In case of partial prepayment, the prepayment amount shall be applied to the remaining instalments proportionately. No prepayment penalty would be payable on prepayment of the existing loans to the existing lenders of the Karcham and Baspa

		project participating in the Senior Debt Facility.
26	**Undertakings from the Borrower**	The Borrower shall to the satisfaction of the Lenders undertake: 1. To obtain and maintain all statutory & non-statutory clearances as may be required for operations of the Projects and comply with all the conditions of such clearances. 2. To create security interest by way of assignment in favour of Lenders for any fresh PPA/PSA executed by it with state discoms/other parties within 90 days of execution. 3. To open and maintain an Escrow Account within the stipulated timeline with the designated bank through which all the proceeds from sale of power including receivables shall be routed through. 4. To create security within the stipulated timeline. 5. To create and maintain DSRA account. 6. To get the Facility rated within 6 months from the date of first disbursement.
27	**Undertakings from the Sponsor**	The Sponsor shall to the satisfaction of Lenders provide the following undertakings: 1. The Sponsor and its associates ,directly or indirectly shall continue to hold at least 51% of the total paid up equity share capital of the Borrower. 2. The Sponsor shall also maintain the management control of the Borrower during the currency of the Facility. 3. The Sponsor shall obtain necessary regulatory approval for project cost of Karcham Project for tariff purposes and shall undertake to meet any cash shortfall in servicing the debt till such approval is in place. In case the approved project cost of Karcham Project is below Rs. 6,300 Crore, then the Sponsor shall undertake to pro-rata reduce the overall debt in the debt equity (total Sponsor's contribution) ratio of 3.5:1 for the incremental

		reduction in project cost below the level of Rs. 6,300 Crore i.e. if the project cost of Karcham gets approved at Rs. 6,200 Crore than the overall debt will reduce by Rs. 78 Crore.
28	**Pre Commitment Conditions**	The Borrower shall to the satisfaction of the Lenders: 1. have or ensure that the Sponsor shall have appointed the Lender's Legal Counsel (LLC) for preparation of the Legal Documents for the Facility, reviewing the corporate authorization as also consummating the proposed transaction including providing legal opinion. The Sponsor shall also undertake to bear all the expenses with respect to such LLC. 2. Have provided Know your customer (KYC) documents including MOA, AOA etc. to the Lenders.
29	**Pre Disbursement Conditions**	The Borrower shall comply with the following conditions prior to first regular disbursement under the Facility: 1. Necessary statutory/ regulatory approval, as applicable have been obtained for demerger & acquisition of Karcham and Baspa Project by the Sponsor and reviewed by the LLC. 2. Confirmation from the existing lenders of Karcham and Baspa project that the account is standard should be available to the satisfaction of the Lead Bank. 3. The Borrower has obtained a satisfactory legal opinion from LLC covering Facility Documentation. 4. The approval of High Court of Himachal Pradesh has been obtained by JPVL for demerger of Karcham and Baspa Project into the Borrower. 5. The Sponsor has paid/deposited the required money for acquisition of 100% equity shares in HBPCL to JPVL/other Jaiprakash Group entities. 6. The Sponsor has paid/deposited/brought in the balance envisaged Sponsor's Contribution to JPVL/other Jaiprakash

HIMACHAL BASPA POWER COMPANY LIMITED

JSW Hydro Energy Limited

		group entities/Borrower as per the financing proposal.
30	**Other Conditions**	The Borrower shall to the satisfaction of the Lenders: 1. Furnish to the Lenders such information and data as may be required by them or any agency appointed by them for monitoring the operations of the Borrower. 2. Agree that the Lenders collectively reserve the right to appoint any independent/other consultant for the review of the Projects as deemed fit during the currency of the Facility in consultation with the Borrower. The Borrower shall also agree to provide all information reasonably required by the consultants and bear the expenses thereof. 3. Agree that the Lender will have the right to examine at all times the Borrower's books of accounts and to have the Borrower's factories inspected, from time to time, by officer(s) of the Lender and/or qualified auditors and/or technical experts and/or management consultants of the Lender's choice. Cost of such inspection shall be borne by the Borrower. 4. Appoint technical, financial & executive personnel of proper qualification & experience for the key posts and ensure that the organization set up is adequate enough for smooth operation of the Projects. 5. Provide CA certificate for funding of acquisition of HBPCL within 180 days from the date of first disbursement under the Facility. 6. Provide CA certificate detailing the utilization of the Facility within 30 days from the end of each quarter, for disbursement done in the quarter, till utilization of full facility. 7. Ensure that all requisite insurance policies are taken in respect of the Projects and are suitably endorsed in favour of the Lenders/Security Trustee as Loss Payee within 6 months from the date of first disbursement. 8. Maintain adequate books of accounts which should correctly

		reflect its financial position & scale of operations and should not radically change its accounting system without prior notice to the Lenders. 9. Furnish to the Lenders every year a copy of audited annual accounts of the Borrower immediately on finalization of the same but in any case not later than 180 days from the end of each relevant accounting period. 10. Submit to the Lenders such financial statements as may be required by the Lenders from time to time. 11. Keep the Lenders informed of the happening of any event likely to have Material Adverse Effect on its profit & business with explanations and the remedial steps taken/ proposed to be taken. 12. Make satisfactory arrangements for the required working capital for the Projects as may be required. 13. Make necessary arrangements for operation & maintenance of the Projects during the continuance of the Facility. 14. In case of default in repayment of the loan / advances or in the payment of the interest thereon or any of the agreed instalments of the loan on due date/s by the Borrower, the Lenders and / or the RBI will have an unqualified right to disclose or publish the name of the Borrower/ unit and its directors / partners / proprietors as defaulter in such manner and through such medium as the Lenders or RBI in their absolute discretion may think fit. 15. The Lenders will have the right to share credit information as deemed appropriate with CIBIL or any other institution as approved by RBI from time to time. 16. The Borrower shall not induct into its Board a person whose name appears in the wilful defaulters list of RBI/ CIBIL and shall remove the directors, whose names appear in RBI wilful defaulters' list from its Board, or get their names deleted from the list. 17. The Borrower shall get the Facility rated from an accredited credit agency. The first such credit rating should be obtained

HIMACHAL BASPA POWER

JSW Hydro Energy Limited

		and furnished to the Lenders within a period of 6 months from the first disbursement. Thereafter, the rating should be obtained and furnished at least at annual intervals. 18. Arrange for the Lead Bank to convey the amount of approved Working capital limits to the Lenders. 19. Bear all costs and expenses for appointment of any Lender's consultants such as Lenders Legal Counsel, etc.
31	**Restricted Payment Conditions**	The Borrower shall be able to declare or pay dividends on its equity share capital or pay interest on any unsecured loan/quasi-equity from the Sponsor during the currency of the Facility only when the following conditions are fulfilled: (i) The Borrower meets its obligations to pay interest and/or instalments and/or other monies due to the Lenders; (ii) DSRA has been created and topped up; and (iii) There being no outstanding Event of Default.
32	**Negative Covenants**	The Borrower shall not without the prior written approval of the Lenders: 1. Create any Security Interest over the assets/properties and contracts charged to the Lenders in relation to the Projects except as provided in this term sheet. 2. Effect any change in the capital structure other than as contemplated for the Transaction, which will result in the long term debt equity (TOL/TNW) ratio for the Borrower increasing beyond 3.75:1; 3. Sell, assign, mortgage or otherwise dispose off any of the fixed assets (the cost of which exceeds an amount of Rs. 100 Crore) per annum charged to the Lenders. 4. Augment, modernize, expand, invest other than in the same line of business for an amount beyond Rs. 100 Crore; 5. Make material change in the scope of the Projects other than in the ordinary course of business;

HIMACHAL BASPA POWER COMPANY LIMITED

JSW Hydro Energy Limited

		6. Make any material modifications to Project contracts/agreements; 7. Formulate any scheme of amalgamation or reconstruction except within JSW Group companies provided there is no breach in re-pricing covenant; 8. Undertake any guarantee obligation on behalf of any other company except in ordinary course of business. 9. Undertake any trading activity other than the sale of electricity arising out of its own operations. 10. Invest by way of share capital in or lend or advance funds to or place deposits with any other concern (including group companies), if TOL/Adjusted TNW exceeds 4:1. Permitted investments, normal trade credit or security deposits in normal course of business or advances to employees are excluded. Adjusted TNW = Tangible Networth – Investments, Loans & advances in Group associates/JVs/SPVs 11. Enter into borrowing arrangement either secured or unsecured with any other bank, financial institution, company or otherwise or flow statements submitted by the Bank except unsecured borrowing upto Rs 100 Cr. Also the Borrower will be allowed to borrow upto the limit of Working Capital in case of non-utilization of limit.
33	**Events of Default**	To include the following: 1. Non-payment of interest and/or scheduled repayment by the Borrower remaining unpaid for a period exceeding seven days from their respective due dates; 2. Non-compliance with any material provisions of the Financing Documents including covenants if remediable and the same are not remedied within a period of thirty days from being brought to notice of the Borrower by the Lenders; 3. Execution or distress being enforced or levied against the whole or any part of the Borrower's asset/property and any

HIMACHAL BASPA POWER COMPANY LIMITED

JSW Hydro Energy Limited

		other relating thereto is not discharged or stayed within a period of ninety days from the date of enforcement or levy. 4. The Borrower ceasing or threatening to cease to carry on its business for a period exceeding ninety days. 5. A receiver being appointed in respect of the whole or any part of the property of the Borrower and such appointment is not stayed, quashed or dismissed within a period of ninety days. 6. Revocation/withdrawal of any critical approval/permission/ license, critical for the Projects' implementation and operation by any authority/agency, if not reinstated/re-approved within ninety days of such revocation/withdrawal. 7. Non-adherence to the material terms of the Transaction/Project documents. 8. The occurrence of any event or circumstance which is prejudicial to or imperils or depreciates the security given to the Lenders or materially impacts the viability of the Projects and such event or circumstance continues to have an effect for a period in excess of ninety days. 9. Cross default by the Borrower in meeting any payment obligations towards Lenders exceeding Rs. 100 Crore for a period exceeding thirty days from the respective due dates. Upon the occurrence of Event of Default, the Lenders may exercise by giving a notice of thirty (30) days, inter alia, any one or more of the following rights: • Accelerate the maturity of the Facility; • Enforce Security; • Declare the Commitments to be cancelled; • Exercise any other right that the Lenders may have under the Financing and the Security Documents or under Indian law; • Appoint one Nominee Director on the Board of the Borrower, provided that the term of such Nominee Director shall not be more than one year and the reappointment of such director

Himachal Baspa Power Company Limited

JSW Hydro Energy Limited

		shall be made only in case of existence of default on the date of expiry of such one year period.
34	**Documentation**	In addition to the terms and conditions contained in this Term Sheet, the Final Documentation will contain other customary clauses such as, Representation & Warranties from the Borrower, Affirmative covenants by Borrower, Information Covenants, Events of Default by the Borrower and the consequences of Event of Default, other Covenants, RBI disclosure norms, as applicable, etc. The Facility Documents will be finalized in consultation with Lender's Legal Counsel. All such costs and charges for Documentation shall be borne by the Borrower.

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HIMACHAL BASPA POWER COMPANY LIMITED

JSW Hydro Energy Limited

MID CORPORATE BRANCH (EARLIER IFB MUMBAI)
3rd Floor, 10, Homji Street, Fort, Mumbai- 400 023

Tel: EPBX: 22662787/22662654/22674086 Fax: 22634328
Tel: Direct: 22622234/22614626 (AGM) E-mail: br.5063@syndicatebank.co.in; synd5063@gmail.com

Ref No: SL/020/MCB/HBPCL/2015 Date: 14th August, 2015

M/s. Himachal Baspa Power Company Ltd(HBPCL)
JUIT Complex, Waknaghat, P.O. Dumehar Bani,
District Solan, Himachal Pradesh,
Kandaghat-173215

Dear Sir,

SUB: Your Request for Term Loan Facility of Rs.750.00 crore.

With reference to your above request, we are pleased to inform you that the Competent Authority has sanctioned term loan of Rs.750.00 crore as our Bank's share out of total Term Loan Facility of Rs. 7,550 Crore proposed to be led by SBI out of which Rs. 6,600 Crore is allocated to Karcham Project (Loan A) and Rs. 950 Crore is allocated to Baspa Project (Loan B) on the following terms and conditions more specifically detailed in the common term sheet of Information Memorandum prepared SBI Capital Markets Limited.

Particulars	Terms and conditions
Borrower	Himachal Baspa Power Company Limited ("HBPCL" or the "Borrower"), which is proposed to be a subsidiary of JSW Energy Limited).
Sponsor	JSW Energy Ltd. ("JSWEL" or the "Sponsor")
Project(s)	• 1000 (4x250) MW hydro power plant at Karcham in the Kinnaur district of Himachal Pradesh ("Karcham Project"); and • 300 (3x100) MW hydro power plant on river Baspa in the Kinnaur district of Himachal Pradesh ("Baspa Project"). Collectively referred to as the "Projects".
Transaction	JSW Energy Ltd. has entered into a Definitive Agreement with Jaiprakash Power Ventures Limited ("JPVL"), a Jaypee group company, dated November 16, 2014 for acquisition of Karcham and Baspa Projects. The acquisition is proposed in 2 stages: In the first stage, JPVL will demerge both the Projects into HBPCL (subsidiary of JPVL) through a scheme of arrangement to be sanctioned under Section 391-394 of the Companies Act, 1956 by the High Court of Himachal Pradesh.

<table>
<tr><td></td><td>In the second stage, once the scheme is approved and becomes effective, JSWEL proposes to acquire HBPCL and HBPCL will become a subsidiary of JSWEL.</td></tr>
<tr><td>Acquisition Cost and Funding</td><td>The total acquisition cost of the Transaction is estimated as Rs. 9,700 Crore which is proposed to be funded in the following manner:
(Rs. Crore)
<table>
<tr><th>Particulars</th><th>Total</th></tr>
<tr><td>Equity/ Sponsor's Contribution</td><td>2,150</td></tr>
<tr><td>Senior Debt</td><td>7,550</td></tr>
<tr><td>Total</td><td>9,700</td></tr>
</table>

Sponsor's Contribution of Rs. 2,150 Crore shall be in the form of Equity/Quasi Equity/ Unsecured loan from Sponsor and should have been paid/deposited by JSW Energy Ltd./JSW Group companies to JPVL/Jaiprakash group companies/Borrower.
Quasi Equity/ Unsecured loan from Sponsor shall be sub-ordinated to the Senior Debt Facility lenders and can be serviced after meeting the Restricted Payment conditions.Repayment of quasi equity/unsecured loan during the currency of the loan will be permitted after meeting Restricted Payment Conditions and subject to Debt to Equity (TNW) ratio not exceeding 3.5:1.

The proposed debt amount would be reduced on a pro-rata basis in case of any reduction in the deal value, maintaining the overall debt equity (total sponsor's contribution) ratio of 3.5:1.</td></tr>
<tr><td>Facility</td><td>Senior Debt by way of Rupee Term Loan Facility of Rs. 7,550 Crore out of which Rs. 6,600 Crore is allocated to Karcham Project (Loan A) and Rs. 950 Crore is allocated to Baspa Project (Loan B).

All the term loans sanctioned by Lenders would be allocated to both the tranches (Loan A and Loan B, rounded off the nearest Rupees Crore) in proportion to their respective Tranche Amount as above.</td></tr>
<tr><td>Our share of facility</td><td>Rs.750.00 crore (Seven Hundred Fifty Crore only)</td></tr>
<tr><td>Lender</td><td>Banks/Financial Institutions participating in the proposed Senior Debt Facility.</td></tr>
<tr><td>Lead Bank</td><td>State Bank of India/ as decided by the consortium.</td></tr>
<tr><td>Purpose</td><td>The proceeds of the Facility will be used for
i) Repayment/prepayment/refinancing of the existing Debt of the Borrower;</td></tr>
</table>

	ii) Repayment/prepayment of short term loan/interim funding, if any; iii) Payment in respect of creditors/NCDs/securities other than equity share capital; iv) Meeting the capital expenditure, if any; v) Meeting financing expenses & other costs including cost of refinancing/prepayment; and vi) Meeting margin money for working capital
UpfrontFee	0.10% of the allocated amount plus applicable taxes payable at the time of Facility Documentation
Rate of Interest	Our Base Rate + .85% i.e., 10.85% linked to SBI Base Rate i.e., Base Rate + 1.15%. present effective rate of 10.85% p.a. payable monthly. The effective interest rate at any time would not fall below the Base Rate of any of the participating banks in the Facility under the lenders consortium. However, our Bank's charges/interest rate shall not be less than that of any other consortium lender.
Taxes	Interest tax/other levies/duties, if any, shall be payable by the Borrower over and above the interest rates mentioned above.
Re-pricing	The Spread will be subject to annual review and the Facility is subject to re-pricing as under: 1. In case of adverse deviation by more than 20%, or below the minimum level stipulated, as applicable, in respect of any two of the following four financial parameters, arrived at based on audited financial statement each year starting from FY2017, will attract re-pricing of the loan in the form of revised Spread at the time of annual review every year: a) TOL/TNW – 4:1; b) Interest Coverage Ratio –1.50; c) GDSCR – 1.20 (not to fall below 1.10 in any year); and d) FACR – 1.15 (not to fall below 1.15 in any year). Of the above, TOL/ TNW and FACR ratios would also be tested for the FY ended March 31, 2016. The above ratios would be tested every year. 2. In case the external rating of the Borrower/ Facility deteriorates below A- at any time. Similarly, if the rating of the Borrower/ Facility improves to AA- or above, the lenders would consider reduction in the interest rate.

HIMACHAL BASPA POWER CO.

JSW Hydro Energy Limited

SYNDICATE BANK
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MUMBAI-23

<table>
<tr><td></td><td>Total Outside Liabilities: Secured Loans + Unsecured Loans excluding unsecured loans from Sponsor + Current Liabilities & Provisions
Tangible Net Worth: Equity + Quasi-Equity/ Unsecured loans from Sponsor including NCDs + Reserves & Surplus.
Interest Coverage Ratio: EBITDA/ (Interest on Term Loan + Interest on Working Capital).
GDSCR: (PAT + non-cash expenses + Interest on Terms Loans)/ (Interest on Term Loans + Repayment of Term loans).
Fixed Asset Coverage Ratio (FACR): Net Fixed Assets/ Long Term Loans.</td></tr>
<tr><td>Commitment Fee</td><td>The Borrower shall pay to the Lenders, a commitment fee of 0.25% per annum on the amount undrawn with respect to drawdown schedule agreed to by the Lenders. The fees shall be calculated on the basis of amount undrawn and the number of days deviated from the scheduled date.
However, the Borrower will have the option to modify/revise the draw down schedule with 30 days written notice to the Lenders prior to beginning of each quarter, without any commitment charges.</td></tr>
<tr><td>Availability Period</td><td>Upto March 31, 2016</td></tr>
<tr><td>Door to Door Tenor and Repayment</td><td>The door to door tenor of the Facility shall be upto 15 years including period of availability and 14 years of structured repayment (5monthly instalments per annum) with a bullet instalment of 50% ("Bullet Instalment") payable at the end of repayment period by way of refinancing. The repayment shall start from Jun 2016.
Repayment schedule
Baspa
<table>
<tr><td>FY</td><td>Jun</td><td>Jul</td><td>Aug</td><td>Sep</td><td>Oct</td><td>Total</td></tr>
<tr><td>2016-17</td><td>0.00%</td><td>0.06%</td><td>0.06%</td><td>0.06%</td><td>0.06%</td><td>0.24%</td></tr>
<tr><td>2017-18</td><td>0.00%</td><td>0.06%</td><td>0.06%</td><td>0.06%</td><td>0.06%</td><td>0.24%</td></tr>
<tr><td>2018-19</td><td>0.00%</td><td>0.06%</td><td>0.06%</td><td>0.06%</td><td>0.06%</td><td>0.24%</td></tr>
<tr><td>2019-20</td><td>0.00%</td><td>0.50%</td><td>0.50%</td><td>0.50%</td><td>0.50%</td><td>2.00%</td></tr>
<tr><td>2020-21</td><td>0.00%</td><td>1.25%</td><td>1.25%</td><td>1.25%</td><td>1.25%</td><td>5.00%</td></tr>
<tr><td>2021-22</td><td>0.00%</td><td>1.00%</td><td>1.00%</td><td>1.00%</td><td>1.00%</td><td>4.00%</td></tr>
<tr><td>2022-23</td><td>0.00%</td><td>1.50%</td><td>1.50%</td><td>1.50%</td><td>1.50%</td><td>6.00%</td></tr>
<tr><td>2023-24</td><td>0.00%</td><td>1.94%</td><td>1.94%</td><td>1.94%</td><td>1.94%</td><td>7.76%</td></tr>
<tr><td>2024-25</td><td>0.00%</td><td>0.75%</td><td>0.75%</td><td>0.75%</td><td>0.75%</td><td>3.00%</td></tr>
</table></td></tr>
</table>

Himachal Baspa Power Company Limited

JSW Hydro Energy Limited

Syndicate Bank Mid Corporate Br. Mumbai-23

2025-26	0.00%	0.50%	0.50%	0.50%	0.50%	2.00%
2026-27	0.00%	1.13%	1.13%	1.13%	1.13%	4.52%
2027-28	0.00%	1.25%	1.25%	1.25%	1.25%	5.00%
2028-29	0.00%	1.50%	1.50%	1.50%	1.50%	6.00%
2029-30	0.00%	1.00%	1.00%	1.00%	1.00%	4.00%

Bullet Instalment – March 2030- 50%

Karcham

FY	Jun	Jul	Aug	Sep	Oct	Total
2016-17	0.70%	0.70%	0.70%	0.70%	0.70%	3.50%
2017-18	0.70%	0.70%	0.70%	0.70%	0.70%	3.50%
2018-19	0.70%	0.70%	0.70%	0.70%	0.70%	3.50%
2019-20	0.79%	0.79%	0.79%	0.79%	0.79%	3.95%
2020-21	0.81%	0.81%	0.81%	0.81%	0.81%	4.05%
2021-22	0.90%	0.90%	0.90%	0.90%	0.90%	4.50%
2022-23	0.93%	0.93%	0.93%	0.93%	0.93%	4.65%
2023-24	0.94%	0.94%	0.94%	0.94%	0.94%	4.70%
2024-25	0.41%	0.41%	0.41%	0.41%	0.41%	2.05%
2025-26	0.47%	0.47%	0.47%	0.47%	0.47%	2.35%
2026-27	0.52%	0.52%	0.52%	0.52%	0.52%	2.60%
2027-28	0.60%	0.60%	0.60%	0.60%	0.60%	3.00%
2028-29	0.67%	0.67%	0.67%	0.67%	0.67%	3.35%
2029-30	0.86%	0.86%	0.86%	0.86%	0.86%	4.30%

Bullet Instalment – March 2030- 50%

Security

The Facility together with interest, default interest, liquidated damages, costs, charges, expenses and all other monies whatsoever payable by the Borrower shall be secured by:

1. First charge by way of mortgage of all immovable properties of the Projects as may be permissible under the Applicable Law;
2. First charge by way of hypothecation of all the movable assets of the Projects as may be permissible under the Applicable Law;
3. First charge by way of assignment of all Project related documents, licenses, permits, approvals, rights, title, interests etc. pertaining to the Projects by way of Hypothecation Deed as may be permissible under the Applicable Law;
4. First charge on book debts, operating cash flows, receivables, commissions, revenue of whatsoever nature and wherever arising, present and future; and
5. First charge on all the bank accounts of the Borrower including Escrow Account.

	The above mentioned security shall be shared on pari-passu first charge basis with working capital lenders of the Borrower as assessed by the Lead Bank. The security as above in favour of the Lenders shall be created separately for Karcham and Baspa Projects for the respective tranche of the Loan/ Facility (Loan A and Loan B). Timeline for creation of the security The Borrower shall create the above mentioned security within 6 months from the date of first disbursement.
Security Trustee	IDBI . Trusteeship Services Limited or as decided by the consortium.
Debt Service Reserve Account (DSRA)	The Borrower shall create and maintain with Lead Bank/Escrow Bank a DSRA for the amount equivalent to ensuing 3 months Term Loan obligations (Principal + term Interest) from the cash flows available after meeting debt service obligations. However Borrower shall have the option of substituting cash DSRA with Letter of Credit or Bank Guarantee for an amount equivalent to ensuing 3 months principal and interest payment (excluding bullet repayment) to the lenders, in lieu of such deposit without recourse to Project assets. The amounts accumulated in the DSRA shall not be used for any purpose other than for servicing the debt and would be utilized only in case of a shortfall in cash flows for meeting debt service requirements from time to time, which shall be topped up immediately on availability of the cash flows. The Borrower shall invest the funds in the DSRA only in permitted investments and securities i.e. debt mutual funds/bank deposits/any other instrument as approved by the Lead Bank. The Borrower will get time till March 31, 2016 to open and maintain the balance required in the DSRA.
Escrow Account	The Borrower shall open and maintain two separate Escrow Accounts with the designated bank for each of the Project through which all the proceeds from sale of power including receivables shall be routed through. The Escrow Account shall be opened within 6 months from the first disbursement date.
Escrow Account Bank	State Bank of India or as decided by the consortium.
Additional Interest	In case of non-creation of security within such stipulated timeline, an additional interest of 1% p.a. will be applicable on the entire outstanding from expiry of such stipulated time period till creation

	of security and further disbursement shall be at the option of the Lenders.
Liquidated Damages	The Borrower shall pay liquidated damages/ penal interest at the rate of 1% p.a. on the outstanding amount, in the event of any default in payment of interest, principal, upfront fee or any other monies due to the Lenders on their respective dates, for the period of such default.
Prepayment of Rupee Term Loan	The Borrower shall at any time have the option to prepay the Facility in part or in full together with all interests, prepayment premium and other charges & monies due and payable to the Lenders up to the date of such prepayment on payment of prepayment premium equal to 1% of the principal amount prepaid. Provided that no prepayment premium would be payable to the Lenders: • If the pre-payment is effected at the instance of the Lenders; • If the pre-payment is made from surplus cash accruals generated by the Project with 30 days prior notice; • If the pre-payment is made on anniversaries of Facility Documentation with 30 days prior notice; • If the interest rate spread is increased by the Lenders, which is not acceptable to the Borrower, the Borrower would have the option to prepay the outstanding loan within the next 3 months from such date of spread reset/receipt of advice from the lenders by giving a notice for 30 days; • If the rate of interest of any lender is higher than the rate of interest charged by other Lender (s) in the consortium, the Borrower shall have the option to prepay the outstanding loan of such Lender within next 3 months from such dates/receipt of advice from the lenders by giving a notice for 30 days. In case of partial prepayment, the prepayment amount shall be applied to the remaining instalments proportionately. No prepayment premium would be payable on prepayment of the existing loans to the existing lenders of the Karcham and Baspa project participating in the Senior Debt Facility.
Undertakings from the Borrower	The Borrower shall to the satisfaction of the Lenders undertake: 1. To obtain and maintain all statutory & non-statutory clearances as may be required for operations of the Projects and comply with all the conditions of such clearances.

	2. To assign any fresh PPA/PSA executed by it with state discoms/other parties within 90 days of execution. 3. To open and maintain an Escrow Account within the stipulated timeline with the designated bank through which all the proceeds from sale of power including receivables shall be routed through. 4. To create security within the stipulated timeline. 5. To create and maintain DSRA account. 6. To get the Facility rated within 6 months from the date of first disbursement.
Undertakings from the Sponsor	The Sponsor shall to the satisfaction of Lenders provide the following undertakings: 1. The Sponsor and its associates shall continue to hold at least 51% of the total paid up equity share capital. 2. The Sponsor shall also maintain the management control of the Borrower during the currency of the Facility. 3. The sponsor shall obtain necessary regulatory approval for project cost of Karcham Project for tariff purposes and shall undertake to meet any cash shortfall in servicing the debt till such approval is in place. In case the approved project cost of Karcham Project is below Rs. 6,300 Crore, then the Sponsor shall undertake to pro-rata reduce the overall debt in the debt equity (total sponsor's contribution) ratio of 3.5:1 for the incremental reduction in project cost below the level of Rs. 6,300 Crore i.e. if the project cost of Karcham gets approved at Rs. 6,200 Crore than the overall debt will reduce by Rs. 78 Crore.
Pre Commitment Conditions	The Borrower shall to the satisfaction of the Lenders: 1. The Sponsor shall have appointed the Lender's Legal Counsel (LLC) for preparation of the Legal Documents for the Facility, reviewing the corporate authorization as also consummating the proposed transaction including providing legal opinion. The Sponsor shall also undertake to bear all the expenses with respect to such LLC. 2. Have provided Know your customer (KYC) documents including MOA, AOA etc. to the Lenders.
Pre Disbursement Conditions	The Borrower shall comply with the following conditions prior to first regular disbursement under the Facility: 1. Necessary statutory/ regulatory approval, as applicable have been obtained for acquisition of Karcham and Baspa

	Project by the Sponsor and reviewed by the LLC. 2. Confirmation from the existing lenders of Karcham and Baspa project that the account is standard should be available to the satisfaction of the Lead Bank. 3. The Borrower has obtained a satisfactory legal opinion from LLC covering Facility Documentation. 4. The approval of High Court of Himachal Pradesh has been obtained by JPVL for demerger of Karcham and Baspa Project into the Borrower. 5. The Sponsor has paid/deposited the required money for acquisition of 100% equity shares in HBPCL to JPVL/other Jaiprakash Group entities. 6. The Sponsor has paid/deposited/brought in the balance envisaged Sponsor's Contribution to JPVL/other Jaiprakash group entities/Borrower as per the financing proposal. 7. The facility shall be released only after documentation.
Other Conditions	The Borrower shall to the satisfaction of the Lenders: 1. Furnish to the Lenders such information and data as may be required by them or any agency appointed by them for monitoring the operations of the Borrower. 2. Agree that the Lenders collectively reserve the right to appoint any independent/other consultant for the review of the Projects as deemed fit during the currency of the Facility in consultation with the Borrower. The Borrower shall also agree to provide all information reasonably required by the consultants and bear the expenses thereof. 3. Agree that the Lender will have the right to examine at all times the Borrower's books of accounts and to have the Borrower's factories inspected, from time to time, by officer(s) of the Lender and/or qualified auditors and/or technical experts and/or management consultants of the Lender's choice. Cost of such inspection shall be borne by the Borrower. 4. Appoint technical, financial & executive personnel of proper qualification & experience for the key posts and ensure that the organization set up is adequate enough for smooth operation of the Projects. 5. Provide CA certificate for funding of acquisition of HBPCL within 180 days from the date of first disbursement under the Facility. 6. Provide CA certificate detailing the utilization of the Facility within 30 days from the end of each quarter, for

JSW Hydro Energy Limited

SYNDICATE BANK MID CORPORATE BR. MUMBAI-23

	disbursement done in the quarter, till utilization of full facility. 7. Ensure that all requisite insurance policies are taken in respect of the Projects and are suitably endorsed in favour of the Lenders/Security Trustee as Loss Payee within 6 months from the date of first disbursement. 8. Maintain adequate books of accounts which should correctly reflect its financial position & scale of operations and should not radically change its accounting system without prior notice to the Lenders. 9. Furnish to the Lenders every year a copy of audited annual accounts of the Borrower immediately on finalization of the same but in any case not later than 180 days from the end of each relevant accounting period. 10. Submit to the Lenders such financial statements as may be required by the Lenders from time to time. 11. Keep the Lenders informed of the happening of any event likely to have Material Adverse Effect on its profit & business with explanations and the remedial steps taken/ proposed to be taken. 12. Make satisfactory arrangements for the required working capital for the Projects as may be required. 13. To make necessary arrangements for operation & maintenance of the Projects during the continuance of the Facility. 14. In case of default in repayment of the loan / advances or in the payment of the interest thereon or any of the agreed instalments of the loan on due date/s by the Borrower, the Lenders and / or the RBI will have an unqualified right to disclose or publish the name of the Borrower/ unit and its directors / partners / proprietors as defaulter in such manner and through such medium as the Lenders or RBI in their absolute discretion may think fit. 15. The Lenders will have the right to share credit information as deemed appropriate with CIBIL or any other institution as approved by RBI from time to time. 16. The Borrower shall not induct into its Board a person whose name appears in the wilful defaulters list of RBI/ CIBIL and shall remove the directors, whose names appear in RBI wilful defaulters' list from its Board, or get their names deleted from the list.

	17. The Borrower shall get the Facility rated from an accredited credit agency. The first such credit rating should be obtained and furnished to the Lenders within a period of 6 months from the first disbursement. Thereafter, the rating should be obtained and furnished at least at annual intervals.
Restricted Payment Conditions	The Borrower shall be able to declare or pay dividends on its equity share capital or pay interest on any unsecured loan/quasi-equity from the Sponsor during the currency of the Facility only when the following conditions are fulfilled: (i) The Borrower meets its obligations to pay interest and/or instalments and/or other monies due to the Lenders; (ii) DSRA has been created and topped up; and (iii) There being no outstanding Event of Default.
Negative Covenants	The Borrower shall not without the prior written approval of the Lenders: 1. Create any Security Interest over the assets/properties and contracts charged to the Lenders in relation to the Projects except as provided in this term sheet. 2. Effect any change in the capital structure other than as contemplated for the Transaction, which will result in the long term debt equity (TNW) ratio for the Borrower increasing beyond 4.25:1. 3. Sell, assign, mortgage or otherwise dispose off any of the fixed assets (the cost of which exceeds an amount of Rs. 100 Crore) per annum charged to the Lenders. 4. Augment, modernize, expand, invest other than in the same line of business for an amount beyond Rs. 100 Crore; 5. Make material change in the scope of the Projects other than in the ordinary course of business; 6. Make any material modifications to Project contracts/agreements; 7. Formulate any scheme of amalgamation or reconstruction except within JSW Group companies provided there is no breach in re-pricing covenant; 8. Undertake any guarantee obligation on behalf of any other company except in ordinary course of business. 9. Undertake any trading activity other than the sale of electricity arising out of its own operations.

Events of Default	To include the following: 1. Non-payment of interest and/or scheduled repayment by the Borrower remaining unpaid for a period exceeding seven days from their respective due dates; 2. Non-compliance with any material provisions of the Financing Documents including covenants if remediable and the same are not remedied within a period of thirty days from being brought to notice of the Borrower by the Lenders; 3. Execution or distress being enforced or levied against the whole or any part of the Borrower's asset/property and any other relating thereto is not discharged or stayed within a period of ninety days from the date of enforcement or levy. 4. The Borrower ceasing or threatening to cease to carry on its business for a period exceeding ninety days. 5. A receiver being appointed in respect of the whole or any part of the property of the Borrower and such appointment is not stayed, quashed or dismissed within a period of ninety days. 6. Revocation/withdrawal of any critical approval/permission/license, critical for the Projects' implementation and operation by any authority/agency, if not reinstated/re-approved within ninety days of such revocation/withdrawal. 7. Non-adherence to the material terms of the Transaction/Project documents. 8. The occurrence of any event or circumstance which is prejudicial to or imperils or depreciates the security given to the Lenders or materially impacts the viability of the Projects and such event or circumstance continues to have an effect for a period in excess of ninety days. 9. Cross default by the Borrower in meeting any payment obligations towards Lenders exceeding Rs. 100 Crore for a period exceeding thirty days from the respective due dates. Upon the occurrence of Event of Default, the Lenders may exercise by giving a notice of thirty (30) days, inter alia, any one or more of the following rights: • Accelerate the maturity of the Facility; • Enforce Security;

	- Declare the Commitments to be cancelled; - Exercise any other right that the Lenders may have under the Financing and the Security Documents or under Indian law; - Appoint one Nominee Director on the Board of the Borrower, provided that the term of such Nominee Director shall not be more than one year and the reappointment of such director shall be made only in case of existence of default on the date of expiry of such one year period.
Documentation	In addition to the terms and conditions contained in this Term Sheet, the Final Documentation will contain other customary clauses such as, Representation & Warranties from the Borrower, Affirmative covenants by Borrower, Information Covenants, Events of Default by the Borrower and the consequences of Event of Default, other Covenants, RBI disclosure norms, as applicable, etc. The Facility Documents will be finalized in consultation with Lender's Legal Counsel.

Other Pre-release conditions :

1. Sanction letter incorporating all the terms and conditions issued to be acknowledged by the Authorised Person duly approved through a Resolution and submitted to the Bank.
2. The Company to arrange for pre-release visit to all the Project sites / assets independently or jointly with other consortium members and submit KYC and due diligence of the company.The Company to submit complete details and the reasons for treating the account as SMA 1 by Canara Bank and also the reasons for figuring the names of Directors in CIBIL Report supported by proper explanations / documents.
3. All the documentation formalities shall be completed as per extant guidelines . The facilities. shall be released/disbursed only after compliance with pre-release conditions and issue of Legal Compliance and Due Diligence Certificate as per guidelines.

4. **In terms of extant guidelines , company to submit**
   a) that all the provisions pertaining to credit matters under Companies Act, 2013 are complied. including borrowing powers as per Memorandum and Articles of Association and Board resolution as explained in Section 180 (1) (a), 180 (2) and 180 (4) of the Companies Act
   b) latest search report/Status report of the company

Ref No: SL/020/MCB/HBPCL/2015 Date: 14th August, 2015
M/s. Himachal Baspa Power Company Ltd

5. The sanction is valid for a period of 3 months from the date of sanction failing which the facility will lapse and any revalidation of the same will be considered at the sole discretion of the bank subject to applicable fees/charges. No charges recovered by the bank/ branch will be refunded in case the lapsed facilities are not revalidated .
6. The Company to undertake ensure compliance of all other post disbursement conditions within a timeline as per extant guidelines.

Yours faithfully,

Yours faithfully,

SYNDICATE BANK
MID CORPORATE BR.
MUMBAI-23.

(S Shankar)
Asst General Manager

Allocated amount is Rs. 683 crs.

For Himachal Baspa Power Company Limited

Authorised Signatories

JSW Hydro Energy Limited

SyndicateBank

MID CORPORATE BRANCH (IFB MUMBAI)
3rd Floor, 10, Homji Street, Fort, Mumbai- 400 023

Tel: EPBX: 22662787/22662654/22674086 Fax: 22634328
Tel: Direct: 22614626, 22622234 (AGM)
E-mail: br.5063@syndicatebank.co.in

Ref No: SL/020A/MCB/HBPCL/2015 Date: 14th August, 2015

M/s. Himachal Baspa Power Company Ltd (HBPCL)
JUIT Complex, Waknaghat, P.O. Dumehar Bani,
District Solan, Himachal Pradesh,
Kandaghat-173215

Dear Sir,

SUB: Your Request for Term Loan of Rs 750.00 Crores

We refer to our sanction Letter No. Ref No: SL/020/MCB/HBPCL/2015 dated 14th August, 2015, communicating sanction of the term loan of Rs.750.00 crore as our Bank's share out of total Term Loan Facility of Rs. 7,550 Crore proposed to be led by SBI out of which Rs. 6,600 Crore is allocated to Karcham Project (Loan A) and Rs. 950 Crore is allocated to Baspa Project (Loan B) on terms and conditions therein more specifically detailed in the common term sheet of Information Memorandum.

Further to the same, we inform you the following additional terms and conditions has been stipulated in the above referred sanction.

Reset clause	Interest Rate reset shall be every year from the date of disbursement. In case the interest rate is not agreed on the reset date, the company will have option for prepayment on the reset date without any prepayment penalty with 30 days notice. All other prepayment clause shall continue as detailed under Prepayment clause.

Please note that this letter forms part and parcel of the above SL Ref No: Ref No: SL/020/MCB/HBPCL/2015 dated 14th August, 2015.

MID CORPORATE BR. MUMBAI-23

JSW Hydro Energy Limited

Ref No: SL/020A/MCB/HBPCL/2015 Date: 14th August, 2015

M/s. Himachal Baspa Power Company Ltd

All other terms and conditions already communicated vide SL/020/MCB/HBPCL/2015 dated 14th August, 2015 shall remain the same. Please accept the above terms and return the duly accepted letter.

Yours faithfully,

(S. SHANKAR)
ASST. GENERAL MANAGER

MID CORPORATE
MUMBAI-23

For Himachal Baspa Power Company Limited
R. T. Purasmiga
Authorised Signatories

JSW Hydro Energy Limited

Large Corporate Branch
Cuffe Parade, MUMBAI - 400 005.
Tel.: [illegible] / [illegible], Fax: [illegible]
E-mail : pnbib@vsnl.com / bo2175@pnb.co.in
pnblcbmumbai@mtnl.net.in

31st July,2015

M/s **Himachal Baspa Power Company Limited (HBPCL)**
JUIT Complex, Waknaghat,
P.O. DumeharBani,
District Solan,
Himachal Pradesh,
Kandaghat – 173215

Dear Sir,

Reg: **Credit facilities**

We are pleased to inform that at your request our Bank has approved sanction of TL of Rs.400 crore, on detailed Terms and Conditions as per Appendix–I, pricing/ service charges as under and following additional stipulations:

Pricing/ service charges

	Facility	**Approved**
Rate of interest	Fresh TL	SBI BR+1.15%=10.85% p.a.
Upfront Fee	RTL	0.10%+AST
Documentation charges		Rs.25000+ AST
TL Review charges	TL I	full waiver

Additional Stipulations

1. Company to provide an under taking every year that the accounts of all the group concerns are in the standard category and are running regular with the existing bankers.
2. Company/promoters to pay our outstanding at the time of bullet payment (i.e. Mar 2030) from its own sources incase refinancing is not arranged at that time. Company to provide an under taking in this regard and the same should be covered in our share of TL documentation.
3. Company/promoter to ensure that the proposed debt amount shall be reduced on a pro-rata basis in case of any reduction in the deal value maintaining the overall DE ratio 3.5:1.
4. The Bank shall release of our share of TL on complete tie up of entire debt and joint documentation along with other member banks.
5. The Bank shall have the right to withdraw or modify all/any of the sanctioned conditions or stipulate fresh conditions, including change in ROI during the currency of loan under intimation to the borrower. However, the bank will have the right to refinance the facility or otherwise, at its discretion.
6. All the other favourable conditions stipulated by the SBI (lead bank) shall also be applicable to our bank Mutatis Mutandis.
7. Company to submit External rating from approved agency within 6 months, else penal

Himachal Baspa Power Co.

JSW Hydro Energy

Punjab National Bank
LCB Mumbai

Interest be charged for non compliance.

8. Company to ensure that contingent liabilities not accounted for, if any, the claims on account of this are met out by promoter's contribution.
9. Company to ensure that wherever foreign currency is involved exposure shall be hedged by taking adequate forward contract.
10. Approval of ROI shall be subject to annual review & the same should not be below our Base rate during currency of the loan. ROI/other charges of our Bank will not be less than ROI/other charges of Lead Bank
11. Company to obtain prior consent of the lenders for any change in promoter/directorship. A suitable undertaking to be submitted by the company in this regard.
12. Company to provide copies of all approvals duly certified by LIE confirming that the same are valid and kept on record.
13. The company shall perfect the security within permitted period failing which penal interest/additional charges be charged as per bank guidelines
14. The bank will always be at liberty to stop making further advances or cancel the credit facilities at any time without previous notice and without assigning any reason even though the said limit/ credit facility has not been fully availed of. Company/promoters to provide an undertaking in this regard..

15. All the terms and condition shall be meticulously complied with.

In case the above terms and conditions are acceptable to you, you may furnish within 7 days from the date of receipt of this Letter, a duplicate of this Letter duly signed alongwith certified copies of the resolutions duly passed by your Board of Directors for availing this facility to our office.

Please note that this communication is not to be construed as giving rise to any binding obligation on the part of PNB unless a communication is received by PNB within 7 days (or such other time as may be allowed by PNB) from the date of receipt of this Letter of Intent that the terms and conditions set out herein are acceptable to you and unless documents relating to the Financial Assistance are executed by you in such form as may be required by PNB.

Thanking you,

Yours faithfully,

Assistant General Manager

LCB MUMBAI

– Annexed to letter Ref HBPCL/V2/15 dtd 8/10/15

– Allocated amount Rs. 364 crs.

For Himachal Baspa Power Company Limited

Authorised Signatories

पंजाब नैशनल बैंक
punjab national bank

Large Corporate Branch,
Maker Tower E-Wing, Ground Floor,
Cuffe Parade, Mumbai-400 005
Tel: 022-22180752 Fax-2218 0402/8451,
Email-bo2175@pnb.co.in

APPENDIX – I

Detailed Terms and Conditions of Sanction:

Account: M/s Himachal Baspa Power Company Ltd **BO:** LCB Mumbai

<table>
<tr><th>Particulars</th><th>Proposed Terms</th></tr>
<tr><td>Borrower</td><td>Himachal Baspa Power Company Limited ("HBPCL" or the "Borrower"), which is proposed to be a subsidiary of JSW Energy Limited).</td></tr>
<tr><td>Sponsor</td><td>JSW Energy Ltd. ("JSWEL" or the "Sponsor")</td></tr>
<tr><td>Facility and Facility amount</td><td>Rupee Term Loan of Rs 400 crs.</td></tr>
<tr><td>Project(s)</td><td>• 1000 (4x250) MW hydro power plant at Karcham in the Kinnaur district of Himachal Pradesh ("Karcham Project"); and
• 300 (3x100) MW hydro power plant on river Baspa in the Kinnaur district of Himachal Pradesh ("Baspa Project").
Collectively referred to as the "Projects".</td></tr>
<tr><td>Transaction</td><td>JSW Energy Ltd. has entered into a Definitive Agreement with Jaiprakash Power Ventures Limited ("JPVL"), a Jaypee group company, dated November 16, 2014 for acquisition of Karcham and Baspa Projects. The acquisition is proposed in 2 stages:
In the first stage, JPVL will demerge both the Projects into HBPCL (subsidiary of JPVL) through a scheme of arrangement to be sanctioned under Section 391-394 of the Companies Act, 1956 by the High Court of Himachal Pradesh.
In the second stage, once the scheme is approved and becomes effective, JSWEL proposes to acquire HBPCL and HBPCL will become a subsidiary of JSWEL.</td></tr>
<tr><td>Acquisition Cost and Funding</td><td>The total acquisition cost of the Transaction is estimated as Rs. 9,700 Crore which is proposed to be funded in the following manner:
(Rs. Crore)
<table>
<tr><th>Particulars</th><th>Total</th></tr>
<tr><td>Equity/ Sponsor's Contribution</td><td>2,150</td></tr>
<tr><td>Senior Debt</td><td>7,550</td></tr>
<tr><td>Total</td><td>9,700</td></tr>
</table>
• Sponsor's Contribution of Rs. 2,150 Crore shall be in the form of Equity/Quasi Equity/ Unsecured loan from Sponsor and should have been paid/deposited by JSW Energy Ltd./ JSW Group companies to JPVL/Jaiprakash group companies/Borrower.
• Quasi Equity/ Unsecured loan from Sponsor shall be sub-ordinated to the Senior Debt Facility lenders and can be serviced after meeting the Restricted Payment conditions. Repayment of quasi equity/unsecured loan during the currency of the loan will be permitted after meeting Restricted Payment Conditions and subject to Debt to Equity (TNW) ratio not exceeding 3.5:1.</td></tr>
</table>

JSW Hydro Energy Limited

	The proposed debt amount would be reduced on a pro-rata basis in case of any reduction in the deal value, maintaining the overall debt equity (total sponsor's contribution) ratio of 3.5:1.
Facility	Senior Debt by way of Rupee Term Loan Facility of Rs. 7,550 Crore out of which Rs. 6,600 Crore is allocated to Karcham Project (Loan A) and Rs. 950 Crore is allocated to Baspa Project (Loan B). All the term loans sanctioned by Lenders would be allocated to both the tranches (Loan A and Loan B, rounded off the nearest Rupees Crore) in proportion to their respective Tranche Amount as above Interim Facility The Borrower shall have the option to avail upto 50% of the sanctioned loan amount under the current Facility pending compliance with the Pre-Disbursement Conditions provided a Corporate Guarantee from the Sponsor is furnished for meeting the debt service obligation of the Borrower and the Sponsor has brought in/utilized at least Rs. 1250 crore out of its total contribution of Rs. 2,150 crore towards the total acquisition cost of the Transaction. Such Corporate Guarantee will fall off once the Borrower complies with all Pre-Disbursement Conditions and avails regular disbursement under the Facility. In case the Borrower fails to comply with the Pre-Disbursement Conditions and avail regular disbursement within 6 months from the date of first disbursement under the Interim Facility, the entire loan disbursed till that time shall become immediately payable. It is hereby clarified that other than the above clause, the date of first disbursement for the purpose of this term sheet shall be first disbursement date under the regular facility and not interim facility.
Lender	Banks/Financial Institutions participating in the proposed Senior Debt Facility.
Lead Bank	State Bank of India/ as decided by the consortium.
Purpose	The proceeds of the Facility will be used for i) Repayment/prepayment/refinancing of the existing Debt of the Borrower; ii) Repayment/prepayment of short term loan/interim funding, if any; iii) Payment in respect of creditors/NCDs/securities other than equity share capital; iv) Meeting the capital expenditure, if any; v) Meeting financing expenses & other costs including cost of refinancing/prepayment; and vi) Meeting margin money for working capital
Upfront Fee	0.10% of the allocated amount plus applicable taxes payable at the time of Facility Documentation

HIMACHAL BASPA POWER COMPANY LIMITED

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Rate of Interest	1.15% (115 bps) (Spread) over State Bank of India Base Rate floating, present effective rate of 10.85% p.a. payable monthly. The effective interest rate at any time would not fall below the Base Rate of any of the participating banks in the Facility under the lenders consortium.
Taxes	Interest tax/other levies/duties, if any, shall be payable by the Borrower over and above the interest rates mentioned above.
Re-pricing	The Spread will be subject to annual review and the Facility is subject to re-pricing as under: 1. In case of adverse deviation by more than 20%, or below the minimum level stipulated, as applicable, in respect of any two of the following four financial parameters, arrived at based on audited financial statement each year starting from FY2017, will attract re-pricing of the loan in the form of revised Spread at the time of annual review every year: a) TOL/TNW – 4:1; b) Interest Coverage Ratio –1.50; c) GDSCR – 1.20 (not to fall below 1.10 in any year); and d) FACR – 1.15 (not to fall below 1.15 in any year). Of the above, TOL/ TNW and FACR ratios would also be tested for the FY ended March 31, 2016. The above ratios would be tested every year. 2. In case the external rating of the Borrower/ Facility deteriorates below A- at any time. Similarly, if the rating of the Borrower/ Facility improves to AA- or above, the lenders would consider reduction in the interest rate. Total Outside Liabilities: Secured Loans + Unsecured Loans excluding unsecured loans from Sponsor + Current Liabilities & Provisions Tangible Net Worth: Equity + Quasi-Equity/ Unsecured loans from Sponsor including NCDs + Reserves & Surplus. Interest Coverage Ratio: EBITDA/ (Interest on Term Loan + Interest on Working Capital). GDSCR: (PAT + non-cash expenses + Interest on Terms Loans)/ (Interest on Term Loans + Repayment of Term loans). Fixed Asset Coverage Ratio (FACR): Net Fixed Assets/ Long Term Loans.
Commitment Fee	The Borrower shall pay to the Lenders, a commitment fee of 0.25% per annum on the amount undrawn with respect to drawdown schedule agreed to by the Lenders. The fees shall be calculated on the basis of amount undrawn

<table>
<tr><td></td><td>and the number of days deviated from the scheduled date.

However, the Borrower will have the option to modify/revise the draw down schedule with 30 days written notice to the Lenders prior to beginning of each quarter, without any commitment charges.</td></tr>
<tr><td>Availability Perlod</td><td>Upto March 31, 2016</td></tr>
<tr><td>Door to Door Tenor and Repayment</td><td>The door to door tenor of the Facility shall be upto 15 years including period of availability and 14 years of structured repayment (5monthly instalments per annum) with a bullet instalment of 50% ("Bullet Instalment") payable at the end of repayment period by way of refinancing. The repayment shall start from Jun 2016.

Repayment schedule
<table>
<tr><th>FY</th><th>Jun</th><th>Jul</th><th>Aug</th><th>Sept</th><th>Oct</th><th>Total</th></tr>
<tr><td>2016-17</td><td>0.61%</td><td>0.62%</td><td>0.62%</td><td>0.62%</td><td>0.62%</td><td>3.09%</td></tr>
<tr><td>2017-18</td><td>0.61%</td><td>0.62%</td><td>0.62%</td><td>0.62%</td><td>0.62%</td><td>3.09%</td></tr>
<tr><td>2018-19</td><td>0.61%</td><td>0.62%</td><td>0.62%</td><td>0.62%</td><td>0.62%</td><td>3.09%</td></tr>
<tr><td>2019-20</td><td>0.70%</td><td>0.75%</td><td>0.75%</td><td>0.75%</td><td>0.75%</td><td>3.70%</td></tr>
<tr><td>2020-21</td><td>0.71%</td><td>0.86%</td><td>0.86%</td><td>0.86%</td><td>0.86%</td><td>4.15%</td></tr>
<tr><td>2021-22</td><td>0.79%</td><td>0.91%</td><td>0.91%</td><td>0.91%</td><td>0.91%</td><td>4.43%</td></tr>
<tr><td>2022-23</td><td>0.82%</td><td>1.00%</td><td>1.00%</td><td>1.00%</td><td>1.00%</td><td>4.82%</td></tr>
<tr><td>2023-24</td><td>0.82%</td><td>1.07%</td><td>1.07%</td><td>1.07%</td><td>1.07%</td><td>5.10%</td></tr>
<tr><td>2024-25</td><td>0.37%</td><td>0.46%</td><td>0.46%</td><td>0.46%</td><td>0.46%</td><td>2.21%</td></tr>
<tr><td>2025-26</td><td>0.41%</td><td>0.47%</td><td>0.47%</td><td>0.47%</td><td>0.47%</td><td>2.29%</td></tr>
<tr><td>2026-27</td><td>0.45%</td><td>0.60%</td><td>0.60%</td><td>0.60%</td><td>0.60%</td><td>2.85%</td></tr>
<tr><td>2027-28</td><td>0.52%</td><td>0.68%</td><td>0.68%</td><td>0.68%</td><td>0.68%</td><td>3.24%</td></tr>
<tr><td>2028-29</td><td>0.59%</td><td>0.77%</td><td>0.77%</td><td>0.77%</td><td>0.77%</td><td>3.67%</td></tr>
<tr><td>2029-30</td><td>0.75%</td><td>0.88%</td><td>0.88%</td><td>0.88%</td><td>0.88%</td><td>4.27%</td></tr>
<tr><td>Bullet Instalment</td><td colspan="6">50% (March 2030)</td></tr>
</table>

The debt allocated to Karcham has been amortized over a period of 25 years i.e. upto FY2040 and debt allocated to Baspa has been amortized over a period of 22 years i.e. upto FY2037. The detailed amortization schedule is as per the Appendix II.</td></tr>
<tr><td>Security</td><td>The Facility together with interest, default interest, liquidated damages, costs, charges, expenses and all other monies whatsoever payable by the Borrower shall be secured by:
1. First charge by way of mortgage of all immovable properties of the Projects as may be permissible under the Applicable Law;
2. First charge by way of hypothecation of all the movable assets of the Projects as may be permissible under the Applicable Law;
3. First charge by way of assignment of all Project related documents</td></tr>
</table>

JSW Hydro Energy Limited

	licenses, permits, approvals, rights, title, interests etc. pertaining to the Projects by way of Hypothecation Deed as may be permissible under the Applicable Law; 4. First charge on book debts, operating cash flows, receivables, commissions, revenue of whatsoever nature and wherever arising, present and future; and 5. First charge on all the bank accounts of the Borrower including Escrow Account. The above mentioned security shall be shared on pari-passu first charge basis with working capital lenders of the Borrower as assessed by the Lead Bank. The security as above in favour of the Lenders shall be created separately for Karcham and Baspa Projects for the respective tranche of the Loan/ Facility (Loan A and Loan B). <u>Timeline for creation of the security</u> The Borrower shall create the above mentioned security within 6 months from the date of first disbursement.
Security Trustee	IDBI Trusteeship Services Limited or as decided by the consortium.
Debt Service Reserve Account (DSRA)	The Borrower shall create and maintain with Lead Bank/Escrow Bank a DSRA for the amount equivalent to ensuing 3 months Term Loan obligations (Principal + term Interest) from the cash flows available after meeting debt service obligations. However Borrower shall have the option of substituting cash DSRA with Letter of Credit or Bank Guarantee for an amount equivalent to ensuing 3 months principal and interest payment (excluding bullet repayment) to the lenders, in lieu of such deposit without recourse to Project assets. The amounts accumulated in the DSRA shall not be used for any purpose other than for servicing the debt and would be utilized only in case of a shortfall in cash flows for meeting debt service requirements from time to time, which shall be topped up immediately on availability of the cash flows. The Borrower shall invest the funds in the DSRA only in permitted investments and securities i.e. debt mutual funds/bank deposits/any other instrument as approved by the Lead Bank. The Borrower will get time till March 31, 2016 to open and maintain the balance required in the DSRA.
Escrow Account	The Borrower shall open and maintain two separate Escrow Accounts with the designated bank for each of the Project through which all the proceeds from sale of power including receivables shall be routed through. The Escrow Account shall be opened within 6 months from the first disbursement date.

Escrow Account Bank	State Bank of India or as decided by the consortium.
Additional Interest	In case of non-creation of security within such stipulated timeline, an additional interest of 1% p.a. will be applicable on the entire outstanding from expiry of such stipulated time period till creation of security and further disbursement shall be at the option of the Lenders.
Liquidated Damages	The Borrower shall pay liquidated damages/ penal interest at the rate of 1% p.a. on the outstanding amount, in the event of any default in payment of interest, principal, upfront fee or any other monies due to the Lenders on their respective dates, for the period of such default.
Prepayment of Rupee Term Loan	The Borrower shall at any time have the option to prepay the Facility in part or in full together with all interests, prepayment premium and other charges & monies due and payable to the Lenders up to the date of such prepayment on payment of prepayment premium equal to 1% of the principal amount prepaid. Provided that no prepayment premium would be payable to the Lenders: • If the pre-payment is effected at the instance of the Lenders; • If the pre-payment is made from surplus cash accruals generated by the Project with 30 days prior notice; • If the pre-payment is made on anniversaries of Facility Documentation with 30 days prior notice; • If the interest rate spread is increased by the Lenders, which is not acceptable to the Borrower, the Borrower would have the option to prepay the outstanding loan within the next 3 months from such date of spread reset/receipt of advice from the lenders by giving a notice for 30 days; • If the rate of interest of any lender is higher than the rate of interest charged by other Lender (s) in the consortium, the Borrower shall have the option to prepay the outstanding loan of such Lender within next 3 months from such dates/receipt of advice from the lenders by giving a notice for 30 days. In case of partial prepayment, the prepayment amount shall be applied to the remaining instalments proportionately. No prepayment premium would be payable on prepayment of the existing loans to the existing lenders of the Karcham and Baspa project participating in the Senior Debt Facility.
Undertakings from the Borrower	The Borrower shall to the satisfaction of the Lenders undertake: 1. To obtain and maintain all statutory & non-statutory clearances as may be required for operations of the Projects and comply with all the conditions of such clearances. 2. To assign any fresh PPA/PSA executed by it with state discoms/other parties within 90 days of execution. 3. To open and maintain an Escrow Account within the stipulated timeline with the designated bank through which all the proceeds from

JSW Hydro Energy Limited

	sale of power including receivables shall be routed through. 4. To create security within the stipulated timeline. 5. To create and maintain DSRA account. 6. To get the Facility rated within 6 months from the date of first disbursement.
Undertakings from the Sponsor	The Sponsor shall to the satisfaction of Lenders provide the following undertakings: 1. The Sponsor and its associates shall continue to hold at least 51% of the total paid up equity share capital. 2. The Sponsor shall also maintain the management control of the Borrower during the currency of the Facility. 3. The sponsor shall obtain necessary regulatory approval for project cost of Karcham Project for tariff purposes and shall undertake to meet any cash shortfall in servicing the debt till such approval is in place. In case the approved project cost of Karcham Project is below Rs. 6,300 Crore, then the Sponsor shall undertake to pro-rata reduce the overall debt in the debt equity (total sponsor's contribution) ratio of 3.5:1 for the incremental reduction in project cost below the level of Rs. 6,300 Crore i.e. if the project cost of Karcham gets approved at Rs. 6,200 Crore than the overall debt will reduce by Rs. 78 Crore.
Pre Commitment Conditions	The Borrower shall to the satisfaction of the Lenders: 1. The Sponsor shall have appointed the Lender's Legal Counsel (LLC) for preparation of the Legal Documents for the Facility, reviewing the corporate authorization as also consummating the proposed transaction including providing legal opinion. The Sponsor shall also undertake to bear all the expenses with respect to such LLC. 2. Have provided Know your customer (KYC) documents including MOA, AOA etc. to the Lenders.
Pre Disbursement Conditions	The Borrower shall comply with the following conditions prior to first regular disbursement under the Facility: 1. Necessary statutory/ regulatory approval, as applicable have been obtained for acquisition of Karcham and Baspa Project by the Sponsor and reviewed by the LLC. 2. Confirmation from the existing lenders of Karcham and Baspaproject that the account is standard should be available to the satisfaction of the Lead Bank. 3. The Borrower has obtained a satisfactory legal opinion from LLC covering Facility Documentation. 4. The approval of High Court of Himachal Pradesh has been obtained by JPVL for demerger of Karcham and Baspa Project into the Borrower. 5. The Sponsor has paid/deposited the required money for acquisition of 100% equity shares in HBPCL to JPVL/other Jaiprakash Group entities. 6. The Sponsor has paid/deposited/brought in the balance envisaged

	Sponsor's Contribution to JPVL/other Jaiprakash group entities/Borrower as per the financing proposal.
Other Conditions	The Borrower shall to the satisfaction of the Lenders: 1. Furnish to the Lenders such information and data as may be required by them or any agency appointed by them for monitoring the operations of the Borrower. 2. Agree that the Lenders collectively reserve the right to appoint any independent/other consultant for the review of the Projects as deemed fit during the currency of the Facility in consultation with the Borrower. The Borrower shall also agree to provide all information reasonably required by the consultants and bear the expenses thereof. 3. Agree that the Lender will have the right to examine at all times the Borrower's books of accounts and to have the Borrower's factories inspected, from time to time, by officer(s) of the Lender and/or qualified auditors and/or technical experts and/or management consultants of the Lender's choice. Cost of such inspection shall be borne by the Borrower. 4. Appoint technical, financial & executive personnel of proper qualification & experience for the key posts and ensure that the organization set up is adequate enough for smooth operation of the Projects. 5. Provide CA certificate for funding of acquisition of HBPCL within 180 days from the date of first disbursement under the Facility. 6. Provide CA certificate detailing the utilization of the Facility within 30 days from the end of each quarter, for disbursement done in the quarter, till utilization of full facility. 7. Ensure that all requisite insurance policies are taken in respect of the Projects and are suitably endorsed in favour of the Lenders/Security Trustee as Loss Payee within 6 months from the date of first disbursement. 8. Maintain adequate books of accounts which should correctly reflect its financial position & scale of operations and should not radically change its accounting system without prior notice to the Lenders. 9. Furnish to the Lenders every year a copy of audited annual accounts of the Borrower immediately on finalization of the same but in any case not later than 180 days from the end of each relevant accounting period. 10. Submit to the Lenders such financial statements as may be required by the Lenders from time to time. 11. Keep the Lenders informed of the happening of any event likely to have Material Adverse Effect on its profit & business with explanations and the remedial steps taken/ proposed to be taken. 12. Make satisfactory arrangements for the required working capital for the Projects as may be required. 13. To make necessary arrangements for operation & maintenance of the

JSW Hydro Energy Limited

	Projects during the continuance of the Facility. 14. In case of default in repayment of the loan / advances or in the payment of the interest thereon or any of the agreed instalments of the loan on due date/s by the Borrower, the Lenders and / or the RBI will have an unqualified right to disclose or publish the name of the Borrower/ unit and its directors / partners / proprietors as defaulter in such manner and through such medium as the Lenders or RBI in their absolute discretion may think fit. 15. The Lenders will have the right to share credit information as deemed appropriate with CIBIL or any other institution as approved by RBI from time to time. 16. The Borrower shall not induct into its Board a person whose name appears in the wilful defaulters list of RBI/ CIBIL and shall remove the directors, whose names appear in RBI wilful defaulters' list from its Board, or get their names deleted from the list. 17. The Borrower shall get the Facility rated from an accredited credit agency. The first such credit rating should be obtained and furnished to the Lenders within a period of 6 months from the first disbursement. Thereafter, the rating should be obtained and furnished at least at annual intervals.
Restricted Payment Conditions	The Borrower shall be able to declare or pay dividends on its equity share capital or pay interest on any unsecured loan/quasi-equity from the Sponsor during the currency of the Facility only when the following conditions are fulfilled: (i) The Borrower meets its obligations to pay interest and/or instalments and/or other monies due to the Lenders; (ii) DSRA has been created and topped up; and (iii) There being no outstanding Event of Default.
Negative Covenants	The Borrower shall not without the prior written approval of the Lenders: 1. Create any Security Interest over the assets/properties and contracts charged to the Lenders in relation to the Projects except as provided in this term sheet. 2. Effect any change in the capital structure other than as contemplated for the Transaction, which will result in the long term debt equity (TNW) ratio for the Borrower increasing beyond 4.25:1. 3. Sell, assign, mortgage or otherwise dispose off any of the fixed assets (the cost of which exceeds an amount of Rs. 100 Crore) per annum charged to the Lenders. 4. Augment, modernize, expand, invest other than in the same line of business for an amount beyond Rs. 100 Crore; 5. Make material change in the scope of the Projects other than in the ordinary course of business; 6. Make any material modifications to Project contracts/agreements; 7. Formulate any scheme of amalgamation or reconstruction except within JSW Group companies provided there is no breach in re-pricing covenant;

Himachal Baspa Power Company Limited

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	8. Undertake any guarantee obligation on behalf of any other company except in ordinary course of business. 9. Undertake any trading activity other than the sale of electricity arising out of its own operations.
Events of Default	To include the following: 1. Non-payment of interest and/or scheduled repayment by the Borrower remaining unpaid for a period exceeding seven days from their respective due dates; 2. Non-compliance with any material provisions of the Financing Documents including covenants if remediable and the same are not remedied within a period of thirty days from being brought to notice of the Borrower by the Lenders; 3. Execution or distress being enforced or levied against the whole or any part of the Borrower's asset/property and any other relating thereto is not discharged or stayed within a period of ninety days from the date of enforcement or levy. 4. The Borrower ceasing or threatening to cease to carry on its business for a period exceeding ninety days. 5. A receiver being appointed in respect of the whole or any part of the property of the Borrower and such appointment is not stayed, quashed or dismissed within a period of ninety days. 6. Revocation/withdrawal of any critical approval/permission/ license, critical for the Projects' implementation and operation by any authority/agency, if not reinstated/re-approved within ninety days of such revocation/withdrawal. 7. Non-adherence to the material terms of the Transaction/Project documents. 8. The occurrence of any event or circumstance which is prejudicial to or imperils or depreciates the security given to the Lenders or materially impacts the viability of the Projects and such event or circumstance continues to have an effect for a period in excess of ninety days. 9. Cross default by the Borrower in meeting any payment obligations towards Lenders exceeding Rs. 100 Crore for a period exceeding thirty days from the respective due dates. Upon the occurrence of Event of Default, the Lenders may exercise by giving a notice of thirty (30) days, inter alia, any one or more of the following rights: • Accelerate the maturity of the Facility; • Enforce Security; • Declare the Commitments to be cancelled; • Exercise any other right that the Lenders may have under the Financing and the Security Documents or under Indian law; • Appoint one Nominee Director on the Board of the Borrower, provided that the term of such Nominee Director shall not be more than one year and the reappointment of such director shall be made only in case of existence of default on the date of expiry of such one year period.

Documentation	In addition to the terms and conditions contained in this Term Sheet, the Final Documentation will contain other customary clauses such as, Representation & Warranties from the Borrower, Affirmative covenants by Borrower, Information Covenants, Events of Default by the Borrower and the consequences of Event of Default, other Covenants, RBI disclosure norms, as applicable, etc. The Facility Documents will be finalized in consultation with Lender's Legal Counsel.

Relationship Manager

Chief Manager

HIMACHAL [illegible] POWER COMPANY LIMITED

LCB MUMBAI

JSW Hydro Energy Limited

पंजाब नैशनल बैंक
punjab national bank

Large Corporate Branch,
Maker Tower E-Wing, Ground Floor,
Cuffe Parade, Mumbai-400 005
Tel: 022-22180752 Fax-2218 0402/8451,
Email-bo2175@pnb.co.in

Appendix II -DETAILED AMORTIZATION SCHEDULE

Month	Karcham	Baspa	Overall
June-2016	0.70%	0.00%	0.61%
July-2016	0.70%	0.06%	0.62%
August-2016	0.70%	0.06%	0.62%
September-2016	0.70%	0.06%	0.62%
October-2016	0.70%	0.06%	0.62%
June-2017	0.70%	0.00%	0.61%
July-2017	0.70%	0.06%	0.62%
August-2017	0.70%	0.06%	0.62%
September-2017	0.70%	0.06%	0.62%
October-2017	0.70%	0.06%	0.62%
June-2018	0.70%	0.00%	0.61%
July-2018	0.70%	0.06%	0.62%
August-2018	0.70%	0.06%	0.62%
September-2018	0.70%	0.06%	0.62%
October-2018	0.70%	0.06%	0.62%
June-2019	0.79%	0.00%	0.70%
July-2019	0.79%	0.50%	0.75%
August-2019	0.79%	0.50%	0.75%
September-2019	0.79%	0.50%	0.75%
October-2019	0.79%	0.50%	0.75%
June-2020	0.81%	0.00%	0.71%
July-2020	0.81%	1.25%	0.86%
August-2020	0.81%	1.25%	0.86%
September-2020	0.81%	1.25%	0.86%
October-2020	0.81%	1.25%	0.86%
June-2021	0.90%	0.00%	0.79%
July-2021	0.90%	1.00%	0.91%
August-2021	0.90%	1.00%	0.91%
September-2021	0.90%	1.00%	0.91%
October-2021	0.90%	1.00%	0.91%
June-2022	0.93%	0.00%	0.82%
July-2022	0.93%	1.50%	1.00%
August-2022	0.93%	1.50%	1.00%
September-2022	0.93%	1.50%	1.00%
October-2022	0.93%	1.50%	1.00%
June-2023	0.94%	0.00%	0.82%
July-2023	0.94%	1.94%	1.07%
August-2023	0.94%	1.94%	1.07%
September-2023	0.94%	1.94%	1.07%
October-2023	0.94%	1.94%	1.07%
June-2024	0.41%	0.00%	0.37%
July-2024	0.41%	0.75%	0.46%

JSW Hydro Energy Limited

punjab national bank
Large Corporate Branch

Maker Tower 'E', Ground Floor,
Cuffe Parade, Mumbai - 400 005.
Tel. : 2215 0222 / 2218 0752 Fax : 2215 2058
E-mail : bo2175@pnb.co.in
pnblcb@gmail.com

06.10.2015

M/s Himachal Baspa Power Company Limited (HBPCL)
JUIT Complex, Waknaghat,
P.O. DumeharBani,
District Solan,
Himachal Pradesh,
Kandaghat – 173215

DUPLICATE.

Dear Sir,

Reg: **Credit facilities**

We are pleased to inform that at your request our Bank has approved amendment in terms & condition of MC sanction dated 27.07.2015 as detailed hereunder:

Sr no	**Existing stipulation**	**Proposed & approved amendment**
1	**Company/promoter** to pay our outstanding at the time of bullet payment from its own sources in case refinancing is not arranged at that time. Company to provide an undertaking in this regard and the same should be covered in our share of TL documentation.	**Company** to pay our outstanding at the time of bullet payment from its own sources in case refinancing is not arranged at that time. Company to provide an undertaking in this regard and the same should be covered in our share of TL documentation.
2	The Bank shall have the right to withdraw or modify all/any of the sanctioned conditions or stipulate fresh conditions, including change in ROI during currency of loan under intimation to the borrower.	The rate of interest is subject to re-pricing as per the Re-pricing clause of sanction terms.
	Approval of ROI shall be subject to annual review.	
	The spread will be subject to annual review.	
3	Company to ensure that contingent liabilities not accounted for, if any, the claim on account of this are met out of the **promoters' contribution**	Company to ensure that contingent liabilities not accounted for, if any, the claim on account of this are met out of the **Company's own contribution**
4	Company to obtain prior consent of the lenders for any change in **promoter / directorship.**	Company to obtain prior consent of the lenders for any change in **promoter directorship.**
5	The Bank will always be at liberty to stop making further advances or cancel the credit facilities at any time without previous notice and without assigning any reason even though the said limit / credit facility has not been fully availed of. **Company / Promoters** to provide an undertaking in this regard.	The Bank will always be at liberty to stop making further advances or cancel the credit facilities at any time without previous notice and without assigning any reason even though the said limit / credit facility has not been fully availed of. **Company** to provide an undertaking in this regard.
6	Company to provide copies of all approval duly	Company to provide copies of all Necessary

JSW Hydro Energy Limited

	certified by LIE confirming that the same are valid and kept on record.	statutory / regulatory approval, as applicable for acquisition of Karcham & Baspa Project by the Sponsor and reviewed by LLC.

All other terms and condition shall remain unchanged & shall be meticulously complied with.

In case the above terms and conditions are acceptable to you, you may furnish within 7 days from the date of receipt of this Letter, a duplicate of this Letter duly signed alongwith certified copies of the resolutions duly passed by your Board of Directors for availing this facility to our office.

Thanking you,

Yours faithfully,

L.C.B. MUMBAI-5
PUNJAB NATIONAL BANK

Chief Manager

Accepted

For Himachal Baspa Power Company Limited

Authorised Signatories

JSW Hydro Energy Limited

ANNEXURE 'T/7'

भारतीय स्टेट बैंक
State Bank of India

कारपोरेट लेखा समूह - मुंबई, नेवील हॉऊस, 3री मंजिल, जे. एन. हेरेडीया मार्ग,
बेलार्ड इस्टेट, मुंबई - 400 001.
Corporate Accounts Group - Mumbai, Neville House, 3rd Floor,
J. N. Heredla Marg, Ballard Estate, Mumbai - 400 001.

Date :

Ref. No. :

M/s. Himachal Baspa Power Company Ltd,
C/o JSW Energy Ltd,
JSW Centre,
BKC, Mumbai.

CAG/AMT-4/16-17/1171

Date: 30.01.2017

Kind Atten: Shri. Rakesh Punamiya

Dear Sir,

HIMACHAL BASPA POWER COMPANY LTD
INTEREST RATE-MCLR

We have to advise that Interest rate for Himachal Baspa Power Co. Ltd. for following Term Loan accounts:-

(i) Himachal Baspa Power Co.-Karcham A/c.No.35250405784
(ii) Himachal Baspa Power Co.-Baspa A/c.No. 35250656397

post shift to MCLR w.e.f. 01.09.2016 is 10.25% p.a.(1 year MCLR 9.10%p.a.+1.15% p.a. as on 01.09.2016)

2. Next MCLR reset will be on 01.09.2017.

Yours faithfully,

Dy. General Manager & RM(AMT-4)

JSW Hydro Energy Limited

SBI

भारतीय स्टेट बैंक
भारतीय स्टेट बैंक
STATE BANK OF INDIA

Himachal Baspa Power Company Ltd
C/o JSW Energy Ltd
JSW Centre,
BKC, Mumbai.

CAG/AMT-4/2018-19/ Date: 23.05.2018

Dear Sir,

Himachal Baspa Power Co Ltd
Reduction in pricing of TL

This is in reference to your letter dated 13.03.2018 whereby you had requested for reduction in pricing of the TL facilities availed by you.

We have to advise that pricing on existing TL facilities with SBI (sanctioned amount of Rs. 4000 crore and Rs.182 crore (E-SBH)) has been reduced to MCLR (1Y) + 0.85% p.a. present effective rate being 9.00% p.a.

It may be noted that Bank reserves the right to change the pricing at its own discretion if the external credit rating of the Company is not maintained at AA- or better.

Please return to us the duplicate copy of this letter, duly signed by an authorized signatory of the Company in token of acceptance of the terms and conditions stipulated herein.

Please not that the abovementioned reduction in pricing will be effective from date of receipt of acceptance of this letter.

Yours faithfully,

DGM & RM (AMT-4)

JSW Hydro Energy Limited

SBI

भारतीय स्टेट बैंक
भारतीय स्टेट बँक
STATE BANK OF INDIA

Himachal Baspa Power Company Ltd
C/o JSW Energy Ltd
JSW Centre,
BKC, Mumbai.

CAG/AMT-4/2018-19/179 Date: 23/05/2018

Dear Sir,

Himachal Baspa Power Co Ltd
Reduction in pricing of TL

With reference to the reduction in TL pricing conveyed vide our letter no. CAG/AMT-4/2018-19/178 dated 23/05/2018 and your acceptance of the same conveyed on 23/05/2018, we have to advise that the interest rate for Himachal Baspa Power Company Limited for following Term Loan accounts:

(i) Himachal Baspa Power Company Limited - Karcham A/c No. 35250405784
(ii) Himachal Baspa Power Company Limited - Baspa A/c No. 35250656397

w.e.f. 23/05/2018 is 9.00% p.a.(1 year MCLR (8.15% as on 23/05/2018) +0.85% p.a.)

2. MCLR shall be next reset on 23/05/2019.

Yours faithfully,

Dy. General Manager & RM (AMT-4)

38, Bombay Mutual Building,
2nd Floor, Dr. D. N. Road, Fort,
Mumbai - 400 001.

Tel. : +91(22) 2262 3000/4085 1000
Email : contact@shahgupta.com
Web : www.shahgupta.com

Shah Gupta & Co.
Chartered Accountants

Annexure 'T18'

418

INDEPENDENT AUDITOR'S CERTIFICATE

To the Board of Directors of
JSW Hydro Energy Limited
(Earlier known as Himachal Baspa Power Company Limited)

Re: Statement for cost incurred towards refinancing of term loans of Rs.6600 Crore during FY 2015-16, for true up petition of capital cost and generation tariff of tariff period FY 2014 - FY 2019 under Regulation 8 of the CERC (Terms and Conditions of Tariff) Regulations, 2014 in respect of 1000MW Karcham Wangtoo Hydro Electric Project (KWHEP) (the 'Statement').

This Certificate is issued in accordance with the terms of our engagement with JSW Hydro Energy Limited (the 'Company' or 'JSWHEL') and having its registered office at Sholtu Colony, P.O Tapri, Dist-Kinnaur, Himachal Pradesh.

Management's responsibility for preparation of the Statement

The preparation of this Statement is the responsibility of the Management of the Company including the creation and maintenance of all accounting and other records supporting its contents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

The Management is also responsible for ensuring that the Company complies with the requirements of the Guidelines issued by the Ministry of Power, Government of India and for providing all relevant information to the Central Electricity Regulatory Commission (CERC).

Auditor's responsibility

Pursuant to the requirements, it is our responsibility to obtain reasonable assurance and report that the amounts in the Statement are in accordance with the books of account and other records of the Company produced to us for our examination.

We conducted our examination of the statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India which include the concept of test check and materiality. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Conclusion

Based on our verification and according to the information and explanations given to us we, read with *Other Matters para* below, report that the Company has incurred following costs with respect to refinancing of term loans of Rs.6600 Crore for KWHEP [refer Annexure I for detailed break-up of costs] and are accurately extracted from audited financial statements of KWHEP [A unit of JSW Hydro Energy Limited] for the period September 01, 2015 to March 31, 2016 and is in agreement with the books of account and other records of the Company as produced before us for our verification.

MUMBAI FRN: 109574W

SHAH GUPTA & CO
Chartered Accountants

Summary of refinancing costs incurred for refinancing of term loan of Rs.6600 Crore:

Sr. no.	Particulars	Rs. in Crore
1	Upfront fee	19.62
2	Syndication fee	15.42
3	Prepayment charges	81.11
4	Legal Charges & Escrow Account fee	0.53
	Total	**116.68**

Other Matters

The above certificate has been prepared based on the books of account, records and documents maintained by the Company and produced before us for our verification. The audited financial statements for the period September 01, 2015 to March 31, 2016 have been audited by other auditors, those financial statements, other financial information and auditor's reports have been furnished to us by the management. Our certification in so far as it relates to the amounts and disclosures included in respect of this period and our certificate in terms of our engagement, in so far as it relates to the aforesaid period is based solely on the reports of such other auditor.

In the course of the verification, we were provided with both written and verbal information, including financial data. We have evaluated the information provided to us by the Company through broad inquiry, analysis and review in accordance with the auditing standards generally accepted in India. Verification includes examining, on a test check basis, evidence supporting the amounts, and disclosures. Also, we assume no responsibility for technical information furnished by the Company, which are believed to be reliable.

Restriction of use

This certificate is issued for the sole use of the Board of Directors of the Company, to whom it is addressed, for submission to CERC and should not be used by any other person or for any other purpose. We neither accept nor assume any duty or liability for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing. This Certificate is specific to the date mentioned in it. We, however, have no obligation to update this certificate for events, trends or transactions relating to the Company in general and occurring subsequent to the date of this certificate. Further, the above details are subject to change on the basis of subsequent audit adjustments, if any.

For **SHAH GUPTA & CO.**
Chartered Accountants
Firm Registration No: 109574W

Vipul K Choksi
M. No.: 114103
UDIN: 19037606AAAACT2688
Place: Mumbai
Date: October 22, 2019

JSW Hydro Energy Limited

Annexure I

Details of Cost incurred for Refinancing of Term loan of Rs.6600 Crore:

Particulars	Banker	Loan amount (Rs. In Crore)	Fees % + Service tax @14%	Fee amount (Rs. In Crore)	Payment / credit date	Remark
Upfront fee	State Bank of India	3497.00	0.40%	15.95	28-09-2015	-
	Syndicate Bank	597.00	0.10%	0.68	13-10-2015	-
	Allahabad Bank	398.00	0.10%	0.45	13-10-2015	-
	Vijaya Bank	398.00	0.10%	0.45	13-10-2015	-
	Central Bank of India	597.00	0.10%	0.68	13-10-2015	-
	Punjab National Bank	317.00	0.10%	0.36	13-10-2015	-
	L&T Infra Finance	398.00	0.10%	0.45	13-10-2015	-
	Axis Bank	239.00	0.15%	0.41	30-12-2015	-
	State Bank of Hyderabad (merged with SBI)	159.00	0.10%	0.18	13-10-2015	-
Total		**6600.00**		**19.62**		
Syndication fee	SBI Cap Trustee Co.	4,000.00	0.20%	7.97	04-11-2015	Prorata for Term Loan of Rs.6600 Crore
	SBI Cap Trustee Co.	1,547.50	0.20%	3.08	13-11-2015	
	SBI Cap Trustee Co.	182.00	0.20%	0.36	13-11-2015	
	SBI Cap Trustee Co.			0.08	04-11-2015	Acceptance fees and annual service charges
	Axis Bank	1,547.50	0.15%	2.32	30-12-2015	Prorata for Term Loan of Rs.6600 Crore
	Axis Bank	273.00		1.60	30-12-2015	
Total		**7,550.00**		**15.42**		
Legal Charges	Cyril Amarchand Mangaldas			0.25	25-11-2015	-
				0.13	10-04-2017	-
Escrow account fee	State Bank of India	(For first 6 months)		0.15	01-01-2016	-

SHAH GUPTA & CO
Chartered Accountants

JSW Hydro Energy Limited

Particulars	Banker	Loan amount (Rs. In Crore)	Fees % + Service tax @14%	Fee amount (Rs. In Crore)	Payment / credit date	Remark
Prepayment charges	IFCI Ltd.	151.50	1.00%	1.73	28-09-2015	-
	India Renewable Energy Dev. Agency Ltd. (IREDA)	282.87	1.00%	3.22	28-09-2015	-
	Life Insurance Corp.	469.69	1.00%	4.70	28-09-2015	Prepayment charges to LIC is inclusive of service tax
	Power Finance Corp. Ltd.	1,150.00	2.50%	32.78	16-10-2015	-
		254.45	1.00%	2.90	16-10-2015	-
				13.01	16-10-2015	Loss of income tax up to October 15, 2015
	IDFC	1,526.64	1.00%	17.40	28-09-2015	-
	ICICI	282.87	1.00%	3.22	13-10-2015, 23-10-2015	-
	PTC India Financial Services Ltd.	187.93	1.00%	2.14	1-10-2015, 5-10-2015	-
	Allahabad Bank	346.61	1.00%	-		Prepayment charges not payable since the lendor/banker is also a part of new consortium for refinance of loans.
	L&T Infra Finance	282.78	1.00%	-		
	Union Bank of India	250.00	1.00%	-		Prepayment charges waived off.
Total		**5,185.34**		**81.10**		

Grand Total				**116.68**		

SHAH GUPTA & CO MUMBAI FRN: 109574W CHARTERED ACCOUNTANTS

JSW Hydro Energy Limited

Annexure - 'T19'

JAYPEE KARCHAM WANGTOO HYDRO ELECTRIC PLANT
(A DIVISION OF JAIPRAKASH POWER VENTURES LIMITED)

BALANCE SHEET AS AT 31.03.2015

JAYPEE KARCHAM WANGTOO HYDRO ELECTRIC PLANT
(A DIVISION OF JAIPRAKASH POWER VENTURES LIMITED)
BALANCE SHEET AS AT 31st March 2015

(Amount in Rupees)

Particulars	Note No.	Figures as at the end of current reporting period, March 31, 2015		Figures as at the end of current reporting period, March 31, 2014	
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital			-		-
(b) Reserves and Surplus	2		3,935,208,996		5,571,415,169
(c) Money received against share warrants			-		-
(2) Share application money pending allotment			-		-
(3) Deferred Revenue			-		-
(4) Non Current Liabilities					
(a) Long-term borrowings	3		51,540,321,781		53,640,246,781
(b) Deferred tax liabilities (net)			-		-
(c) Other Long-term liabilities			-		-
(d) Long-term provisions	4		14,097,932		11,768,899
(5) Current Liabilities					
(a) Short-term borrowings	5		1,507,439,212		12,237,320
(b) Trade payables	6		580,978,385		802,707,150
(c) Other current liabilities	7		3,449,362,979		3,146,038,095
(d) Short-term provisions	8		4,762,037		9,847,815
Inter Unit Balance			6,919,828,261		3,241,083,402
TOTAL			**67,951,999,583**		**66,435,344,631**
II. ASSETS					
(1) Non-current assets					
(a) Fixed assets	9				
(i) Tangible assets		61,939,179,102		63,540,452,678	
(ii) Intangible assets		-		-	
(iii) Capital work-in-progress		-		-	
(iv) Intangible assets under development		-	61,939,179,102	-	63,540,452,678
(b) Long-term loans and advances	10		3,766,440		52,091,904
(c) Other non-current assets	11		594,846,783		645,117,211
(2) Current assets					
(a) Current investments		-		-	
(b) Inventories	12	96,045,402		83,374,107	
(c) Trade receivables	13	3,079,398,220		79,011,851	
(d) Cash and bank balances	14	1,746,064,191		1,633,451,567	
(e) Short-term loans and advances	15	235,425,614		219,636,275	
(f) Other current assets	16	257,273,831	5,414,207,258	182,209,038	2,197,682,838
TOTAL			**67,951,999,583**		**66,435,344,631**

Summary of significant accounting policies **1(ii)**
The note nos. 1 to 41 are integral part of the financial statements

For and on behalf of the Board

FOR R. NAGPAL ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 002626N

R. NAGPAL
Partner
M.No. 081594

New Delhi

Place: Noida
Dated: 30th May 2015

R.K. Porwal
Sr. General Manager (F & A)

Y. K. Sharma
Vice President (F & A)

Suren Jain
Managing Director & CFO
DIN : 00011026

Manoj Gaur
Chairman
DIN : 00008480

Sunil Kumar Sharma
Vice-Chairman & CEO
DIN : 00008125

M. M. Sibbal
Sr. General Manager
& Company Secretary

JSW Hydro Energy Limited

JAYPEE KARCHAM WANGTOO HYDRO ELECTRIC PLANT

(A DIVISION OF JAIPRAKASH POWER VENTURES LIMITED)

STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31st March , 2015

(Amount in Rupees)

	Particulars	Note No.	Figures for the current reporting period, March 31, 2015	Figures for the current reporting period, March 31, 2014
I.	Revenue from operations	17	14,594,381,054	12,336,737,774
II.	Other Income	18	161,087,662	78,547,960
III.	Total Revenue (I+II)		14,755,468,716	12,415,285,734
IV	Expenses .			
	Cost of operation and maintenance	19	1,545,092,124	2,567,329,772
	Employee benefits expense	20	263,060,801	304,632,341
	Finance costs	21	7,209,644,387	5,400,603,514
	Depreciation and amortization expense	22	1,633,627,187	1,771,474,147
	Other expenses	23	166,092,959	152,420,935
	Total expenses		10,817,517,458	10,196,460,709
V.	Profit before exceptional and extraordinary items and tax (III -IV)		3,937,951,258	2,218,825,025
VI.	Exceptional items			
	Prior Period Adjustments		75,062	104,716
VII.	Profit before extraordinary items and tax (V -VI)		3,937,876,196	2,218,720,309
VIII.	Extraordinary items		-	-
IX.	Profit before tax (VII-VIII)		3,937,876,196	2,218,720,309
X.	Tax Expense :			
	(i) Current tax (MAT)		-	
	Less : MAT credit entitlement		-	-
	Net Current Tax		-	-
XI.	Profit/(loss) from continuing operations (IX-X)		3,937,876,196	2,218,720,309
XII.	Profit/(loss) from discontinuing operations		-	-
XIII.	Tax expense of discontinuing operations		-	-
XIV.	Profit/(loss) from discontinuing operations (after tax) (XII-XIII)		-	-
XV.	Profit/(loss) for the period (XI + XIV)		3,937,876,196	2,218,720,309

Summary of significant accounting policies 1(ii)

The note nos. 1 to 41 are integral part of the financial statements

For and on behalf of the Board

FOR R. NAGPAL ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 002626N

R. NAGPAL
Partner
M.No. 081594

R. Nagpal Associates
New Delhi
Chartered Accountants

Manoj Gaur
Chairman
DIN : 00008480

Suren Jain
Managing Director & CFO
DIN : 00011026

Sunil Kumar Sharma
Vice Chairman & CEO
DIN : 00008125

R.K. Porwal
Sr. General Manager (F & A)

Y. K. Sharma
Vice President (F & A)

M. M. Sibbal
Sr. General Manager
& Company Secretary

Place: Noida
Dated: 30th May, 2015

Notes to the financial statements for the period ended 31st March, 2015

Note 1 (i) **Basis of Preparation of Financial Statements**

The financial statements are prepared under historical cost convention, on accrual basis, on the principles of going concern, in accordance with the generally accepted accounting principles, the relevant accounting standards and the relevant guidance notes issued by the Institute of Chartered Accountants of India (ICAI) and the applicable provisions of the Companies Act, 2013.

Note 1(ii) **Summary of significant accounting policies**

(a) **Revenue Recognition**

(i) Revenue from sale of electrical energy is accounted for on the basis of billing to various buyers as per long term/ medium term/ short term Power Purchase Agreements executed with them and through Power Exchange.

(ii) Insurance claims are accounted for on receipt basis or as acknowledged by the insurance company.

(iii) Other income and cost/ expenditure are accounted for on accrual basis as they are earned or incurred.

(iv) Interest is recognized on a time proportion basis taking into account outstanding and the rate applicable.

(b) **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known/ materialised.

(c) **Fixed Assets**

Fixed Assets are stated at Cost of acquisition or construction inclusive of freight, erection & commissioning charges, duties and taxes, expenditure during construction period, Interest on borrowings, financing cost and foreign exchange loss/ gain, up to the date of commissioning. Foreign Exchange Rate Difference on long term monetary items arising on settlement or at reporting dates attributable to Fixed Assets is capitalised/adjusted in the carrying value of the Fixed Assets.

(d) **Depreciation**

(i) Premium on Leasehold Land is amortised over the period of lease.

(ii) Depreciation on Fixed assets has been charged as per provisions of Schedule II of the Companies Act, 2013.

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JSW Hydro Energy Limited

(e) Expenditure during Construction Period

Expenditure incurred on projects/assets during construction/implementation is capitalized and apportioned to projects/ assets on commissioning.

(f) Foreign Currency Transactions

(i) Transactions denominated in Foreign Currency are recorded in the Books of Account in Indian Rupees at the rate of exchange prevailing on the date of transaction.

(ii) Monetary Assets and Liabilities related to Foreign Currency transactions and outstanding, except assets and liabilities hedged by a hedge contract, at the close of the year, are expressed in Indian Rupees at the rate of exchange prevailing on the date of Balance Sheet. The exchange difference arising either on settlement or at reporting date is recognised in the Statement of Profit & Loss except in cases where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

(iii) Monetary Assets and Liabilities hedged by a hedge contract are expressed in Indian Rupees at the rate of exchange prevailing on the date of Balance Sheet adjusted to the rates in the hedge contracts. The exchange difference arising either on settlement or at reporting date is recognised in the Statement of Profit & Loss except in cases where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets. Premium paid in respect of Hedge Contracts are recognised in the Statement of Profit & Loss, except in case where they relate to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of such assets.

(iv) The Company uses foreign currency contracts to hedge its risks associated with foreign currency fluctuations. The Company does not use derivative financial instrument for speculative purposes.

(v) Non Monetary foreign currency items are carried at cost.

(g) Inventories

(a) (i) Inventories are valued at Cost or Net Realisable Value whichever is lower. Cost of Inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of Raw Materials, Construction Materials, Stores & Spares, Packing Materials, Operating Stores and supplies is determined on Weighted Average basis.

(ii) Work-in-Progress/Stock-in-Process are valued at cost. In case of Item Rate Contract, work in progress is measured on the basis of physical measurement of work actually completed as at the balance sheet date. In case of cost plus contracts work in progress is taken as cost not billed on the contractee.

(iii) Stock of Finished Goods lying in the factory premises includes excise duty, pursuant to accounting standard [AS-2] [Revised].

(b) Material-in-transit is valued at cost.

(h) Retirement and other Employees Benefits

(a) Provident Fund and Pension contribution as a percentage of salary/wages as per provisions of Employees Provident Funds and Miscellaneous Provisions Act, 1952.

(b) Gratuity and Leave Encashment is defined benefit obligation. The liability is provided for on the basis on Projected Unit Credit Method adopted in the actuarial valuation made at the end of each financial year.

(i) Borrowing Costs

Borrowing costs attributable to the procurement/construction of fixed assets are capitalised as part of the cost of the respective assets upto the date of commissioning. Other borrowing costs are recognized as expense during the year in which they are incurred.

(j) Taxes on Income

Provision for current tax is being made after taking into consideration benefits admissible to the Company under the provisions of the Income Tax Act, 1961.

Deferred Tax Liability, if any is computed as per in accordance with Accounting Standard [AS-22]. Deferred Tax Asset and Deferred Tax Liability are computed by applying rates and tax laws that have been enacted up to the Balance Sheet date.

(k) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degrees of estimation in measurement are recognized when there is a present obligation as a result of past events and if are probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes unless the possibility of an outflow of resources embodying economic benefit is remote. Contingent Assets are neither recognized nor disclosed in the financial statements. The Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

(l) Impairment of Assets

At each balance sheet date, the management reviews the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.
Reversal of impairment loss is recognised immediately as income in the profit and loss account.

(m) **Intangible Assets**

Intangible assets are stated at cost of acquisition less accumulated amortisation on straight line basis from the date the assets are put for commercial use.

(n) **Segment Reporting**

Revenue, operating results, assets and liabilities have been identified to represent separate segments on the basis of their relationship to the operating activities of the segment. Assets, liabilities, revenue and expenses which are not allocable to separate segment on a reasonable basis, are included under "Unallocated".

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JSW Hydro Energy Limited

(Amount in Rupees)

Note "2" - Reserves and Surplus

Particulars	Figures as at the end of current reporting period, March 31, 2015		Figures as at the end of current reporting period, March 31, 2014	
1. General Reserve				
Depreciation on assets completed useful life		(2,667,200)		-
2. Surplus				
Opening Balance	5,571,415,169		3,352,694,860	
Less: Transfer to inter unit accounts	(5,571,415,169)		-	
Add : Profit After Tax during the year	3,937,876,196	3,937,876,196	2,218,720,309	5,571,415,169
Total		**3,935,208,996**		**5,571,415,169**

Non Current Liabilities

Note "3" - Long-term borrowings

Particulars	Figures as at the end of current reporting period, March 31, 2015		Figures as at the end of current reporting period, March 31, 2014	
"A" Secured Loans				
Term Loans				
Rupee Loan				
- from Financial Institutions	42,766,871,924		44,759,101,424	
- from Banks	8,773,449,857	51,540,321,781	8,881,145,357	53,640,246,781
Total "A"		**51,540,321,781**		**53,640,246,781**
"B" Unsecured Loans		-		-
Total "B"		-		-
Total "A + B"		**51,540,321,781**		**53,640,246,781**

Security for Term Loans

3.1(a) The Rupee Term Loan and Working Capital Loan assistance of Rs. 55,147,685,993 (Previous Year Rs. 55,311,769,101) by financial institutions and banks viz. Allahabad Bank, Union Bank of India, Infrastructure Development Finance Company Ltd., ICICI Bank Ltd., IFCI Ltd., IREDA Ltd., L&T Infrastructure Finance Company Ltd., Power Finance Corporation Ltd. & PTC Financial Services Ltd., together with all interest, cost and other charges/dues are secured by way of :

(i) First ranking pari-passu mortgage and hypothecation of all the immovable and movables assets both present and future, all intangible assets, uncalled capital and all revenues and receivables pertaining to Jaypee Karcham Wangtoo HEP; and

(ii) Pledge of 300,000,000 (Previous Year 300,000,000) equity shares of the Company held by JAL on pari passu basis with the lenders of Rupee Term Loan and Working Capital facilities. Out of shares pledged, shares of Rs.80,000,000 will be released on perfection of securities in terms of loan agreement and further shares of Rs.20,000,000 will be released on creation of DSRA as per terms of agreement.

(iii) Letter of Comfort from Jaiprakash Associates Limited, the holding company until the creation and perfection of the Security in terms of loan agreement.; and

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(iv) Unconditional and irrevocable personal guarantee of Shri Manoj Gaur, Chairman until the creation and perfection of the Security in terms of loan agreement

The outstanding Rupee Term Loans availed earlier from Allahabad Bank, Bank of India, Central Bank of India, Indian Bank, IDBI Bank Ltd., IDFC Ltd., ICICI Bank Ltd., Punjab National Bank, SIDBI,The Jammu & Kashmir Bank Ltd., and Union Bank of India has been repaid before 31.03.2014 and securities provided to lenders by way of pledge of 12,06,00,000 equity shares of the Company held by JAL on pari passu basis is yet to be released by them.

3.1(b) The aforesaid Security ranks pari-passu with working capital lender (i.e. IDBI Bank Limited) for Working Capital limit of Rs.3,050,000,000 [Outstanding Cash credit limit Rs. 1,507,439,212 (Previous Year Rs.12,237,320) and Bank Guarantees/ LCs of Rs. 328,618,192 (Previous Year Rs. 300,730,011)].

3.2 Repayment of Term Loans

(i) Rupee Term Loans (Loan-A)(Rs.41,529,531,781) are repayable in 80 structured installments payable in June, July, August, September & October every year, which commences from 15th June, 2017.

(ii) Rupee Term Loans (Loan-B)(Rs.13,770,000,000) are repayable in 32 structured installments payable in June, July, August, September & October every year, which commences from 15th June, 2014.

(Amount in Rupees)

Note "4" - Long Term Provisions

Particulars	Figures as at the end of current reporting period, March 31, 2015		Figures as at the end of current reporting period, March 31, 2014	
a) **Provision for employee benefits**				
Gratuity	7,956,826		6,805,068	
Leave Encashment	6,141,106	14,097,932	4,923,247	11,728,315
b) **Others**				
Wealth Tax	-		40,584	
Income Tax	-	-	-	40,584
Total		**14,097,932**		**11,768,899**

Current Liabilities

Note "5" - Short-term borrowings

Particulars	Figures as at the end of current reporting period, March 31, 2015	Figures as at the end of current reporting period, March 31, 2014
Secured Loans		
Working Capital - From Banks	1,507,439,212	12,237,320
Total	**1,507,439,212**	**12,237,320**

Note "6" - Trade Payables

Particulars	Figures as at the end of current reporting period, March 31, 2015		Figures as at the end of current reporting period, March 31, 2014	
Trade Payables				
- Related Parties	288,085,646		382,981,664	
- Capital	3,111,388		8,694,146	
- Others	288,495,605	579,692,639	408,607,630	800,283,440
Others (PF Payable)		1,285,746		2,423,710
Total		**580,978,385**		**802,707,150**

(Amount in Rupees)

Note "7" - Other Current Liabilities

Particulars	Figures as at the end of current reporting period, March 31, 2015		Figures as at the end of current reporting period, March 31, 2014	
(i) Current maturities of long-term debt				
"A" Secured Loans				
Term Loans				
- from Financial Institutions	1,992,229,500		1,574,187,900	
- from Banks	107,695,500	2,099,925,000	85,097,100	1,659,285,000
"B" Unsecured Loans		-		-
(ii) Interest accured but not due on borrowings		239,649,002		-
(iii) Other payables				
- TDS Payable	17,550,112		129,380,575	
- Excise , Sales Tax, etc., Payable	501,754		1,261,916	
- Service Tax Payable	-		4,528	
- Due to Staff	1,594,484			
- Others	1,090,142,627	1,109,788,977	1,356,106,076	1,486,753,095
Total		**3,449,362,979**		**3,146,038,095**

(i) For security and repayment, refer note no. 3.1 to 3.2

Note "8" - Short Term Provisions

Particulars	Figures as at the end of current reporting period, March 31, 2015		Figures as at the end of current reporting period, March 31, 2014	
a) Provision for employee benefits				
Gratuity	-		-	
Leave Encashment	307,113		-	
Bonus & Incentives	4,454,924	4,762,037	9,847,815	9,847,815
b) Others		-		-
Total		**4,762,037**		**9,847,815**

JAYPEE KARCHAM WANGTOO HYDRO ELECTRIC PLANT

(A DIVISION OF JAIPRAKASH POWER VENTURES LIMITED)

lote ' 9 (I)' - FIXED ASSETS

(Amount in Rupees)

.No.	PARTICULARS	GROSS BLOCK			DEPRECIATION / AMORTIZATION				NET BLOCK	
		As on 01.04.2014 Rs.	Additions during the Year Rs.	As on 31.03.2015 Rs.	Upto 31.03.2014 Rs.	For the Period Rs.	Depreciation Charged to General Reserve	Upto 31.03.2015 Rs.	As on 31.03.2015 Rs.	As on 31.03.2014 Rs.
1	Land									
	Lease Hold	178,731,964	-	178,731,964	78,301,357	9,003,524		87,304,881	91,427,083	100,430,607
	Free Hold	248,844,269	-	248,844,269	-	-		-	248,844,269	248,844,269
2	Building	323,136,307	-	323,136,307	14,542,829	7,792,526		22,335,355	300,800,952	308,593,478
3	Plant & Equipments	67,657,672,710	34,607,487	67,692,280,197	4,817,213,604	1,597,368,598		6,414,582,202	61,277,697,995	62,840,459,106
4	Furniture & Fixture	3,614,663	-	3,614,663	828,793	1,371,043		2,199,836	1,414,827	2,785,870
5	Vehicles	15,842,793	-	15,842,793	4,815,090	2,173,914	480,541	7,469,545	8,373,248	11,027,703
6	Office Equipment	33,804,868	413,324	34,218,192	5,493,223	15,917,582	2,186,659	23,597,464	10,620,728	28,311,645
	Total	**68,461,647,574**	**35,020,811**	**68,496,668,385**	**4,921,194,896**	**1,633,627,187**	**2,667,200**	**6,557,489,283**	**61,939,179,102**	**63,540,452,678**
	PREVIOUS YEAR	68,272,709,329	188,938,245	68,461,647,574	3,149,720,749	1,771,474,147		4,921,194,896	63,540,452,678	
	Capital Work in Progress	-	-	-	-	-		-	-	

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(Amount in Rupees)

Note 9(iii)' : Capital work in progress and Incidental expenditure during construction pending allocation

Sl. No.	Particulars	Figures as at the end of current reporting period, March 31, 2015	Figures as at the end of current reporting period, March 31, 2014
	Direct cost of project under construction		
	Opening Balance	-	2,739,177
	Add : Addition during the year		
	Less : Capitalisation during the year		2,739,177
	Balance Capital Work in Progress	-	-

Note "10" : Long-term loans and advances

Particulars	Figures as at the end of current reporting period, March 31, 2015		Figures as at the end of current reporting period, March 31, 2014	
Secured Considered Good		-		-
Unsecured considered good				
Capital Advance		-		-
Security Deposits				
a) With Govt. Deptt.	3,766,440		8,765,440	
b) With Related Parties	-		-	
c) With Others	-	3,766,440	-	8,765,440
Advance Income Tax and TDS		-		43,326,464
Total		**3,766,440**		**52,091,904**

Note "11" - Other non-current assets

Particulars	Figures as at the end of current reporting period, March 31, 2015	Figures as at the end of current reporting period, March 31, 2014
Long Term Trade Receivables	-	-
Prepaid Expenses	594,846,783	645,117,211
Other Bank Balances (Refer Note 14)	-	-
Total	**594,846,783**	**645,117,211**

Current Assets

Note "12" - Inventories

Particulars	Figures as at the end of current reporting period, March 31, 2015	Figures as at the end of current reporting period, March 31, 2014
Raw Material	-	-
Work-in-progress	-	-
Stores and Spares - at weighted average cost	96,045,402	83,374,107
Others	-	-
Total	**96,045,402**	**83,374,107**

Note "13" - Trade receivables

Particulars	Figures as at the end of current reporting period, March 31, 2015	Figures as at the end of current reporting period, March 31, 2014
Secured considered good	-	-
Unsecured considered good		
Due for a period exceeding six months	-	-
Due for a period less than six months	3,079,398,220	79,011,851
Total	**3,079,398,220**	**79,011,851**

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(Amount in Rupees)

Note "14" - Cash and Bank Balances

Particulars	Figures as at the end of current reporting period, March 31, 2015		Figures as at the end of previous reporting period, March 31, 2014	
A) Cash and Cash Equivalents				
Balances with Scheduled Banks				
(i) In Current Account (in Indian currency)	24,770,507		1,252,006,746	
(ii) Trust & Retention Account (In Current Account)	99,904,470		93,816,043	
(iii) In Fixed Deposits with original maturity upto 3 months		124,674,977	-	1,345,822,789
Cash in Hand		636,686		821,194
TOTAL (A)		125,311,663		1,346,643,983
B) Other Bank Balances				
(i) Fixed Deposit having maturity of more than 3 months but less than 12 months		1,440,000,000		111,765,297
(ii) Fixed Deposit pledged with Govt. Deptt. /Banks having maturity of less than 12 months		180,752,528		175,042,287
(iii) Trust & Retention Account				
In Fixed Deposit having maturity of less than 12 months		-		-
TOTAL (B)		1,620,752,528		286,807,584
C) Amount disclosed under "Other Non-Current Assets" (Refer Note 11)				
In Fixed Deposit having maturity of more than 12 months		-		-
TOTAL (A+B-C)		**1,746,064,191**		**1,633,451,567**

Note "15" - Short-term loans and advances

Particulars	**Figures as at the end of current reporting period, March 31, 2015**		**Figures as at the end of previous reporting period, March 31, 2014**	
Others				
Unsecured, considered Good				
Advances recoverable in cash or in kind or for value to be received				
Others	216,126,377		204,211,740	
Related Parties	7,452,503	223,578,880	7,452,503	211,664,243
Staff Imprest & Advance		1,188,659		667,808
Advance Tax & Tax Deducted at Source		10,658,075		7,304,224
Total		**235,425,614**		**219,636,275**

Note "16" - Other current assets

Particulars	**Figures as at the end of current reporting period, March 31, 2015**	**Figures as at the end of previous reporting period, March 31, 2014**
Unsecured considered good		
Interest accrued on fixed deposits with Banks	120,060,930	35,563,251
Prepaid Expenses	137,212,901	146,645,787
Total	**257,273,831**	**182,209,038**

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JSW Hydro Energy Limited

(Amount in Rupees)

Note "17" - Revenue From Operations

PARTICULARS	Figures for the current reporting period, March 31, 2015		Figures for the current reporting period, March 31, 2014	
Sale of Products				
Sale of Electrical Energy	14,683,083,825		12,487,811,869	
Less: Rebate for prompt payments	91,786,712	14,591,297,113	158,241,159	12,329,570,710
Other Operating Revenues				
Service Charges Income		3,083,941		7,167,064
Total		14,594,381,054		12,336,737,774

Note "18" - Other Income

PARTICULARS	Figures for the current reporting period, March 31, 2015		Figures for the current reporting period, March 31, 2014	
Interest on deposits with banks		152,754,018		78,313,066
Other non-operating income				
Insurance claim received	-		-	
Miscellaneous Receipts	2,745,865		145,838	
Excess Provision/Sundry Balances written back	5,587,779	8,333,644	89,056	234,894
Total		161,087,662		78,547,960

Note "19" - Cost of Operation and Maintenance

PARTICULARS	Figures for the current reporting period, March 31, 2015	Figures for the current reporting period, March 31, 2014
Stores and Spares Consumed	100,178,961	146,372,210
Repair & Maintenance - Others	39,291,062	—
Repair & Maintenance - Plant & Machinery	63,539,861	123,802,847
Transmission charges	1,182,491,836	2,148,265,574
Insurance	159,590,404	148,889,141
Total	**1,545,092,124**	**2,567,329,772**

Note "20" - Employee Benefit Expense

PARTICULARS	Figures for the current reporting period, March 31, 2015	Figures for the current reporting period, March 31, 2014
Salary , Wages & Bonus	215,225,070	252,382,035
Contribution to Provident and Other Funds	11,629,036	12,971,329
Gratuity	1,151,758	6,154,480
Leave Encashment	2,111,743	4,314,152
Workmen and Staff Welfare	11,949,331	10,862,700
Directors' Remuneration	20,993,863	17,947,645
Total	**263,060,801**	**304,632,341**

Note "21" - Finance Costs

PARTICULARS	Figures for the current reporting period, March 31, 2015		Figures for the current reporting period, March 31, 2014	
Interest				
Term Loans	6,958,973,231		5,167,136,539	
Working Capital	90,392,115	7,049,365,346	76,983,082	5,244,119,621
Financial charges				
Front end fee and other charges		160,279,041		156,483,893
Total		**7,209,644,387**		**5,400,603,514**

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JSW Hydro Energy Limited

(Amount in Rupees)

Note "22" - Depreciation and amortization expenses

PARTICULARS	Figures for the current reporting period, March 31, 2015	Figures for the current reporting period March 31, 2014
Depreciation	1,624,623,663	1,754,245,806
Amortization of Lease Hold Land	9,003,524	17,228,341
Total	**1,633,627,187**	**1,771,474,147**

Note "23" - Other Expenses

PARTICULARS	Figures for the current reporting period, March 31, 2015		Figures for the current reporting period, March 31, 2014	
Advertisement		3,505,876		612,242
Consultancy, Legal & Professional Fee		36,768,943		28,139,107
Courier & Postage		71,499		66,516
Freight and Octroi		2,964,062		2,736,138
Power, Water and Electricity		50,324,816		47,837,367
Miscellaneous Expenses		36,866,120		36,199,957
Printing & Stationery		1,313,120		1,880,792
Rent		394,571		558,007
Security Expenses		11,540,563		12,073,343
Taxes & Fees		5,198,915		12,017,937
Telephone and Telex		751,200		718,177
Travelling & Conveyance		7,609,574		7,464,937
Vehicle Running & Maintenance		1,633,700		2,115,790
Corporate Social Responsibility (CSR)		7,150,000		-
Auditor's Remuneration				
For Audit				
For Tax Audit	-		-	
For Other Services	-		-	
Re-imbursement of Expenses	-	-	625	625
TOTAL		**166,092,959**		**152,420,935**

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Note 24

In the opinion of the Board of Directors, the "Non Current Assets and Long Term Loans and Advances", have a value on realisation, in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet.

Note 25

Generation details & parameters

Particulars	Figures for the current reporting period, March 31, 2015	Figures for the previous reporting period, March 31, 2014
Net Saleable Energy (MU)	3708.41	4056.26
Plant Availability %	99.65	99.76

Note 26 (a) Value of Imports on C.I.F. Basis :

Particulars	Figures for the current reporting period, March 31, 2015	Figures for the previous reporting period, March 31, 2014
Payment to Suppliers of Capital Equipment	-	-
Payment for suppliers of spares	10,770,102	14,405,718

(b) Expenditure in Foreign Currency :

Particulars	Figures for the current reporting period, March 31, 2015	Figures for the previous reporting period, March 31, 2014
Travelling (Directors)	-	97,143
Consultancy Fee	12,895,628	6,860,414

(c) Earnings in Foreign Exchange:

NIL

(d) Details of Stores & Spares Consumed:
(Including for Machinery and O&M)

Particulars		Figures for the current reporting period, March 31, 2015		Figures for the previous reporting period, March 31, 2014	
		Rs.	%	Rs.	%
(i)	Imported	3,566,432	4	8,828,499	6
(ii)	Indigenous	96,612,529	96	137,130,767	94

Note 27

Disclosure as required under Notification No. G.S.R. 719 (E) dated 16th November, 2007 issued by the Department of Company Affairs (As certified by the Management).

	Particulars	Figures for the current reporting period, March 31, 2015	Figures for the previous reporting period, March 31, 2014
a)	The principal amount and interest due thereon remaining unpaid to any supplier		
	-Principal Amount	Nil	Nil
	-Interest Amount	Nil	Nil
b)	The amount of interest paid by the buyer in terms of Section16 of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of payment made to the suppliers beyond the appointed day.	Nil	Nil
c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during period) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
d)	The amount of interest accrued and remaining unpaid	Nil	Nil
e)	The amount of further interest remaining due and payable even in the succeeding period, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil

Note 28 Contingent Liabilities not provided for:

	Particulars	Figures as at the end of current reporting period, March 31, 2015	Figures as at the end of previous reporting period, March 31, 2014
(a)	Outstanding amount of Bank Guarantee	17,218,192	125,044,623
	Margin Money against above	-	-
(b)	The Government of Himachal Pradesh has imposed entry tax on goods entering the state of Himachal Pradesh. This was challenged by the company before the Hon'ble High Court of Himachal Pradesh at Shimla. The Hon'ble High Court on 22.09.2010 in an interim order has held that tax paid by the petitioner would be treated as deposit and not as tax. The final decision of Hon'ble High Court is awaited. The total liability as at 31st march, 2015 is Rs.370,914,588 (Previous Year Rs.362,389,807), against which Company has deposited Rs.189,012,260 (Previous Year Rs.186,157,141) and pledged banks FDRs of Rs.180,752,528 (Previous Year Rs.175,042,287).		

Note 29 Commitments:

	Particulars		Figures as at the end of current reporting period, March 31, 2015	Figures as at the end of previous reporting period, March 31, 2014
(a)	Outstanding amount of Letter of Credit		311,400,000	175,685,388
	Margin Money against above		-	-
(b)	Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	INR	-	-

R. Nagpal Associates
Chartered Accountants
New Delhi

JSW Hydro Energy Limited

Note 30

Related Party Disclosures, as required in terms of "Accounting Standard [AS] 18" are given below

(1) Relationships (Related party relationships are as identified by the Company and relied upon by the Auditors)

(a) Holding Company

Jaiprakash Associates Limited

(b) Subsidiary Companies:

(1) Jaypee Powergrid Limited
(2) Sangam Power Generation Company Limited
(3) Prayagraj Power Generation Company Limited
(4) Jaypee Arunachal Power Limited
(5) Jaypee Meghalaya Power Limited
(6) Himachal Baspa Power Company Limited
(7) Himachal Karcham Power Company Limited

(c) Fellow Subsidiary Companies:

(1) Jaypee Ganga Infrastructure Corporation Limited
(2) Himalyan Expressway Limited
(3) Jaypee Infratech Limited
(4) Jaypee Sports International Limited (JPSI)
(5) Jaypee Cement Corporation Limited (JCCL)
(6) Bhilai Jaypee Cement Limited
(7) Bokaro Jaypee Cement Limited (Up to 28.11.2014)
(8) Gujarat Jaypee Cement & Infrastructure Limited
(9) Jaypee Agra Vikas Limited
(10) Jaypee Fertilizers & Industries Limited
(11) Jaypee Assam Cement limited
(12) Himalayaputra Aviation Limited
(13) Jaypee Healthcare Limited (subsidiary of Jaypee Infratech Limited)
(14) Jaypee Cement Cricket (India) Limited (subsidiary of JPSI)
(15) Jaypee Cement Hockey (India) Limited (subsidiary of JPSI)
(16) Jaiprakash Agri Initiatives Company Limited (subsidiary of JCCL)

(d) Associate Companies / Concerns :

(1) Jaypee Infra Ventures (A Private Company with unlimited liability)
(2) Jaypee Development Corporation Limited [(subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability)]
(3) JIL Information Technology Limited [(subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability)]
(4) Gaur & Nagi Limited (subsidiary of JIL Information Technology Limited)
(5) Indesign Enterprises Pvt. Limited [(subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability)]
(6) Jaypee Uttar Bharat Vikas Private Limited
(7) Kanpur Fertilisers and Cement limited (subsidiary of Jaypee Uttar Bharat Vikas Pvt. Limited)
(8) Jaypee International Logistics Company Private Limited [(subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability)]
(9) Tiger Hills Holiday Resort Private Limited (subsidiary of Jaypee Development Corporation Limited)
(10) Anvi Hotels Private Limited [(subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability)]
(11) RPJ Minerals Private Limited
(12) Sarveshwari Stone Products Pvt. Ltd. (subsidiary of RPJ Minerals Private Limited)
(13) Rock Solid Cement Limited (subsidiary of RPJ Minerals Private Limited)
(14) Sonebhadra Minerals Private Limited
(15) MP Jaypee Coal Limited
(16) Madhya Pradesh Jaypee Minerals Limited

R. Nagpal Associates
New Delhi
Chartered Accountants

JSW Hydro Energy Limited

(17) MP Jaypee Coal Fields Limited
(18) Jaiprakash Kashmir Energy Limited
(19) Jaypee Hotels Limited
(20) Jaypee Mining Venture Private Limited
(21) Ceekay Estate Private Limited.
(22) Pac Pharma Drugs and Chemicals Private Limited
(23) Akasva Associates Private Limited
(24) Jaiprakash Exports Private Limited
(25) Bhumi Estate Developers Private Limited
(26) Jaypee Technical Consultants Private Limited
(27) Andhra Cements Limited (subsidiary of Jaypee Development Corporation Limited)
(28) Jaypee Jan Sewa Sansthan ('Not for profit' Private limited Company)
(29) Think Different Enterprises Private Limited (w e.f 03.03.2015)
(30) Dixit Holdings Private Limited
(31) iValue Advisors Private Limited

(e) Key management Personnel:
Jaiprakash Power Ventures Limited

(1) Shri Manoj Gaur, Chairman
(2) Shri Sunil Kumar Sharma, Vice Chairman and CEO
(3) Shri Suren Jain, Managing Director and CFO
(4) Shri Parveen Kumar Singh, Whole-time Director
(5) Shri R.K.Narang, Whole-time Director (up to 27.06.2014)
(6) Shri Suresh Chandra,Whole-time Director (up to 30.06.2014)

(2) Transactions carried out with related parties referred to above for the Current reporting period, March 31, 2015

(Amount in Rupees)

Name of Transactions	Referred in 1(a) above	Referred in 1(b) above	Referred in 1(c) above	Referred in 1(d) above	Referred in 1(e) above
Expenses					
Hiring Charges	-	-	3,376,418	-	-
(Previous Year)		-	(1,341,766)	-	-
Purchase of Cement /Cement Product	7,975,000	-	-	-	-
(Previous Year)	(8,777,000)	-	-	-	-
Transmission Charges	93,296,455	-	-	-	-
(Previous Year)	(157,268,623)	-	-	-	-
Energy Sale Charges	3,833,944				
(Previous Year)	(8,953,042)				
Repair of Runners & Others	34,480,069	-	-	-	-
(Previous Year)	(32,259,523)	-	-	-	-
Other Expenses	1,647,207	-	-	-	-
(Previous Year)	(2,305,059)	-	-	-	-
Other Income		3,465,117	-	-	-
(Previous Year)		(6,013,839)	-	-	-
Salary & Perquisites	-	-	-	-	18,230,002
(Previous Year)	-	-	-	-	(17,371,865)
Services Availed		-	-	676,344	-
(Previous Year)		-	-	(285,466)	-

Execution of Work					
(Previous Year)	(306,545,586)	-	-	-	-
Outstandings - Payables					
Amount payable	276,296,646	-	-	-	230 875
(Previous Year)	(382,914,205)	-	-	-	(25,931)
Outstandings - Receivables					
Amount receivable	-	3,403,437	-	-	-
(Previous Year)		-	-	-	-

Note 31

Pursuant to the Companies Act, 2013 becoming effective from 1st April, 2014, the Company has computed the depreciation based on the useful life of the assets as prescribed in Schedule II of the Act. This has resulted in reduction of depreciation of Rs. 123,612,325 for the year ended 31st March, 2015. The carrying amount of assets which have completed its depreciated period as on 1st April, 2014 amounting to Rs. 2,667,200 have been adjusted against 'General Reserve'.

Note 32

(a) Provident Fund - Defined Contribution Plan

Employees are entitled to Provident Fund benefits. Amount debited to Profit and Loss account including Administrative and DLI charges Rs. 11,629,036 during the year (Previous Year - Rs. 12,971,329).

(b) Gratuity - The liability for Gratuity is provided on the basis of Actuarial Valuation made at the end of each financial year. The Actuarial Valuation is made on Projected Unit Credit method as per AS 15(revised). Jaiprakash Associates Limited {JAL} (the Company's holding company) has constituted a Gratuity Fund Trust under the name Jaiprakash Associates Employees Gratuity Fund Trust vide Trust Deed dated 30th March, 2009 for JAL and its subsidiaries and appointed SBI Life Insurance Co. Ltd. for the management of the Trust Funds for the benefits of employees. As a subsidiary of JAL, the Company is participating in the Trust Fund by contributing its liability accrued up to the close of each financial year to the Trust Fund.

(c) Leave Encashment - Defined Benefit Plans - Provision has been made as per Actuarial Valuation.

Note 33

Provision for Income tax/Deferred Tax is made at Corporate level.

Note 34

Prior period expenses :

	Particulars	2014-15	2013-14
i	Others	75,062	104,716
	Total	**75,062**	**104,716**

Note 35

A Power Purchase Agreement (PPA) for sale of long term power from the Karcham Wangtoo HEP to Power Trading Corporation of India Limited (PTC) was executed on 21st March 2006 by erstwhile Jaypee Karcham Hydro Corporation Limited (since merged with the Company) for a term of 35 years. Contracted power under the PPA is 704 MW. The Company is supplying contracted power to PTC under the PPA w.e.f. 1st May, 2014 (200 MW), w.e.f. 1st June 2014 (additional 200 MW) and w.e.f. 1st October 2014 (additional 104 MW).

New Delhi
Chartered Accountants

JSW Hydro Energy Limited

The present day quantum of contracted power supplying to PTC is 504 MW. It is expected that Company will commence supply of balance contracted power of 200 MW to PTC shortly. The Company has filed a petition on 27th October, 2014 before Central Electricity Regulatory Commission (CERC) for determination of tariff for block year 2014-2019. The said petition is under consideration of CERC.

Note 36

Expenditure incurred on Corporate Social Activities (CSR)

	Particulars	Amount Spent	Amount yet to be spent	Total
(i)	Construction/ acquisition of any asset	-	-	-
(ii)	On purpose other than (i) above	7,150,000	-	7,150,000

Note 37

The operations of the Company are carried with similar economic and political conditions having similar kind of risks, therefore geographical segments are not applicable.

Note 38

In terms of 'Accounting Standard (AS) 28', the assets are not impaired because the recoverable amount of fixed assets collectively determined by the present value of estimated future cash flows is higher than its carrying value.

Note 39

(a) The Plant Balance Sheet & Statement of Profit & Loss has been prepared in view of the requirements of Electricity Regulatory Authorities & the Income Tax Act, 1961.

(b) No Profit/Loss from discontinuation of operations is shown as the Project will keep operating irrespective of being transferred to a separate company i.e. Himachal Baspa Power Company Ltd.

Note 40

All the figures have been rounded off to the nearest rupees.

Note 41

Previous Year's figures have been regrouped/re-arranged wherever considered necessary to make them conform to the figures for the year.

For R. NAGPAL ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 002626N

New Delhi

R. Nagpal
Partner
M.No.081594

Manoj Gaur
Chairman
DIN 00008480

Suren Jain
Managing Director & CFO
DIN 00011026

Sunil Kumar Sharma
Vice Chairman & CEO
DIN 00008125

R.K. Porwal
Sr. General Manager (F&A)

Y. K. Sharma
Vice President (F&A)

M. M. Sibbal
Sr. General Manager
& Company Secretary

Place: Noida
Date :30th May 2015

JSW Hydro Energy Limited

JAYPEE KARCHAM WANGTOO HYDRO ELECTRIC PLANT
(A DIVISION OF JAIPRAKASH POWER VENTURES LIMITED)
BALANCE SHEET AS AT 31st AUGUST 2015

(Amount in Rupees)

Particulars	Note No.	Figures as at the end of current reporting period, August 31, 2015		Figures as at the end of previous period, March 31, 2015	
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital			-		-
(b) Reserves and Surplus	2		4,75,98,79,439		3,93,52,08,996
(c) Money received against share warrants			-		-
(2) Share application money pending allotment			-		-
(3) Deferred Revenue			-		-
(4) Non Current Liabilities					
(a) Long-term borrowings	3		50,24,71,98,998		51,54,03,21,781
(b) Deferred tax liabilities (net)			-		-
(c) Other Long-term liabilities			-		-
(d) Long-term provisions	4		1,40,38,425		1,40,97,932
(5) Current Liabilities					
(a) Short-term borrowings	5		1,93,03,98,732		1,50,74,39,212
(b) Trade payables	6		52,56,04,744		58,09,78,385
(c) Other current liabilities	7		3,31,11,06,309		3,44,93,62,979
(d) Short-term provisions	8		92,50,511		47,62,037
Inter Unit Balance			10,00,95,69,051		6,91,98,28,261
TOTAL			70,80,70,46,209		67,95,19,99,583
II. ASSETS					
(1) Non-current assets					
(a) Fixed assets					
(i) Tangible assets	9	61,26,31,32,807		61,93,91,79,102	
(ii) Intangible assets		-		-	
(iii) Capital work-in-progress		-		-	
(iv) Intangible assets under development		-	61,26,31,32,807	-	61,93,91,79,102
(b) Long-term loans and advances	10		1,37,440		37,66,440
(c) Other non-current assets	11		53,58,50,442		59,48,46,783
(2) Current assets					
(a) Current investments		-		-	
(b) Inventories	12	10,84,70,326		9,60,45,402	
(c) Trade receivables	13	6,75,92,46,730		3,07,93,98,220	
(d) Cash and bank balances	14	1,75,07,08,626		1,74,60,64,191	
(e) Short-term loans and advances	15	20,48,72,398		23,54,25,614	
(f) Other current assets	16	18,46,27,440	9,00,79,25,520	25,72,73,831	5,41,42,07,258
TOTAL			70,80,70,46,209		67,95,19,99,583

Summary of significant accounting policies 1
The note nos. 1 to 39 are integral part of the financial statements

FOR R. NAGPAL ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 002626N

R. NAGPAL
Partner

M.No. 081594
Place: Noida
Dated: 8th September, 2015

R.K. Porwal
Sr. General Manager (F & A)

S K Sharma
Sunil Kumar Sharma
Vice Chairman & CEO
DIN No. 00008125

Y. K. Sharma
Vice President (F & A)

Suren Jain
Managing Director & CFO
DIN 00011026

M.M. Sibbal
Sr. General Manager
& Company Secretary

JSW Hydro Energy Limited

JAYPEE KARCHAM WANGTOO HYDRO ELECTRIC PLANT

(A DIVISION OF JAIPRAKASH POWER VENTURES LIMITED)

STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31st AUGUST, 2015

(Amount in Rupees)

Particulars	Note No.	Figures for the current reporting period, August 31, 2015	Figures for the previous reporting period, March 31, 2015
I. Revenue from operations	17	9,25,38,03,068	14,59,43,81,054
II. Other Income	18	5,46,26,846	16,10,87,662
III. Total Revenue (I+II)		9,30,84,29,914	14,75,54,68,716
IV. Expenses :			
Cost of operation and maintenance	19	62,31,58,918	1,54,50,92,124
Employee benefits expense	20	11,66,23,077	26,30,60,801
Finance costs	21	3,08,60,19,759	7,20,96,44,387
Depreciation and amortization expense	22	67,62,24,304	1,63,36,27,187
Other expenses	23	4,71,25,915	16,60,92,959
Total expenses		4,54,91,51,973	10,81,75,17,458
V. Profit before exceptional and extraordinary items and tax (III -IV)		4,75,92,77,941	3,93,79,51,258
VI. Exceptional items			
Prior Period Expenses/(Income)		(6,01,498)	75,062
VII. Profit before extraordinary items and tax (V -VI)		4,75,98,79,439	3,93,78,76,196
VIII. Extraordinary items		-	-
IX. Profit before tax (VII-VIII)		4,75,98,79,439	3,93,78,76,196
X. Tax Expense :			
(i) Current tax (MAT)		-	
Less : MAT credit entitlement		-	-
Net Current Tax		-	-
XI. Profit/(loss) from continuing operations (IX-X)		4,75,98,79,439	3,93,78,76,196
XII. Profit/(loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/(loss) from discontinuing operations (after tax) (XII-XIII)		-	-
XV. Profit/(loss) for the period (XI + XIV)		4,75,98,79,439	3,93,78,76,196

Summary of significant accounting policies 1

The note nos. 1 to 39 are integral part of the financial statements

FOR R. NAGPAL ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 002626N

R. NAGPAL
Partner

New Delhi

M.No. 081594
Place: Noida
Dated: 8th September, 2015

R.K. Porwal
Sr. General Manager (F & A)

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Vice Chairman & CEO
DIN No. 00008125

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Vice President (F & A)

Suren Jain
Managing Director & CFO
DIN 00011026

M.M. Sibbal
Sr. General Manager
& Company Secretary

JSW Hydro Energy Limited

Notes to the financial statements for the period ended 31st August, 2015

Note 1 Summary of significant accounting policies

(i) Basis of Preparation of Financial Statements

(a) The financial statements are prepared under historical cost convention, on accrual basis, on the principles of going concern, in accordance with the generally accepted accounting principles, to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

(b) The Accounts are prepared on the historical cost basis except for certain assets which are revalued.

(c) The Accounts are prepared on the principles of a going concern.

(d) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

(ii) Revenue Recognition

(a) Revenue from sale of electrical energy is accounted for on the basis of sale to various buyers as per long term/ medium term/ short term Power Purchase Agreements executed with them and through Power Exchange.

(b) Insurance claims are accounted for on receipt basis or as acknowledgedby the insurance company.

(c) Other income and cost/expenditure are accounted for on accrual basis astheyare earned or incurred.

(d) Interest is recognized on a time proportion basis taking into account outstanding and the rate applicable.

(iii) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known/ materialised.

(iv) Fixed Assets

Fixed Assets both tangible and intangible are stated at cost of acquisition or construction inclusive of freight, erection & commissioning charges, duties and taxes, expenditure during construction period, Interest on borrowings, financing costand foreign exchange loss/ gain, up to the date of commissioning.Foreign Exchange Rate Difference on long term monetary items arising on settlement or at reporting dates attributable to Fixed Assets is capitalised/adjusted in the carrying value of the Fixed Assets.

JSW Hydro Energy Limited

(v) Depreciation

a) Depreciation on tangible assets is provided to the extent of depreciable amount on Straight Line Method (SLM) based on useful life of the assets as prescribed in Part C of Schedule II to the Companies Act, 2013.

b) Premium on Leasehold Land is amortised over the period of lease.

(vi) Expenditure during Construction Period

Expenditure incurred on projects/assets during construction/implementation isapportioned and capitalizedto projects/ assets on commissioning.

(v) Foreign Currency Transactions

a) Transactions denominated in Foreign Currency are recorded in the Books of Account in Indian Rupees at the rate of exchange prevailing on the date of transaction.

b) Monetary Assets and Liabilities related to Foreign Currency transactions and outstanding, except assets and liabilities hedged by a hedge contract, at the close of the year, are expressed in Indian Rupees at the rate of exchange prevailing on the date of Balance Sheet. The exchange difference arising either on settlement or at reporting date is recognised in the Statement of Profit & Loss except in cases where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

c) Monetary Assets and Liabilities hedged by a hedge contract are expressed in Indian Rupees at the rate of exchange prevailing on the date of Balance Sheet adjusted to the rates in the hedge contracts. The exchange difference arising either on settlement or at reporting date is recognised in the Statement of Profit & Loss except in cases where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets. Premium paid in respect of Hedge Contracts are recognised in the Statement of Profit & Loss, except in case where they relate to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of such assets.

d) The Company uses foreign currency contracts to hedge its risks associated with foreign currency fluctuations. The Company does not use derivative financial instrument for speculative purposes.

e) Non Monetary foreign currency items are carried at weighted average cost.

(vi) Inventories

a) Inventories are valued at Cost or Net Realisable Value whichever is lower. Cost of Inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

b) Cost of Raw Materials, Construction Materials, Stores & Spares, Packing Materials, Operating Stores and supplies is determined on Weighted Average basis.

c) Material-in-transit is valued at cost.

New Delhi

JSW Hydro Energy Limited

(vii) Retirement and other Employees Benefits

a) Provident Fund and Pension contribution as a percentage of salary/wages as per provisions of Employees Provident Funds and Miscellaneous Provisions Act, 1952.

b) Gratuity and Leave Encashment is defined benefit obligation. The liability is provided for on the basis on Projected Unit Credit Method adopted in the actuarial valuation made at the end of each financial year.

(viii) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

(ix) Taxes on Income

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflects the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/ period. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same. Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

(x) Provisions, Contingent Liabilities and Contingent Assets

Provisions: Provisions are recognised when there is present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation in respect of which reliable estimate can be made of the amount of the obligation.

Contingent Liabilities: Contingent liabilities are disclosed when there is 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 wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made, is termed as contingent liability.

Where there is a possible obligation or a present obligation but the likelihood of outflow of resources is remote, no provision or disclosure is made as specified in Accounting Standard 29 – "Provisions, Contingent Liabilities and Contingent Assets".

Contingent assets: A contingent asset is neither recognised nor disclosed in the Financial Statements.

(xi) Impairment of Assets

At each balance sheet date, the management reviews the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognised immediately as income in the statement of profit and loss only when the situation becomes favorable.

(xii) Lease Rentals :

(a) Operating Leases : Rentals are expensed with reference to lease terms.

(b) Finance Leases : The lower of the fair value of the assets and present value of the minimum lease rentals is capitalized as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to statement of Profit & Loss.

(xiii) Cash & Bank Balance

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

JSW Hydro Energy Limited

Note "2" - Reserves and Surplus

(Amount In Rupees)

Particulars	Figures as at the end of current reporting period, August 31, 2015		Figures as at the end of previous reporting period, March 31, 2015	
1. Surplus				
Opening Balance	3,93,52,08,996		5,57,14,15,169	
Less: Transfer to inter unit accounts	(3,93,52,08,996)		(5,57,14,15,169)	
Less : Depreciation for earlier years			(26,67,200)	
Add : Profit After Tax during the year	4,75,98,79,439	4,75,98,79,439	3,93,78,76,196	3,93,52,08,996
Total		**4,75,98,79,439**		**3,93,52,08,996**

Non Current Liabilities

Note "3" - Long-term borrowings

Particulars	Figures as at the end of current reporting period, August 31, 2015		Figures as at the end of previous reporting period, March 31, 2015	
"A" Secured Loans				
Term Loans				
Rupee Loan				
- from Financial Institutions	41,54,01,81,104		42,76,68,71,924	
- from Banks	8,70,70,17,894	50,24,71,98,998	8,77,34,49,857	51,54,03,21,781
Total "A"		**50,24,71,98,998**		**51,54,03,21,781**
"B" Unsecured Loans		-		-
Total "B"		-		-
Total "A + B"		**50,24,71,98,998**		**51,54,03,21,781**

Security for Term Loans

3.1(a) The Rupee Term Loan and Working Capital Loan assistance of Rs. 54,310,570,730 (Previous Year Rs. 55,147,685,993) by financial institutions and banks viz. Allahabad Bank, Union Bank of India, Infrastructure Development Finance Company Ltd., ICICI Bank Ltd., IFCI Ltd., IREDA Ltd., L&T Infrastructure Finance Company Ltd., Power Finance Corporation Ltd. & PTC Financial Services Ltd., together with all interest, cost and other charges/dues are secured by way of :

(i) First ranking pari-passu mortgage and hypothecation of all the immovable and movables assets both present and future, all intangible assets, uncalled capital and all revenues and receivables pertaining to Jaypee Karcham Wangtoo HEP; and

(ii) Pledge of 300,000,000 (Previous Year 300,000,000) equity shares of the Company held by JAL on pari passu basis with the lenders of Rupee Term Loan and Working Capital facilities. Out of shares pledged, shares of Rs.80,000,000 will be released on perfection of securities in terms of loan agreement and further shares of Rs.20,000,000 will be released on creation of DSRA as per terms of agreement.

(iii) Letter of Comfort from Jaiprakash Associates Limited, the holding company until the creation and perfection of the Security in terms of loan agreement.; and

(iv) Unconditional and irrevocable personal guarantee of Shri Manoj Gaur, Chairman until the creation and perfection of the Security in terms of loan agreement.

The outstanding Rupee Term Loans availed earlier from Allahabad Bank, Bank of India, Central Bank of India, Indian Bank, IDBI Bank Ltd., IDFC Ltd., ICICI Bank Ltd., L&T Infrastructure Finance Company Ltd., Punjab National Bank, PTC Financial Services Ltd.,SIDBI,The Jammu & Kashmir Bank Ltd., and Union Bank of India has been repaid before 31.03.2014 and securities provided to lenders by way of pledge of 12,06,00,000 equity shares of the Company held by JAL on pari passu basis is yet to be released by them.

3.1(b) The aforesaid Security ranks pari-passu with working capital lender (i.e. IDBI Bank Limited) for Working Capital limit of Rs.3,050,000,000 [Outstanding Cash credit limit Rs. 1,930,398,732 (Previous Year Rs.1,507,439,212) and Bank Guarantees/ LCs of Rs. 328,618,192 (Previous Year Rs. 328,618,192)].

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3.2 Repayment of Term Loans

(i) Rupee Term Loans (Loan-A)(Rs.41,529,531,781) are repayable in 80 structured installments payable in June, July, August, September & October every year, which commences from 15th June, 2017.

(ii) Rupee Term Loans (Loan-B)(Rs.13,770,000,000) are repayable in 32 structured installments payable in June, July, August, September & October every year, which commences from 15th June, 2014.

Note "4" - Long Term Provisions

(Amount in Rupees)

Particulars	Figures as at the end of current reporting period, August 31, 2015		Figures as at the end of previous reporting period, March 31, 2015	
a) **Provision for employee benefits**				
Gratuity	97,95,752		79,56,826	
Leave Encashment	42,42,673	1,40,38,425	61,41,106	1,40,97,932
b) **Others**		-		-
Total		**1,40,38,425**		**1,40,97,932**

Current Liabilities

Note "5" - Short-term borrowings

Particulars	Figures as at the end of current reporting period, August 31, 2015	Figures as at the end of previous reporting period, March 31, 2015
Secured Loans		
Working Capital - From Banks	1,93,03,98,732	1,50,74,39,212
Total	**1,93,03,98,732**	**1,50,74,39,212**

Note "6" - Trade Payables

Particulars	Figures as at the end of current reporting period, August 31, 2015		Figures as at the end of previous reporting period, March 31, 2015	
Trade Payables				
- Related Parties			28,80,85,646	
- Capital	84,12,382		31,11,388	
- Others	51,55,54,967	52,39,67,349	28,84,95,605	57,96,92,639
Others (PF Payable)		16,37,395		12,85,746
Total		**52,56,04,744**		**58,09,78,385**

Note "7" - Other Current Liabilities

Particulars	Figures as at the end of current reporting period, August 31, 2015		Figures as at the end of previous reporting period, March 31, 2015	
(i) Current maturities of long-term debt				
"A" Secured Loans				
Term Loans				
- from Financial Institutions	2,02,35,82,620		1,99,22,29,500	
- from Banks	10,93,90,380	2,13,29,73,000	10,76,95,500	2,09,99,25,000
"B" Unsecured Loans		-		-
(ii) Interest accrued but not due on borrowings		24,33,53,000		23,96,49,002
(iii) Other payables				
- TDS Payable	-		1,75,50,112	
- Work Contract Tax / Sales Tax Payable	2,650		865	
- Service Tax Payable	-		3,81,175	
- Others	93,47,77,659	93,47,80,309	1,09,18,56,825	1,10,97,88,977
Total		**3,31,11,06,309**		**3,44,93,62,979**

(i) For security and repayment, refer note no. 3.1 to 3.2

(Amount in Rupees)

Note "8" - Short Term Provisions

Particulars	Figures as at the end of current reporting period, August 31, 2015		Figures as at the end of previous reporting period, March 31, 2015	
a) Provision for employee benefits				
Gratuity	-		-	
Leave Encashment	3,07,113		3,07,113	
Bonus & Incentives	89,43,398	92,50,511	44,54,924	47,62,037
b) Others		-		-
Total		92,50,511		47,62,037

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Note ' 9 ' - TANGIBLE ASSETS

(Amount in Rupees)

S.No.	PARTICULARS	GROSS BLOCK			DEPRECIATION / AMORTIZATION				NET BLOCK	
		As on 01.04.2015	Additions during the period	As on 31.08.2015	Upto 31.03.2015	For the Period	Depreciation Charged to Reserves and Surplus	Upto 31.08.2015	As on 31.08.2015	As on 31.03.2015
1	Land Lease Hold Free Hold	17,87,31,964 24,88,44,269	- -	17,87,31,964 24,88,44,269	8,73,04,881 -	37,51,468		9,10,56,349 -	8,76,75,615 24,88,44,269	9,14,27,083 24,88,44,269
2	Building	32,31,36,307	-	32,31,36,307	2,23,35,355	32,46,886		2,55,82,241	29,75,54,066	30,08,00,952
3	Plant & Equipments	67,69,22,80,197	1,30,589	67,69,24,10,786	6,41,45,82,202	66,60,89,716		7,08,06,71,918	60,61,17,38,868	61,27,76,97,995
4	Furniture & Fixture	36,14,663	-	36,14,663	21,99,836	84,760		22,84,596	13,30,067	14,14,827
5	Vehicles	1,58,42,793	-	1,58,42,793	74,69,545	7,46,864		82,16,409	76,26,384	83,73,248
6	Office Equipment	3,42,18,192	47,420	3,42,65,612	2,35,97,464	23,04,610	-	2,59,02,074	83,63,538	1,06,20,728
	Total	**68,49,66,68,385**	**1,78,009**	**68,49,68,46,394**	**6,55,74,89,283**	**67,62,24,304**	**-**	**7,23,37,13,687**	**61,26,31,32,807**	**61,93,91,79,102**
	PREVIOUS YEAR	68,46,16,47,574	3,50,20,811	68,49,66,68,385	4,92,11,94,896	1,63,36,27,187	26,67,200	6,55,74,89,283	61,93,91,79,102	
				-				-	-	-
	Capital Work in Progress	-	-	-	-	-		-	-	-

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(Amount in Rupees)

Note "10" : Long-term loans and advances

Particulars	Figures as at the end of current reporting period, August 31, 2015		Figures as at the end of previous reporting period, March 31, 2015	
Secured Considered Good		-		-
Unsecured considered good				
Security Deposits				
a) With Govt. Deptt.	1,37,440		37,66,440	
b) With Others	-	1,37,440	-	37,66,440
Total		**1,37,440**		**37,66,440**

Note "11" - Other non-current assets

Particulars	Figures as at the end of current reporting period, August 31, 2015	Figures as at the end of previous reporting period, March 31, 2015
Prepaid Expenses	53,58,50,442	59,48,46,783
Total	**53,58,50,442**	**59,48,46,783**

Current Assets

Note "12" - Inventories

Particulars	Figures as at the end of current reporting period, August 31, 2015	Figures as at the end of previous reporting period, March 31, 2015
Stores and Spares - at weighted average cost	10,84,70,326	9,60,45,402
Total	**10,84,70,326**	**9,60,45,402**

Note "13" - Trade receivables

Particulars	Figures as at the end of current reporting period, August 31, 2015	Figures as at the end of previous reporting period, March 31, 2015
Secured considered good	-	-
Unsecured considered good		
Due for a period exceeding six months	-	-
Due for a period less than six months	6,75,92,46,730	3,07,93,98,220
Total	**6,75,92,46,730**	**3,07,93,98,220**

Note "14" - Cash and Bank Balances

Particulars	Figures as at the end of current reporting period, August 31, 2015		Figures as at the end of previous reporting period, March 31, 2015	
A) Cash and Cash Equivalents				
Balances with Scheduled Banks				
(i) In Current Account (In Indian currency)	93,28,741		2,47,70,507	
(ii) Trust & Retention Account (In Current Account)	1,14,87,429	20816170	9,99,04,470	12,46,74,977
Cash in Hand		2,93,811		6,36,686
TOTAL (A)		2,11,09,981		12,53,11,663
B) Other Bank Balances				
(i) Fixed Deposit having maturity of more than 3 months but less than 12 months		1,54,69,76,712		1,44,00,00,000
(ii) Fixed Deposit pledged with Govt. Deptt. /Banks having maturity of less than 12 months		18,26,21,933		18,07,52,528
TOTAL (B)		1,72,95,98,645		1,62,07,52,528
C) Amount disclosed under "Other Non-Current Assets"				
In Fixed Deposit having maturity of more than 12 months		-		-
TOTAL (A+B-C)		**1,75,07,08,626**		**1,74,60,64,191**

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(Amount in Rupees)

Note "15" - Short-term loans and advances

Particulars	Figures as at the end of current reporting period, August 31, 2015		Figures as at the end of previous reporting period, March 31, 2015	
Others				
Unsecured, considered Good				
Advances recoverable in cash or in kind or for value to be received				
Others	20,46,11,479		21,61,26,377	
Related Parties	-	20,46,11,479	74,52,503	22,35,78,880
Staff Imprest & Advance		2,60,919		11,88,659
Advance Tax & Tax Deducted at Source		-		1,06,58,075
Total		**20,48,72,398**		**23,54,25,614**

Note "16" - Other current assets

Particulars	Figures as at the end of current reporting period, August 31, 2015	Figures as at the end of previous reporting period, March 31, 2015
Unsecured considered good		
Interest accrued on fixed deposits with Banks	7,81,86,523	12,00,60,930
Prepaid Expenses	10,64,40,917	13,72,12,901
Total	**18,46,27,440**	**25,72,73,831**

Note "17" - Revenue From Operations

PARTICULARS	Figures as at the end of current reporting period, August 31, 2015		Figures as at the end of previous reporting period, March 31, 2015	
Sale of Products				
Sale of Electrical Energy	9,36,22,19,665		14,68,30,83,825	
Less: Rebate for prompt payments	10,98,30,070	9,25,23,89,595	9,17,86,712	14,59,12,97,113
Other Operating Revenues				
O&M Income		14,13,473		30,83,941
Total		**9,25,38,03,068**		**14,59,43,81,054**

Note "18" - Other Income

PARTICULARS	Figures as at the end of current reporting period, August 31, 2015		Figures as at the end of previous reporting period, March 31, 2015	
Interest on deposits with banks		5,42,17,312		15,27,54,018
Other non-operating income				
Miscellaneous Receipts	4,04,115		27,45,865	
Excess Provision/Sundry Balances written back	5,419	4,09,534	55,87,779	83,33,644
Total		**5,46,26,846**		**16,10,87,662**

Note "19" - Cost of Operation and Maintenance

PARTICULARS	Figures as at the end of current reporting period, August 31, 2015	Figures as at the end of previous reporting period, March 31, 2015
Stores and Spares Consumed	3,91,61,644	10,01,78,961
Repair & Maintenance - Buildings	2,74,80,487	3,92,91,062
Repair & Maintenance - Plant & Machinery	2,61,82,204	6,35,39,861
Transmission charges	46,74,93,685	1,18,24,91,836
Insurance	6,28,40,898	15,95,90,404
Total	**62,31,58,918**	**1,54,50,92,124**

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(Amount in Rupees)

Note "20" - Employee Benefit Expense

PARTICULARS	Figures as at the end of current reporting period, August 31, 2015	Figures as at the end of previous reporting period, March 31, 2015
Salary , Wages & Bonus	9,73,91,413	21,52,25,070
Contribution to Provident and Other Funds	43,79,334	1,16,29,036
Gratuity	18,38,926	11,51,758
Leave Encashment	1,37,390	21,11,743
Workmen and Staff Welfare	51,64,921	1,19,49,331
Directors' Remuneration	77,11,093	2,09,93,863
Total	**11,66,23,077**	**26,30,60,801**

Note "21" - Finance Costs

PARTICULARS	Figures as at the end of current reporting period, August 31, 2015		Figures as at the end of previous reporting period, March 31, 2015	
Interest				
Term Loans	2,96,04,33,163		6,95,89,73,231	
Working Capital	9,93,15,708	3,05,97,48,871	9,03,92,115	7,04,93,65,346
Financial charges				
Front end fee and other charges		2,62,70,888		16,02,79,041
Total		**3,08,60,19,759**		**7,20,96,44,387**

Note "22" - Depreciation and amortization expenses

PARTICULARS	Figures as at the end of current reporting period, August 31, 2015	Figures as at the end of previous reporting period, March 31, 2015
Depreciation	67,24,72,836	1,62,46,23,663
Amortization of Lease Hold Land	37,51,468	90,03,524
Total	**67,62,24,304**	**1,63,36,27,187**

Note "23" - Other Expenses

PARTICULARS	Figures as at the end of current reporting period, August 31, 2015		Figures as at the end of previous reporting period, March 31, 2015	
Advertisement		63,274		35,05,876
Consultancy, Legal & Professional Fee		1,11,38,476		3,67,68,943
Courier & Postage		23,208		71,499
Freight and Octroi		11,49,530		29,64,062
Gas, Water and Electricity		1,42,57,282		5,03,24,816
Miscellaneous Expenses		9,64,085		3,68,66,120
Printing & Stationery		5,81,457		13,13,120
Rent		17,53,470		3,94,571
Security Expenses		53,45,115		1,15,40,563
Taxes & Fees		49,56,913		51,98,915
Telephone and Telex		2,58,814		7,51,200
Travelling & Conveyance		33,49,317		76,09,574
Vehicle Running & Maintenance		9,75,599		16,33,700
Corporate Social Responsibility		23,00,000		71,50,000
Auditor's Remuneration				
For Audit				
For Tax Audit	-		-	
For Other Services	-		-	
Re-imbursement of Expenses	9,375	9,375	-	-
TOTAL		**4,71,25,915**		**16,60,92,959**

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Note 24

In the opinion of the Board of Directors, the "Non Current Assets and Long Term Loans and Advances", have a value on realisation, in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet.

Note 25

Generation details & parameters

Particulars	Figures for the current reporting period, August 31, 2015	Figures for the previous reporting period, March 31, 2015
Net Saleable Energy (MU)	2931.56	3708.41
Plant Availability %	99.92	99.65

Note 26 (a) Value of Imports on C.I.F. Basis :

(Amount in Rupees)

Particulars	Figures for the current reporting period, August 31, 2015	Figures for the previous reporting period, March 31, 2015
Payment to Suppliers of Capital Equipment		-
Payment for suppliers of spares	5,30,092	1,07,70,102

(b) Expenditure in Foreign Currency :

(Amount in Rupees)

Particulars	Figures for the current reporting period, August 31, 2015	Figures for the previous reporting period, March 31, 2015
Travelling (Directors)	-	-
Consultancy Fee	-	1,28,95,628

(c) Earnings in Foreign Exchange:

NIL

(d) Details of Stores & Spares Consumed:
(Including for Machinery and O&M)

(Amount in Rupees)

	Particulars	Figures for the current reporting period, August 31, 2015		Figures for the previous reporting period, March 31, 2015	
		Rs.	%	Rs.	%
(i)	Imported	8,98,439	2	35,66,432	4
(ii)	Indigenous	3,82,63,205	98	9,66,12,529	96

Note 27

Disclosure as required under Notification No. G.S.R. (E) dated 4th September, 2015 issued by the Department of Company Affairs (As certified by the Management):

	Particulars	Figures for the current reporting period, August 31, 2015	Figures for the previous reporting period, March 31, 2015
a)	The principal amount and interest due thereon remaining unpaid to any supplier		
	-Principal Amount	Nil	Nil
	-Interest Amount	Nil	Nil

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b)	The amount of interest paid by the buyer in terms of Section16 of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of payment made to the suppliers beyond the appointed day.	Nil	Nil
c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during period) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
d)	The amount of interest accrued and remaining unpaid	Nil	Nil
e)	The amount of further interest remaining due and payable even in the succeeding period, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil

Note 28 **Contingent Liabilities not provided for:**

	Particulars	Figures as at the end of current reporting period, August 31, 2015	Figures as at the end of previous reporting period, March 31, 2015
(a)	Outstanding amount of Bank Guarantee	1,72,18,192	1,72,18,192
	Margin Money against above	-	-
(b)	The Government of Himachal Pradesh has imposed entry tax on goods entering the state of Himachal Pradesh. This was challenged by the company before the Hon'ble High Court of Himachal Pradesh at Shimla. The Hon'ble High Court on 22.09.2010 in an interim order has held that tax paid by the petitioner would be treated as deposit and not as tax. The final decision of Hon'ble High Court is awaited. The total liability as at 31st August, 2015 is Rs.373,861,298 (Previous Year Rs.370,914,588), against which Company has deposited Rs.190,377,763 (Previous Year Rs.189,012,260) and pledged banks FDRs 183,483,535 (Previous Year Rs.180,752,528).		

Note 29 **Commitments:**

(Amount in Rupees)

	Particulars	Figures as at the end of current reporting period, August 31, 2015	Figures as at the end of previous reporting period, March 31, 2015
(a)	Outstanding amount of Letter of Credit	31,14,00,000	31,14,00,000
	Margin Money against above	-	-
(b)	Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	-	-

Note 30

Related Party Disclosures, as required in terms of "Accounting Standard [AS] 18" are given below:

(1) Relationships (Related party relationships are as identified by the Company and relied upon by the Auditors)

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(a) Holding Company

Jaiprakash Associates Limited

(b) Subsidiary Companies:

(1) Jaypee Powergrid Limited
(2) Sangam Power Generation Company Limited
(3) Prayagraj Power Generation Company Limited
(4) Jaypee Arunachal Power Limited
(5) Jaypee Meghalaya Power Limited
(6) Himachal Baspa Power Company Limited
(7) Himachal Karcham Power Company Limited

(c) Fellow Subsidiary Companies:

(1) Jaypee Ganga Infrastructure Corporation Limited
(2) Himalyan Expressway Limited
(3) Jaypee Infratech Limited
(4) Jaypee Sports International Limited (JPSI)
(5) Jaypee Cement Corporation Limited (JCCL)
(6) Bhilai Jaypee Cement Limited
(7) Gujarat Jaypee Cement & Infrastructure Limited
(8) Jaypee Agra Vikas Limited
(9) Jaypee Fertilizers & Industries Limited
(10) Jaypee Assam Cement limited
(11) Himalayaputra Aviation Limited
(12) Jaypee Healthcare Limited (subsidiary of Jaypee Infratech Limited)
(13) Jaypee Cement Cricket (India) Limited (subsidiary of JPSI)
(14) Jaypee Cement Hockey (India) Limited (subsidiary of JPSI)
(15) Jaiprakash Agri Initiatives Company Limited (subsidiary of JCCL)

(d) Associate Companies / Concerns :

(1) Jaypee Infra Ventures (A Private Company with unlimited liability)
(2) Jaypee Development Corporation Limited [(subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability)]
(3) JIL Information Technology Limited [(subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability)]
(4) Gaur & Nagi Limited (subsidiary of JIL Information Technology Limited)
(5) Indesign Enterprises Pvt. Limited [(subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability).
(6) Jaypee Uttar Bharat Vikas Private Limited
(7) Kanpur Fertilisers and Cement limited (subsidiary of Jaypee Uttar Bharat Vikas Pvt. Limited)
(8) Jaypee International Logistics Company Private Limited [(subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability)]
(9) Tiger Hills Holiday Resort Private Limited (subsidiary of Jaypee Development Corporation Limited)
(10) Anvi Hotels Private Limited (subsidiary of Jaypee Ventures (A Private Company with unlimited liability)
(11) RPJ Minerals Private Limited
(12) Sarveshwari Stone Products Pvt. Ltd. (subsidiary of RPJ Minerals Private Limited)
(13) Rock Solid Cement Limited (subsidiary of RPJ Minerals Private Limited)
(14) Sonebhadra Minerals Private Limited
(15) MP Jaypee Coal Limited

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(16) Madhya Pradesh Jaypee Minerals Limited
(17) MP Jaypee Coal Fields Limited
(18) Jaiprakash Kashmir Energy Limited
(19) Jaypee Hotels Limited
(20) Jaypee Mining Venture Private Limited
(21) Ceekay Estate Private Limited.
(22) Pac Pharma Drugs and Chemicals Private Limited
(23) Akasva Associates Private Limited
(24) Jaiprakash Exports Private Limited
(25) Bhumi Estate Developers Private Limited
(26) Jaypee Technical Consultants Private Limited
(27) Andhra Cements Limited (subsidiary of Jaypee Development Corporation Limited)
(28) Jaypee Jan Sewa Sansthan ('Not for profit' Private limited Company)
(29) Think Different Enterprises Private Limited
(30) Dixit Holdings Private Ltd.
(31) i Value Advisors Private Ltd.
(32) JC World Hospitality Private Limited
(33) J C Wealth & Investment Private Ltd.
(34) CK World Hospitality Private Ltd.
(35) Librans Venture Private Ltd.
(36) Librans Real Estates Private Ltd.

(e) **Key management Personnel:**
Jaiprakash Power Ventures Limited

(1) Shri Manoj Gaur, Chairman
(2) Shri Sunil Kumar Sharma, Vice Chairman and CEO
(3) Shri Suren Jain, Managing Director and CFO
(4) Shri Parveen Kumar Singh, Whole-time Director

(2) **Transactions carried out with related parties referred to above for the Current reporting period, August 31, 2015**

(Amount in Rupees)

Name of Transactions	Referred in 1(a) above	Referred in 1(b) above	Referred in 1(c) above	Referred in 1(d) above	Referred in 1(e) above
Expenses					
Hiring Charges	-	-	23,57,917	-	-
(Previous Year)		-	(33,78,418)	-	-
Purchase of Cement /Cement Product	1,27,600	-	-	-	-
(Previous Year)	(79,75,000)	-	-	-	-
Transmission Charges	6,42,84,376	-	-	-	-
(Previous Year)	(9,32,96,455)	-	-	-	-
Energy Sale Charges	22,08,614				
(Previous Year)	(38,33,944)				
Repair of Runners & Others	2,50,62,487	-	-	-	-
(Previous Year)	(3,44,80,069)	-	-	-	-
Other Expenses	1,24,937	-	-	-	-
(Previous Year)	(16,47,207)	-	-	-	-

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Other Income		16,11,359	-	-	-
(Previous Year)		(34,65,117)	-	-	-
Salary & Perquisites	-	-	-	-	81,44,542
(Previous Year)	-	-	-	-	(1,82,30,002)
Services Availed		-	-	-	-
(Previous Year)		-	-	(6,76,344)	-
<u>Outstandings</u>					
<u>- Payables</u>					
Amount payable	-	-	-	-	3,73,625
(Previous Year)	(27,62,96,646)	-	-	-	(2,30,875)
<u>Outstandings</u>					
<u>- Receivables</u>					
Amount receivable	-	15,83,090	-	-	-
(Previous Year)		(34,03,437)	-	-	-

Note 31

(a) Provident Fund - Defined Contribution Plan

Employees are entitled to Provident Fund benefits. Amount debited to Profit and Loss account including Administrative and DLI charges Rs. 4,379,334 during the year (Previous Year - Rs. 11,629,036).

(b) Gratuity - The liability for Gratuity is provided on the basis of Actuarial Valuation made at the end of each financial year. The Actuarial Valuation is made on Projected Unit Credit method as per AS 15(revised). Jaiprakash Associates Limited (JAL) (the Company's holding company) has constituted a Gratuity Fund Trust under the name Jaiprakash Associates Employees Gratuity Fund Trust vide Trust Deed dated 30th March, 2009 for JAL and its subsidiaries and appointed SBI Life Insurance Co. Ltd. for the management of the Trust Funds for the benefits of employees. As a subsidiary of JAL, the Company is participating in the Trust Fund by contributing its liability accrued up to the close of each financial year to the Trust Fund.

(c) Leave Encashment - Defined Benefit Plans - Provision has been made as per Actuarial Valuation.

Note 32

Provision for Income tax/Deferred Tax is made at Corporate level.

Note 33

A Power Purchase Agreement (PPA) for sale of long term power from the Karcham Wangtoo HEP to Power Trading Corporation of India Limited (PTC) was executed on 21st March 2006 by erstwhile Jaypee Karcham Hydro Corporation Limited (since merged with the Company) for a term of 35 years. Contracted power under the PPA is 704 MW. The Company is supplying contracted power to PTC under the PPA w.e.f. 1st May, 2014 (200 MW), w.e.f. 1st June 2014 (additional 200 MW) and w.e.f. 1st October 2014 (additional 104 MW).

The present day quantum of contracted power supplying to PTC is 504 MW. It is expected that Company will commence supply of balance contracted power of 200 MW to PTC shortly. The Company has filed a petition on 27th October, 2014 before Central Electricity Regulatory Commission (CERC) for determination of tariff for block year 2014-2019. The said petition is under consideration of CERC.

R. Nagpal Associates Chartered Accountants New Delhi

JSW Hydro Energy Limited

Note 34

Expenditure incurred on Corporate Social Activities (CSR)

	Particulars	Amount Spent	Amount yet to be spent	Total
(i)	Construction/ acquisition of any asset	-	-	-
(ii)	On purpose other than (i) above	23,00,000	-	23,00,000

Note 35

The operations of the Company are carried with similar economic and political conditions having similar kind of risks, therefore geographical segments are not applicable.

Note 36

In terms of 'Accounting Standard (AS) 28', the assets are not impaired because the recoverable amount of fixed assets collectively determined by the present value of estimated future cash flows is higher than its carrying value.

Note 37

(a) The Plant Balance Sheet & Statement of Profit & Loss has been prepared in view of the requirements of Electricity Regulatory Authorities & the Income Tax Act, 1961.

(b) No Profit/Loss from discontinued ~~of~~ operations is shown as the Project will keep operating irrespective of being transferred to a separate company i.e. Himachal Baspa Power Company Ltd.

Note 38

All the figures have been rounded off to the nearest rupees.

Note 39

Previous Year's figures have been regrouped/re-arranged wherever considered necessary to make them conform to the figures for the year.

For R. NAGPAL ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 002626N

R. Nagpal
Partner
M.No.081594

Sunil Kumar Sharma
Vice Chairman & CEO
DIN No. 00008125

Suren Jain
Managing Director & CFO
DIN 00011026

R.K. Porwal
Sr. General Manager (F&A)

Y. K. Sharma
Vice President (F&A)

M. M. Sibbal
Sr. General Manager
& Company Secretary

Place: Noida
Date :8th September 2015

JSW Hydro Energy Limited

KARCHAM WANGTOO HYDRO ELECTRIC PLANT
(HIMACHAL BASPA POWER COMPANY LIMITED)
BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note	As at 31st March, 2016
		₹ crore
I EQUITY AND LIABILITIES		
(1) Shareholders' funds:		
(a) Share capital	2	966.00
(b) Reserves and surplus	3	54.31
		1,020.31
(2) Non-current liabilities:		
(a) Long-term borrowings	4	6,897.86
(b) Deferred tax liabilities (net)	24(vi)	24.32
(c) Other long-term liabilities	5	-
(d) Long-term provisions	6	1.72
		6,923.90
(3) Current Liabilities:		
(a) Short-term borrowings	7	30.02
(b) Trade payables		
- Total Outstanding dues of Micro enterprises and small enterprises; and	8	-
- Total Outstanding dues of creditors other than Micro and small enterprises	8	44.52
(c) Other current liabilities	9	282.27
(d) Short term provisions	10	19.79
		376.60
Inter Unit Balance		151.47
TOTAL		8,472.28
II ASSETS		
(1) Non-current assets:		
(a) Fixed Assets		
(i) Tangible assets	11	7,492.00
(b) Long-term loans and advances	12	0.15
(c) Other non-current assets	13	113.35
		7,605.50
(2) Current assets:		
(a) Inventories	14	11.48
(b) Trade receivables	15	791.43
(c) Cash and Bank balances	16	25.55
(d) Short term loans and advances	17	33.00
(e) Other current assets	18	5.32
		866.78
TOTAL		8,472.28
Significant Accounting Policies	1	
Notes forming integral part of the financial statements	2 - 24	

As per our attached report of even date
For Lodha & Co.
Chartered Accountants
Firm Registration No.: 301051E

A.M.Hariharan
Partner
Membership No.:38323

Place: Mumbai
Date: 25th April,2016

For and on behalf of Board of Directors

Pramod Menon
Director
[DIN: 01443287]

Sanjay Sagar
Chairman
[DIN:00019489]

Rakesh Punamiya
Company Secretary

Praveen Bhansali
Chief Financial Officer

JSW Hydro Energy Limited

KARCHAM WANGTOO HYDRO ELECTRIC PLANT
(HIMACHAL BASPA POWER COMPANY LIMITED)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Note	For the Year ended 31st March, 2016 ₹ crore
I Revenue from operations	19	529.81
II Other income	20	4.47
III Total Revenue (I+II)		534.28
IV Expenses:		
Employee benefits expense	21	14.97
Finance costs	22	360.20
Depreciation and amortisation expense	11	118.90
Other expenses	23	55.33
Total Expenses		549.40
V Profit before exceptional item and tax (III-IV)		(15.12)
VI Exceptional Item	24(viii)	(115.38)
VII Profit before tax (V-VI)		100.26
VIII Tax Expense:		
Current tax		21.63
Deferred tax	24(vi)	24.32
		45.95
IX Profit for the year (VII - VIII)		54.31
X Earnings per equity share of face value of ₹ 10 each - Basic & Diluted	24(vii)	0.56
Significant Accounting Policies	1	
Notes forming integral part of the financial statements	2 - 24	

As per our attached report of even date
For Lodha & Co.
Chartered Accountants
Firm Registration No.: 301051E

A.M.Hariharan
Partner
Membership No.:38323

LODHA & CO. MUMBAI-01

Place: Mumbai
Date: 25th April,2016

For and on behalf of Board of Directors

Pramod Menon
Director
[DIN: 01443287]

Sanjay Sagar
Chairman
[DIN:00019489]

R.S. Punamiya

Rakesh Punamiya
Company Secretary

Praveen Bhansali
Chief Financial Officer

JSW Hydro Energy Limited

KARCHAM WANGTOO HYDRO ELECTRIC PLANT
(HIMACHAL BASPA POWER COMPANY LIMITED)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31STMARCH 2016

NOTE- 1 Significant Accounting Policies:

(a)	**General**
i)	The financial statements are prepared under the historical cost convention, on the accounting principles of a going concern.
ii)	Accounting Policies not specifically referred to otherwise are consistent and in consonance with the applicable accounting standards prescribed by under section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified).
iii)	All expenses and income to the extent ascertainable with reasonable certainty are accounted for on accrual basis.
iv)	The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual result could differ from these estimates. Any revision to accounting estimates is recognised prospectively.
v)	All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.
(b)	**Revenue Recognition**
i)	Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection. Revenue from sale of power is recognised when substantial risks and rewards of ownership is transferred to the buyer under the terms of the contract.
ii)	Other income is accounted on accrual basis as and when the right to receive arises.
(c)	**Fixed Assets**
i)	**Tangible Assets:** Fixed assets are stated at cost which includes all direct and indirect expenses up to the date of acquisition, installation and / or commencement of commercial generation of power. Expenditure incurred during construction period: Apart from costs related directly to the construction of an asset, expenses incurred up to the date of commencement of commercial production which are incidental and related to construction are capitalised as part of construction cost. Income, if any, earned during the construction period is deducted from the indirect costs.
(d)	**Depreciation /Amortisation** Depreciation on tangible assets is provided based on technical evaluation of useful life and residual value as per the provisions of Part A of schedule II of the Companies Act, 2013. Accordingly, in case of Buildings useful life is in the range of 20 -60 years and in case of Plant & Machinery in the range of 15-40 years Premium on Leasehold Land is amortised over the period of lease.

(e) **Impairment of assets**

In accordance with Accounting Standard 28 'Impairment of assets', where there is an indication of impairment of the Company's assets related to cash generating units, the carrying amounts of such assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of such assets is estimated as the higher of its net selling price and its value in use. An impairment loss is recognized in the Statement of Profit and Loss whenever the carrying amounts of such assets exceed its recoverable amount.

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

(f) **Borrowing Costs**

i) Borrowing Costs directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets up to the date when the asset is ready for its intended use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. The borrowing cost eligible for capitalization is netted off against any income arising on temporary investment of those borrowings. The capitalization of the borrowing costs ceases when substantially all activities necessary to prepare the qualifying asset for its intended use are complete.

ii) Expenses incurred in connection with the arrangement of borrowings are written off over the period of the borrowing.

iii) Other borrowing costs are charged to revenue.

(g) **Investments**

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

(h) **Inventories**

Inventories are valued at lower of cost and net realisable value. Cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on the weighted average basis for valuation. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Obsolete, defective and unserviceable stocks are duly provided for.

(i) **Foreign Exchange Transactions**

Foreign Currency transactions are initially recorded at the exchange rates prevailing on the date of the transaction. Foreign Currency assets and liabilities (monetary items) are reported at the exchange rate prevailing on the balance sheet date.

All exchange differences arising on reporting of short term foreign currency monetary items at rates different from those at which they were initially recorded are recognized in the Statement of Profit and Loss.

In respect of foreign exchange differences arising on revaluation or settlement of long term foreign currency monetary items, the Company has availed the option available in the Companies (Accounting Standard) (Second Amendment) Rules 2011, wherein:

i. Foreign exchange differences on account of depreciable asset, is adjusted in the cost of depreciable asset and the charge of depreciation is accordingly increase /reduced.

ii. In other cases, foreign exchange differences are accumulated in "Foreign Currency Monetary Item Translation difference account" and amortized over the balance period of such long term assets / liabilities.

LODHA & CO. MUMBAI-01 Chartered Accountants

JSW Hydro Energy Limited

Non-monetary items such as investments are carried at historical cost using the exchange rates on the date of the transaction.

Forward contracts other than those entered into to hedge foreign currency risk on unexecuted firm commitments or of highly probable forecast transactions are treated as foreign currency transactions and accounted accordingly. Exchange differences arising on such contracts are recognized in the period in which they arise and the premium paid is accounted as expense over the period of the contract.
All other exchange differences are dealt with in the Statement of Profit and Loss.

(j) Employee benefits

Retirement benefits in the form of Provident Fund and Family Pension Scheme are defined contribution schemes and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

Employee benefits under defined benefit plans, such as Gratuity and Compensated absences are provided for on the basis of the actuarial valuation made at the end of each financial year.

Actuarial gains/ losses are immediately taken to Statement of Profit and Loss and are not deferred.

(k) Taxation

Income tax expenses comprise current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charges or credit (reflecting the tax effects of timing differences between accounting income and taxable income of the year).

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

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

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

(l) Provisions and Contingent Liabilities

Provisions are recognised based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date when,

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

Where some or all the expenditure required to settle a provision is expected to be reimbursed by another party, such reimbursement is recognised 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 an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of obligation cannot be made.
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.

KARCHAM WANGTOO HYDRO ELECTRIC PLANT
(HIMACHAL BASPA POWER COMPANY LIMITED)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE: 2	As at 31st March, 2016 ₹ crore
SHARE CAPITAL	
Authorised:	
96,60,00,000 Equity Shares of ₹ 10 each	966.00
Issued, Subscribed and paid-up:	
96,60,00,000 Equity Shares of ₹ 10 each	966.00
	966.00

a) Reconciliation of the number of shares outstanding at the beginning and end of the year:

Particulars	No of Shares
Balance as at the beginning of the year	-
Issued during the year	96,60,00,000
Balance as at the end of the year	96,60,00,000

b) Details of aggregate shareholding by holding company:

Particulars	No. of Shares
JSW Energy Limited & its nominees	96,60,00,000

c) Terms & Rights attached to equity shares :

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

(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. However, no such preferential amount exists currently.

d) Details of shareholding more than 5% :

Particulars	No. of Shares
JSW Energy Limited & its nominees	96,60,00,000 100%

KARCHAM WANGTOO HYDRO ELECTRIC PLANT
(HIMACHAL BASPA POWER COMPANY LIMITED)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE: 3	As at 31st March, 2016
RESERVES AND SURPLUS	₹ crore
Debenture Redemption Reserve:	
Balance as at the beginning of the year	-
Add: Transfer from surplus	44.55
Balance as at the end of the year	44.55
Surplus:	
Balance as at the beginning of the year	-
Add: Profit for the year	54.31
Less: Transfer to Debenture Redemption Reserve	44.55
Balance as at the end of the year	9.76
	54.31

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MUMBAI-01
Chartered Accountants

JSW Hydro Energy Limited

KARCHAM WANGTOO HYDRO ELECTRIC PLANT
(HIMACHAL BASPA POWER COMPANY LIMITED)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE: 4	As at 31st March, 2016	As at 31st March, 2016
LONG-TERM BORROWINGS	₹ crore	₹ crore
	Non Current	Current
Secured Loan		
1. Rupee Term Loans from:		
a) Banks	4,876.38	176.86
b) Financial Institution	239.48	8.69
Unsecured Loan		
1. Debentures:		
a) 17,82,00,000 (Previous Year NIL) 13.00% Non Convertible Debentures of ₹ 100 each held by the Holding Company	1,782.00	-
	6,897.86	185.55

i) Terms of Repayment of Rupee Term Loans:

Particulars	As at 31st March, 2016 ₹ crore
From Banks :	
2 - 3 Years	353.73
4 - 5 Years	404.26
6 - 10 Years	922.22
11-14 Years	3,196.17
Total borrowing from Banks	4,876.38
From Financial Institution :	
2 - 3 Years	17.37
4 - 5 Years	19.85
6 - 10 Years	45.29
11-14 Years	156.97
Total borrowing from Financial Institution	239.48

JSW Hydro Energy Limited

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KARCHAM WANGTOO HYDRO ELECTRIC PLANT
(HIMACHAL BASPA POWER COMPANY LIMITED)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

ii) Terms of Redemptions of Debentures:

17,82,00,000 no. (Previous Year NIL) @ 13% unsecured non convertible debentures of Rs. 100 each redeemable at par at the end of 10 years from the date of issue i.e. 1st September 2015. Interest on NCD's for the period 1st October, 2015 to 31st March, 2016 has been waived off by the holding company.

iii) Details of Security :

Rupee Term Loan aggregating to ₹ 5301.41 crore (Previous Year ₹ NIL) included in 1 (a) and (b) are secured on a pari passu basis by (a) a first charge on all moveable assets of the Karcham Wangtoo and Baspa II hydro electric plants of the Company (the Projects) by way of deed of hypothecation, (b) a first charge on all project related documents licenses, permits, approvals, rights, titles, interest etc pertaining to the Projects, (c) first charge on book debts, operating cash flows, receivable, commissions & revenue (both present & future) of the Projects, and on bank accounts of the Company.

KARCHAM WANGTOO HYDRO ELECTRIC PLANT
(HIMACHAL BASPA POWER COMPANY LIMITED)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE: 5	As at 31st March, 2016
OTHER LONG-TERM LIABILITIES	**₹ crore**
Advance against depreciation	-
	-

NOTE: 6	As at 31st March, 2016
LONG-TERM PROVISIONS	**₹ crore**
Employee benefits	1.72
	1.72

NOTE: 7	As at 31st March, 2016
SHORT-TERM BORROWINGS	**₹ crore**
Secured Loans	
Working Capital Loan from a Bank	30.02
	30.02

Details of Security:

Working Capital Loan ₹ 30.02 crore (Previous Year ₹ NIL) are secured on a pari passu basis by (a) a first charge on all immovable assets of the Karcham Wangtoo hydro electric plant of the Company (the Project), (both present & future) (b) a first charge on all moveable assets of the Project, (both present & future (c) Charge on all intangible assets including but not limited to the goodwill, undertaking and uncalled capital of the borrower (d) a first charge on all project related documents licenses, permits, approvals, rights, titles, interest etc pertaining to the Project, (e) a first charge on book debts, operating cash flows, receivable, commissions & revenue (both present & future) of the Project and on bank accounts of the Project and (g) a pledge on 37,50,15,000 equity shares of face value of ₹ 10 each held by the holding Company, JSW Energy Limited.

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JSW Hydro Energy Limited

KARCHAM WANGTOO HYDRO ELECTRIC PLANT
(HIMACHAL BASPA POWER COMPANY LIMITED)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE: 8	**As at 31st March, 2016**
TRADE PAYABLES	**₹ crore**
Trade Payables	
- Total Outstanding dues of Micro enterprises and small enterprises; and [Refer Note 24(iv)]	-
- Total Outstanding dues of creditors other than Micro and small enterprises	44.52
	44.52

NOTE: 9	**As at 31st March, 2016**
OTHER CURRENT LIABILITIES	**₹ crore**
Current maturities of long term loans (Refer Note 4)	185.55
Interest accrued but not due on borrowing	0.12
Advance against depreciation	-
Payables (Capital goods) [Refer Note 24(iv)]	88.38
Other payables:	
Employee benefits expense	0.70
Statutory dues	7.21
Security deposits	0.11
Others	0.20
	282.27

NOTE: 10	**As at 31st March, 2016**
SHORT-TERM PROVISIONS	**₹ crore**
Provision for employee benefits	0.09
Provision for Income Tax	19.70
[Net of advance tax ₹ Nil (previous year ₹ Nil)]	
	19.79

LODHA & CO. MUMBAI-01 Chartered Accountants

JSW Hydro Energy Limited

KARCHAM WANGTOO HYDRO ELECTRIC PLANT
(HIMACHAL BASPA POWER COMPANY LIMITED)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Note 11: FIXED ASSETS

₹ crore

Particulars	Gross Block					Depreciation/ Amortisation				Net Block
	As at 1st April, 2015	Transfer through scheme of arrangement (Refer Note 24(i))	Additions	Deductions/ Adjustments	As at 31st March, 2016	Upto 31st March, 2015	For the year	Deductions/ Adjustments	Upto 31st March, 2016	As at 31st March, 2016
Tangibles										
Freehold Land (Refer note (a))	-	60.47	-	-	60.47	-	-	-	-	60.47
Leasehold Land (Refer note (a & b))	-	8.77	-	-	8.77	-	0.38	-	0.38	8.39
Buildings	-	33.32	-	-	33.32	-	0.37	-	0.37	32.95
Plant & Equipment	-	7,503.69	0.01	-	7,503.70	-	116.95	-	116.95	7,386.75
Furniture & Fixtures	-	0.26	0.01	-	0.27	-	0.03	-	0.03	0.24
Vehicles	-	1.04	0.01	-	1.05	-	0.17	-	0.17	0.88
Office Equipment	-	2.67	0.65	-	3.32	-	1.00	-	1.00	2.32
Total	-	**7,610.22**	**0.68**	-	**7,610.90**	-	**118.90**	-	**118.90**	**7,492.00**

a) Deeds/titles of land of the Company are under process of execution/transfer in the name of the Company.

b) Lease hold Land acquired by the Company under various lease arrangements ranging from 10 to 50 years.

LODHA & CO. MUMBAI-01 Chartered Accountants

JSW Hydro Energy Limited

KARCHAM WANGTOO HYDRO ELECTRIC PLANT
(HIMACHAL BASPA POWER COMPANY LIMITED)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE: 12	As at 31st March, 2016
LONG-TERM LOANS AND ADVANCES	**₹ crore**
Deposits:	
Deposits with Government/Semi Government Authorities	0.04
Deposits - with Hon'ble High Court	-
Security deposits - Others	0.11
	0.15

NOTE: 13	As at 31st March, 2016
OTHER NON-CURRENT ASSETS	**₹ crore**
Recoverable borrowing cost	58.24
Unamortised borrowing cost	55.11
	113.35

LODHA & CO.

JSW Hydro Energy Limited

KARCHAM WANGTOO HYDRO ELECTRIC PLANT
(HIMACHAL BASPA POWER COMPANY LIMITED)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE: 14	As at 31st March, 2016
INVENTORIES	**₹ crore**
(As taken, valued and certified by the Management)	
Stores & spares	**11.48**
Basis of Valuation : Refer Note: 1(h)	**11.48**

NOTE: 15	As at 31st March, 2016
TRADE RECEIVABLES	**₹ crore**
Unsecured, Considered good:	
Outstanding for a period exceeding six months from the due date	**304.60**
Outstanding for a period not exceeding six months from the due date	**486.83**
Refer Note: 24(i)(b)	**791.43**

NOTE: 16	As at 31st March, 2016
CASH AND BANK BALANCES	**₹ crore**
Cash and Cash Equivalents :	
Balance with Banks - In current accounts	**0.34**
Bank deposits with maturity less than 3 months	-
Cash on hand	**0.03**
	0.37
Others:	
Earmarked deposits #	**25.18**
	25.18
# deposits pledged with a Tax Authority	**25.55**

KARCHAM WANGTOO HYDRO ELECTRIC PLANT
(HIMACHAL BASPA POWER COMPANY LIMITED)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE: 17	As at 31st March, 2016
SHORT-TERM LOANS AND ADVANCES	**₹ crore**
Unsecured, considered good	
Prepaid Expenses	12.92
Balance with a Government Authority	19.12
Other Advances	0.96
	33.00

NOTE: 18	As at 31st March, 2016
OTHER CURRENT ASSETS	**₹ crore**
Interest accrued on deposits	0.59
Unamortised borrowing cost	4.24
Others	0.49
	5.32

KARCHAM WANGTOO HYDRO ELECTRIC PLANT
(HIMACHAL BASPA POWER COMPANY LIMITED)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE: 19	**For the year ended 31st March, 2016**
REVENUE FROM OPERATIONS	**₹ crore**
Sale of power	**529.81**
	529.81

NOTE: 20	**For the year ended 31st March, 2016**
OTHER INCOME	**₹ crore**
Interest income	**4.13**
Net gain on sale of current investments	**0.06**
Other non-operating income :	
Excess provision no longer required written back	**0.00**
Miscellaneous Income	**0.28**
	4.47

LODHA & CO. MUMBAI-01 Chartered Accountants

JSW Hydro Energy Limited

KARCHAM WANGTOO HYDRO ELECTRIC PLANT
(HIMACHAL BASPA POWER COMPANY LIMITED)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE: 21	For the year ended 31st March, 2016
EMPLOYEE BENEFITS EXPENSE	₹ crore
Salaries and Wages	13.50
Contribution to Provident and Other Funds	0.49
Staff Welfare expenses	0.98
	14.97

NOTE: 22	For the year ended 31st March, 2016
FINANCE COSTS	₹ crore
Interest Expenses	356.20
Other Borrowing Costs	4.00
	360.20

NOTE: 23	For the year ended 31st March, 2016
OTHER EXPENSES	₹ crore
Consumption of Stores and Spares	10.73
Power	2.85
Rent	1.41
Repairs to Buildings	1.46
Repairs to Machinery	6.97
Insurance	10.02
Rates and taxes	0.03
Legal and Professional Charges	1.30
Printing & Stationery	0.19
Travelling and Conveyance	0.27
Cash Discount	0.69
Safety & Security Expenses	0.73
Open Access Charges	17.12
General expenses	1.56
	55.33

LODHA & CO. MUMBAI-01 Chartered Accountants

JSW Hydro Energy Limited

NOTE –24

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31STMARCH 2016

(i) a) During the year, the 1091 MW Karcham Wangtoo (KARCHAM) hydroelectric project located at Himachal Pradesh has been transferred by M/s Jaiprakash Power Ventures Limited (JPVL) to Himachal Baspa Power Company Limited (the Company), pursuant to the scheme of arrangement approved by the Hon'ble High Court, Shimla vide its Order dated 25th June 2015. Subsequently, JSW Energy Limited has acquired 100% stake in the Company, whereby the Company has become a 100% subsidiary of the JSW Energy Limited effective from 8th September, 2015.

Transfer of the titles/deeds of freehold and leasehold land in the name of the Company is in process.

b) Revenue from sale of power is accounted as under :

(i) LTPPA sales are accounted for on the basis of invoices billed to procurer in accordance with the tariff petition filed with Central Electricity Regulatory Commission (CERC). Pending receipt of the final order from CERC, the procurer has been acknowledging the dues as per invoices and settling payment against the same on the basis of mutually agreed rate with the difference to be settled on receipt of the final tariff order, which as at 31st March, 2016 is ₹ 477.90 crore and forms part of Trade Receivables.

(ii) Sale of power under Short Term and Medium Term Power Purchase Agreements (PPA) and through the Power Exchange is accounted for on the basis of billing to various buyers under the terms of the PPA and the Power Exchange.

(ii) **Contingent Liabilities and Commitments to the extent not provided for in respect of:**

(a) Contingent Liabilities: NIL

(b) Commitments:

(₹crore)

Particulars	Current Year	Previous Year
i) Estimated amount of Capital contracts remaining to be executed to the extent not provided for (net of advances)	0.19	--

ii) The Company has not taken any premises on non-cancellable operating lease arrangement.

Rentals charged to Statement of Profit and Loss: ₹ NIL.

(iii) **Employees Benefits:**

Defined benefit plan:

The employee's gratuity fund scheme is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method.

(iv) 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:

(₹crore)

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

(v) Remuneration to Auditors (excluding service tax) :

(₹crore)

Particulars	Current Year	Previous Year
Audit Fees	0.12	--
Tax Audit Fees	0.01	--
Certification Fees	0.10	--
Total	0.23	--

(vi) Deferred Tax Liability/(Asset):

(₹crore)

Particulars	Current Year	Previous Year
On account of timing difference of depreciation	51.20	--
Less: Recoverable in future tariff determination	26.88	--
Balance as per Balance Sheet	24.32	--

(vii) **Earnings Per Share (Basic & Diluted)**

Particulars	Current Year	Previous Year
Net profit/(Loss) as attributable to equity shareholders (₹crore) (A)	54.31	--
Weighted Average number of equity shares outstanding during the year (B)	96,60,00,000	--
Earnings Per Share - Basic and Diluted (₹) (A/B)	0.56	--
Nominal value of an equity share (₹)	10	--

(viii) Exceptional items represents compensation of ₹ 115.38 crore (proportion allocated to Karcham Wangtoo of total Rs. 150 Crore) recovered from M/s Jaiprakash Power Ventures Limited (JPVL)on account of non-performance of some of the stipulated conditions and covenants to the transaction as envisaged in the Share Purchase Agreement (SPA).

(ix)	(a) In the opinion of the Management, all the assets other than Fixed Assets and Non-Current Investments have a value on realisation in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet. Provision for depreciation and all known liabilities is adequate and not in excess of what is required. (b) The Company is yet to receive balance confirmations in respect of certain trade payables, other payables, trade receivables, other receivables and loan and advances. The Management does not expect any material difference affecting the current year's financial statements due to the same.
(x)	**Related Party Disclosures:**
	List of Related Parties
A)	**Holding Company**
1)	JSW Energy Limited (from 8th September, 2015)
2)	Jaiprakash Power Ventures Limited (Upto 7th September 2015)
B)	**Associates / Other Related Parties with whom the Company has entered into transactions during the year**
1)	JSW Power Trading Company Limited
C)	**Key Managerial Personnel**
1)	Mr. Sanjay Sagar– Director
2)	Mr. Girish Deshpande – Whole Time Director
3)	Mr. Pramod Menon – Director
4)	Mr. Praveen Bhansali – Chief Financial Officer
5)	Mr. Rakesh Punamiya – Company Secretary

(₹crore)

	Nature of transaction	Current Year	Previous Year
A	**Transactions during the year**		
1	**Sale of Power & Other Materials:**		
	JSW Power Trading Company Limited	139.55	--
2	**Interest received on overdue receivable:**		
	JSW Power Trading Company Limited	0.12	--
3	**Interest on Debentures:**		
	JSW Energy Limited	20.59	--
4	**Reimbursement received from / (paid to) [net]:**		
	JSW Energy Limited	(0.15)	--
	JSW Power Trading Company Limited	(3.94)	--
5	**Issue of non-convertible debentures:**		
	Jaiprakash Power Ventures Limited	1932.00	--
6	**Redemption of non-convertible debentures:**		
	JSW Energy Limited	150.00	--
7	**Investment in Equity Share Capital:**		
	Jaiprakash Power Ventures Limited	966.00	--
8	**Security & Collateral provided by:**		
	JSW Energy Limited	375.01	--
B	**Balance at the year end:**		

1	**Trade (Payables) / Receivables [net]:**		
	JSW Power Trading Company Limited	154.18	--
	JSW Energy Limited	(0.05)	--
2	**Equity Share Capital:**		
	JSW Energy Limited	966.00	--
3	**Non-convertible debentures:**		
	JSW Energy Limited	1782.00	--
4	**Security & Collateral provided by:**		
	JSW Energy Limited	375.01	--

Notes:

I. No amounts in respect of related parties have been written off / written back during the year, nor has any provision been made for doubtful debts / receivables.

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

(xi) The Company is primarily engaged in only one segment viz. "Generation and Sale of power" and having operations in India, there are no separate reportable segments as per Accounting Standard 17 prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

(xii) '0.00' represents less than ₹ 1 lac

(xiii) Additional information pursuant to Schedule III to the Companies Act, 2013

(₹crore)

(a)	**C.I.F Value of Imports:**	**Current Year**		**Previous Year**	
	Stores & Spares	0.07		--	
(b)	**Consumption of Stores & Spares:**	**Current Year**		**Previous Year**	
	Imported	3%	0.30	--	--
	Indigenous	97%	10.43	--	--

(xiv) The current year's figures include the figures of the hydro power projects acquired pursuant to Scheme of Arrangement [Refer Note 24 (i)] and hence not comparable with that of the previous year.

Previous year's figures have been re-grouped / re-arranged wherever necessary to conform to current year's classification.

For and on behalf of the Board of Directors

Pramod Menon
Director
[DIN: 01443287]

Sanjay Sagar
Chairman
[DIN: 00019489]

LODHA & CO.
MUMBAI-01
Chartered Accountants

R. S. Punamiya

Rakesh Punamiya
Company Secretary

Praveen Bhansali
Chief Financial Officer

Place: Mumbai
Date: 25th April 2016

JSW Hydro Energy Limited

Karcham Wangtoo Hydro Electric Plant
(Himachal Baspa Power Company Limited)
Balance Sheet as at 31st March, 2017

(₹ Crore)

		Particulars	Note No.	As at 31st March, 2017
A		ASSETS		
	1	Non-current assets		
		(a) Property, plant and equipment	4	7,295.77
		(b) Capital work-in-progress	5	0.07
		(c) Intangible assets	6	0.14
		(d) Financial assets		
		(i) Other financial assets	7	58.31
		(e) Other non-current assets	8	-
		(f) Income tax assets (net)		16.02
		Total non - current assets		**7,370.31**
	2	Current assets		
		(a) Inventories	9	6.25
		(b) Financial assets		
		(i) Trade receivables	10	1,177.37
		(ii) Cash and cash equivalents	11	36.78
		(iii) Bank balances other than (ii) above	11	25.04
		(iv) Other financial assets	7	(197.26)
		(c) Other current assets	8	28.54
		Total current assets		**1,076.72**
		Total Assets (1+2)		**8,447.03**
B		EQUITY AND LIABILITIES		
	1	Equity		
		(a) Equity share capital	12	966.00
		(b) Other equity	13	151.26
		Total equity		**1,117.26**
		Liabilities		
	2	Non-current liabilities		
		(a) Financial liabilities		
		(i) Borrowings	14	6,911.92
		(ii) Other financial liabilities	15	-
		(b) Provisions	16	2.31
		(c) Deferred tax liabilities (Net)		31.40
		Total non - current liabilities		**6,945.62**
	3	Current liabilities		
		(a) Financial liabilities		
		(i) Borrowings	17	-
		(ii) Trade payables	18	67.93
		(iii) Other financial liabilities	15	305.01
		(b) Other current liabilities	19	10.51
		(c) Provisions	16	0.70
		(d) Current tax liabilities (Net)		-
		Total current liabilities		**384.15**
		Total Equity and Liabilities (1+2+3)		**8,447.03**

See accompanying notes to the financial statements

As per our attached report of even date
For Lodha & Co.
Chartered Accountants
Firm Registration No.: 301051E

A. M. Hariharan
Partner
Membership No.: 38323

Place: Mumbai
Date: 27th April, 2017

For and on behalf of Board of Directors

G. Deshpande
Girish Deshpande
Whole Time Director
[DIN: 02756000]

Rakesh Punamiya
Company Secretary

JSW Hydro Energy Limited

Karcham Wangtoo Hydro Electric Plant
(Himachal Baspa Power Company Limited)
Statement of Profit and Loss for the year ended 31st March, 2017

	Particulars	Note No.	For the year ended 31st March, 2017
I	Revenue from operations	20	1,246.30
II	Other income	21	20.68
III	**Total income (I + II)**		**1,266.97**
IV	**Expenses**		
	(a) Employee benefits expense	22	32.13
	(b) Finance costs	23	781.13
	(c) Depreciation and amortisation expense	24	203.05
	(d) Other expenses	25	116.81
	Total expenses (IV)		**1,133.12**
V	**Profit/(loss) before exceptional item and tax (III-IV)**		**133.86**
VI	Exceptional items (Refer note no. 45)		-
VII	**Profit/(loss) before tax (V - VI)**		**133.86**
VIII	Tax expense	26	35.64
IX	**Profit/(loss) after tax (VII-VIII)**		**98.22**
X	**Other comprehensive income**		**(0.52)**
	(i) Items that will not be reclassified to profit or loss Remeasurements of the net defined benefit liabilities / (asset)		(0.66)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.14
XI	**Total comprehensive income for the year (IX + X)**		**97.70**

See accompanying notes to the financial statements

For and on behalf of Board of Directors

As per our attached report of even date
For Lodha & Co.
Chartered Accountants
Firm Registration No.: 301051E

A. M. Hariharan
Partner
Membership No.: 38323

Place: Mumbai
Date: 27th April, 2017

G. Deshpande
Girish Deshpande
Whole Time Director
[DIN: 02756000]

Rakesh Punamiya
Company Secretary

JSW Hydro Energy Limited

Karcham Wangtoo Hydro Electric Plant

Statement of changes in equity for the year ended 31st March, 2017

a. Equity share capital

(₹ Crore)

Balance at the 1st April, 2015					-
Changes in equity share capital during the FY 2015-16					966.00
Balance at the 31st March, 2016					966.00
Changes in equity share capital during the FY 2016-17					-
Balance at the 31st March, 2017					966.00

b. Other equity

(₹ Crore)

Particulars	Reserves and Surplus		Items of other comprehensive income	Capital Contribution by parent company	Total
	Debenture redemption reserve	Retained earnings	Actuarial gain / (loss)		
Balance as at 1st April, 2016	44.55	(110.29)	0.07	119.22	**53.55**
Profit for the year 2016-17	-	98.22	-	-	**98.22**
Transfer to retained earnings	(3.35)	3.35	-	-	**-**
Other comprehensive income for the year, net of income tax	-	-	(0.52)	-	**(0.52)**
Total comprehensive income for the year	**41.20**	**(8.72)**	**(0.44)**	**119.22**	**151.26**

See accompanying notes to the financial statements

As per our attached report of even date
For Lodha & Co.
Chartered Accountants
Firm Registration No.: 301051E

A. M. Hariharan
Partner
Membership No.: 38323

Place: Mumbai
Date: 27th April, 2017

For and on behalf of Board of Directors

G. Deshpande

Girish Deshpande
Whole Time Director
[DIN: 02756000]

Rakesh Punamiya
Company Secretary

HIMACHAL BASPA POWER COMPANY LIMITED
Notes to Financial Statements for the year ended 31st March, 2017

Note 1: General information

a) Himachal Baspa Power company Limited is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. It is 100% subsidiary of M/s JSW Energy Limited. The registered office of the Company is located at Sholtu Colony, P.O. Tapri, Dist. Kinnaur, 172104 (HP).

b) The Company is engaged in the business of generation of hydro power.

Note 2: Statement of compliance

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

b) Up to the year ended 31st March, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2015. Refer Note 46 for the details of significant first-time adoption exemptions availed by the Company and an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, it's performance and cash flows.

Note 3: Significant accounting policies

3.1 Basis of preparation of financial statements:

a) In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its Financial Statements as per the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1st April, 2016. Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2017, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements". The figures for the previous year ended 31st March, 2016 and Opening Balance Sheet as on 1st April, 2015 have also been reinstated by the Management as per the requirements of Ind AS.

b) 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 certain material items that have been measured at fair value as required by the relevant Ind AS and explained in the ensuing policies below.

c) 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

a) 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.

b) The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods. The critical accounting judgements and key estimates followed by the Company for preparation of financial statements is described in note 27.

3.3 Property, plant and equipment

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

b) 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.

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

d) Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold or Leasehold land is stated at historical cost.

3.4 Other Intangible assets

a) Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.

b) Certain computer software costs are capitalized and recognized as Intangible assets based on materiality, accounting prudence and significant benefits expected to flow therefrom for a period longer than one year.

3.5 Depreciation /Amortisation

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

b) 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.

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

d) Depreciation on tangible assets is provided based on technical evaluation of useful life and residual value as per the provisions of Part A of Schedule II of the Companies Act, 2013.

e) Specialised Software is amortised over an estimated useful life of 3 years.

Estimated useful lives of the Property, Plant and Equipment are as follows:

Class of Property, Plant and Equipment	Useful life in Years
Buildings	20-60
Plant and Machinery	15-40
Furniture and fixtures	10
Vehicles	8
Office equipment	5

Useful life is either the period of time which the asset is expected to be used or the number of production or similar units expected to be obtained from the use of asset.

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.

3.6 Impairment of tangible and intangible assets other than goodwill

a) At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

b) 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.

c) 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.

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

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

3.7 Borrowing costs

a) 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.

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

c) The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

The Company suspends capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

3.8 Cash and cash equivalents

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

3.9 Revenue recognition

Sale of Power

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 sale of power / other items is recognised when substantial risks and rewards of ownership is transferred to the buyer under the terms of the contract.

Interest income

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

Interest or Surcharge on delayed payments or overdue trade receivables is recognised when significant certainty as to measurability or realisibility exists.

3.10 Foreign currency transactions

The functional currency of the Company and its subsidiaries is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR).

In preparing the financial statements, 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 statement of profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences on transactions entered into in order to hedge certain foreign currency risks

3.11 Employee benefits

The Company has following post-employment plans:

a) Defined-benefit plan - gratuity

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of plan assets. The defined benefit obligation is calculated annually by actuaries through actuarial valuation using the projected unit credit method.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- service cost comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements
- net interest expense or income

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefit expenses in the statement of the profit & loss.

Re-measurement comprising of actuarial gains and losses arising from

(a) Re-measurement of Actuarial (gains) / losses
(b) Return on plan assets, excluding amount recognized in effect of asset ceiling
(c) Re-measurement arising because of change in effect of asset ceiling are recognised in the period in which they occur directly in Other comprehensive income. Re-measurement is not reclassified to profit or loss in subsequent periods.

Ind AS 19 requires the exercise of judgment in relation to various assumptions including future pay rises, inflation and discount rates and employee and pensioner demographics. The Company determines the assumptions in conjunction with its actuaries, and believes these assumptions to be in line with best practice, but the application of different assumptions could have a significant effect on the amounts reflected in the income statement, other comprehensive income and balance sheet. There may be also interdependency between some of the assumptions.

b) Defined-contribution plan – provident fund

Under defined contribution plans, provident fund, the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Defined Contribution plan comprise of contributions to the employees' provident fund set up as trust or Regional Provident Fund Commissioner and certain state plans like Employees' State Insurance. The Company's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

c) Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the Balance sheet date determined based on an actuarial valuation.

3.12 Share-based payment arrangements

a) 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.

b) 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 profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

3.13 Taxation

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

a) <u>Current tax</u>

Current tax is the amount of tax payable based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated 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.

b) <u>Deferred tax</u>

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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.

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

iii) Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3.14 Earnings per share

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

3.15 Provisions, contingencies and commitments

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

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

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

A disclosure for contingent liabilities is made when there is

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

(b) a present obligation that arises from past events but is not recognized because:

  (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

  (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

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

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

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

3.16 Financial instruments

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

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

Financial assets

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

Subsequent measurement

Financial assets, other than equity instruments, are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:
(a) the entity's business model for managing the financial assets and
(b) the contractual cash flow characteristics of the financial asset.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated 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 paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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

Investments in equity instruments at FVTOCI

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

A financial asset is held for trading if:

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

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

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

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

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

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

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement 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

a) 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.

b) 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.

c) 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.

d) 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.

e) 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

a) 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.

b) 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.

c) 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 an 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 group 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 grouping 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 re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

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

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

Financial liabilities subsequently measured at amortised cost

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

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees 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 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.

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 changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in the business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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

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

3.18 Leases

a) 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.

b) 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.

The Company enters into agreements, comprising a transaction or series of related transactions that does not take the legal form of a lease but conveys the right to use the asset in return for a payment or series of payments. In case of such arrangements, the Company applies the requirements of Ind AS 17 – Leases to the lease element of the arrangement. For the purpose of applying the requirements under Ind AS 17 - Leases, payments and other consideration required by the arrangement are separated at the inception of the arrangement into those for lease and those for other elements.

c) The Company as lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments (discounted at the interest rate implicit in the lease or at the entity's incremental borrowing rate). The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Lease payments under an operating lease 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.

3.19 Inventories

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

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

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Notes to the financial statements for the year ended 31st March, 2017

(₹ Crore)

Note 4. Property, plant & equipment

Description of Assets	Land - Freehold	Land - Leasehold	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross carrying value								
Balance as at 1st April, 2016	60.47	8.77	33.32	7,503.70	3.31	0.27	1.05	7,610.90
Additions	-	-	0.39	4.09	0.20	0.04	2.07	6.80
Balance as at 31st March, 2017	60.47	8.77	33.72	7,507.79	3.52	0.31	3.12	7,617.69
II. Accumulated depreciation and impairment for the year 2016-17								
Balance as at 1st April, 2016	-	0.37	0.37	116.95	1.00	0.02	0.17	118.89
Depreciation expense for the year	-	0.28	0.73	200.65	0.89	0.04	0.43	203.03
Balance as at 31st March, 2017	-	0.66	1.10	317.60	1.89	0.07	0.60	321.92
Net carrying value as at 31st March, 2017	60.47	8.11	32.61	7,190.19	1.63	0.24	2.52	7,295.77

a) Leasehold Land acquired by the Company under various lease arrangements ranging from 10 to 50 years.

b) Transfer of title/deeds in case of freehold and leasehold land in the name of company is in process.

c) Refer note 14 for the details in respect of certain property, plant and equipment hypothecated / mortgaged as security for borrowings.

Note 5. Capital work in progress

Capital work in progress & pre operative expenditure during construction period (pending allocation) relating to property, plant & equipment

	-
Balance as at 1st April, 2015	-
Balance as at 31st March, 2016	0.07
Balance as at 31st March, 2017	

1) Amount transferred to property, plant & equipment during the year ₹ 0.39 crore (31st March 2016 : ₹ NIL)

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Notes to the financial statements for the year ended 31st March, 2017

Note 6. Intangible assets (₹ Crore)

Description of Assets	Computer Software	Total
I. Gross Carrying Value		
Balance as at 1st April, 2016	-	-
Additions	0.16	0.16
Balance as at 31st March, 2017	0.16	0.16
II. Accumulated amortisation and impairment for the year 2015-16		
Balance as at 1st April, 2016	-	-
Amortisation expense for the year	0.02	0.02
Balance as at 31st March, 2017	0.02	0.02
Net carrying value as at 31st March, 2017	0.14	0.14

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Notes to the financial statements for the year ended 31st March, 2017

Note 7. Other financial assets (₹ Crore)

Particulars	As at 31st March, 2017		
	Current	Non-Current	Total
(a) Security Deposits			
- Unsecured, considered good	-	-	-
(i) Others	-	0.24	0.24
	-	0.24	0.24
b) Interest Receivables			
Other interest receivable	0.83	-	0.83
	0.83	-	0.83
c) Other Loans and Advances			
- Unsecured, considered good	(198.09)	56.42	(141.66)
	(198.09)	56.42	(141.66)
d) Other bank balances			
- In margin money accounts	-	1.65	1.65
	-	1.65	1.65
	(197.26)	**58.31**	**(138.95)**

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Notes to the financial statements for the year ended 31st March, 2017

Note 8. Other non-current and current assets (₹ Crore)

Particulars	As at 31st March, 2017		
	Current	Non-Current	Total
(a) Prepayments	8.63	-	8.63
(b) Balance with Government Authority VAT credit receivable	19.13	-	19.13
(c) Others	0.78	-	0.78
	28.54	**-**	**28.54**

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Notes to the financial statements for the year ended 31st March, 2017

Note 9. Inventories (₹ Crore)

Particulars	As at 31st March, 2017
Stores and spares	6.25
	6.25

Basis of valuation: Refer note 3.19

Refer Note 14 for Inventories hypothecated as security against certain bank borrowings.

Karcham Wangtoo Hydro Electric Plant
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Notes to the financial statements for the year ended 31st March, 2017

Note 10. Trade receivables (₹ Crore)

Particulars	As at 31st March, 2017		
	Current	Non-Current	Total
Unsecured, considered good	1,177.37	-	1,177.37
	1,177.37	**-**	**1,177.37**

Refer Note 14 for trade receivables hypothecated as security for borrowings.

Karcham Wangtoo Hydro Electric Plant
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Notes to the financial statements for the year ended 31st March, 2017

Note 11. Cash and cash equivalents and other bank balances

Particulars	As at 31st March, 2017
Cash and cash equivalents	
(a) Balances with banks	
(i) In Current accounts	20.73
(ii) In Deposit accounts	16.00
(b) Cash on hand	0.05
	36.78

Particulars	As at 31st March, 2017
Bank balances other than above	
(i) Earmarked balances with banks	
- Margin money account	25.04
	25.04

LODHA & CO. MUMBAI-01 Chartered Accountants

JSW Hydro Energy Limited

Karcham Wangtoo Hydro Electric Plant
(Himachal Baspa Power Company Limited)
Notes to the financial statements for the year ended 31st March, 2017

Note 12. Equity share capital

Particulars	As at 31st March, 2017	
	No. of shares	Amount
Authorised:		
Equity shares of ₹ 10 each with voting rights	9660,00,000	966.00
Issued, Subscribed and Fully Paid:		
Equity shares of ₹ 10 each with voting rights	9660,00,000	966.00
	9660,00,000	**966.00**

a) Reconciliation of the number of shares outstanding at the beginning and end of the year:

Particulars	As at 31st March, 2017	
	No. of Shares	
Balance as at the beginning of the year	9660,00,000	
Issued during the year	-	
Balance as at the end of the year	9660,00,000	

b) 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.

(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. However, no such preferential amount exists currently.

c) Details of shareholding more than 5% :

	Particulars	No. of Shares	
1	JSW Energy Limited & its nominees	9660,00,000 100%	

Karcham Wangtoo Hydro Electric Plant
(Himachal Baspa Power Company Limited)

Notes to the financial statements for the year ended 31st March, 2017

Note 13. Other equity

(₹ Crore)

Particulars	Reserves and Surplus		Items of other comprehensive income	Capital contribution by parent company *	Total
	Debenture redemption reserve	Retained earnings	Actuarial gain / (loss)		
Balance as at 1st April, 2016	44.55	(110.29)	0.07	119.22	**53.55**
Profit for the year 2016-17	-	98.22	-	-	**98.22**
Transfer to retained earnings	(3.35)	3.35	-	-	-
Other comprehensive income for the year, net of income tax	-	-	(0.52)	-	**(0.52)**
Total comprehensive income for the year	**41.20**	**(8.72)**	**(0.44)**	**119.22**	**151.26**

* As per Ind AS, waiver of interest by the Holding company on debentures issued to it, has been considered as deemed equity.

Karcham Wangtoo Hydro Electric Plant
(Himachal Baspa Power Company Limited)
Notes to the financial statements for the year ended 31st March, 2017

Note 14. Non-current borrowings

Particulars	As at 31st March, 2017
Measured at amortised cost	
Secured Borrowings:	
Term loans	
i From banks	5,720.78
ii From financial institution	367.16
	6,087.94
Unsecured Borrowings	
Debentures	
i Non-convertible debentures - Holding Company	823.98
	823.98
	6,911.92

(i)	Aggregate amount of Installments due for payments within one year ₹ 228.81 crore (as at 31st March, 2016 - ₹ 182.07 crore) have been grouped under "Current maturities of long-term debt" (Refer note 15)
(ii)	The secured borrowings are net of amortised cost of ₹ 49.48 crore (as at 31st March, 2016 - ₹ 55.11 crore)

(iii) Terms of Redemptions of Debentures:

8,23,98,000 no. (Previous Year 17,82,00,000 no.) @ 13% unsecured non convertible debentures of Rs. 100 each are redeemable at par at the end of 10 years from the date of issue i.e. 01.09.2015.

iv) Term of Repayment of Rupee Terms Loans :

Particulars	As at 31st March, 2017
From Banks :	
2 - 3 Years	462.01
4 - 5 Years	530.22
6 - 10 Years	1,013.93
Above 10 Year	3,761.14
Total Borrowings from Banks	**5,767.30**
From Financial Institutions :	
2 - 3 Years	29.65
4 - 5 Years	34.03
6 - 10 Years	65.07
Above 10 Year	241.39
Total Borrowings from Financial Institutions	**370.14**

(v) Details of Security :

Rupee Term Loan aggregating to ₹ 6,316.75 crore (Previous Year ₹ 5,242.83 crore) included in A are secured on a pari passu basis by (a) a first charge on all immovable assets of the Karcham Wangtoo hydro electric plant of the Company (the Project), (b) a first charge on all moveable assets of the Project, (c) a first charge on all project related documents licenses, permits, approvals, rights, titles, interest etc pertaining to the Project, and (d) first charge on book debts, operating cash flows, receivable, commissions & revenue (both present & future) and bank accounts of the Project.

Karcham Wangtoo Hydro Electric Plant
(Himachal Baspa Power Company Limited)
Notes to the financial statements for the year ended 31st March, 2017

Note 15. Other financial liabilities (₹ Crore)

Particulars	As at 31st March, 2017
Non-Current	
Deposits received from Dealers	-
	-
Current	
(a) Current maturities of long-term debt *	228.81
(b) Interest accrued but not due on borrowings	0.01
(c) Other liabilities	76.19
	305.01
	305.01

* Refer Note 14 for the details of borrowings repayment terms and security charge.

Karcham Wangtoo Hydro Electric Plant
(Himachal Baspa Power Company Limited)
Notes to the financial statements for the year ended 31st March, 2017

Note 16. Provisions (₹ Crore)

Particulars	As at 31st March, 2017		
	Current	Non-Current	Total
Provision for employee benefits	0.70	2.31	3.01
	0.70	**2.31**	**3.01**

Karcham Wangtoo Hydro Electric Plant
(Himachal Baspa Power Company Limited)
Notes to the financial statements for the year ended 31st March, 2017

Note 17. Current borrowings (₹ Crore)

Particulars	As at 31st March, 2017
Secured Borrowings	
Loans repayable on demand	
From Banks	
Cash Credit	-
	-
	-

Details of Security:
Working Capital Loan ₹ NIL (Previous Year ₹ 30.02 crore) are secured on a pari passu basis by (a) a first charge on all immovable assets of the Karcham Wangtoo hydro electric plant of the Company (the Project), (b) a first charge on all moveable assets of the Project, (c) a first charge on all project related documents licenses, permits, approvals, rights, titles, interest etc pertaining to the Project, and (d) first charge on book debts, operating cash flows, receivable, commissions & revenue (both present & future) and bank accounts of the Project.

LODHA & CO. MUMBAI-01 Chartered Accountants

JSW Hydro Energy Limited

Karcham Wangtoo Hydro Electric Plant
(Himachal Baspa Power Company Limited)
Notes to the financial statements for the year ended 31st March, 2017

Note 18. Trade payables (₹ Crore)

Particulars	**As at 31st March, 2017**		
	Current	**Non-Current**	**Total**
Trade Payables	67.93	-	67.93
	67.93	**-**	**67.93**

JSW Hydro Energy Limited

Karcham Wangtoo Hydro Electric Plant
(Himachal Baspa Power Company Limited)
Notes to the financial statements for the year ended 31st March, 2017

Note 19. Other non-current and current liabilities (₹ Crore)

Particulars	As at 31st March, 2017		
	Current	Non-Current	Total
(a) Advances received from customers	⋆ 0.00	-	⋆ 0.00
(b) Employee recoveries and employer contributions	0.18	-	0.18
(c) Statutory dues	10.11	-	10.11
(d) Others	0.23	-	0.23
	10.51	**-**	**10.51**

⋆ Less than ₹ 1 Lakh

Lodha & Co. Mumbai-01 Chartered Accountants

JSW Hydro Energy Limited

Karcham Wangtoo Hydro Electric Plant
(Himachal Baspa Power Company Limited)
Notes to the financial statements for the year ended 31st March, 2017

Note 20. Revenue from operations **(₹ Crore)**

Particulars	**For the year ended 31st March, 2017**
(a) Sale of power	1,252.84
Less :	
(i) Cash Discount /Rebate	(6.54)
	1,246.30

Karcham Wangtoo Hydro Electric Plant
(Himachal Baspa Power Company Limited)

Notes to the financial statements for the year ended 31st March, 2017

Note 21. Other income **(₹ Crore)**

Particulars	For the year ended 31st March, 2017
a) Interest Income	
i On Bank deposits	1.98
ii On other financial assets	3.01
b) Others	
i Net Gain on sale of investments	13.36
ii Domestic Scrap Sales	0.42
iii Insurance Claim	0.01
iv Miscellaneous income	1.90
	20.68

Karcham Wangtoo Hydro Electric Plant
(Himachal Baspa Power Company Limited)
Notes to the financial statements for the year ended 31st March, 2017

Note 22. Employee benefits expense (₹ Crore)

Particulars	For the year ended 31st March, 2017
(a) Salaries and wages	28.82
(b) Contribution to provident and other funds	1.01
(c) Staff welfare expenses	2.30
	32.13

Lodha & Co. Mumbai-01 Chartered Accountants

JSW Hydro Energy Limited

Karcham Wangtoo Hydro Electric Plant
(Himachal Baspa Power Company Limited)
Notes to the financial statements for the year ended 31st March, 2017

Note 23. Finance costs (₹ Crore)

Particulars	For the year ended 31st March, 2017
(a) Interest expense	774.23
(b) Other borrowing costs	6.90
	781.13

Karcham Wangtoo Hydro Electric Plant
(Himachal Baspa Power Company Limited)
Notes to the financial statements for the year ended 31st March, 2017

Note 24. Depreciation and amortisation expense (₹ Crore)

	Particulars	For the year ended 31st March, 2017
(a)	Depreciation on property, plant and equipment	203.03
(b)	Amortization on Intangible assets	0.02
		203.05

Karcham Wangtoo Hydro Electric Plant
(Himachal Baspa Power Company Limited)
Notes to the financial statements for the year ended 31st March, 2017

Note 25. Other expenses (₹ Crore)

Particulars		For the year ended 31st March, 2017
(a)	Stores and spares consumed	12.06
(b)	Power & Water	3.37
(c)	Rent including lease rentals	1.38
(d)	Repairs and maintenance	13.65
(e)	Royalty	0.02
(f)	Rates and taxes	0.31
(g)	Insurance charges	16.50
(h)	Net loss / (gain) on foreign currency transactions net off Derivative gain/loss (other than considered as finance costs)	0.01
(i)	Legal and other professional costs	1.68
(j)	Open Access Charges	61.66
(k)	Other General Expenses	6.18
		116.81

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JSW Hydro Energy Limited

Karcham Wangtoo Hydro Electric Plant
(Himachal Baspa Power Company Limited)
Notes to the financial statements for the year ended 31st March, 2017

Note 26. Tax expense (₹ Crore)

Particulars	For the year ended 31st March, 2017
a) Current Tax	28.57
b) Deferred Tax	7.07
	35.64

Karcham Wangtoo Hydro Electric Plant
Himachal Baspa Power Company Limited
Balance Sheet as at 31st March, 2018

(` Crore)

		Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017
A		**ASSETS**			
	1	**Non-current assets**			
		(a) Property, plant and equipment	4	7,096.36	7,295.76
		(b) Capital work-in-progress	5	2.23	0.07
		(c) Other Intangible assets	6	0.85	0.14
		(d) Financial assets			
		(i) Other financial assets	7	56.57	58.31
		(e) Income tax assets (net)		14.30	16.02
		(f) Other non-current assets	8	0.01	
		Total non - current assets		**7,170.32**	**7,370.30**
	2	**Current assets**			
		(a) Inventories	9	5.92	6.25
		(b) Financial assets			
		(i) Investments	10	86.42	
		(ii) Trade receivables	11	209.92	1,177.37
		(iii) Cash and cash equivalents	12	79.95	36.78
		(iv) Bank balances other than (iii) above	12	28.37	25.04
		(v) Other financial assets	7	110.58	(197.26)
		(c) Other current assets	8	30.37	28.54
		Total current assets		**551.52**	**1,076.72**
		Total Assets (1+2)		**7,721.84**	**8,447.02**
B		**EQUITY AND LIABILITIES**			
	1	**Equity**			
		(a) Equity share capital	13	966.00	966.00
		(b) Other equity	14	326.04	151.25
		Total equity		**1,292.04**	**1,117.25**
	2	**Liabilities**			
	a	**Non-current liabilities**			
		(a) Financial liabilities			
		(i) Borrowings	15	5,961.63	6,911.92
		(ii) Other financial liabilities	16	0.00	
		(b) Provisions	17	1.17	2.31
		(c) Deferred tax liabilities (Net)		35.28	31.40
		Total non - current liabilities		**5,998.08**	**6,945.62**
	b	**Current liabilities**			
		(a) Financial liabilities			
		(i) Trade payables	18	28.65	67.93
		(ii) Other financial liabilities	16	389.48	305.01
		(b) Other current liabilities	19	12.72	10.51
		(c) Provisions	17	0.86	0.70
		Total current liabilities		**431.71**	**384.15**
		Total Equity and Liabilities (1+2)		**7,721.84**	**8,447.02**

See accompanying notes to the financial statements

See accompanying notes to the financial statements

As per our attached report of even date
For Shah Gupta & Co
Chartered Accountants
Firm Registration No.: 109574W

Heneel K. Patel
Partner
M No. 114103

FRN : 109574W

Place: Mumbai
Date: 02-05-2018

For and on behalf of Board of Directors

G. Deshpande
Girish Deshpande
Whole Time Director
[DIN: 02756000]

Prashant Jain
Chairman
[DIN: 01281621]

Vrushali Karnik
Company Secretary

Sanjeev Rango
Chief Financial Officer

JSW Hydro Energy Limited

Karcham Wangtoo Hydro Electric Plant
Himachal Baspa Power Company Limited
Statement of Profit and Loss for the year ended 31st March, 2018

(` Crore)

Particulars	Note No.	For the Year ended 31st March 2018	For the Year ended 31st March 2017
I Revenue from operations	20	1,216.48	1,246.30
II Other income	21	60.08	20.68
III **Total income (I + II)**		**1,276.56**	**1,266.97**
IV **Expenses**			
(a) Employee benefits expense	22	34.01	32.13
(b) Finance costs	23	686.71	781.13
(c) Depreciation and amortisation expense	24	203.30	203.05
(d) Other expenses	25	127.02	116.81
Total expenses		**1,051.04**	**1,133.12**
V **Profit before exceptional item and tax (III-IV)**		**225.52**	**133.86**
VI Exceptional items		-	-
VII **Profit before tax (V - VI)**		**225.52**	**133.86**
VIII Tax expense	26	51.26	35.64
IX **Profit for the year (VII-VIII)**		**174.27**	**98.22**
X **Other comprehensive income**		**0.33**	**(0.52)**
(i) Items that will not be reclassified to profit or loss - Remeasurements of the net defined benefit liabilities / (asset)		0.42	(0.66)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.09)	0.14
XI **Total comprehensive income for the year (IX + X)**		**174.60**	**97.70**

See accompanying notes to the financial statements

As per our attached report of even date
For Shah Gupta & Co
Chartered Accountants
Firm Registration No.: 109574W

Heneel K. Patel
Partner
M No. 114103

Place: Mumbai
Date: 02-05-2018

For and on behalf of Board of Directors

G. Deshpande
Girish Deshpande
Whole Time Director
[DIN: 02756000]

Prashant Jain
Chairman
[DIN: 01281621]

Vrushali Karnik
Company Secretary

Sanjeev Kango
Chief Financial Officer

JSW Hydro Energy Limited

Karcham Wangtoo Hydro Electric Plant
Himachal Baspa Power Company Limited

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

a. Equity share capital (` Crore)

Balance at the 1st April, 2017	966.00
Changes in equity share capital during the FY 2017-18	-
Balance at the 31st March, 2018	966.00

b. Other equity (` Crore)

Particulars	Reserves and Surplus			Items of other comprehensive income	Capital Contribution by parent company	Total
	Equity-settled employee benefits reserve	Debenture redemption reserve	Retained earnings	Actuarial gain / (loss) on defined benefit liabilities/(assets)		
Balance as at 1st April, 2017	-	41.20	(8.72)	(0.44)	119.22	151.26
Profit for the year 2017-18	0.19	-	174.27	-	-	174.46
Transfer from retained earnings	-	13.10	(13.10)	-	-	-
Other comprehensive income for the year, net of income tax	-	-	-	0.33	-	0.33
Total comprehensive income for the year	**0.19**	**54.30**	**152.44**	**(0.12)**	**119.22**	**326.04**

See accompanying notes to the financial statements

As per our attached report of even date
For Shah Gupta & Co
Chartered Accountants
Firm Registration No.: 109574W

Heneel K. Patel
Partner
M No. 114103

Place: Mumbai
Date: 02-05-2018

For and on behalf of Board of Directors

G. Deshpande
Girish Deshpande
Whole Time Director
[DIN: 02756000]

Prashant Jain
Chairman
[DIN: 01281621]

Vrushali Karnik
Company Secretary

Sanjeev Kango
Chief Financial Officer

JSW Hydro Energy Limited

KARCHAM WANGTOO HYDRO ELECTRIC PLANT
Himachal Baspa Power Company Limited
Notes to Financial Statements for the year ended 31st March, 2018

Note 1: General information

a) Karcham Wangtoo Hydro Electric Plant (1000 MW) is a run of the river plant on the river Sutlej, in the kinnaur district of the state of Himachal Pradesh.

b) Himachal Baspa Power company Limited is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. It is 100% subsidiary of M/s JSW Energy Limited. The registered office of the Company is located at Sholtu Colony, P.O. Tapri, Dist. Kinnaur, 172104 (HP).

c) The Company is primarily engaged in the business of generation and transmission of power.

Note 2: Statement of compliance

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

Note 3: Significant accounting policies

3.1 Basis of preparation of financial statements:

a) General Purpose Financial Statements of Karcham Wangtoo Hydro Electric Plant for submission to various regulatory authorities.

b) In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its Financial Statements as per the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1st April, 2016. Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2018, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements". The figures for the previous year ended 31st March, 2017 have also been reinstated by the Management as per the requirements of Ind AS.

c) 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 certain material items that have been measured at fair value as required by the relevant Ind AS and explained in the ensuing policies below.

d) The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest crore, except otherwise indicated.

SHAH GUPTA & CO.
MUMBAI
FRN : 109574W

JSW Hydro Energy Limited

KARCHAM WANGTOO HYDRO ELECTRIC PLANT
Himachal Baspa Power Company Limited
Notes to Financial Statements for the year ended 31st March, 2018

3.2 Use of estimates & judgements

a) 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.

b) The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods. The critical accounting judgements and key estimates followed by the Company for preparation of financial statements is described in note 27.

3.3 Property, plant and equipment

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

b) 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.

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

d) Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold or Leasehold land is stated at historical cost.

3.4 Other Intangible assets

a) Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.

KARCHAM WANGTOO HYDRO ELECTRIC PLANT

Himachal Baspa Power Company Limited

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

b) Certain computer software costs are capitalized and recognized as Intangible assets based on materiality, accounting prudence and significant benefits expected to flow therefrom for a period longer than one year.

3.5 Depreciation /Amortisation

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

b) 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.

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

d) Depreciation on tangible assets is provided based on technical evaluation of useful life and residual value as per the provisions of Part A of Schedule II of the Companies Act, 2013.

e) Specialised Software is amortised over an estimated useful life of 3 years.

Estimated useful lives of the Property, Plant and Equipment are as follows:

Class of Property, Plant and Equipment	Useful life in Years
Buildings	20-60
Plant and Machinery	15-40
Furniture and fixtures	10
Vehicles	8
Office equipment	5

Useful life is either the period of time which the asset is expected to be used or the number of production or similar units expected to be obtained from the use of asset.

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.

3.6 Impairment of tangible and intangible assets other than goodwill

a) At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they

SHAH GUPTA & CO. MUMBAI FRN: 108574W CHARTERED ACCOUNTANTS

JSW Hydro Energy Limited

are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

b) 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.

c) 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.

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

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

3.7 Borrowing costs

a) 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.

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

c) The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

The Company suspends capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

3.8 Cash and cash equivalents

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

3.9 Revenue recognition

Sale of Power

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 sale of power / other items is recognised when substantial risks and rewards of ownership is transferred to the buyer under the terms of the contract.

Interest income

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

Interest or Surcharge on delayed payments or overdue trade receivables is recognised when significant certainty as to measurability or realisibility exists.

3.10 Foreign currency transactions

The functional currency of the Company and its subsidiaries is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR).

In preparing the financial statements, 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; and
- exchange differences on transactions entered into in order to hedge certain foreign currency risks

3.11 Employee benefits

The Company has following post-employment plans:

a) Defined-benefit plan - gratuity

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of plan assets. The defined benefit obligation is calculated annually by actuaries through actuarial valuation using the projected unit credit method.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- service cost comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements
- net interest expense or income

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefit expenses in the statement of the profit & loss.

Re-measurement comprising of actuarial gains and losses arising from

(a) Re-measurement of Actuarial (gains) / losses
(b) Return on plan assets, excluding amount recognized in effect of asset ceiling
(c) Re-measurement arising because of change in effect of asset ceiling are recognised in the period in which they occur directly in Other comprehensive income. Re-measurement is not reclassified to profit or loss in subsequent periods.

Ind AS 19 requires the exercise of judgment in relation to various assumptions including future pay rises, inflation and discount rates and employee and pensioner demographics. The Company determines the assumptions in conjunction with its actuaries, and believes these assumptions to be in line with best practice, but the application of different assumptions could have a significant effect on the amounts reflected in the income statement, other comprehensive income and balance sheet. There may be also interdependency between some of the assumptions.

b) Defined-contribution plan – provident fund

Under defined contribution plans, provident fund, the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Defined Contribution plan comprise of contributions to the employees' provident fund set up as trust or Regional Provident Fund Commissioner and certain state plans like Employees' State Insurance. The Company's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.

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A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

c) Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the Balance sheet date determined based on an actuarial valuation.

3.12 Share-based payment arrangements

a) 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.

b) 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 profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

3.13 Taxation

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

a) Current tax

Current tax is the amount of tax payable based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated 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.

b) Deferred tax

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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.

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

iii) Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3.14 Earnings per share

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

3.15 Provisions, contingencies and commitments

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

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

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

A disclosure for contingent liabilities is made when there is

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

(b) a present obligation that arises from past events but is not recognized because:

- (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

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

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

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

3.16 Financial instruments

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

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

Financial assets

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

Subsequent measurement

Financial assets, other than equity instruments, are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:
(a) the entity's business model for managing the financial assets and
(b) the contractual cash flow characteristics of the financial asset.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated 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.

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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 paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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

Investments in equity instruments at FVTOCI

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

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or

- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

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

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

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

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

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

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement 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

a) 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.

b) 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.

c) 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.

d) 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.

e) 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

a) 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.

b) 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.

c) 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 an 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 group 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 grouping 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 re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

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

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

Financial liabilities subsequently measured at amortised cost

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

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees 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 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.

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 changes 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 reclassifications and the how they are accounted for:

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

3.18 Leases

a) 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.

b) 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.

The Company enters into agreements, comprising a transaction or series of related transactions that does not take the legal form of a lease but conveys the right to use the asset in return for a payment or series of payments. In case of such arrangements, the Company applies the requirements of Ind AS 17 – Leases to the lease element of the arrangement. For the purpose of applying the requirements under Ind AS 17 – Leases, payments and other consideration required by the arrangement are separated at the inception of the arrangement into those for lease and those for other elements.

c) The Company as lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments (discounted at the interest rate implicit in the lease or at the entity's incremental borrowing rate). The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Lease payments under an operating lease 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.

3.19 Service concession arrangements

(In Case of Baspa II Hydro Electric Plant)

Under Appendix A to Ind AS 11 – Service Concession Arrangements applies to public-to-private service concession arrangements if:

a) the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; AND

b) the grantor controls—through ownership, beneficial entitlement or otherwise—any significant residual interest in the infrastructure at the end of the term of the arrangement; AND

c) Is the infrastructure constructed or acquired by the operator from a third party for the purpose of the service arrangement OR is the infrastructure existing infrastructure of the grantor to which the operator is given access for the purpose of the service arrangement?

Infrastructure used in a public-to-private service concession arrangement for its entire useful life (whole of life assets) is within the scope of this Appendix if the conditions in 'a') above are met.
These arrangements are accounted on the basis of below mentioned models depending on the nature of consideration and relevant contract law.

Financial asset model:

The Financial asset model is used when the Company, being an operator, has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. Unconditional contractual right is established when the grantor contractually guarantees to pay the operator:

(a) specific or determinable amount;
(b) the shortfall, if any, between amounts received from the users of the public services and specified or determinable amounts.

Intangible asset model:

The intangible asset model is used to the extent that the company, being an operator, receives a right (a license) to charge users of the public service. A right to charge users of a public services is not an unconditional right to receive cash because the amounts are contingent on to the extent that public uses the services. Both type of arrangements may exist within a single contract to the extent that the grantor has given an unconditional guarantee of payment for the construction and the operation i.e. considered as a Financial asset and to the extent that the operator has to rely on the public using the service in order to obtain payment, the operation has an intangible asset. If the Company (being an operator) performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

The Company manages concession arrangements which include power supply from one of its hydro power plant. The Company maintains and services the infrastructure during the concession period. These concession arrangements set out rights and obligations related to the infrastructure and the services to be provided.

The right to consideration gives rise to an intangible asset and financial receivable and accordingly, both the intangible asset and financial receivable models are applied.

Income from the concession arrangements earned under the intangible asset model consists of the (i) Fair Value of the contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset; and (ii) payments actually received from the users. The intangible asset is amortized over its expected useful life in a way that reflects the pattern in which the asset's economic benefits are consumed by the company, starting from the date when the right to operate starts to be used. Based on these principles, the intangible asset is amortized in line with the actual usage of the specific public facility, with a maximum of the duration of the concession.

Financial receivable is recorded at a fair value of guaranteed residual value to be received at the end of the concession period. This receivable is subsequently measured at amortised cost.

Any asset carried under concession arrangements is derecognised on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expire.

3.20 Inventories

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

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

Karcham Wangtoo Hydro Electric Plant
Himachal Baspa Power Company Limited

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

Note 4. Property, plant & equipment

(` Crore)

Description of Assets	Land - Freehold	Land - Leasehold	Buildings	Plant and Equipment	Office Equipment	Furniture and	Vehicles	Total
I. Gross carrying value								
Balance as at 1st April, 2017	60.47	8.77	33.72	7,507 79	3.52	0 31	3.12	7,617.69
Additions	-	-	0 01	2.07	0 73	0.68	0.33	3.82
Disposals	-	-	-	-	-	-	(0.02)	(0.02)
Balance as at 31st March, 2018	60.47	8.77	33.73	7,509.86	4.25	0.99	3.44	7,621.50
II. Accumulated depreciation and impairment for the year 2017-18								
Balance as at 1st April, 2017	-	0.66	1.10	317 60	1 89	0 07	0.60	321.92
Depreciation expense for the year	-	0.28	0 82	200.88	0.72	0.06	0.48	203.24
Acquisitions through business combinations	-	-	-	-	-	-	-	
Eliminated on disposal of assets	-	-	-	-	-	-	(0.02)	(0.01)
Balance as at 31st March, 2018	-	0.94	1.92	518.48	2.61	0.13	1.06	525.15
Net carrying value as at 31st March, 2018 (I-II)	**60.47**	**7.83**	**31.81**	**6,991.37**	**1.64**	**0.86**	**2.37**	**7,096.36**

a) Leasehold Land acquired by the Company under various lease arrangements ranging from 10 to 50 years

b) Transfer of title/deeds in case of freehold and leasehold land in the name of company is in process

c) Refer note 15 for the details in respect of certain property, plant and equipment hypothecated / mortgaged as security for borrowings

	Land - Freehold	Land - Leasehold	Buildings	Plant and Equipment	Office Equipment	Furniture and	Vehicles	Total
I. Gross carrying value								
Balance as at 1st April, 2016	60.47	8.77	33.32	7,503.70	3.31	0.27	1.05	7,610.90
Additions	-	-	0.39	4 09	0.20	0.04	2.07	6.80
Balance as at 31st March, 2017	60.47	8.77	33.72	7,507.79	3 52	0.31	3.12	7,617.69
II. Accumulated depreciation and impairment for the year 2016-17								
Balance as at 1st April, 2016	-	0.37	0 37	116.95	1.00	0.02	0.17	118.89
Depreciation expense for the year	-	0.28	0.73	200.65	0.89	0.04	0 43	203.03
Balance as at 31st March, 2017	-	0.66	1.10	317.60	1.89	0.07	0.60	321.92
Net carrying value as at 31st March, 2017 (I-II)	**60.47**	**8.11**	**32.61**	**7,190.19**	**1.63**	**0.24**	**2.52**	**7,295.77**

Note 5. Capital work in progress

Capital work in progress & pre operative expenditure during construction period (pending allocation) relating to property, plant & equipment

(` Crore)

Balance as at 1st April, 2016	-
Balance as at 31st March, 2017	0.07
Balance as at 31st March, 2018	2.23
1) Amount transferred to property, plant & equipment during the year ` 0.16 crore (31st March 2017 : ` 0.39 crore)	

SHAH GUPTA & CO.
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JSW Hydro Energy Limited

Karcham Wangtoo Hydro Electric Plant
Himachal Baspa Power Company Limited

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

Note 6. Other Intangible assets (` Crore)

Description of Assets	Computer Software	Service Concession Arrangement Intangibles *	Total
I. Gross Carrying Value			
Balance as at 1st April, 2017	0.16	-	0.16
Additions	0.77	-	0.77
Balance as at 31st March, 2018	0.93	-	0.93
II. Accumulated amortisation and impairment for the year 2017-18			
Balance as at 1st April, 2017	0.02	-	0.02
Amortisation expense for the year	0.06	-	0.06
Balance as at 31st March, 2018	0.08	-	0.08
Net carrying value as at 31st March, 2018 (I-II)	0.85	-	**0.85**

Description of Assets	Computer Software	Service Concession Arrangement Intangibles*	Total
I. Gross Carrying Value			
Balance as at 1st April, 2016	-	-	-
Additions	0.16	-	0.16
Balance as at 31st March, 2017	0.16	-	0.16
II. Accumulated amortisation and impairment for the year 2016-17			
Balance as at 1st April, 2016	-	-	-
Amortisation expense for the year	0.02	-	0.02
Balance as at 31st March, 2017	0.02	-	0.02
Net carrying value as at 31st March, 2017 (I-II)	**0.14**	-	**0.14**

*Refer Note [illegible]

Karcham Wangtoo Hydro Electric Plant
Himachal Baspa Power Company Limited

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

Note 7. Other financial assets

(` Crore)

Particulars	As at 31st March, 2018			As at 31st March, 2017		
	Current	Non-Current	Total	Current	Non-Current	Total
(a) Service concession receivable	-	-	-	-	-	-
(b) Security Deposits						
- Unsecured, considered good						
(i) Government/Semi-Government Authorities	-	0.05	0.05	-	-	-
(ii) Others	-	0.09	0.09	-	0.24	0.24
	-	0.14	0.14	-	0.24	0.24
c) Interest Receivables						
Other interest receivable	0.84	-	0.84	0.83	-	0.83
	0.84	-	0.84	0.83	-	0.83
d) Other Loans and Advances						
- Unsecured, considered good	109.74	56.42	166.17	-198.09	56.42	-141.66
	109.74	56.42	166.17	-198.09	56.42	-141.66
e) Other bank balances						-
- In margin money accounts	-	-	-	-	1.65	1.65
	-	-	-	-	1.65	1.65
	110.58	**56.57**	**167.15**	**-197.26**	**58.31**	**-138.95**

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JSW Hydro Energy Limited

Karcham Wangtoo Hydro Electric Plant
Himachal Baspa Power Company Limited

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

Note 8. Other non-current and current assets

(` Crore)

Particulars	As at 31st March, 2018			As at 31st March, 2017		
	Current	Non-Current	Total	Current	Non-Current	Total
(a) Capital Advances	-	0.01	0.01	-	-	-
(b) Prepayments	10.31	-	10.31	8.63	-	8.63
(c) Balance with Government Authority VAT credit receivable	19.18	-	19.18	19.13	-	19.13
(d) Others	0.87	-	0.87	0.78	-	0.78
	30.37	**0.01**	**30.38**	**28.54**	**-**	**28.54**

Karcham Wangtoo Hydro Electric Plant
Himachal Baspa Power Company Limited

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

Note 9. Inventories

(` Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Stores and spares	5.92	6.25
	5.92	**6.25**

Basis of valuation: Refer note 3.20

Refer Note 15 for Inventories hypothecated as security against certain bank borrowings.

SHAH GUPTA & CO.
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JSW Hydro Energy Limited

Karcham Wangtoo Hydro Electric Plant
Himachal Baspa Power Company Limited

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

Note 10. Investment

(` Crore)

Particulars	As at 31st March, 2018			As at 31.03.2017		
	Current	Non- Current	Total	Current	Non- Current	Total
Investments carried at:						
(a) Investments in mutual funds						
Reliance Liquid Fund TP Growth	36.34	-	36.34	-	-	-
Kotak Floater STP Growth	50.07	-	50.07	-	-	-
Total investments carrying value	**86.42**	**-**	**86.42**	**-**	**-**	**-**

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JSW Hydro Energy Limited

Karcham Wangtoo Hydro Electric Plant
Himachal Baspa Power Company Limited

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

Note 11. Trade receivables

(` Crore)

Particulars	As at 31st March, 2018			As at 31st March, 2017		
	Current	Non-Current	Total	Current	Non-Current	Total
Unsecured, considered good	209.92	-	209.92	1,177.37	-	1,177.37
	209.92	**-**	**209.92**	**1,177.37**	**-**	**1,177.37**

Refer Note 15 for trade receivables hypothecated as security for borrowings.
Refer Note 30 for credit terms, ageing analysis and other relevant details related to trade receivables.

SHAH GUPTA & CO.

JSW Hydro Energy Limited

Karcham Wangtoo Hydro Electric Plant
Himachal Baspa Power Company Limited

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

Note 12. Cash and cash equivalents and other bank balances

(` Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Cash and cash equivalents		
(a) Balances with banks		
(i) In Current accounts	0.24	20.73
(ii) In Deposit accounts	79.70	16.00
(b) Cash on hand	0.02	0.05
	79.95	36.78

(` Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Bank balances other than above		
(i) Earmarked balances with banks		
- Margin money account	28.37	25.04
	28.37	25.04

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JSW Hydro Energy Limited

Karcham Wangtoo Hydro Electric Plant
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Notes to the financial statements for the year ended 31st March, 2018

Note 13. Equity share capital

(` Crore)

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of ` 10 each with voting rights	966,000,000	966.00	966,000,000	966.00
Issued, Subscribed and Fully Paid:				
Equity shares of ` 10 each with voting rights	966,000,000	966.00	966,000,000	966.00

a) Reconciliation of the number of shares outstanding at the beginning and end of the year:

Particulars	As at 31st March, 2018	As at 31st March, 2017
	No. of Shares	No. of Shares
Balance as at the beginning of the year	966,000,000	966,000,000
Issued during the year	-	-
Balance as at the end of the year	966,000,000	966,000,000

b) 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.

(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. However, no such preferential amount exists currently.

c) Details of shareholding more than 5% :

	Particulars	No. of Shares	No. of Shares
1	JSW Energy Limited & its nominees	966,000,000	966,000,000
		100%	100%

Note -

The equity share capital and Non Convertible Debenture is allocated between Karcham Wangtoo Hydro Electric Plant & Baspa II Hydro Electric Plant in proportion of purchase consideration payable by JSW Energy Limited to Jaiprakash Power Ventures Limited pursuant to the scheme of arrangement.

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JSW Hydro Energy Limited

Karcham Wangtoo Hydro Electric Plant
Himachal Baspa Power Company Limited

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

Note 14. Other equity

(` Crore)

Particulars	Reserves and Surplus			Items of other comprehensive income	Capital contribution by parent company *	Total
	Equity-settled employee benefits reserve	Debenture redemption reserve	Retained earnings	Actuarial gain / (loss) on defined benefit liabilities/(assets)*		
Balance as at 1st April, 2017	-	41.20	(8.72)	(0.44)	119.22	151.26
Profit for the year 2017-18	0.19	-	174.27	-		174.46
Transfer from retained earnings	-	13.10	(13.10)	-	-	-
Other comprehensive income for the year, net of income tax	-	-	-	0.33	-	0.33
Total comprehensive income for the year	**0.19**	**54.30**	**152.44**	**(0.12)**	**119.22**	**326.04**

(` Crore)

Particulars	Reserves and Surplus			Items of other comprehensive income	Capital contribution by parent company *	Total
	Equity-settled employee benefits reserve	Debenture redemption reserve	Retained earnings	Actuarial gain / (loss)*		
Balance at 1st April, 2016	-	44.55	(110.29)	0.07	119.22	53.55
Profit for the year 2016-17	-	-	98.22	-	-	98.22
Transfer to retained earnings	-	(3.35)	3.35	-	-	-
Other comprehensive income for the year, net of income tax	-	-	-	(0.52)	-	(0.52)
Total comprehensive income for the year	-	**41.20**	**(8.72)**	**(0.44)**	**119.22**	**151.26**

* Actuarial gain / loss is allocated between Karcham Wangtoo Hydro Electric Plant & Baspa II Hydro Electric Plant on the basis of number of employees.

* As per Ind AS, waiver of interest by the Holding company on debentures issued to it, has been considered as deemed equity.

SHAH GUPTA & CO. MUMBAI FRN: 109574W CHARTERED ACCOUNTANTS

JSW Hydro Energy Limited

Karcham Wangtoo Hydro Electric Plant
Himachal Baspa Power Company Limited

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

Note 15. Non-current borrowings (` Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Measured at amortised cost		
Secured Borrowings:		
Term loans		
i From banks	5,237.65	5,720.78
ii From financial institution	-	367.16
	5,237.65	**6,087.94**
Unsecured Borrowings		
Debentures		
i Non-convertible debentures - Holding Company	723.98	823.98
	723.98	**823.98**
	5,961.63	**6,911.92**

(i)	Aggregate amount of Installments due for payments within one year ` 206.86 crore (as at 31st March, 2017 - ` 228.81 crore) have been grouped under "Current maturities of long-term debt" (Refer note 16)
(ii)	The secured borrowings are net of amortised cost of ` 38.23 crore (as at 31st March, 2017 ` 49.48 crore)

(iii) Terms of Redemptions of Debentures:

7,23,98,000 no. (Previous Year 8,23,98,000 no.) @ 13% unsecured non convertible debentures of Rs. 100 each are redeemable at par at the end of 10 years from the date of issue i.e. 01.09.2015.

iv) Term of Repayment of Rupee Terms Loans :

Particulars	As at 31st March, 2018	As at 31st March, 2017
From Banks :		
2 - 3 Years	483.44	462.01
4 - 5 Years	552.93	530.22
6 - 10 Years	888.32	1,013.93
Above 10 Year	3,351.19	3,761.14
Total Borrowings from Banks (A)	**5,275.89**	**5,767.30**
From Financial Institutions :		
2 - 3 Years	-	29.65
4 - 5 Years	-	34.03
6 - 10 Years	-	65.07
Above 10 Year	-	241.39
Total Borrowings from Financial Institutions (B)	-	**370.14**

(v) Details of Security :

Rupee Term Loan aggregating to ₹ 5,444.51 crore (Previous Year ₹ 6,316.75 crore) included in A are secured on a pari passu basis by (a) a first charge on all immovable assets of the Karcham Wangtoo and Baspa II hydro electric plant of the Company (the Projects), (b) a first charge on all moveable assets of the Projects, (c) a first charge on all project related documents licenses, permits, approvals, rights, titles, interest etc pertaining to the Projects, and (d) first charge on book debts, operating cash flows, receivable, commissions & revenue (both present & future) and bank accounts of the Projects.

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JSW Hydro Energy Limited

Karcham Wangtoo Hydro Electric Plant
Himachal Baspa Power Company Limited

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

Note 16. Other financial liabilities (` Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Non-Current		
Deposits received from Dealers	0.00	-
	0.00	-
Current		
(a) Current maturities of long-term debt *	206.85	228.81
(b) Interest accrued but not due on borrowings	0.00	0.01
(c) Other liabilities	182.63	76.19
	389.48	**305.01**
	389.49	**305.01**

* Refer Note 15 for the details of borrowings repayment terms and security charge.

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JSW Hydro Energy Limited

Karcham Wangtoo Hydro Electric Plant
Himachal Baspa Power Company Limited

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

Note 17. Provisions

(` Crore)

Particulars	As at 31st March, 2018			As at 31st March, 2017		
	Current	Non-Current	Total	Current	Non-Current	Total
Provision for employee benefits	0.86	1.17	2.03	0.70	2.31	3.01
	0.86	**1.17**	**2.03**	**0.70**	**2.31**	**3.01**

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JSW Hydro Energy Limited

Karcham Wangtoo Hydro Electric Plant
Himachal Baspa Power Company Limited

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

Note 18. Trade payables

(` Crore)

Particulars	As at 31st March, 2018			As at 31st March, 2017		
	Current	Non-Current	Total	Current	Non-Current	Total
Trade Payables	28.65	-	28.65	67.93	-	67.93
	28.65	-	**28.65**	**67.93**	-	**67.93**

Refer Note 45 for disclosure under Micro, Small and Medium Enterprises Development Act.

Karcham Wangtoo Hydro Electric Plant
Himachal Baspa Power Company Limited

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

Note 19. Other non-current and current liabilities

(` Crore)

Particulars	As at 31st March, 2018			As at 31st March, 2017		
	Current	Non-Current	Total	Current	Non-Current	Total
(a) Advances received from customers	0.03	-	0.03	★ 0.00	-	★ 0.00
(b) Employee recoveries and employer contributions	0.21	-	0.21	0.18	-	0.18
(c) Statutory dues	12.48	-	12.48	10.11	-	10.11
(d) Others	-	-	-	0.23	-	0.23
	12.72	**-**	**12.72**	**10.51**	-	**10.51**

★ Less than ` 1 Lakh

Karcham Wangtoo Hydro Electric Plant
Himachal Baspa Power Company Limited

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

Note 20. Revenue from operations

(` Crore)

Particulars	For the Year ended 31st March 2018	For the Year ended 31st March 2017
(a) Sale of power	1,353.78	1,252.84
Less :		
(i) Cash Discount /Rebate	(14.66)	(6.54)
(ii) Provision for trueing up of capacity & energy charges	(122.64)	-
(b) Income from service concession arrangement	-	-
	1,216.48	**1,246.30**

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JSW Hydro Energy Limited

Karcham Wangtoo Hydro Electric Plant
Himachal Baspa Power Company Limited

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

Note 21. Other income (` Crore)

Particulars	For the Year ended 31st March 2018	For the Year ended 31st March 2017
a) Interest Income		
i On Bank deposits	1.91	1.98
ii On other financial assets	40.84	3.01
b) Others		
i Net Gain on sale of investments	11.16	13.36
ii Profit on sale of capital assets (net of loss on assets sold / scrapped / written off)	0.01	-
iii Forex gain/loss	0.00	-
iv Domestic Scrap Sales	0.19	0.42
v Insurance Claim	0.14	0.01
vi Miscellaneous income	5.84	1.90
	60.08	**20.68**

SHAH GUPTA & CO. MUMBAI FRN : 109574W CHARTERED ACCOUNTANTS

JSW Hydro Energy Limited

Karcham Wangtoo Hydro Electric Plant
Himachal Baspa Power Company Limited

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

Note 22. Employee benefits expense

(` Crore)

	Particulars	For the Year ended 31st March 2018	For the Year ended 31st March 2017
(a)	Salaries and wages *	30.89	28.82
(b)	Contribution to provident and other funds	1.13	1.01
(c)	Share based payment transactions expenses	0.13	-
(d)	Staff welfare expenses	1.87	2.30
		34.01	**32.13**

* Refer note 37 for the details of defined benefit plan and defined contribution plan of the Company.

SHAH GUPTA & CO.
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JSW Hydro Energy Limited

Karcham Wangtoo Hydro Electric Plant
Himachal Baspa Power Company Limited

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

Note 23. Finance costs

(` Crore)

Particulars	For the Year ended 31st March 2018	For the Year ended 31st March 2017
(a) Interest expense	673.85	774.23
(b) Other borrowing costs	12.85	6.90
	686.70	**781.13**

SHAH GUPTA & CO. MUMBAI FRN: 109574W CHARTERED ACCOUNTANTS

JSW Hydro Energy Limited

Karcham Wangtoo Hydro Electric Plant
Himachal Baspa Power Company Limited

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

Note 24. Depreciation and amortisation expense

(` Crore)

Particulars	For the Year ended 31st March 2018	For the Year ended 31st March 2017
(a) Depreciation on property, plant and equipment	203.24	203.03
(b) Amortization on Intangible assets	0.06	0.02
	203.30	**203.05**

Karcham Wangtoo Hydro Electric Plant
Himachal Baspa Power Company Limited

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

Note 25. Other expenses

(` Crore)

Particulars		For the Year ended 31st March 2018	For the Year ended 31st March 2017
(a)	Stores and spares consumed	8.53	12.06
(b)	Power & Water	3.18	3.37
(c)	Rent including lease rentals	1.73	1.38
(d)	Repairs and maintenance	18.74	13.65
(e)	Royalty	0.03	0.02
(f)	Rates and taxes	0.66	0.31
(g)	Insurance charges	16.58	16.50
(h)	Net loss / (gain) on foreign currency transactions	-	0.01
(i)	Legal and other professional costs	2.31	1.68
(j)	Donation	0.01	-
(k)	CSR Expenses	2.20	-
(l)	Open Access Charges	60.44	61.66
(m)	Other General Expenses	12.62	6.18
		127.02	**116.81**

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JSW Hydro Energy Limited

Karcham Wangtoo Hydro Electric Plant
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Notes to the financial statements for the year ended 31st March, 2018

Note 26. Tax expense (` Crore)

Particulars	For the Year ended 31st March 2018	For the Year ended 31st March 2017
a) Current Tax	47.37	28.57
b) Deferred Tax	3.89	7.07
	51.26	**35.64**

KARCHAM WANGTOO HYDRO ELECTRIC PLANT
JSW HYDRO ENERGY LIMITED
(Formerly known as Himachal Baspa Power Company Limited)
Balance Sheet as on 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	4	6,698.16	7,096.36
		(b) Capital work-in-progress	5	7.15	2.23
		(c) Intangible assets	6	0.76	0.85
		(d) Financial assets			
		(i) Other financial assets	7	3.75	56.57
		(e) Other non-current assets	8	0.24	0.01
		(f) Income tax assets (net)		32.66	14.30
		Total non - current assets		**6,742.72**	**7,170.32**
	2	**Current assets**			
		(a) Inventories	9	5.73	5.92
		(b) Financial assets			
		(i) investments	10	107.06	86.42
		(ii) Trade receivables	11	169.68	209.92
		(iii) Cash and cash equivalents	12	34.25	79.95
		(iv) Bank balances other than (iii) above	12	26.66	28.37
		(v) Other financial assets	7	226.47	110.58
		(c) Other current assets	8	30.15	30.37
		Total current assets		**600.00**	**551.52**
		Total Assets (1+2)		**7,342.72**	**7,721.84**
B		**EQUITY AND LIABILITIES**			
	1	**Equity**			
		(a) Equity share capital	13	966.00	966.00
		(b) Other equity	14	354.85	326.04
		Total equity		**1,320.85**	**1,292.04**
		Liabilities			
	2	**Non-current liabilities**			
		(a) Financial liabilities			
		(i) Borrowings	15	5,386.77	5,961.63
		(ii) Other financial liabilities	16	-	0.00
		(b) Provisions	17	2.47	1.17
		(c) Deferred tax liabilities (Net)	34		35.28
		Total non - current liabilities		**5,389.24**	**5,998.08**
	3	**Current liabilities**			
		(a) Financial liabilities			
		(i) Trade payables			
		(a) Total outstanding dues of micro and small enterprises	18	0.47	-
		(b) Total outstanding dues of creditors other than micro and small enterprises	18	47.37	28.65
		(ii) Other financial liabilities	16	576.78	389.48
		(b) Other current liabilities	19	6.97	12.72
		(c) Provisions	17	1.04	0.86
		Total current liabilities		**632.63**	**431.71**
		Total Equity and Liabilities (1+2+3)		**7,342.72**	**7,721.84**

As per our attached report of even date
For Shah Gupta & Co
Chartered Accountants
Firm Registration No.: 109574W

Vipul K Choksi
Partner
M No. 37606

SHAH GUPTA & CO
MUMBAI
FRN 109574W
CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 15-05-2019

For and on behalf of Board of Directors

Gyan Bhadra Kumar
Whole Time Director
[DIN: 03620109]

Prashant Jain
Chairman
[DIN: 01281621]

Vrushali Karnik
Company Secretary

Sanjeev Kango
Chief Financial Officer

JSW Hydro Energy Limited

KARCHAM WANGTOO HYDRO ELECTRIC PLANT
JSW HYDRO ENERGY LIMITED
(Formerly known as Himachal Baspa Power Company Limited)
Statement of Profit and Loss for the year ended 31st March, 2019

(₹ Crore)

	Particulars	Note No.	For the year Ended 31st March,19	For the year Ended 31st March,18
I	Revenue from operations	20	1,071.69	1,216.48
II	Other income	21	30.32	60.08
III	**Total income (I + II)**		**1,102.01**	**1,276.56**
IV	**Expenses**			
	(a) Employee benefits expense	22	37.74	34.01
	(b) Finance costs	23	563.20	686.71
	(c) Depreciation and amortisation expense	24	399.02	203.30
	(d) Other expenses	25	105.61	127.02
	Total expenses (IV)		**1,105.57**	**1,051.04**
V	**Profit/(loss) before exceptional item and tax (III-IV)**		**(3.56)**	**225.52**
VI	Exceptional items		-	-
VII	**Profit before tax (V - VI)**		**(3.56)**	**225.52**
VIII	Tax Expense			
	Current tax		2.31	47.37
	Deferred tax		(30.19)	3.89
	Deferred tax(recoverable from)/payable in future tariff		(5.09)	-
		26	(32.97)	51.26
IX	**Profit for the year (VII-VIII)**		**29.41**	**174.27**
X	**Other comprehensive income**		(0.64)	**0.33**
	(i) Items that will not be reclassified to profit or loss Remeasurements of the net defined benefit liabilities / (asset)		(0.82)	0.42
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.18	(0.09)
XI	**Total comprehensive income for the year (IX + X)**		**28.77**	**174.60**

See accompanying notes to the financial statements

As per our attached report of even date
For Shah Gupta & Co
Chartered Accountants
Firm Registration No.: 109574W

Vipul K Choksi
Partner
M No. 37606

Place: Mumbai
Date: 15-05-2019

For and on behalf of Board of Directors

Gyan Bhadra Kumar
Whole Time Director
[DIN: 03620109]

Prashant Jain
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Chief Financial Officer

KARCHAM WANGTOO HYDRO ELECTRIC PLANT
JSW HYDRO ENERGY LIMITED
(Formerly known as Himachal Baspa Power Company Limited)

Statement of changes in equity for the year ended 31st March, 2019

a. Equity share capital (₹ Crore)

Balance at the 1st April, 2017	966.00
Changes in equity share capital during the FY 2017-18	
Balance at the 1st April, 2018	966.00
Changes in equity share capital during the FY 2018-19	
Balance at the 31st Mar, 2019	966.00

b. Other equity (₹ Crore)

Particulars	Reserves & surplus			Items of other comprehensive income	Capital Contribution by parent company	Total
	Equity-settled employee benefits reserve	Debenture redemption reserve	Retained earnings	Actuarial gain / (loss)on defined benefit liabilities/ (assets)		
Balance as at 1st April, 2018	0.19	54.30	152.44	(0.12)	119.22	326.04
Profit for the year		-	29.41	-	-	29.41
Recognition of Share based payment	0.05				-	0.05
Transfer from Debenture redemption reserve	-	(15.85)	15.85	-	-	-
Other comprehensive income for the year, net of income tax	-	-		(0.65)	-	(0.65)
Total comprehensive income for the year ended 31st Mar'19	**0.24**	**38.45**	**197.70**	**(0.76)**	**119.22**	**354.85**

See accompanying notes to the financial statements

As per our attached report of even date
For Shah Gupta & Co
Chartered Accountants
Firm Registration No.: 109574W

Vipul K Choksi
Partner
M No. 37606

Place: Mumbai
Date: 15-05-2019

SHAH GUPTA & CO
MUMBAI
FRN - 109574W
CHARTERED ACCOUNTANTS

For and on behalf of Board of Directors

Gyan Bhadra Kr.

Gyan Bhadra Kumar
Whole Time Director
[DIN: 03620109]

Prashant Jain
Chairman
[DIN: 01281621]

Vrushali Karnik
Company Secretary

Sanjeev Kango
Chief Financial Officer

KARCHAM WANGTOO HYDRO ELECTRIC PLANT
JSW HYDRO ENERGY LIMITED
(Formerly Known as Himachal Baspa Power Company Limited)
Notes to Financial Statements for the year ended 31st March, 2019

Note 1: General information

a) Karcham Wangtoo Hydro Electric Plant (1000 MW) is a run of the river plant on the river Sutlej, in the kinnaur district of the state of Himachal Pradesh.

b) JSW Hydro Energy Limited (Formerly Known as Himachal Baspa Power Company Limited) is a public limited Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. It is 100% subsidiary of M/s JSW Energy Limited. The registered office of the Company is located at Sholtu Colony, P.O. Tapri, Dist. Kinnaur, 172104 (HP).

c) The Company is primarily engaged in the business of generation and transmission of power.

Note 2: Statement of compliance

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

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

Note 3: Significant accounting policies

3.1 Basis of preparation of financial statements:

a) General Purpose Financial Statements of Karcham Wangtoo Hydro Electric Plant has been prepared for submission to various regulatory authorities.

b) In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its Financial Statements as per the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1st April, 2016. Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2019, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements".

c) 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 certain material items that have been measured at fair value as required by the relevant Ind AS and explained in the ensuing policies below.

d) The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest crore, except otherwise indicated.

e) Current and non-current classification
The company presents assets and liabilities in the balance sheet passed on current / non-current classification.

An assets is classified as current when it satisfies any of the followings 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 traced:

- 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 followings criteria:

- it is expected to be settled in the Company's normal operating cycle:

- it is held primarily for the purpose of being traced.

- 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. Term 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.

3.2 Use of estimates & judgements

a) 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.

b) The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods. The critical accounting judgements and key estimates followed by the Company for preparation of financial statements is described in note 27.

3.3 Property, plant and equipment

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

b) 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.

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

d) Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold or Leasehold land is stated at historical cost.

3.4 Other Intangible assets

a) Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.

b) Certain computer software costs are capitalized and recognized as Intangible assets based on materiality, accounting prudence and significant benefits expected to flow therefrom for a period longer than one year.

c) An intangible assets is derecognised on disposal, or when no further economic benefits are expected from use or disposal. Gain / (loss) on de-recognition are recognized in profit or loss.

3.5 Depreciation and Amortisation

a) Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values as per the provisions of Part B of Schedule II of the Companies Act,2013 based on the useful life,rate and residual value notified for accounting purposes by CERC Tariff regulation 2014.

b) 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.

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

d) Post 100% tie up of Karcham Wangtoo HEP from 1st April 2018 with state discoms, The company provided depreciation on tangible assets as per the provisions of Part B of Schedule II of the Companies Act,2013 based on the rates, useful life and residual value notified for accounting purposes by CERC Tariff regulation 2014. Earlier company was providing depreciation based on technical evaluation of useful life and residual value as per the provision of part A of schedule II of the companies act 2013.

e) Depreciation is being calculated annually based on straight line method and at rates specified below which are as per CERC Tariff regulation 2014. Provided that the remaining depreciable value as on 31st March of the year closing after a period of twelve years from the effective date of commercial operation of the station shall be spread over the balance useful life of the assets.

Rate of depreciation are given below:

Particulars	**Depreciation rate (Per Annum)**
Plant & Machinery	5.28%
Lease hold Land	3.34%
Buildings	3.34%
Furniture's & Fixtures	6.33%
Vehicles	9.50%
Office equipment's	6.33%
Computer & Software	15%

3.6 Impairment of tangible and intangible assets other than goodwill

a) At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

b) 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.

c) 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.

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

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

3.7 Borrowing costs

a) 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.

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

c) The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

The Company suspends capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

3.8 Cash and cash equivalents

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

3.9 Revenue recognition

Sale of Power

The Company primarily generates revenue from contracts with customers for supply of power generated from power plants including from allocating the capacity of the plant under the long term power purchase agreements, from sale of power on merchant basis including under short term contracts

Revenue from capacity charges (other than from contracts classified as lease) under the long term power supply agreements is recognised over a period of time as the capacity of the plant is made available under the terms of the contracts.Electricity charges are recognised on supply of power under such power supply agreements. Revenue from sale of power on merchant basis is recognised when power is supplied to the customers.

Interest income

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

Interest or Surcharge on delayed payments or overdue trade receivables is recognised when significant certainty as to measurability or realisibility exists.

3.10 Foreign currency transactions

The functional currency of the Company and its subsidiaries is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR).

In preparing the financial statements, 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; and
- exchange differences on transactions entered into in order to hedge certain foreign currency risks

3.11 Employee benefits

The Company has following post-employment plans:

a) Defined-benefit plan - gratuity

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of plan assets. The defined benefit obligation is calculated annually by actuaries through actuarial valuation using the projected unit credit method.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- service cost comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements
- net interest expense or income

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefit expenses in the statement of the profit & loss.

Re-measurement comprising of actuarial gains and losses arising from

(a) Re-measurement of Actuarial (gains) / losses
(b) Return on plan assets, excluding amount recognized in effect of asset ceiling
(c) Re-measurement arising because of change in effect of asset ceiling are recognised in the period in which they occur directly in Other comprehensive income. Re-measurement is not reclassified to profit or loss in subsequent periods.

Ind AS 19 requires the exercise of judgment in relation to various assumptions including future pay rises, inflation and discount rates and employee and pensioner demographics. The Company determines the assumptions in conjunction with its actuaries, and believes these assumptions to be in line with best practice, but the application of different assumptions could have a significant effect on the amounts reflected in the income statement, other comprehensive income and balance sheet. There may be also interdependency between some of the assumptions.

b) Defined-contribution plan – provident fund

Under defined contribution plans, provident fund, the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Defined Contribution plan comprise of contributions to the employees' provident fund set up as trust or Regional Provident Fund Commissioner and certain state plans like Employees' State Insurance. The Company's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

c) Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the Balance sheet date determined based on an actuarial valuation.

3.12 Share-based payment arrangements

a) 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.

b) 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.

3.13 Taxation

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

a) Current tax

Current tax is the amount of tax payable based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated 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.

b) Deferred tax

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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.

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

iii) Current and deferred tax for the year
Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3.14 Earnings per share

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

3.15 Provisions, contingencies and commitments

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

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

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

A disclosure for contingent liabilities is made when there is

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

(b) a present obligation that arises from past events but is not recognized because:

  (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

  (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

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

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

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

3.16 Financial instruments

Financial assets and financial liabilities are recognised when an entity 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

(i) Initial recognition and measurement:

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss ,are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

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

(ii) Subsequent measurement

Financial assets, other than equity instruments, are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:
(a) the entity's business model for managing the financial assets and
(b) the contractual cash flow characteristics of the financial asset.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated 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 paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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

Investments in equity instruments at FVTOCI

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

A financial asset is held for trading if:

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

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

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

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

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

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement 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

a) 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

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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.

b) 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.

c) 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.

d) 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.

e) 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

a) 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.

b) 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.

c) 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 an 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 group 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 grouping 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 re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

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

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

Financial liabilities subsequently measured at amortised cost

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

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees 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 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.

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 changes 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 reclassifications and the how they are accounted for:

Original Classification	**Revised Classification**	**Accounting treatment**
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in statement of profit and loss.

FVPTL	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new gross carrying amount. No other adjustment is required.
FCTOCI	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 below.

Financial assets/ financial liabilities	
Fair value hierarchy	Valuation technique(s) and key input(s)
Level 1	Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2	Valuation Techniques for which the lowest level input that is significant to the fair Value measurement is directly or indirectly observable.
Level 3	Valuation Techniques for which the lowest level input that is significant to the fair Value measurement is unobservable.

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3.18 Leases

a) 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.

b) 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.

The Company enters into agreements, comprising a transaction or series of related transactions that does not take the legal form of a lease but conveys the right to use the asset in return for a payment or series of payments. In case of such arrangements, the Company applies the requirements of Ind AS 17 – Leases to the lease element of the arrangement. For the purpose of applying the requirements under Ind AS 17 – Leases, payments and other consideration required by the arrangement are separated at the inception of the arrangement into those for lease and those for other elements.

c) The Company as lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments (discounted at the interest rate implicit in the lease or at the entity's incremental borrowing rate). The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Lease payments under an operating lease 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.

3.19 Inventories

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

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

3.20 Applicability of new Ind AS:
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.

New material accounting pronouncements, which are not yet effective
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 Company does not have any material leases, wherein the company 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 Company 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 Company 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 Company 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 Company 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

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applied. The Company 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 Company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation

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

Note 4. Property, plant & equipment

(₹ Crore)

Description of Assets	Land - Freehold	Land - Leasehold	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross carrying value								
Balance as at 1st April, 2018	60.47	8 77	33.73	7,509.86	4.25	0.99	3.44	7,621.50
Additions	-	-	-	0.09	0.14	0.22	0.22	0.67
Balance as at 31st March, 2019	60.47	8.77	33.73	7,509.95	4.39	1.21	3.66	7,622.17
II. Accumulated depreciation and impairment for the year 2018-19								
Balance as at 1st April, 2018	-	0.94	1.92	518.48	2.61	0.13	1.06	525 15
Depreciation expense for the year	-	0.29	1.13	396.52	0.53	0.07	0.33	398.87
Balance as at 31st March, 2019	-	1.23	3.05	915.00	3.14	0.20	1.39	924.02
Net carrying value as at 31st Mar, 2019 (I-II)	**60.47**	**7.54**	**30.68**	**6,594.95**	**1.25**	**1.01**	**2.27**	**6,698.16**
	Land - Freehold	**Land - Leasehold**	**Buildings**	**Plant and Equipment**	**Office Equipment**	**Furniture and Fixtures**	**Vehicles**	**Total**
I. Gross carrying value								
Balance as at 1st April, 2017	60.47	8.77	33.72	7,507.79	3.52	0.31	3.12	7,617.69
Additions	-	-	0.01	2.07	0.73	0.68	0.33	3.82
Disposals	-	-	-	-	-	-	(0.02)	(0.02)
Balance as at 31st March, 2018	60.47	8.77	33.73	7,509.86	4.25	0.99	3.44	7,621.52
II. Accumulated depreciation and impairment for the year 2017-18								
Balance as at 1st April, 2017	-	0.66	1.10	317.60	1.89	0.07	0.60	321.92
Depreciation expense for the year	-	0.28	0.82	200.88	0.72	0 06	0.48	203.24
Eliminated on disposal of assets	-	-	-	-	-	-	(0.02)	(0.02)
Balance as at 31st March, 2018	-	0.94	1.92	518.48	2.61	0.13	1.06	525.15
Net carrying value as at 31st March, 2018 (I-II)	**60.47**	**7.83**	**31.81**	**6,991.37**	**1.64**	**0.86**	**2.37**	**7,096.36**

Note:

a) Refer note 15 for the details in respect of certain property , plant and equipment hypothecated/mortgaged as security against borrowing

Note 5. Capital work in progress

Capital work in progress & pre operative expenditure during construction period (pending allocation) relating to property, plant & equipment

(₹ Crore)

Balance as at 31st March, 2018	2.23
Balance as at 31st March, 2019	7 15

Footnote:

1) Amount transferred to property plant and equipment during the year ₹ 0.02 crore (for the year ended 31st March 2018: ₹ 0.16 Crore)

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

Note 6. Other Intangible assets

(₹ Crore)

Description of Assets	**Computer Software**	**Service Concession Arrangement Intangibles ***	**Total**
Balance as at 1st April, 2018	0.93	-	0.93
Additions	0.06	-	0.06
Balance as at 31st March, 2019	0.99	-	0.99
II. Accumulated amortisation and impairment for the year 2018-19			
Balance as at 1st April, 2018	0.08	-	0.08
Amortisation expense for the year	0.15	-	0.15
Balance as at 31st March, 2019	0.23	-	0.23
Net carrying value as at 31st Mar, 2019 (I-II)	0.76	-	**0.76**

Description of Assets	**Computer Software**	**Service Concession Arrangement Intangibles ***	**Total**
I. Gross Carrying Value			
Balance as at 1st April, 2017	0.16	-	0.16
Additions	0.77	-	0.77
Balance as at 31st March, 2018	0.93	-	0.93
II. Accumulated amortisation and impairment for the year 2017-18			
Balance as at 1st April, 2017	0.02		0.02
Amortisation expense for the year	0.06		0.06
Balance as at 31st March, 2018	0.08	-	0.08
Net carrying value as at 31st March, 2018	**0.85**	-	**0.85**

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JSW Hydro Energy Limited

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

Note 7. Other financial assets

(₹ Crore)

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	Current	Non-Current	Total	Current	Non-Current	Total
(a) Security Deposits						
- Unsecured, considered good						
(i) Government/Semi-Government Authorities	-	0.06	0.06	-	0.05	0.05
(ii) Others	-	0.09	0.09	-	0.09	0.09
	-	0.15	0.15	-	0.14	0.14
b) Interest Receivables						
Other interest receivable	-	-	-	0.84	-	0.84
- Unsecured, considered good	-	-	-	-	-	-
	-	-	-	0.84	-	0.84
c) Other Loans and Advances						
- Unsecured, considered good	226.47	-	226.47	109.74	56.42	166.17
	226.47	-	226.47	109.74	56.42	166.17
d) Other bank balances						
- In margin money for security against entry tax	-	3.60	3.60	-	-	-
	-	3.60	3.60	-	-	-
	226.47	**3.75**	**230.22**	**110.58**	**56.57**	**167.15**

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

Note 8. Other non-current and current assets

(₹ Crore)

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	Current	Non-Current	Total	Current	Non-Current	Total
(a) Capital Advances	0.77	-	0.77	-	0.01	0.01
(b) Prepayments	8.70	0.24	8.94	10.31	-	10.31
(c) Entry tax receivable	19.18	-	19.18	19.18	-	19.18
(d) Others	1.50	-	1.50	0.87	-	0.87
	30.15	**0.24**	**30.39**	**30.37**	**0.01**	**30.38**

KARCHAM WANGTOO HYDRO ELECTRIC PLANT
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Notes to the financial statements for the year ended 31st March, 2019

Note 9. Inventories

(₹ Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Stores and spares	5.73	5.92
	5.73	**5.92**

Basis of valuation: Refer note 3.20 (Inventories)

Refer Note 15 for Inventories hypothecated as security against certain bank borrowings.

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

Note 10. Investment

(₹ Crore)

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	Current	Non- Current	Total	Current	Non- Current	Total
Investments carried at:						
A. Fair value through Profit and Loss						
(a) Investments in mutual funds						
i) Aditya Birla Sunlife Liquid Growth Fund	16.02	-	16.02	-	-	-
ii) Reliance Liquid Fund TP Growth	-	-	-	36.34	-	36.34
iii) Kotak floater STP Growth	-	-	-	50.08	-	50.08
iv) Kotak Liquid Regular Plan Growth	27.02	-	27.02	-	-	-
v) HDFC Liquid Fund Regular Plan Growth	53.06	-	53.06			
vi)Franklin India Treasury -SIP Growth	10.96		10.96	-	-	-
Total	**107.06**	-	**107.06**	**86.42**	-	**86.42**

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

Note 11. Trade receivables

(₹ Crore)

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	Current	Non-Current	Total	Current	Non-Current	Total
(a) Unsecured, considered good (i) Trade Receivables considered good - Secured; (ii) Trade Receivables considered good - Unsecured; (III) Trade Receivables which have significant increase in Credit Risk; and (iv) Trade Receivables - credit impaired	169.68	-	169.68	209.92	-	209.92
	169.68	**-**	**169.68**	**209.92**	**-**	**209.92**

Refer Note 15 for trade receivables hypothecated as security for borrowings.

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

Note 12. Cash and cash equivalents and other bank balances

(₹ Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Cash and cash equivalents		
(a) Balances with banks		
(i) In Current accounts	24.54	0.24
In Deposit accounts with maturity less than 3 months at inception	9.70	79.70
(b) Cash on hand	0.02	0.02
	34.25	79.95

(₹ Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Bank balances other than above		
(i) Earmarked balances with banks		
- Margin money for Security against Entry Tax	26.66	28.37
	26.66	28.37

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Note 13. Equity share capital

(₹ Crore)

Particulars	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	966,000,000	966.00	966,000,000	966.00
Issued, Subscribed and Fully Paid:				
Equity shares of ` 10 each with voting rights	966,000,000	966.00	966,000,000	966.00
	966,000,000	**966.00**	**966,000,000**	**966.00**

a) Reconciliation of the number of shares outstanding at the beginning and end of the year:

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	966,000,000		966,000,000	
Issued during the year	-		-	
Balance as at the end of the year	966,000,000		966,000,000	

b) 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.

(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. However, no such preferential amount exists currently.

c) Details of shareholding more than 5% shares in the company are set out below :

	Particulars	No. of Shares		No. of Shares	
1	JSW Energy Limited & its nominees	966,000,000		966,000,000	
		100%		100%	
		-		-	

KARCHAM WANGTOO HYDRO ELECTRIC PLANT
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Notes to the financial statements for the year ended 31st March, 2019

Note 14. Other equity

(₹ Crore)

Particulars	Reserves and Surplus			Items of other comprehensive income	Capital contribution by parent company	Total
	Equity-settled employee benefits reserve	Debenture redemption reserve	Retained earnings	Actuarial gain / (loss)on defined benefit liabilities/		
Balance as at 1st April, 2018	0.19	54.30	152.44	(0.12)	119.22	326.04
Profit for the year	-		29.41	-	-	29.41
Recognition of Share based payment	0.05					0.05
Transfer from Debenture redemption reserve	-	(15.85)	15.85		-	-
Other comprehensive Income for the year, net of Income tax	-	-	-	(0.65)	-	(0.65)
Total comprehensive Income for the year ended 31th Mar'2019	**0.24**	**38.45**	**197.70**	**(0.76)**	**119.22**	**354.85**

(₹ Crore)

Particulars	Reserves and Surplus			Items of other comprehensive income	Capital contribution by parent company *	Total
	Equity-settled employee benefits reserve	Debenture redemption reserve	Retained earnings	Actuarial gain / (loss)on defined benefit liabilities/		
Balance at 1st April, 2017	-	41.20	(8.72)	(0.44)	119.22	151.26
Profit for the year 2017-18	0.19	-	174.27	-	-	174.46
Recognition of Share based payment	-					-
Transfer to Debenture redemption reserve	-	13.10	(13.10)	-		-
Other comprehensive income for the year, net of income tax	-			0.33	-	0.33
Total comprehensive income for the year ended 31st Mar,2018	**0.19**	**54.30**	**152.44**	**(0.12)**	**119.22**	**326.04**

* As per Ind AS, waiver of interest by the Holding company on debentures issued to it, has been considered as deemed equity.

Notes:

(1) Retained earning

Retained earning comprise balance of accumulated (undistributed) profit and loss at each year end.

(2) Equity -settled employee benefit 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 bassed payment reserve is used to recognise the value of equity settled share bassed payments provided as part of the ESOP scheme.

(3) Debenture redumption reserve

The Indian Companies Act requires companies that issue debentures to creat a debenture redumption reserve from annual profits until such debentures are redeemed Companies are required to maintain 25% as a reserve of outstanding redeemable debentures.The amounts credited to the debentures redemption reserve may not be utilised except to redeem debentures.

(4) Remeasurements of the net defined benefit plans

This reserve represents the impact of acuarial gains and losses on the funded obligation due to change in financial assumptions,change in demographic assumption, experience adjustments etc,recognised through other comprehensive income.

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

Note 15. Non-current borrowings (₹ Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Measured at amortised cost		
Secured Borrowings:		
Term loans		
i From Banks	5,002.27	5,237.65
	5,002.27	**5,237.65**
Unsecured Borrowings		
Debentures		
i Non-convertible debentures - Holding Company	384.50	723.98
	384.50	**723.98**
	5,386.77	**5,961.63**

(i) Aggregate amount of installments due for payments within one year ₹ 234.24 crore (as at 31st March, 2018 - 206.85 crore) have been grouped under "Current maturities of long-term debt" (Refer note 16),This is net of amortised cost of ₹ 4.46 crore (as at 31st March, 2018 - 4.65 crore)

(ii) The secured borrowings are net of amortised cost of ₹ 33.78 crore (as at 31st March, 2018 - ₹ 38.23 crore)

(iii) Terms of Redemptions of Debentures:

3,84,50,000 no. (Previous Year 7,23,98,000 no.) @ 13% unsecured non convertible debentures of Rs. 100 each are redeemable at par at the end of 10 years from the date of issue i.e. 01.09.2015.

iv) Term of Repayment of Rupee Term Loans :

Particulars	As at 31st March, 2019	As at 31st March, 2018
From Banks :		
2 - 3 Years	516.68	483.44
4 - 5 Years	565.02	552.93
6 - 10 Years	806.74	888.32
Above 10 Year	3,147.61	3,351.19
Total Borrowings from Banks	**5,036.05**	**5,275.89**

Reconciliation at the beginning of the year (including current maturities)

Particulars	As at 31st March,2019
Balance as at the begininning of the year(including current maturities)	6168.49
Cash flows (repayment)/proceeds)	(552.12)
Non cash changes	
1 Amortised borrowings cost	4.64
Balance as at the end of the year (including current maturities)	**5,621.01**

(v) Details of Security :

Rupee Term Loan aggregating to ₹ 5,236.51 crore (Previous Year ₹ 5,444.51 crore) included in A are secured on a pari passu basis by (a) a first charge on all immovable assets of the Karcham Wangtoo and Baspa II hydro electric plant of the Company (the Projects), (b) a first charge on all moveable assets of the Projects, (c) a first charge on all project related documents licenses, permits, approvals, rights, titles, interest etc pertaining to the Projects, and (d) first charge on book debts, operating cash flows, receivable, commissions & revenue (both present & future) and bank accounts of the Projects.

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

Note 16. Other financial liabilities

(₹ Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Non-Current		
Deposits received from Dealers	-	0.00
	-	**0.00**
Current		
(a) Current maturities of long-term debt *	234.24	206.85
(b) Interest accrued but not due on borrowings	23.91	0.00
(c) Payable for capital project	49.26	59.98
(d) Other payable	269.37	122.65
	576.78	**389.48**
	576.78	**389.49**

* Refer Note 15 for the details of borrowings repayment terms and security charge.

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Note 17. Provisions

(₹ Crore)

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	Current	Non-Current	Total	Current	Non-Current	Total
Provision for employee benefits						
(i) Provision for gratuity	0.87	1.00	1.87	0.71	-	0.71
(ii) Provision for compensated absence	0.17	1.47	1.64	0.15	1.17	1.32
	1.04	**2.47**	**3.51**	**0.86**	**1.17**	**2.03**

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

Note 18. Trade payables

(₹ Crore)

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	Current	Non-Current	Total	Current	Non-Current	Total
Trade Payables						
(a) Total outstanding dues of micro and small enterprises	0.47	-	0.47	-	-	-
(b) Total outstanding dues of creditors other than	47.37	-	47.37	28.65	-	28.65
	47.84	**-**	**47.84**	**28.65**	**-**	**28.65**

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

Note 19. Other non-current and current liabilities

(₹ Crore)

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	Current	Non-Current	Total	Current	Non-Current	Total
(a) Advances received from customers	-	-	-	0.03	-	0.03
(b) Employee recoveries and employer contributions	0.28	-	0.28	0.21	-	0.21
(c) Statutory dues	6.69	-	6.69	12.48	-	12.48
	6.97	-	**6.97**	**12.72**	-	**12.72**

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

Note 20. Revenue from operations

(₹ Crore)

	Particulars	For the year Ended 31st March,19	For the year Ended 31st March,18
	Disaggregation of revenue from contract with customers:		
(1)	Sale of power		
	Own generation	1,071.69	1,216.48
	Total revenue from contract with customers (A)	**1,071.69**	**1,216.48**
(2)	Income from service concession arrangement	-	-
	Income from service concession arrangement (B)	-	-
	Total (A) + (B)	**1,071.69**	**1,216.48**

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

Contract liability - Advance from customer	As at 31st March,2019	As at 31st March,2018
Opening balance	-	-
Less: Revenue recognized during the year from balance at the beginning of the year	-	-
Add: Advance received during the year not recognized as revenue	-	-
Closing Balance	-	-

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

(b) Details of revenue from contract with Customer

Particulars	For the year Ended 31st March,19	For the year Ended 31st March,18
Total Revenue from contract with customers as above	1,071.69	1,216.48
Add: Rebate on prompt payment	12.31	14.66
Less: Incentive	53.91	57.62
Total Revenue from contract with customers as per contracted price	**1,030.09**	**1,173.52**

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JSW HYDRO ENERGY LIMITED
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Notes to the financial statements for the year ended 31st March, 2019

Note 21. Other income

(₹ Crore)

Particulars	For the year Ended 31st March,19	For the year Ended 31st March,18
a) Interest Income earned on financial assets that are not designated as at FVTPL		
i On Bank deposits	2.31	1.91
ii Interest Income	12.25	40.84
b) Others		
i Net Gain on sale of current investments designated as at FVTPL	9.45	11.16
ii Profit on sale of capital assets (net of loss on assets sold / scrapped / written off)	-	0.01
iii Net gain on foreign currency transaction *	0.00	0.00
iv Domestic Scrap Sales	0.38	0.19
v Insurance Claim	-	0.14
vi Sale of Carbon credit	1.02	-
vii Provision no longer required written back	4.22	5.32
viii Miscellaneous income	0.68	0.52
	30.32	**60.08**

* FY 2018-19 Rs.2105.25 FY 2017-18 Rs.1630.37

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

Note 22. Employee benefits expense

(₹ Crore)

	Particulars	For the year Ended 31st March,19	For the year Ended 31st March,18
(a)	Salaries and wages	34.06	30.89
(b)	Contribution to provident and other funds *	1.41	1.13
(c)	Share based payment	0.16	0.13
(d)	Staff welfare expenses	2.12	1.87
		37.74	**34.01**

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Note 23. Finance costs

(₹ Crore)

Particulars		For the year Ended 31st March,19	For the year Ended 31st March,18
(a)	Interest expense		
	i Interest on Debentures	71.13	106.97
	ii Interest on Term Loan	483.57	566.88
	iii Interest cash credit	0.01	0.00
(b)	Unwinding of interest on Financial liabilities carried at Amortised cost	4.12	4.12
(c)	Other borrowing costs	4.37	8.73
		563.20	**686.71**

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

Note 24. Depreciation and amortisation expense

(₹ Crore)

Particulars	For the year Ended 31st March,19	For the year Ended 31st March,18
(a) Depreciation on property, plant and equipment	398.87	203.24
(b) Amortization on Intangible assets	0.15	0.06
	399.02	**203.30**

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

Note 25. Other expenses

(₹ Crore)

	Particulars	For the year Ended 31st March,19	For the year Ended 31st March,18
(a)	Stores and spares consumed	10.44	8.53
(b)	Power & Water	2.84	3.18
(c)	Rent including lease rentals	2.41	1.73
(d)	Repairs and maintenance	39.29	18.74
(e)	Royalty	0.08	0.03
(f)	Rates and taxes	0.25	0.66
(g)	Insurance	15.57	16.58
(h)	Net loss / (gain) on foreign currency transactions net off Derivative gain/loss (other than considered as finance costs)	0.01	-
(i)	Legal and other professional charges	1.60	2.31
(j)	Travelling Expenses	1.08	1.02
(k)	Donation	0.12	0.01
(l)	Corporate Social Responsibility *	4.09	2.20
(m)	Open Access Charges	14.10	60.44
(n)	Miscellaneous receivable balance written off	0.83	0.00
(o)	Other General Expenses	12.89	11.60
		105.61	**127.02**

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

Note 26. Tax expense

(₹ Crore)

(a) Income Tax Expense

Particulars	For the year Ended 31st March,19	For the year Ended 31st March,18
a) Current Tax	2.31	47.37
b) Deferred Tax	(35.28)	3.89
	(32.97)	**51.26**