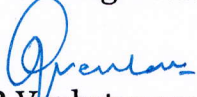


Jayaraman & Co
Chartered Accountants

COMPLIANCE CERTIFICATE

We have conducted the audit of the accounts of M/s SAIL Jagadishpur Power Plant Limited for the year ended March 31, 2017 in accordance with the directions/sub-directions issued by the C&AG of India under section 143(5) of the Companies Act 2013 and certify that we have complied with all the directions/sub directions issued.

For Jayaraman & Co.
Chartered Accountants
Firm Regn. No. 000469N


R Venkataraman
Partner
(Membership No. 019832)
Place: New Delhi
Date: 19.05.17



Jayaraman & Co
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

SAIL JAGADISHPUR POWER PLANT LIMITED

Report on the Standalone Ind.AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **SAIL JAGADISHPUR POWER PLANT LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information, (herein referred to as "the standalone Ind AS Financial statements").

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial positions), profit and loss (financial performance, including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued there under.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and rules made there under.



We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Emphasis of Matter

Without qualifying, we draw reference to note number 17 in the standalone Ind AS financial statements in connection with preparation of standalone Ind AS financial statements for the year ended 31st March, 2017 on liquidation basis so as to comply with the directives of the board of the holding company dated 12th July, 2016.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2017, and its loss (financial performance, including other comprehensive income), its cash flows and changes in equity for the year then ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (the order) issued by the Central Government in terms of sub section (11) of Section 143 the Companies Act, we give in the Annexure "A" a statement on the matters specified in paragraph 3 & 4 of the Companies (Auditor's Report) Order, 2016 .

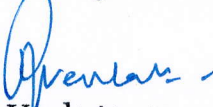
As required by section 143(3) of the Act, we report, that

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Standalone Ind AS financial statements;
- b) In our opinion proper books of account as required by law relating to preparation of the aforesaid standalone Ind AS financial statement have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purpose of our audit ;



- c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement and Statement of changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the standalone Ind AS financial statements;
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) In terms of Notification No GSR 463(E) dated June 5, 2015 issued by Ministry of Corporate Affairs Government of India, the sub section (2) of section 164 of the Companies Act 2013 are not applicable to the company.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B" and
- g) With respect to the other matters to be included in the Auditors Report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and best of our information and according to the explanation given to us:
- i) There are no pending litigations impacting financial position of the Company as on 31st March, 2017.
- ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv) The Company has provided requisite disclosure in its Ind AS financial statements as to holdings as well as dealings in Specified bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the SAIL Jagadishpur Power Plant Limited. Refer Note 5 (ii) to the Ind AS financial statements.
3. As required by section 143(5) of the Act, we give in Annexure "C", a statement on the matters specified by the Comptroller and Auditor General of India for the Company.

For Jayaraman & Co.
Chartered Accountants
Firm Regn. No. 000469N


R Venkataraman
Partner
(Membership No. 019832)



New Delhi
19th May, 2017

SAIL JAGADISHPUR POWER PLANT LIMITED**Annexure A**

The Annexure referred to in our report the Members of SAIL JAGADISHPUR POWER PLANT LIMITED for the year ended March 31, 2017. We report that

Sl.no	Particulars	Auditors Remarks
i.	(a) whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	Not Applicable as the company do not possess any Fixed Assets
	(b) whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	Not Applicable as the company do not possess any Fixed Assets
	(c) whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof;	Not Applicable as the company do not possess any Fixed Assets
ii.	whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, whether they have been properly dealt with in the books of account;	Not Applicable as the company do not possess any inventory
iii.	whether the company has granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.	According to the information and explanations given to us and on the basis of our examination of the books of account, the company has not granted any loan secured or unsecured to Companies, firms, LLPs or other parties listed in the register maintained u/s 189 of the Companies Act
	If so, (a) whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest;	Not Applicable According to the information and explanations given to us and on the basis of our examination of the books of account, the company has not granted any loan secured or unsecured to
	(b) whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;	



	(c) if the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;	Companies, firms, LLPs or other parties listed in the register maintained u/s 189 of the Companies Act
iv.	in respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.	Not Applicable According to the information and explanations given to us and on the basis of our examination of the books of account, the company is not having loans, investments, guarantees and securities.
v.	in case, the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	The Company has not accepted any deposits from the public.
vi.	whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained.	As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government.
vii.	(a) whether the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated;	According to information and explanations given to us, the company did not start any business operations during the periods and there were no statutory dues paid / payable therefore Para (vii) is not applicable.




	(b) where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute).	According to information and explanations given to us, the company did not start any business operations during the periods and there were no statutory dues paid / payable therefore Para (vii) is not applicable.
viii.	whether the company has defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders? If yes, the period and the amount of default to be reported (in case of defaults to banks, financial institutions, and Government, lender wise details to be provided).	The company did not have any loans from financial institution and did not have debentures during the period, hence not applicable.
ix.	whether moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;	Not Applicable since the company has not raised money from the public.
x.	whether any fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated;	According to the information and explanations given to us, during the year, no fraud on or by the company has been noticed or reported nor has been informed by management during the course of our audit.
xi.	whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act? If not, state the amount involved and steps taken by the company for securing refund of the same;	The Company has not paid any managerial remuneration as such the clause is not applicable.
xii.	whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;	Not Applicable



xiii.	whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;	Not Applicable The company has not started business.
xiv.	whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliance;	No
xv.	whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with;	No
xvi.	whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained	No

**For Jayaraman & Co
Chartered Accountants**


R. Venkataraman
(Partner)
Membership No. 19832
FRN : 000469N

Place: New Delhi
Dated: 19.05.17

ANNEXURE - B TO THE INDEPENDENT AUDITORS REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **SAIL JAGADISHPUR POWER PLANT LIMITED ("the Company")** as of 31st March 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Board of Directors of the Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

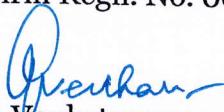
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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



OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Jayaraman & Co.
Chartered Accountants
Firm Regn. No. 000469N


R Venkataraman

Partner
(Membership No. 019832)
New Delhi
May 19, 2017



Directions under section 143(5) of the Companies Act 2013
for the Year 2016-17

Annexure C

<u>Sl.no</u>	<u>Directions</u>	<u>Our report</u>
1	Whether the company has clear title/lease deeds for free hold and lease hold land respectively? If not please state the area of freehold and lease hold land for which title/lease deeds are not available	Not Applicable (as the company has no land)
2	Whether there are any cases of waiver/write off of debts/loans/interest/etc if yes the reasons there for and amount involved	Not Applicable (as there are no cases of waiver/write off of debts/loans/interest)
3	Whether proper records are maintained for inventories lying with third parties& assets received as Gift/grant(s) from Govt. or other authorities	Not Applicable (as there are no inventories and assets)

Note

The Company SAIL Jagadishpur Power Plant Limited is a wholly owned subsidiary of Steel Authority of India Limited (SAIL). The Board of Directors of the holding company in its 432nd meeting held on 12th July, 2016, resolved for winding up / closure of the subsidiary company SAIL Jagadishpur Power Plant Ltd Company after extensive discussions with regard to its prospects and accordingly decided to recognize the loss of investment by writing off of the same from its books of accounts. The Board has further directed authorized personnel of the company to take such steps as may be considered necessary towards giving effect to the above said resolution. Accordingly actions for closure of the Company will be taken shortly



SAIL JAGADISHPUR POWER PLANT LIMITED
Ispat Bhawan, Lodhi Road . New Delhi – 110003
(CIN : U40106DL2011GOI219901)

Balance Sheet as at 31 March 2017
(All amounts in ₹)

	Note	31 March 2017	31 March 2016	1 April 2015
ASSETS				
Current assets				
Financial assets				
Cash and cash equivalents	4	2,58,305	30,507	12,083
Other bank balances	5	-	2,80,726	3,52,044
Current tax asset (net)	6	1,065	2,313	3,021
		<u>2,59,370</u>	<u>3,13,546</u>	<u>3,67,148</u>
		<u>2,59,370</u>	<u>3,13,546</u>	<u>3,67,148</u>
EQUITY AND LIABILITIES				
Equity				
Equity share capital	7	5,00,000	5,00,000	5,00,000
Reserves and surplus	8	(2,74,998)	(2,20,821)	(1,72,178)
		<u>2,25,002</u>	<u>2,79,179</u>	<u>3,27,822</u>
Current liabilities				
Financial Liabilities				
Other financial liabilities	9	34,368	34,368	39,326
		<u>34,368</u>	<u>34,368</u>	<u>39,326</u>
		<u>2,59,370</u>	<u>3,13,547</u>	<u>3,67,148</u>
Summary of significant accounting policies	3			

The accompanying notes are integral part of the financial statements.

This is the balance sheet referred to in our report of even date.

For Jayaraman & CO
Chartered Accountants
(M. No. 019832)
(FRN : 000469N)

[Signature]
Place: New Delhi
Date: 19 May 2017



For and on behalf of the Board of Directors

[Signature]
(Director)
[DIN: 06424792]

[Signature]
(Director)
[DIN: 00101601]

सेल जगदीशपुर पावर प्लांट लिमिटेड
SAIL JAGADISHPUR POWER PLANT LIMITED
पंजीकृत कार्यालय-इस्पत भवन, लोदी रोड नई दिल्ली-3
Regd. Office Ispat Bhawan, Lodi Road, New Delhi-3



SAIL JAGADISHPUR POWER PLANT LIMITED
Ispat Bhawan, Lodhi Road . New Delhi – 110003
(CIN : U40106DL2011GOI219901)

Statement of Profit and Loss for the year ended 31 March 2017

(All amounts in ₹)

	Note	31 March 2017	31 March 2016
Revenue			
Other income	10	10,489	22,966
		<u>10,489</u>	<u>22,966</u>
Expenses			
Finance costs	11	1,495	630
Other expenses	12	63,171	70,980
		<u>64,666</u>	<u>71,610</u>
Loss before tax		<u>(54,177)</u>	<u>(48,644)</u>
Tax expense			
Loss for the year		<u>(54,177)</u>	<u>(48,644)</u>
Other Comprehensive Income			
A i) Items that will not be reclassified to profit and loss			
ii) Income tax relating to items that will not be reclassified to profit or loss			
Other Comprehensive Income for the year		-	-
Total Comprehensive Income for the year		<u>(54,177)</u>	<u>(48,644)</u>
Earnings per equity share			
Basic (₹)	13	1.08	(0.97)
Diluted (₹)	13	1.08	(0.97)

Summary of significant accounting policies

The accompanying notes are integral part of the financial statements.

This is the statement of profit and loss referred to in our report of even date.

For Jayaraman & CO
Chartered Accountants
(M. No. 019832)
(FRN : 000469N)

[Signature]
Place: New Delhi
Date: 19 May 2017



For and on behalf of the Board of Directors

[Signature]
(Director)
[DIN: 06424792]

[Signature]
(Director)
[DIN: 00101601]

सेल जगदीशपुर पावर प्लांट लिमिटेड
SAIL JAGADISHPUR POWER PLANT LIMITED
पंजीकृत कार्यालय-इस्पत भवन, लोदी रोड नई दिल्ली-3
Regd. Office Ispat Bhawan, Lodi Road, New Delhi-3

SAIL JAGADISHPUR POWER PLANT LIMITED

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

(All amounts in ₹)

A Equity Share Capital

Particulars	Balance at the beginning of the reporting period	Redemption of equity share capital during the year	Balance at the end of reporting period
Equity Share Capital	5,00,000.00	-	5,00,000.00

B Other Equity

	Reserves and Surplus				
	Share Premium Account	General reserve	Retained earnings	OCI Reserve	Total
Balance as at 1 April 2015			(1,72,178)	-	(1,72,178)
Profit for the year	-	-	(48,644)	-	(48,644)
Dividends paid	-	-	-	-	-
Transfers	-	-	-	-	-
Remeasurement gain/loss during the year	-	-	-	-	-
Balance as at 31 March 2016	-	-	(2,20,822)	-	(2,20,822)
Profit for the year	-	-	(54,176)	-	(54,176)
Dividends paid	-	-	-	-	-
Transfers	-	-	-	-	-
Remeasurement gain/loss during the year	-	-	-	-	-
Balance as at 31 March 2017	-	-	(2,74,998)	-	(2,74,998)



SAIL JAGADISHPUR POWER PLANT LIMITED
(CIN : U40106DL2011GOI219901)

Cash Flow Statement for the year ended 31 March 2017
(All amounts in ₹)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Cash flow from operating activities		
Loss before tax	(54,177)	(48,644)
Operating cash flows before working capital changes	(54,177)	(48,644)
Changes in operating assets and liabilities		
Adjustments for decrease (increase) in other current and non-current assets	1,248	47,026
Adjustments for increase (Decrease) in other current and non-current Liabilities	-	(4,958)
Cash flow generated from operations	(52,929)	(6,576)
Income taxes paid (net of refunds)		
Net cash flow from operating activities	A (52,929)	(6,576)
Cash flow from investing activities		
Net cash generated from investing activities	B -	-
Cash flow from financing activities		
Net cash used by financing activities	C -	-
Net cash increase in cash and cash equivalents (A+B+C)	(52,929)	(6,576)
Cash and cash equivalents at the beginning of the year	3,05,507	3,12,083
Cash and cash equivalents at the end of the year	2,58,305	3,05,507
Movement in cash balance	(47,202)	(6,576)
Reconciliation of cash and cash equivalents as per cash flow statement		
Cash and cash-equivalents as per above comprise of the following		
Balances with banks		
On current accounts	2,58,305	30,507
On deposits with original maturity upto 3 months	-	2,75,000
	2,58,305	3,05,507

For Jayaraman & CO
Chartered Accountants


(M. No. 019832)


(FRN : 000469N)

Place: New Delhi
Date: 19 May 2017



For and on behalf of the Board of Directors


(Director)
[DIN: 06424792]


(Director)
[DIN: 00101601]

सेल जगदीशपुर पावर प्लांट लिमिटेड
SAIL JAGADISHPUR POWER PLANT LIMITED
पंजीकृत कार्यालय-इस्पत भवन, लोदी रोड नई दिल्ली-3
Regd. Office Ispat Bhawan, Lodi Road, New Delhi-3

SAIL Jagdishpur Power Plant Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017

1. Corporate and General Information

SAIL Jagdishpur Power Plant Limited ("the Company") is a subsidiary of Steel Authority of India Limited (SAIL). The Company is domiciled in India, incorporated in Delhi, India in 2011 under the provisions of Companies Act, 1956. The Company has not commenced business activities as yet. The registered office of the Company is situated at Ispat Bhawan, Lodhi Road, New Delhi-110 003, India.

These financial statements were approved by the Board of Directors of the Company in their meeting held on 19th May 2017.

2. Basis of preparation

2.1. Statement of Compliance

The financial statements of the Company have been prepared on accrual basis of accounting in accordance with the Indian Accounting Standards (Ind-AS) under Section 133 of Companies Act, 2015, and as notified under the Companies (Indian Accounting Standards) Rules 2015, and other accounting principles generally accepted in India. The Company has uniformly applied the accounting policies during the period presented. These are the Company's first Ind-AS financial statements and Ind-AS 101, First time adoption of Indian Accounting Standards has been applied.

For all the periods up to and including 31 March 2016, the Company prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India, which includes, Accounting Standards specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies Act, 2013 (collectively referred to as 'Indian GAAP'). The Company followed the provisions of Ind-AS 101 in preparing its opening Ind-AS Balance Sheet as of the date of transition, viz., 1 April 2015. Certain of the Company's Ind-AS accounting policies used in the opening Balance Sheet differed from its Indian GAAP policies applied as at 31 March 2015 and accordingly the adjustments were made to restate the opening balances as per Ind-AS. The resulting adjustment arose from events and transactions before the date of transition to Ind-AS were recognized directly through retained earnings as at 1 April, 2015 as required by Ind- AS 101.

2.2. Basis of Measurement

The financial statements are prepared on a historical cost basis except for the following assets and liabilities which have been measured at fair value:

- certain financial assets and liabilities which are classified as fair value through profit and loss or fair value through other comprehensive income;
- assets held for sale, at fair value less cost to sell.

2.3. Functional and Presentation Currency

The Financial Statements have been presented in Indian Rupees (₹), which is the Company's functional currency. All financial information presented in ₹ have been rounded off to the nearest rupee unless otherwise stated.

2.4 Use of Estimates and Management Judgement



SAIL Jagdishpur Power Plant Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017

In preparing the financial statements in conformity with Company's accounting policies, management is required to make estimates and assumptions that affect reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements, the amounts of revenue and expenses during the reported period and notes to the financial statements. Actual results could differ from those estimates. Any revision to such estimates is recognised in the period in which the same is determined.

3. Summary of significant accounting policies

Revenue recognition

Revenue is measured at the fair value of consideration received or receivable.

Interest income

Interest income is reported on an accrual basis using the effective interest method.

Financial instruments

Recognition, initial measurement and de-recognition

Financial assets and financial liabilities are recognised and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- Amortised cost
- financial assets at fair value through profit or loss (FVTPL)
- financial assets at fair value through other comprehensive income (FVOCI)

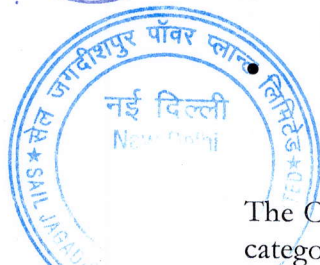
All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date.

Amortised cost

A financial asset shall be measured at amortised cost using effective interest rates if both of the following conditions are met:

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

The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.



SAIL Jagdishpur Power Plant Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017

Financial assets at FVTPL

Financial assets at FVTPL include financial assets that are either do not meet the criteria for amortised cost classification or are equity instruments held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments also fall into this category. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at FVOCI

FVOCI financial assets are either debt instruments that are managed under hold to collect and sell business model or are non-trading equity instruments that are designated to this category.

FVOCI financial assets are measured at fair value. Gains and losses are recognized in other comprehensive income, except for interest and dividend income, impairment losses and foreign exchange differences on monetary assets, which are recognized in statement of profit or loss.

Classification and subsequent measurement of financial liabilities

Financial liabilities are measured subsequently at amortized cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognized in profit or loss. All derivative financial instruments are accounted for at FVTPL.

3.1 Equity and Reserves

Share Capital represents the nominal value of shares that have been issued. Securities premium includes any premium received on issue of Share Capital. Any transaction costs associated with the issuing of shares are deducted from Securities premium account, net of any related income tax benefits.

Other components of equity include retained earnings include all current and prior period retained profits.

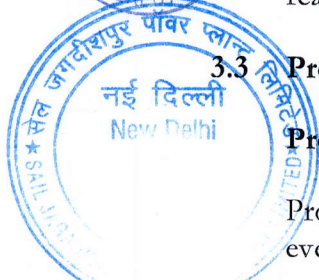
3.2 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term highly liquid investments (original maturity less than 3 months) that are readily convertible into cash and subject to an insignificant risk of changes in value.

3.3 Provisions, contingent liabilities and contingent assets

Provisions and Contingent Liabilities:

Provision is recognised when the Company has present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the



SAIL Jagdishpur Power Plant Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017

obligation in respect of which a reliable estimate can be made. Provisions are discounted to their present value, where 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, the receivable is recognised as a separate asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liability is a possible obligation arising from past events and 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 but is not recognised because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in Other Notes to Financial Statements.

In cases where the possible outflow of economic resources as a result of present obligation is considered improbable or remote, no Provision is recognised or disclosure is made.

Contingent assets:

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognised though are disclosed, where an inflow of economic benefits is probable.

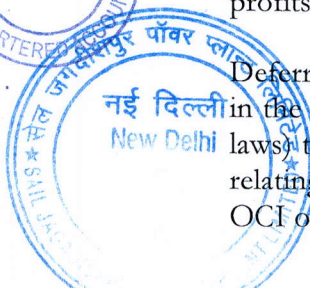
3.4 Income taxes

Tax expense recognised in statement of profit and loss comprises the sum of deferred tax and current tax not recognised in Other Comprehensive Income (OCI) or directly in equity.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income-tax Act. Current income tax relating to items recognised outside statement of profit and loss is recognised either in OCI or in equity.

Deferred income taxes are calculated using the liability method. Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits (MAT Credit entitlement) or deductible temporary difference will be utilised against future taxable income. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised either in OCI or in equity.



SAIL Jagdishpur Power Plant Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017


3.5 Significant judgement and estimates in applying Accounting policy

Recognition of deferred tax assets—The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.

Provision and contingencies – The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.

Fair value measurements— Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

For Jayaraman & Co
Chartered Accountant


(R. Venkataraman)
(Partner)
(M. No. 019832)
FRN : 000469N
Place: New Delhi
Dated: 19.5.2017



For and on behalf of the Board of
Directors


Director


Director

सेल जगदीशपुर पावर प्लांट लिमिटेड
SAIL JAGADISHPUR POWER PLANT LIMITED
पंजीकृत कार्यालय-इस्पत भवन, लोदी रोड नई दिल्ली-3
Regd. Office Ispat Bhawan, Lodi Road, New Delhi-3



SAIL JAGADISHPUR POWER PLANT LIMITED

(CIN : U40106DL2011GOI219901)

Notes to the Financial Statements for the year ended 31 March 2017

(All amounts in ₹)

	31 March 2017	31 March 2016	31 March 2015
4 Cash and bank balances			
Cash and cash equivalents			
Balances with banks			
Current accounts	2,58,305	30,507	12,083
	<u>2,58,305</u>	<u>30,507</u>	<u>12,083</u>
5 Other bank balances			
Term Deposits with maturity more than 3 months	-	2,80,726	3,52,044
	<u>-</u>	<u>2,80,726</u>	<u>3,52,044</u>
	<u>2,58,305</u>	<u>3,11,233</u>	<u>3,64,127</u>

(i) There are no repatriation restrictions with respect to cash and bank balances available with the Company.

(ii) Disclosure regarding Specified Bank Notes (SBN) as per MCA notification dated 30th March 2017 :

	SBNs	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	NIL	NIL	NIL
(+) Permitted receipts	NIL	NIL	NIL
(-) Permitted payments	NIL	NIL	NIL
(-) Amount deposited in Banks	NIL	NIL	NIL
Closing cash in hand as on 30 December 2016	NIL	NIL	NIL

6 Current tax assets (net)

Balance with government authorities

1,065	2,313	3,021
<u>1,065</u>	<u>2,313</u>	<u>3,021</u>

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SAIL JAGADISHPUR POWER PLANT LIMITED

Notes to the Financial Statements for the year ended 31 March 2017

(All amounts in ₹)

7 Equity share capital

Authorised capital

50,000 (previous year 50,000) equity shares of ₹ 10 each

31 March 2017	31 March 2016	1 April 2015
5,00,000	5,00,000	5,00,000
5,00,000	5,00,000	5,00,000

Issued, subscribed and Paid-up capital

50,000 (previous year 50,000) equity shares of ₹ 10 each

5,00,000	5,00,000	5,00,000
5,00,000	5,00,000	5,00,000

a) Reconciliation of equity shares outstanding at the beginning and at the end of the year.

	31 March 2017		31 March 2016	
	No of shares	Amount	No of shares	Amount
Equity shares at the beginning of the year	50,000	5,00,000	50,000	5,00,000
Issued during the year	-	-	-	-
Equity shares at the end of the year	50,000	5,00,000	50,000	5,00,000

b) Rights/preferences/restrictions attached to equity shares

The Company has one class of equity shares having a par value of ₹ 10 per share. All equity shares have been issued for consideration received in cash. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

In the event of liquidation, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% shares in the Company

	As on 31 March 2017		As on 31 March 2016		As on 1 April 2015	
	No of shares	% holding	No of shares	% holding	No of shares	% holding
Equity shares of ₹ 10 each fully paid up						
Steel Authority of India limited	50,000	100.00%	50,000	100.00%	50,000	100.00%

i) There are no other individual shareholders holding 5% or more in the issued share capital of the Company.



SAIL JAGADISHPUR POWER PLANT LIMITED
Notes to the Financial Statements for the year ended 31 March 2017
(All amounts in ₹)

8 Reserves and Surplus

	For the year 31 March 2017	For the year 31 March 2016
Statement of profit and loss		
Opening balance	(2,20,821)	(1,72,178)
Add : Net profit for the year	(54,177)	(48,643)
Net surplus in statement of profit and loss	(2,74,998)	(2,20,821)

31 March 2017 31 March 2016 1 April 2015

9 Other financial liabilities

Audit Fee Payable	28,750	28,750	28,090
Consultant Fee Payable	5,618	5,618	11,236
	34,368	34,368	39,326

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SAIL JAGADISHPUR POWER PLANT LIMITED
Notes to the Financial Statements for the year ended 31 March 2017
 (All amounts in ₹)

10 Other income

Interest from

Refund of income tax

Deposits

	77	109
	10,412	22,857
	<u>10,489</u>	<u>22,966</u>

11 Finance costs

Bank charges

	1,495	630
	<u>1,495</u>	<u>630</u>

12 Other expenses

Audit fee

Miscellaneous

	28,625	28,750
	34,546	42,230
	<u>63,171</u>	<u>70,980</u>

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SAIL JAGADISHPUR POWER PLANT LIMITED**Notes to the Financial Statements for the year ended 31 March 2017****13 Earnings per equity share**

The Company's Earnings Per Share ('EPS') is determined based on the net profit attributable to the shareholders' of the Parent. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti-dilutive.

	31 March 2017	31 March 2016
Net profit attributable to equity shareholders		
Profit after tax	(54,177.00)	(48,643.62)
Profit attributable to equity holders of the parent adjusted for the effect of dil	(54,177.00)	(48,643.62)
Nominal value of equity share (₹)	10.00	10.00
Weighted-average number of equity shares for basic EPS	50,000.00	50,000.00
Basic/Diluted earnings per share (₹)	(1.08)	(0.97)

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14 Financial risk management

i) Financial instruments by category

For amortised cost instruments, carrying value represents the best estimate of fair value.

Particulars	31 March 2017		31 March 2016		1 April 2015	
	FVTPL	Amortised cost*	FVTPL	Amortised cost*	FVTPL	Amortised cost*
Financial assets						
Cash and cash equivalents	-	2,58,305	-	30,507	-	12,083
Other bank balances	-	-	-	2,80,726	-	3,52,044
Total	-	2,58,305	-	3,11,233	-	3,64,127
Financial liabilities						
Other financial liabilities	-	34,368	-	34,368	-	39,326
Total	-	34,368	-	34,368	-	39,326

*All financial assets/liabilities stated above are measured at amortised cost and their respective carrying values are not considered to be materially different from their fair values.

ii) Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost	Aging analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Review of cash flow forecasts
Market risk - foreign exchange	Recognised financial assets and liabilities not	Cash flow forecasting	Review of cash flow forecasts and hedging through forward contracts

The Company's risk management is carried out by a central treasury department (of the Company) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

A) Credit risk

The finance function of the Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial assets with different characteristics and accordingly provisioning for expected credit loss is done for each class of financial assets.

Provision for expected credit losses

The Company provides for expected credit loss based on lifetime expected credit loss mechanism for trade receivables.

The impairment provisions for trade receivables disclosed below are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Expected credit loss for cash and cash equivalents and other bank balances

31 March 2017

Particulars	Estimated gross carrying amount at	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	2,58,305	0%	-	2,58,305
Other bank balances	-	0%	-	-

31 March 2016

Particulars	Estimated gross carrying amount at	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	30,507	0%	-	30,507
Other bank balances	2,80,726	0%	-	2,80,726

1 April 2015

Particulars	Estimated gross carrying amount at	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	12,083	0%	-	12,083
Other bank balances	3,52,044	0%	-	3,52,044

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities



SAIL JAGADISHPUR POWER PLANT LIMITED**(CIN : U40106DL2011GOI219901)****Notes to the financial statements for the year ended 31 March 2017**

(All amounts in ₹ unless otherwise stated)

C Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

1 Reconciliation of total equity as at 31 March 2016 and 1 April 2015

	Notes to first time adoption	31 March 2016	1 April 2015
Total equity (shareholder's funds) as per previous GAAP		2,79,179	3,27,822
Adjustments:			
Ind AS adjustments		-	-
Total adjustments		-	-
Total equity as per Ind AS		2,79,179	3,27,822

2 Reconciliation of total comprehensive income for the year ended 31 March 2016

	Notes to first time adoption	31 March 2016
Profit after tax as per previous GAAP		(48,643.62)
Adjustments:		
Others		-
Total adjustments		-
Total comprehensive income for the year ended 31 March 2016		(48,643.62)

3 Impact of Ind AS adoption on the consolidated statements of cash flows for the year ended 31 March 2016

	Notes	IGAAP	Adjustments	Ind AS
Net cash flow from operating activities		(6,576.00)	-	(6,576.00)
Net cash flow from investing activities		-	-	-
Net cash flow from financing activities		-	-	-
Net increase in cash and cash equivalents		-	-	(6,576.00)
Cash and cash equivalents as at 1 April 2015		3,12,083.00	-	3,12,083.00
Cash and cash equivalents as at 31 March 2016		3,12,083.00	-	3,05,507.00

i) Retained earnings

Retained earnings as at 1 April 2015 has been adjusted consequent to the above Ind AS transition adjustments.

ii) Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of Post-employment defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

15 Related party information**A Relationships**

Name	Relationship
i Steel Authority of India Limited	Holding company
iii SAIL Refractory Company Limited	Fellow subsidiary company
iv Chhatisgarh Mega Steel Limited	Fellow subsidiary company

B Transactions during the year with related parties

There has been no transactions with related parties during the financials year

C Outstanding balances as at 31 March 2017

Particulars	Holding Company		
	31 March 2017	31 March 2016	1 April 2015
Share capital	5,00,000	5,00,000	5,00,000



The tables below analyse the Company's financial liabilities into relevant maturity Companyings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

31 March 2017	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Other financial liabilities	34,368	-	-	-	34,368
Total					

31 March 2016	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Other financial liabilities	34,368	-	-	-	34,368
Total					

1 April 2015	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Other financial liabilities	39,326	-	-	-	39,326
Total					

15 Capital management

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Particulars	31 March 2017	31 March 2016	1 April 2015
Net debts	-	-	-
Total equity	2,25,002	2,79,179	3,27,822
Net debt to equity ratio	0%	0%	0%

(b) Dividends

Particulars	31 March 2017	31 March 2016
(i) Equity shares		
Final dividend for the year ended 31 March 2016	-	-
(ii) Dividends not recognised at the end of the reporting period	-	-



SAIL JAGADISHPUR POWER PLANT LIMITED

Notes to the financial statements for the year ended 31 March 2017

(All amounts in ₹)

16 First time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note xx have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the Company's date of transition). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A Ind AS mandatory exemptions

1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

2 Classification and measurement of financial assets and liabilities

The classification and measurement of financial instruments will be made considering whether the conditions as per Ind AS 109 are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to apply retrospectively the effective interest rate method requirements then, fair value of financial assets at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:

- i) The effects of the retrospective application or retrospective restatement are not determinable;
- ii) The retrospective application or restatement requires assumptions about what management's intent would have been in
- iii) The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

3 De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

- 17 The Company (SAIL Jagadishpur Power Plant Limited) is a wholly owned subsidiary of Steel Authority of India Limited (SAIL). The Board of Directors of the holding company in its 432nd meeting held on 12th July, 2016, resolved for winding up / closure of the Company after extensive discussions with regard to its projects and accordingly decided to recognise the loss of investment by writing off of the same from its books of accounts. The Board has directed authorised personnel of the company to take such steps as may be considered necessary towards giving effect to the above said resolution. Accordingly actions for closure of the Company will be taken shortly.

