

INDEPENDENT AUDITORS' REPORT

To the Members of JSW Power Trading Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **JSW Power Trading Company Limited** ("the Company"), which comprise the balance sheet as at March 31, 2023, and the statement of profit and loss, (including the statement of other comprehensive income), the cash flow statement and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit and other comprehensive income, its cash flow and the changes in equity for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

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

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

Responsibilities of the Management and Board of directors for the Financial Statements

The Company's Management and Board of Directors are is responsible for the matters stated in sub-section (5) of Section 134 of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and financial performance including other comprehensive income, change in equity and cash flows of the

Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under clause (i) of sub-section (3) of Section 143 of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Management's and Board of Directors use of the going concern basis of accounting in preparation of financial statement and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by sub-section (3) of Section 143 of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The balance sheet, the statement of profit and loss (including the statement of other comprehensive income), the cash flow statement and statement of changes in equity dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of sub-section (2) of Section 164 of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g. The Company has not paid / not provided for managerial remuneration in the books of accounts. Accordingly, provisions of Section 197 of the Act is not applicable to the Company.
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule (11) of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 of the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall,
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented that, to the best of its knowledge and belief, no funds (which are either material either individually or in aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall,
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate on the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not declared and paid dividend during the year.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For **HPVS & Associates**

Chartered Accountants

Firm Registration No.: 137533W

Vaibhav L Dattani

Partner

UDIN:

Place: Mumbai

Date: May 19, 2023

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of JSW Power Trading Company Limited of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment on the basis of available information.
- (B) According to the information and explanations given to us and the records of the Company examined by us, the Company does not have any Intangible assets and accordingly, reporting under paragraph 3 (i) (a) (B) of the Order is not applicable.
- (b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the period and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold any immovable property during the period. Accordingly, reporting under paragraph 3 (i) (c) of the Order is not applicable.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated during the year or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- (ii) (a) The Company has inventory in the nature of Carbon Credits which are not in physical form. As the same cannot be verified physically, the reporting under paragraph 3 (ii) (a) of the Order is not applicable to the Company.
- (b) During the period, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.
- (iii) (a) During the year, the Company has granted unsecured loans, details of which are given below:

(Rs. in lakhs)

Particulars	Loans
A. Aggregate amount granted during the year	
- Related party	3,000.00
B. Balance outstanding as at balance sheet date in respect of above cases	
- Related party	3,000.00

The Company has not provided made any investments or provided guarantees or made advances in the nature of loans or security to any other entity during the year.

- (b) In respect of the loan given in the earlier year and outstanding as on the balance sheet date, the terms and conditions under which such loan was given are not prejudicial to the Company's interest.
- (c) In respect of the aforesaid loans, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.
- (d) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.
- (e) There were no loans /advances in nature of loans which were granted to same parties and which fell due during the year and were renewed/extended. Further, no fresh loans were granted to any party to settle the overdue loans/advances in nature of loan.

- (f) There were no loans/advances in nature of loans which were granted during the year to promoters/related parties.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, or provided guarantees under section 185 of the Act. The Company has complied with the provisions of Sections 186 of the Act in respect of the loans made.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Section 73 to Section 76 of the Act and the Rules framed there under to the extent notified.
- (vi) The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act for any of the products by the Company. Accordingly, reporting under paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us, and the records of the company examined by us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax, goods and service tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us, there are no undisputed amounts payable in respect of income tax, service tax, goods and service tax, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of sales tax, wealth tax, service tax, goods and service tax, income tax, duty of excise, duty of excise, value added tax, and cess which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us and the records of the Company examined by us, there is no income surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- (ix) (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans during the year. Accordingly, reporting under paragraph 3 (ix) (c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the Financial Statements of the Company, the Company has not obtained any short-term loans during the period. Accordingly, reporting under paragraph 3 (ix) (d) is not applicable to the Company.
- (e) The Company does not have any subsidiaries, associates or joint ventures. Accordingly, the question of our commenting on whether the Company taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures does not arise.
- (f) The Company does not have any subsidiaries, associates or joint ventures. Accordingly, the question of our commenting on whether the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. does not arise.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3 (x) (a) of the Order is not applicable to the Company.

- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, reporting under paragraph 3 (x) (b) of the Order is not applicable to the Company.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under sub-clause (12) of Section 143 of the Act, in Form ADT-4, was not required to be filed. Accordingly, reporting under clause 3 (xi) (b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3 (xiii) of the Order is not applicable to the Company.
- (xiv) (a) The internal audit of the Company is covered under the group internal audit pursuant to which an internal audit is carried out every year. In our opinion, the Company's internal audit system is commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the year under audit have been considered by us.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with Directors or persons connected with him. Accordingly, reporting under paragraph 3 (xv) of the Order is not applicable.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3 (xvi) (a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3 (xvi) (b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3 (xvi) (c) of the Order is not applicable to the Company.
- (d) We have been informed by the management that as per the definition of Group under Core Investment Companies (Reserve Bank) Directions 2016, there is one Core Investment Company (CIC) which is registered and three CICs which are not required to be registered with the Reserve Bank of India, forming part of the promoter group.
- (xvii) The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly, reporting under clause (xviii) is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios (Also refer Notes to the Financial Statements), ageing and expected dates of realization of financial assets and payment of financial liabilities,

other information accompanying the Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of Order is not applicable for the year.
- (b) There are no unspent amounts towards Corporate Social Responsibility (CSR) on ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(b) of Order is not applicable for the year.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **HPVS & Associates**

Chartered Accountants

Firm Registration No.: 137533W

Vaibhav L Dattani

Partner

UDIN:

Place: Mumbai

Date: May 19, 2023

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of sub-section (3) of Section 143 of the Act

We have audited the internal financial controls over financial reporting of **JSW Power Trading Company Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under sub-section (10) of Section 143 of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the 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 with reference to these financial statements 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting with reference to these financial statements

A Company's internal financial control over financial reporting with reference to these financial statements 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 with reference to these financial statements 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 the financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with reference to these financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, 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 with reference to these financial statements to future year 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to these financial statements and such internal financial controls were operating effectively as at March 31, 2023, based on the internal financial controls with reference to these financial statements 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 **HPVS & Associates**

Chartered Accountants

Firm Registration No.: 137533W

Vaibhav L Dattani

Partner

UDIN:

Place: Mumbai

Date: May 19, 2023

JSW Power Trading Company Limited
Balance Sheet as at 31st March, 2023

(₹ Lakh)

	Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
A	ASSETS			
1	Non-current assets			
	(a) Property, plant and equipment	5	1.76	1.94
	(b) Financial assets			
	(i) Trade receivables	8	4,027.13	4,027.13
	(ii) Other financial assets	6	53.20	47.11
	(c) Income tax assets (net)	12	424.17	338.39
	Total non - current assets		4,506.26	4,414.57
2	Current assets			
	(a) Inventories		1,773.58	-
	(b) Financial assets			
	(i) Trade receivables	8	2,136.92	1,646.37
	(ii) Cash and cash equivalents	9	2,451.81	2,260.15
	(iii) Bank balances other than (ii) above	10	-	300.00
	(iv) Loans	7	10,000.00	7,000.00
	(v) Other financial assets	6	30.42	45.68
	(c) Other current assets	11	103.70	8.97
	Total current assets		16,496.43	11,261.17
	Total assets		21,002.69	15,675.74
B	EQUITY AND LIABILITIES			
1	Equity			
	(a) Equity share capital	14A	7,005.00	7,005.00
	(b) Other equity	14B	8,154.40	6,624.07
	Total equity		15,159.40	13,629.07
	LIABILITIES			
2	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	15	353.67	359.46
	(b) Deferred tax liabilities (net)	13	233.73	231.11
	Total non - current liabilities		587.40	590.57
3	Current liabilities			
	(a) Financial liabilities			
	(i) Trade payables		-	-
	- total outstanding dues of micro and small enterprises			
	- total outstanding dues of creditors other than micro and small enterprises	16	5,084.76	1,151.47
	(ii) Other financial liabilities		1.00	-
	(b) Other current liabilities	17	157.07	299.29
	(c) Current Tax Liabilities (Net)		13.06	5.34
	Total current liabilities		5,255.89	1,456.10
	Total liabilities		5,843.29	2,046.67
	Total equity and liabilities		21,002.69	15,675.74

See accompanying notes to the financial statements

In terms of our report attached.

For HPVS & Associates
Chartered Accountants
Firm Regn. No. 137533W

For and on behalf of the Board of Directors

VAIBHAV L. DATTANI
Partner
Membership No.: 144084

Chittur Ramakrishnan Lakshman
Chairman
[DIN: 08704945]

Jyotiprakash Panda
Wholetime Director
[DIN: 08482786]

Anurag Agarwal
Chief Financial Officer

Ritesh Vaishya
Company Secretary

Place: Mumbai
Date : May 19th, 2023

JSW Power Trading Company Limited
Statement of Profit and Loss for the year ended 31st March, 2023

(₹ Lakh)

Particulars	Note No.	For the year ended 31st March 2023	For the year ended 31st March, 2022
I Revenue from operations	18	1,336.79	116.89
II Other income	19	1,008.68	853.89
III Total income (I + II)		2,345.47	970.78
IV EXPENSES			
(a) Purchases	20	209.77	-
(b) Employee benefits expense	21	-	7.06
(c) Finance costs	22	0.33	30.21
(d) Depreciation and amortisation expense	5	0.18	1.19
(e) Other expenses	23	88.06	36.58
Total expenses (IV)		298.34	75.04
V Profit / (loss) before tax (III-IV)		2,047.13	895.74
VI Tax expense			
(a) Current tax		514.18	228.23
(b) Deferred tax		2.62	(6.70)
Total tax expense	24	516.80	221.53
VII Profit / (loss) for the year (V-VI)		1,530.33	674.21
VIII Other comprehensive income		-	-
IX Total comprehensive income for the year (VII+VIII)		1,530.33	674.21
X Earnings per equity share :	30		
(a) Basic (in ₹)		2.18	0.96
(b) Diluted (in ₹)		2.18	0.96

See accompanying notes to the financial statements

In terms of our report attached.

For HPVS & Associates

Chartered Accountants

Firm Regn. No. 137533W

VAIBHAV L. DATTANI

Partner

Membership No.: 144084

Chittur Ramakrishnan Lakshman

Chairman

[DIN: 08704945]

Anurag Agarwal

Chief Financial Officer

Jyotiprakash Panda

Wholetime Director

[DIN: 08482786]

Ritesh Vaishya

Company Secretary

Place: Mumbai

Date : May 19th, 2023

JSW Power Trading Company Limited
Statement of changes in equity for the year ended 31st March, 2023

a. Equity share capital

(₹ Lakh)

Balance as at 31st March, 2021	7,005.00
Changes in equity share capital during the year 2021-22	-
Balance as at 31st March, 2022	7,005.00

Balance as at 31st March, 2022	7,005.00
Changes in equity share capital during the year 2022-23	-
Balance as at 31st March, 2023	7,005.00

b. Other equity

(₹ Lakh)

Particulars	Reserves and surplus				Total
	General reserve	Equity settled share based payment reserve	Capital reserve	Retained earnings	
Balance at April 1, 2022	3.21	3.19	591.70	6,025.97	6,624.07
Profit for the year	-	-	-	1,530.33	1,530.33
Total comprehensive income for the year ended 31st March 2023	3.21	3.19	591.70	7,556.30	8,154.40

(₹ Lakh)

Particulars	Reserves and surplus				Total
	General reserve	Equity settled share based payment reserve	Capital reserve	Retained earnings	
Balance at April 1, 2021	3.21	3.19	591.70	5,351.76	5,949.86
Profit for the year	-	-	-	674.21	674.21
Balance as at 31st March, 2022	3.21	3.19	591.70	6,025.97	6,624.07

In terms of our report attached.

For HPVS & Associates
Chartered Accountants
Firm Regn. No. 137533W

For and on behalf of the Board of Directors

VAIBHAV L. DATTANI
Partner
Membership No.: 144084

Chittur Ramakrishnan Lakshman
Chairman
[DIN: 08704945]

Jyotiprakash Panda
Wholetime Director
[DIN: 08482786]

Place: Mumbai
Date : May 19th, 2023

Anurag Agarwal
Chief Financial Officer

Ritesh Vaishya
Company Secretary

JSW Power Trading Company Limited
Cash Flow Statement for the year ended 31st March, 2023

(₹ Lakh)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
A) Cash flows from operating activities		
Profit before tax for the year	2,047.13	895.74
Adjustments for:		
Depreciation	0.18	1.19
Provision no longer required written back	-	(1.03)
Interest Income	(1.20)	(1.25)
Interest income on loans given	(1,001.69)	(839.39)
(Gain)/ Loss arising on financial instrument measured at FVTPL	(5.79)	29.97
Loss on sale of property, plant & equipment	-	0.93
Operating profit before working capital changes	1,038.63	86.16
Adjustment for movements in working capital:		
(Increase)/decrease in trade and other receivables	(2,353.68)	568.63
(Increase)/decrease in other assets	(91.87)	(10.80)
Increase/(decrease) in trade and other payables	3,802.35	840.71
Increase/(decrease) in provisions	-	(8.84)
Cash generated from operations	2,395.43	1,475.86
Income taxes paid (net)	(497.50)	(123.00)
Net cash generated from operating activities (A)	1,897.93	1,352.86
B) Cash flows from investing activities		
Bank deposits not considered as cash & cash equivalent (net)	300.00	1.00
Loans given	(3,000.00)	-
Interest received on loans given	992.53	754.45
Interest received on investments	1.20	1.91
Net cash generated/(used in) by investing activities (B)	(1,706.27)	757.36
C) Cash flows from financing activities	-	-
Net cash generated/(used in) by financing activities (C)	-	-
Net increase in cash and cash equivalents (A+B+C)	191.66	2,110.22
Cash and cash equivalents at the beginning of the year	2,260.15	149.93
Cash and cash equivalents at the end of the year	2,451.81	2,260.15
Cash and cash equivalents comprise of		
a) Balances with banks (Refer note 9)		
- In current accounts	2,451.81	2,260.15
- In deposit accounts (maturity less than 3 months at inception)	-	-
b) Cash on hand	-	-

Notes:

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

In terms of our report attached.

For HPVS & Associates

Chartered Accountants

Firm Regn. No. 137533W

For and on behalf of the Board of Directors

VAIBHAV L. DATTANI

Partner

Membership No.: 144084

Chittur Ramakrishnan Lakshman

Chairman

[DIN: 08704945]

Jyotiprakash Panda

Wholetime Director

[DIN: 08482786]

Place: Mumbai

Date : May 19th, 2023

Anurag Agarwal
Chief Financial Officer

Ritesh Vaishya
Company Secretary

Note

1 General information

JSW Power Trading Company Limited (the Company) is a public limited company incorporated on 12th January 2011. The company is part of JSW Energy group, and is 100% subsidiary of JSW Energy Limited. The registered office of the Company is located at JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai, 400051 Maharashtra. The Company is engaged in the business of trading of power & carbon credits, buying and selling of Solar Photo Voltaic panels, components and parts etc. The Company is holding a trading licence issued by Central Electricity Regulatory Commission (CERC) for trading in power procured by the Company from its parent company / associates as well as third party suppliers / generators.

2 Statement of compliance

The Financial Statements of the Company which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2023, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as “Financial Statements”) have been prepared in accordance with Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

The financial statements have been approved by the Board of Directors in its meeting held on **19th May 2023**.

3 Recent accounting pronouncements:

The Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31st March, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1st April, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the Initial recognition exemption of Ind AS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The definition of a “change in accounting estimates” has been replaced with a definition of “accounting estimates”. Accounting estimates are defined as “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

The Company is in the process of evaluating the impact of these amendments.

4 Significant accounting policies

4.1 Basis of preparation of financial statements:

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

4.2 Use of estimates & Judgements:

In the course of applying the policies outlined in all notes, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future periods

4.3 Property, plant and equipment

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

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method, as per the provisions of Part C of Schedule II of the Companies Act, 2013. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. All the items costing Rs. 5000 or less are depreciated @ 100% during the financial year.

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.

4.4 Other Intangible assets :-

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

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

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Notes to Financial Statements for the year ended 31st March 2023

4.5 Depreciation & amortisation:

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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

Estimated useful lives of the assets are as follows:

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

4.6 Impairment of tangible and intangible assets other than goodwill:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset) is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

4.7 Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4.8 Cash and cash equivalents:

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and demand deposits which are short term and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

4.9 Revenue recognition:

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

Revenue towards satisfaction of performance obligation from contracts with customers is recognised when control of the goods including power or services is transferred to the customer, at transaction price (net of variable consideration) i.e. at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services having regard to the terms of the contract.

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for satisfaction of performance obligation. The variable consideration is estimated having regard to various relevant factors including historical trend and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Compensation towards shortfall in offtake are recognised on collection or earlier when there is reasonable certainty to expect ultimate collection

Interest / surcharge income:

Interest/ surcharge on late payment/ overdue trade receivables is recognized when no significant uncertainty as to measurability or collectability exists. 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.

4.10 Foreign currency transactions:

In preparing the financial statements of Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

4.11 Employee benefits:

a. Short-term employee benefits:

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

b. Long term employee benefits:

Compensated absences which are not expected to be availed or encashed within twelve months after the end of the period in which the employee renders the related service are recognised as a liability as at the Balance Sheet date on the basis of actuarial valuation using projected unit credit method.

c. Retirement benefit costs and termination benefits

Defined contribution plans:

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Notes to Financial Statements for the year ended 31st March 2023

Defined benefit plans:

For defined benefit retirement benefits plans, the cost of providing benefits is determined using the projected unit credit method, and spread over the period during which the benefit is expected to be derived from employees' services. Re-measurement of defined benefit plans in respect of post-employment and other long term benefits are charged to the Other Comprehensive Income. Actuarial valuations being carried out at the end of each annual reporting period for defined benefit plans.

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/ superannuation. The gratuity is paid @ 15 days salary for the every completed year of service as per the Payment of Gratuity Act, 1972.

The Company makes monthly contributions to provident fund managed by trust for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

4.12 *Share-based payment arrangements:*

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

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

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

4.13 *Taxation:*

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

Current tax:

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

Minimum Alternate Tax:

Minimum Alternate Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal income-tax during the specified period.

Deferred Tax :

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Notes to Financial Statements for the year ended 31st March 2023

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets relate to the same taxable entity and same taxation authority.

Current and deferred tax for the year:

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

4.14 *Earnings per share:*

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

4.15 *Provisions, Contingencies and commitments:*

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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

Contingent liability is disclosed in the case of

- a) a present obligation arising from a past event, when it is not probable that a outflow of resources will be required to settle the obligation.
- b) A possible obligation, arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not within the control of the enterprise.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

4.16 *Financial instruments:*

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Notes to Financial Statements for the year ended 31st March 2023

Financial assets

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

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

- (a) the entity's business model for managing the financial assets and
- (b) the contractual cash flow characteristics of the financial asset.

Classification of financial assets

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

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

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

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

All other financial assets are subsequently measured at fair value.

Effective interest method

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

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

Notes to Financial Statements for the year ended 31st March 2023

Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

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

Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

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

Impairment of financial assets

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

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

Notes to Financial Statements for the year ended 31st March 2023

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

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

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

The impairment losses and reversals are recognised in Statement of Profit and Loss. For equity instruments and financial assets measured at FVTPL, there is no requirement for impairment testing.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

4.17 *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.

Notes to Financial Statements for the year ended 31st March 2023

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

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

Financial liabilities at FVTPL

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

A financial liability is classified as held for trading if:

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

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

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

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

However, for not-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Notes to Financial Statements for the year ended 31st March 2023

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

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

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4.18 *Current and non-current classification*

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

An asset is classified as current when it satisfies any of the following criteria:

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

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

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

All other liabilities are classified as non-current.

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

4.19 *Reclassification of financial assets and liabilities*

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

Notes to Financial Statements for the year ended 31st March 2023

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

Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in statement of profit and loss.
FVPTL	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new gross carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to statement of profit and loss at the reclassification date.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

4.20 Leases :

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

Accounting for arrangements that contains lease:

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

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

- (a) fulfilment of the arrangement is dependent on the use of specific asset or assets; and
- (b) the arrangement conveys a right to use the asset.

Notes to Financial Statements for the year ended 31st March 2023

Company as lessee

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

4.21 *Inventories:*

Cost of inventories includes cost of purchase price, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Inventories are stated at the lower of weighted average cost or net realizable value. Net realisable value represents the estimated selling price for inventories less all estimated cost of completion and costs necessary to make the sale.

JSW Power Trading Company Limited

Notes to the financial statements for the year ended 31st March, 2023

Note 5 - Property, plant and equipment

Description of assets	(₹ Lakh)				
	Computers	Office equipment	Furniture and fixtures	Vehicles	Total
At cost/deemed cost					
I. Gross carrying value					
Balance as at 1st April, 2022	4.98	2.44	7.77	7.10	22.29
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Balance as at 31st March, 2023	4.98	2.44	7.77	7.10	22.29
II. Accumulated depreciation					
Balance as at 1st April, 2022	4.51	2.34	6.82	6.68	20.35
Depreciation expense for the year	-	-	0.18	-	0.18
Eliminated on disposal/discard of assets	-	-	-	-	-
Balance as at 31st March, 2023	4.51	2.34	7.00	6.68	20.53
Net carrying value 31st March 2023 (I-II)	0.47	0.10	0.77	0.42	1.76

Description of assets	(₹ Lakh)				
	Computers	Office equipment	Furniture and fixtures	Vehicles	Total
At cost/deemed cost					
I. Gross carrying value					
Balance as at 1st April, 2021	5.54	2.80	7.78	7.10	23.22
Additions	-	-	-	-	-
Disposals	(0.56)	(0.36)	(0.01)	-	(0.93)
Balance as at 31st March, 2022	4.98	2.44	7.77	7.10	22.29
II. Accumulated depreciation					
Balance as at 1st April, 2021	3.95	2.32	6.63	6.26	19.16
Depreciation expense for the year	0.56	0.02	0.19	0.42	1.19
Eliminated on disposal of assets	-	-	-	-	-
Balance as at 31st March, 2022	4.51	2.34	6.82	6.68	20.35
Net carrying value 31st March,2022 (I-II)	0.47	0.10	0.95	0.42	1.94

JSW Power Trading Company Limited

Notes to the financial statements for the year ended 31st March, 2023

Note 6 - Other financial assets

Particulars	(₹ Lakh)			
	As at 31st March, 2023		As at 31st March, 2022	
	Current	Non-current	Current	Non-current
a) Security deposits with others				
- Unsecured, considered good (with power exchanges & others)	-	53.20	6.10	47.11
	-	53.20	6.10	47.11
b) Interest receivable				
-Interest accrued but not due on deposit	0.83	-	18.87	-
-Interest accrued but not due on Loans	29.59	-	20.71	-
	30.42	-	39.58	-
Total	30.42	53.20	45.68	47.11

Note 7 - Loans

Particulars	(₹ Lakh)			
	As at 31st March, 2023		As at 31st March, 2022	
	Current	Non-current	Current	Non-current
(1) Unsecured, considered good				
a) Loan to related parties (Refer Note 33)	10,000.00	-	7,000.00	-
b) Loan to others	-	-	-	-
Total	10,000.00	-	7,000.00	-

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Amount of loan or advance in the nature of loan outstanding	% of total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	% of total Loans and Advances in the nature of loans
Loan to Related parties				
- Repayable on demand				
South West Mining Ltd.	10,000	100%	7,000	100%
- Without specifying repayment terms	-	-	-	-
Total	10,000	100%	7,000	100%

Note 8 - Trade receivables

Particulars	(₹ Lakh)			
	As at 31st March, 2023		As at 31st March, 2022	
	Current	Non-current	Current	Non-current
a) Unsecured, considered good (Refer Note 27)				
(i) Trade Receivables considered good - Unsecured;	2,136.92	4,027.13	1,646.37	4,027.13
Total	2,136.92	4,027.13	1,646.37	4,027.13

As at 31st March, 2023 Outstanding for following periods from due date of receipts	Undisputed Trade receivables		Disputed Trade Receivables	
	Considered good	Considered doubtful	Considered good	Considered doubtful
Less than 6 months	2,136.92	-	-	-
6 months-1 year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	4027.13	-
Total	2,136.92	-	4,027.13	-
As at 31st March, 2022 Outstanding for following periods from due date of receipts	Undisputed Trade receivables		Disputed Trade Receivables	
	Considered good	Considered doubtful	Considered good	Considered doubtful
Less than 6 months	1,646.37	-	-	-
6 months-1 year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	4027.13	-
Total	1,646.37	-	4,027.13	-

With respect to dispute over power supplied by the Company to distribution licensees of Karnataka ("ESCOMS") of Rs. 4027.13 Lakh, during the enforcement of section 11 of the Electricity Act, 2003 ("Section 11 Direction") in the state of Karnataka, APTEL pronounced its order dated 6th November, 2020 in favour of the Company. Karnataka Escoms have preferred appeal before Hon'ble Supreme Court of India, in this matter and the final outcome is awaited.

JSW Power Trading Company Limited

Notes to the financial statements for the year ended 31st March, 2023

Note - 9: Cash and cash equivalents

Particulars	(₹ Lakh)	
	As at 31st March, 2023	As at 31st March, 2022
a) Balances with banks		
(i) In current account	2,451.81	1,505.70
b) Cheques in Hand	-	754.45
Total	2,451.81	2,260.15

Note - 10: Bank balances other than cash and cash equivalents.

Particulars	(₹ Lakh)	
	As at 31st March, 2023	As at 31st March, 2022
a) Earmarked balances with banks		
(i) Margin money accounts for security against guarantees	-	300.00
Total	-	300.00

Note 11 - Other current assets

Particulars	(₹ Lakh)	
	As at 31st March, 2023	As at 31st March, 2022
a) Advance to vendors (Related Parties) (Refer Note no. 33)	-	-
b) Advances to other vendors	-	-
c) Balances with government authorities	97.09	2.20
d) Prepayments / Other receivables		
Prepayments	6.61	6.60
Others	-	0.17
Total	103.70	8.97

Note 12 - Income tax assets (net)

Particulars	(₹ Lakh)	
	As at 31st March, 2023	As at 31st March, 2022
a) Advance income tax and tax deducted at source (net of provision as at 31.03.23 Rs. 1762 Lakh & 31.03.22 Rs. 1248 Lakh)	424.17	338.39
Total	424.17	338.39

Note 13- Deferred tax liabilities

Particulars	(₹ Lakh)	
	As at 31st March, 2023	As at 31st March, 2022
a) Deferred tax liabilities (net) (Refer Note 28)	233.73	231.11
Total	233.73	231.11

JSW Power Trading Company Limited

Notes to the financial statements for the year ended 31st March, 2023

Note - 14A: Equity share capital

Particulars	(₹ Lakh)			
	As at 31st March, 2023		As at 31st March, 2022	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of ₹ 10 each with voting rights	8,50,50,000	8,505.00	8,50,50,000	8,505.00
Issued, subscribed and fully Paid:				
Equity shares of ₹ 10 each with voting rights	7,00,50,000	7,005.00	7,00,50,000	7,005.00

a) Details of aggregate shareholding by holding company

Particulars	As at 31st March, 2023	As at 31st March, 2022
	No. of shares	No. of shares
Equity shares :		
JSW ENERGY LIMITED, the holding company	7,00,50,000	7,00,50,000

b) Details of shareholding more than 5%

Equity shares :		
JSW ENERGY LIMITED, the holding company	7,00,50,000 100%	7,00,50,000 100%

c) Rights, preferences and restrictions attached to equity share

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

(ii) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to the shareholding.

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

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
	No. of shares	No. of shares
Balance as at the beginning of the Year	7,00,50,000	7,00,50,000
Issued during the Year	-	-
Balance as at end of the year	7,00,50,000	7,00,50,000

e) Shares held by promoters and promoter group at the end of the year

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of shares	% of total shares	No. of shares	% of total shares
Promoter				
JSW Energy Ltd	7,00,50,000	100%	7,00,50,000	100%
% change during the year		0%		

f) Aggregate number of shares allotted as fully paid up, without payment being received in cash

There were no shares allotted without payment being received in cash, during previous five years.

JSW Power Trading Company Limited

Notes to the financial statements for the year ended 31st March, 2023

Note - 14B: Other equity

(₹ Lakh)

Particulars	Reserves and surplus				Total
	General reserve	Equity settled share based payment reserve	Capital reserve	Retained earnings	
Balance as at 31st March, 2023	3.21	3.19	591.70	7,556.30	8,154.40
Balance as at 31st March, 2022	3.21	3.19	591.70	6,025.97	6,624.07

1. General reserve

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

2. Equity-settled employee benefits reserve

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

3. Capital reserve

Reserve is primarily created on amalgamation as per statutory requirement

4. Retained earnings

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

JSW Power Trading Company Limited
Notes to the financial statements for the year ended 31st March, 2023

Note - 15: Borrowings

Particulars	(₹ Lakh)			
	As at 31st March, 2023		As at 31st March, 2022	
	Current	Non-current	Current	Non-current
Measured at fair value through profit or loss				
a) Unsecured borrowings:				
10% Redeemable non-cumulative preference shares of ₹ 10 each	-	353.67	-	359.46
Total	-	353.67	-	359.46

Terms & Rights attached to preference shares

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

JSW Power Trading Company Limited
Notes to the financial statements for the year ended 31st March, 2023

Note - 16: Trade payables

Particulars	(₹ Lakh)	
	As at 31st March, 2023	As at 31st March, 2022
a) Trade payables		
- total outstanding dues of micro enterprises and small enterprises	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	5,084.76	1,151.47
Total	5,084.76	1,151.47

As at 31st March, 2023 Outstanding for following periods from due date of payment	Undisputed		Disputed	
	MSME	Others	MSME	Others
Less than 1 year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	472.45
Not due	-	-	-	-
Unbilled	-	4,612.31	-	-
Total	-	4,612.31	-	472.45
As at 31st March, 2022 Outstanding for following periods from due date of payment	Undisputed		Disputed	
	MSME	Others	MSME	Others
Less than 1 year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	472.45
Not due	-	-	-	-
Unbilled	-	679.02	-	-
Total	-	679.02	-	472.45

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

Sl No	Particulars	As at 31/03/2023	As at 31/03/2022
1	Principal amount outstanding	-	-
2	Principal amount due and remaining unpaid	-	-
3	Interest due on (2) above and the unpaid interest	-	-
4	Interest paid on all delayed payments under the MSMED Act.	-	-
5	Payment made beyond the appointed day during the year	-	-
6	Interest due and payable for the period of delay other than (4) above	-	-
7	Interest accrued and remaining unpaid	-	-
8	Amount of further interest remaining due and payable in succeeding years	-	-

Note - 17: Other current liabilities

Particulars	(₹ Lakh)	
	As at 31st March, 2023	As at 31st March, 2022
a) Advances received from customers		
(i) Related parties (Refer note 33)	108.83	210.66
(ii) Others	0.23	3.19
b) Statutory dues	48.01	85.44
Total	157.07	299.29

JSW Power Trading Company Limited

Notes to the financial statements for the year ended 31st March, 2023

Note -18 Revenue from operations

Particulars	(₹ Lakh)	
	For the year ended 31st March 2023	For the year ended 31st March, 2022
Revenue from contract with customers		
1 Revenue from Sale of power	196.97	104.55
2 Revenue from Sale of carbon credits	1,133.71	-
3 Trading margin : Energy Saving Certificates	0.04	-
4 Trading margin : REC	6.07	12.34
Total	1,336.79	116.89

Note:

(a) Revenue from Contract with Customers

Revenue from sale of power on merchant basis and under short term contracts, is recognised at point of time when power is supplied to the customers, at contracted rate.

(b) Significant changes in the contract liability balance during the 6 months / year are as follows:

	(₹ Lakh)	
Contract liability - Advance from customer	As at 31st March, 2023	As at 31st March, 2022
Opening balance	213.85	105.39
Less: Revenue recognized during the year from balance at the beginning of the year	(149.19)	(6.45)
Add : Advance received during the year not recognized as revenue	44.40	114.91
Closing balance	109.06	213.85

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

(c) Details of Revenue from Contract with Customers

	(₹ Lakh)	
Particulars	For the year ended 31st March 2023	For the year ended 31st March, 2022
Total Revenue from Contract with Customers as above	1,336.79	116.89
Less: Rebate on prompt payment	-	-
Total Revenue from Contract with Customers as per contracted price	1,336.79	116.89

JSW Power Trading Company Limited

Notes to the financial statements for the year ended 31st March, 2023

Note no -19 Other income

Particulars	(₹ Lakh)	
	For the year ended 31st March 2023	For the year ended 31st March, 2022
1 Interest income earned on financial assets that are not designated as at FVTPL		
a) Bank deposits	1.20	11.92
b) Others	1,001.69	840.94
2 Other non-operating income		
a) Gain arising on financial instrument measured at FVTPL	5.79	-
b) Provision no longer required written back	-	1.03
Total	1,008.68	853.89

Note no -20 Purchases

Particulars	(₹ Lakh)	
	For the year ended 31st March 2023	For the year ended 31st March, 2022
a) Purchase of carbon credits	209.77	-
Total	209.77	-

Note no -21 Employee benefits expense

Particulars	(₹ Lakh)	
	For the year ended 31st March 2023	For the year ended 31st March, 2022
a) Salaries and wages, including bonus	-	8.75
b) Contribution to provident and other funds	-	(2.06)
c) Staff welfare expenses	-	0.37
Total	-	7.06

Note no -22 Finance cost

Particulars	(₹ Lakh)	
	For the year ended 31st March 2023	For the year ended 31st March, 2022
a) Other borrowing cost	0.33	0.24
b) Loss arising on financial instrument measured at FVTPL	-	29.97
Total	0.33	30.21

JSW Power Trading Company Limited

Notes to the financial statements for the year ended 31st March, 2023

Note no -23 Other expenses

Particulars	(₹ Lakh)	
	For the year ended 31st March 2023	For the year ended 31st March, 2022
a) Rates and Taxes	0.12	0.07
b) Insurance Charges	-	0.29
c) Auditors Remuneration and Out-of-pocket Expenses	7.87	7.17
d) Legal and Other Professional Fees	52.26	6.24
e) Travelling Expenses	0.05	0.20
f) Corporate social responsibility expenses (Refer note 34)	6.27	1.91
g) Branding Expenses	2.72	0.23
h) Trading License Fees	3.00	3.00
i) Loss on disposal of property, plant and equipment	-	0.93
j) Shared Services Cost	7.47	6.94
k) Other General Expenses	8.30	9.60
Total	88.06	36.58

Note no 23A Remuneration to auditors (Including GST)

Particulars	(₹ Lakh)	
	For the year ended 31st March 2023	For the year ended 31st March, 2022
a) Services as statutory auditors (including quarterly limited reviews)	7.08	7.08
b) Other services	0.71	-
c) Reimbursement of out-of-pocket expenses	0.08	0.09
Total	7.87	7.17

JSW Power Trading Company Limited

Notes to the financial statements for the year ended 31st March, 2023

Note no -24 Tax expense

(₹ Lakh)

Particulars	For the year ended 31st March 2023	For the year ended 31st March, 2022
a) Current tax	514.18	228.23
b) Deferred tax (Refer note 28 & 29)	2.62	(6.70)
Total	516.80	221.53

25 **Financial Instruments: Classifications and fair value measurements**

As at 31st March, 2023	FVTPL	Amortised Cost	Total
Financial assets			
Loans & advances	-	10,000.00	10,000.00
Security deposits	-	53.20	53.20
Trade receivables	-	6,164.05	6,164.05
Cash and cash equivalents	-	2,451.81	2,451.81
Interest receivable	-	30.42	30.42
Total	-	18,699.48	18,699.48
Financial liabilities			
Preference shares	353.67	-	353.67
Other financials liabilities	-	1.00	1.00
Trade payables	-	5,084.76	5,084.76
Total	353.67	5,085.76	5,439.43

As at 31st March, 2022	FVTPL	Amortised Cost	Total
Financial assets			
Loans & advances	-	7,000.00	7,000.00
Security deposits	-	53.21	53.21
Trade receivables	-	5,673.50	5,673.50
Cash and cash equivalents	-	2,260.15	2,260.15
Other bank balances	-	300.00	300.00
Interest receivable	-	39.58	39.58
Total	-	15,326.44	15,326.44
Financial liabilities			
Preference shares	359.46	-	359.46
Trade payables	-	1,151.47	1,151.47
Total	359.46	1,151.47	1,510.93

ii) Fair Value Hierarchy:

The Fair Values of the financial assets and liabilities are included at the amount at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety.

Financial assets & liabilities measured at fair value

Financial assets/ financial liabilities	As at 31st March, 2023 (₹ Lakh)	As at 31st March, 2022 (₹ Lakh)	Fair value hierarchy	Valuation technique(s) and key input(s)
Issue of Preference shares	353.67	359.46	Level 3	Discounted cash flow at a discount rate that reflects the issuer's current borrowing rate at the end of the reporting period.

Financial assets and liabilities, measured at amortised cost

Financial assets/ financial liabilities	As at 31st March, 2023 (₹ Lakh)		As at 31st March, 2022 (₹ Lakh)		Level
	Carrying Value	Fair Value	Carrying Value	Fair Value	
Financial assets					
Security deposits	53.20	53.20	53.21	53.21	3
Total	53.20	53.20	53.21	53.21	

The carrying amounts of trade receivables, trade payables, cash and cash equivalents, other financial assets and other financial liabilities (which are not disclosed above) are considered to be the same as their fair values, due to their short term nature.

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Valuation techniques and key inputs:

Particulars	Valuation technique	Significant un-observable inputs	Change	Sensitivity of the input to the fair value (₹ Lakh)
Issue of Preference shares	DCF method	Discounting rate	0.50%	0.50% increase / (decrease) in the discount rate would decrease / (Increase) the fair value by 18.47 lakh/ (19.58 lakh)

Reconciliation of Level III fair value measurement:

Particulars	(₹ Lakh)	
	As at 31st March, 2023	As at 31st March, 2022
Opening balance	359.46	329.49
Additional borrowing	-	-
Reclassification of allowance for loss	-	-
Allowance for loss	-	-
(Gain) / loss recognised in the statement of profit and loss	(5.79)	29.97
Closing balance	353.67	359.46

26 Capital management

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

Gearing ratio

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

	(₹ Lakh)	
	As at 31st March, 2023	As at 31st March, 2022
Debt (i)	353.67	359.46
Cash and bank balances	2,451.81	2,560.15
Net debt	(2,098.14)	(2,200.69)
Total equity	15,159.40	13,629.07
Net debt to equity ratio	-	-

(i) Debt is defined as long-term and short-term borrowings (excluding derivative and contingent consideration).

Risk Management Strategies**Financial risk management strategies**

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

Market risk

Market risk is the risk of loss of future earnings, fair values or future cashflows that may result from a change in the price of financial instrument as a result of change in interest rates, exchange rates and other market changes that affect market risk sensitive instruments.

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

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

Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any exposure to the risk of changes in market interest rates.

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

Particulars	(₹ Lakh)	
	As at 31st March, 2023	As at 31st March, 2022
Fixed rate borrowings	353.67	359.46
Floating rate borrowings	-	-
Total borrowings	353.67	359.46

Credit risk management

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

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

Liquidity risk management

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

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

(₹ Lakh)

As at 31st March, 2023	< 1 year	1-5 years	> 5 years	Total
Financial Assets				
Loans & advances	10,000.00	-	-	10,000.00
Security deposits	-	-	53.20	53.20
Trade receivables	2,136.92	4,027.13	-	6,164.05
Cash and cash equivalents	2,451.81	-	-	2,451.81
Interest receivable	30.42	-	-	30.42
Total	14,619.15	4,027.13	53.20	18,699.48
Financial Liabilities				
Preference shares	-	-	353.67	353.67
Other financials liabilities	1.00	-	-	1.00
Trade payables	4,612.31	472.45	-	5,084.76
Total	4,613.31	472.45	353.67	5,439.43

(in ₹ Lakh)

As at 31st March, 2022	< 1 year	1-5 years	> 5 years	Total
Financial Assets				
Loans & advances	7,000.00	-	-	7,000.00
Security deposits	-	-	53.21	53.21
Trade receivables	1,646.37	4,027.13	-	5,673.50
Cash and cash equivalents	2,260.15	-	-	2,260.15
Other Bank Balances	300.00	-	-	300.00
Interest receivable	39.58	-	-	39.58
Total	11,246.10	4,027.13	53.21	15,326.44
Financial Liabilities				
Preference shares	-	-	359.46	359.46
Trade payables	679.02	472.45	-	1,151.47
Total	679.02	472.45	359.46	1,510.93

Notes to Financial Statements for the year ended 31st March 2023

27 **Trade Receivables**

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

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

Trade receivables include amounts (see below for aged analysis) that are past due at the end of the reporting period for which the Company has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts (which include interest accrued after the receivable is more than 180 days outstanding) are still considered recoverable. The Company does not generally hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Company to the counterparty.

Age of receivables:

	(₹ Lakh)	
	As at 31st March, 2023	As at 31st March, 2022
Within the credit period	-	-
1-30 days past due	2,136.92	1,646.37
31-60 days past due	-	-
61-90 days past due	-	-
91-180 days past due	-	-
181-365 days past due	-	-
>365 days past due	4,027.13	4,027.13
Total	6,164.05	5,673.50

With respect to dispute over power supplied by the Company to distribution licensees of Karnataka ("ESCOMS") of Rs. 4027.13 Lakh, during the enforcement of section 11 of the Electricity Act, 2003 ("Section 11 Direction") in the state of Karnataka, APTEL pronounced its order dated 6th November, 2020 in favour of the Company. Karnataka Escoms have preferred appeal before Hon'ble Supreme Court of India, in this matter and the final outcome is awaited.

28 **Deferred tax balances:**

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

(₹ Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred tax Assets	9.48	10.64
Deferred tax Liabilities	(243.21)	(241.75)
	(233.73)	(231.11)

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

(₹ Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
--Plant Property & Equipment	9.48	10.64
--Carry forward losses	-	-
--Borrowings	(243.21)	(241.75)
--MAT Credit	-	-
Deferred tax	(233.73)	(231.11)

29 **Income tax:**

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

(₹ Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Profit before tax	2,047.13	895.74
Enacted tax rate (%)	25.17%	25.17%
Computed expected tax expense	515.22	225.44
Tax pertaining to earlier years (Carryforward Losses)	-	(3.91)
Effect of expenses that are not deductible in determining taxable profit	1.58	-
Adjustments recognised in the current year in relation to the current tax of prior years	-	-
Income tax expense	516.80	221.53
Income tax expense recognised in profit or loss	516.80	221.53
Income tax expense recognised in OCI	-	-

30 **Earnings per share:**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Profit attributable to equity holders of the company (₹ Lakh)	1,530.33	674.21
Weighted average number of Equity shares for basic & diluted EPS (Nos.)	7,00,50,000	7,00,50,000
Earning per share - Basic & Diluted (₹)	2.18	0.96
Nominal value of share (₹ 10 each)	10	10

31 Employee benefit plans:

i. Defined contribution plans:-

A. Provident Fund:

The employer's contribution for the period from 1st Apr 2020 to 31st December 2020, were deposited with the employer established provident fund trust maintained by the Group. Further, the said trust was surrendered to the provident fund authorities w.e.f 1st January 2021 and correspondingly, the employees provident fund balances lying with the provident fund trust were transferred to the respective employee's accounts with provident fund authorities. The monthly employer's contributions from January 21 onwards are being deposited with regional provident fund authorities.

Company's contribution to provident fund recognized in the Statement of Profit and Loss of ₹ Nil (for the year ended 31st March 2022: ₹ 0.45 Lakh) (included in note no. 21)

B. Gratuity :

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

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

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

C. Leave Encashment:

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

These plans typically expose the Group to the following actuarial risks:

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to market yields at the end of the reporting period on government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities and debt instruments.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2021 by M/S K. A. Pandit Consultants & Actuaries. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

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

Particulars	(₹ Lakh)
Defined benefit obligation at 31 March 2021	3.57
Interest cost	-
Current service cost	-
Liability transferred (acquisition/ divestment)	(3.57)
Actuarial (Gains)/Loss	-
Defined benefit obligation at 31 March 2022	-
Interest cost	-
Current service cost	-
Liability transferred (acquisition/ divestment) / written back	-
Actuarial (Gains)/Loss	-
Defined benefit obligation at 31 March 2023	-

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2023:

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

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2022

		(₹ Lakh)		
		Defined Benefit Obligation	Fair Value of Plan assets	(Benefit) / Liability
Gratuity cost charged to profit or loss	Opening Balance as on 1st April	3.57	(1.05)	2.52
	Service cost	-	-	-
	Net interest expense	-	-	-
	Liability transferred (acquisition/ divestment)	(3.57)	1.05	(2.52)
	Sub-total included in profit or loss	-	-	-
	Benefits Paid	-	-	-
Remeasurement gains/(losses) in other comprehensive income	Return on plan assets (excluding amounts included in net interest)	-	-	-
	Actuarial changes arising from changes in demographic assumptions	-	-	-
	Actuarial changes arising from changes in financial assumptions	-	-	-
	Experience adjustments	-	-	-
	Sub-total included in OCI	-	-	-
	Contributions by employer	-	-	-
	Closing Balance as on 31st March	-	-	-

The actual return on plan assets (excluding interest income) was ₹ Nil (previous year ₹ Nil)

Notes to Financial Statements for the year ended 31st March 2023

The major categories of plan assets of the fair value of the total plan assets are as follows:

Particulars	31-Mar-23	31-Mar-22
Insurer managed Fund through Holding Co.	N.A.	100%

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

Particulars	31-Mar-23	31-Mar-22
Discount rate	-	-
Future salary increase	-	-
Rate of employee turnover	-	-
Mortality rate during employment	N.A.	N.A.

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

Particulars	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
	Discount rate		Future salary increases	
Assumptions				
Sensitivity Level	1% increase	1% increase	1% increase	1% increase
Impact on defined benefit obligation	N.A.	N.A.	N.A.	N.A.

- ii The Code on Social Security, 2020 ('the Code') received presidential assent on September 28, 2020. However, the date on which the Code will come into effect has not yet been notified. The Company will assess the impact of the Code on its books of account in the period(s) in which the provisions of the Code becomes effective

32 *Contingent liabilities*

There are no contingent liabilities as on 31.3.2023 and 31.3.2022.

33 Related party disclosure

A) List of Related Parties

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

I	Parent Company JSW Energy Limited
II	Fellow Subsidiaries
1	JSW Energy (Barmer) Limited
2	JSW Hydro Energy Limited
3	JSW Renewable Energy (Vijaynagar) Limited
III	Enterprises over which key management personnel and relatives of such personnel exercise significant influence
1	JSW Steel Limited
2	JSW Cement Limited
3	JSW Steel Coated Products Limited
4	Amba River Coke Limited
5	Jindal Saw Limited
6	JSW IP Holdings Private Limited
7	JSW Global Business Solutions Limited
8	JSW Foundation
9	South West Mining Limited
10	JSW Ispat Special Products Limited
11	Inspire Institute of Sports
IV	Key Managerial Persons
1	Mr. C.R. Laxman, Director
2	Mr. Jyotiprakash Panda, Wholetime Director
3	Ms. Monica Chopra, Director
4	Mr. Abhay Yagnik, Director (from 25.11.2021)
5	Mr. Ritesh Vaishya, Company Secretary (from 21.3.2022)
6	Mr. Anurag Agarwal, Chief Financial Officer (from 21.3.2022)

B) Transaction during the year

(₹ Lakh)

	Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
1	Sale of power /Material (net)		
	JSW Steel Limited	104.68	1,361.67
	JSW Cement Limited	717.34	332.93
	Jindal Saw Limited	9.90	-
2	Purchase of Power		
	JSW Hydro Energy Limited	4,814.48	792.74
	JSW Ispat Special Products Limited	1,510.82	-
	JSW Energy Limited	1,74,380.94	83,234.57
3	Loans given to related parties		
	South West Mining Limited	3,000.00	-
4	Deposit for director appointment		
	JSW Energy Limited	1.00	-
5	Branding expense		
	JSW IP Holdings Private Limited #	2.53	0.23

Notes to Financial Statements for the year ended 31st March 2023

(₹ Lakh)

6	Reimbursement received from / (paid to), (net)		
	JSW Steel Limited	2.36	5.90
	JSW Energy Limited	2.53	2.43
	JSW Cement Limited	2.36	2.36
	Jindal Saw Limited	1.18	1.18
	JSW Hydro Energy Limited	1.18	1.42
7	Sale of ESCerts. / R.E.C.s & Trading Margin		
	JSW Steel Limited #	64.37	1.46
	JSW Cement Limited #	100.16	51.48
	Amba River Coke Limited #	324.09	701.09
	JSW Steel Coated Product Limited #	-	1.18
	Jindal Saw Limited #	-	3.68
	JSW Energy Limited #	2.19	-
8	Surcharge paid		
	JSW Energy Limited	-	1,093.96
9	Interest on loan given		
	JSW Renewable Energy (Vijaynagar) Limited	-	-
	South West Mining Limited	999.15	840.00
10	Purchase of services- shared services		
	JSW Global Business Solutions Limited #	8.06	6.91

C) Closing Balances

(₹ Lakh)

	Particulars	As at 31st March, 2023	As at 31st March, 2022
1	Advance from customer		
	JSW Steel Limited	(48.46)	(37.39)
	Amba River Coke Limited	(12.54)	(106.23)
	JSW Cement Limited	(16.81)	(45.89)
	Jindal Saw Limited	(10.21)	(0.11)
	JSW Steel Coated Product Limited	(21.04)	(21.04)
2	Trade (Payables) / Receivables		
	JSW Energy Limited	-	(692.69)
	JSW Global Business Solutions Limited	(0.23)	(0.61)
	Inspire Institue of Sports *	-	-
3	Unsecured borrowings (Including preference shares)		
	JSW Energy Limited	1,320.00	1,320.00
4	Loans to related parties		
	South West Mining Limited	10,000.00	7,000.00

* Less than ₹ 1000

Transactions are inclusive of taxes

Major terms of the contract

1. Quantum and price of power sale/purchase are as per communication from vendor/ customer to the Company on DAM/ TAM/ RTM basis in advance and are on terms equivalent to those that prevail in arm's length transactions and in the ordinary courses of business.
2. The tariff of power sold / purchased from Power Exchange will be the Market Clearing Price as communicated by Power Exchange in the obligation report or in any other form by Power Exchange
3. The Company will charge a nominal trading margin as agreed (in the range of 1 paise to 7 paise per unit) on the energy delivered at Regional Periphery for both sale or purchase transactions.

JSW Power Trading Company Limited

Notes to Financial Statements for the year ended 31st March 2023

34 Details of corporate social responsibility (CSR) expenditure

		(₹ Lakh)	
Particulars		For the year ended 31st March, 2023	For the year ended 31st March, 2022
1. Amount required to be spent as per Section 135 of the Act		6.27	1.91
2. Amount spent during the year on :			
(i) Construction / acquisition of an asset		-	-
(ii) On purchase other than (i) above		6.27	1.91
3. Shortfall at the end of the year		-	-
4. Total of previous years shortfall		-	-
5. Reason for shortfall		NA	NA
6. Nature of CSR activities		1. Educational infrastructure & systems strengthening 2. Enhance Skills & rural livelihoods through nurturing of supportive ecosystems & innovations 3. Nurture women entrepreneurship & employability	
7. Amount unspent, if any.		-	-
8. Details of related party transactions		Donation paid to JSW Foundation, a related party in relation to CSR expenditure	
9. Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately		-	-

35 Operating Segments

The Chairman of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators, however the Company is primarily engaged in only one segment viz., "Trading of power & Trading of carbon credits". Hence the Company does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments".

In accordance with the Ind AS 108, 'Operating Segments' the segment information is disclosed in the consolidated financial statements of the group and therefore no separate disclosure on segment information is given in the companies financial statement for the year ended 31st March, 2023.

36 Ratios

Sr. No.	Particulars	Numerator	Denominator	For the year ended 31st March, 2023	For the year ended 31st March, 2022	Variance (%)	Reason for variance over 25%
1	Current Ratio (in times)	Current Assets	Current Liabilities	3.14	7.73	-59%	Trade payables increased due to higher volume
2	Debt-Equity Ratio (in times)	Total Borrowings (i.e. Non-current borrowings + Current borrowings)	Total Equity	0.02	0.03	-12%	
3	Debt Service Coverage Ratio (in times)	Profit before tax + Depreciation and amortisation expenses + interest on term loans and debenture	Interest on debentures + Interest on term loans + Scheduled principal repayments of term loans and debentures (i.e. excluding prepayments and refinancing of debts) during the year	N.A.	30.94	N.A.	N.A.
4	Return on Equity Ratio (%)	Net profit after tax	Average Network	10.63%	5.07%	110%	Profit before tax increased in FY 22-23 on account of carbon credit sales and interest on Higher loans.
5	Inventory Turnover (no. of days)	Average Inventory	(Fuel Cost + Stores & Spares Consumed + Purchase of stock in trade)	4	N.A.	100%	During the year Company has inventory of carbon credits.
6	Debtors Turnover (no. of days)	Average Trade Receivables including unbilled revenue * No of days	Revenue from operations	11	19	-40%	Higher sales volume in FY 22-23 lead to lower debtor days.
7	Payables Turnover (no. of days)	Average Trade payables including * No of days	Cost of goods sold	6	3	109%	Higher purchases in Mar'23 as compared to Mar'22, lead to lower creditor days.
8	Net Capital Turnover (in times)	Revenue from operations	Working capital	0.12	0.02	613%	Higher tunover during FY 22-23.
9	Net Profit Margin (%)	Net profit for the year	Total Income	65.25%	69.45%	-6%	
10	Return on Capital Employed (%)	Profit before tax plus Interest on long term loans and debentures	Net worth + Total borrowings + Deferred tax	13.00%	15.87%	-18%	
11	Return on Investment (%)	Profit generated on sale of investment	Cost of investment	N.A.	N.A.	N.A.	

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

38 **Other Disclosures**

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

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

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

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

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

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

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

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

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

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

(viii) Disclosure on Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014

(a) The Company, as mentioned in its Memorandum of Association and Articles of Association, is engaged in nature of business(s) as described in Note 1 of the financial statements. As part of the nature of business described above:

(b) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or like on behalf of the Ultimate Beneficiaries.

(c) The Company has not received any funds from any person(s) or entity(ies) ("Funding Party") with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries."

39 Previous year figures have been reclassified/ regrouped wherever necessary.

For and on behalf of the Board of Directors

Chittur Ramakrishnan Lakshman
Chairman
[DIN: 08704945]

Jyotiprakash Panda
Wholetime Director
[DIN: 08482786]

Anurag Agarwal
Chief Financial Officer

Ritesh Vaishya
Company Secretary