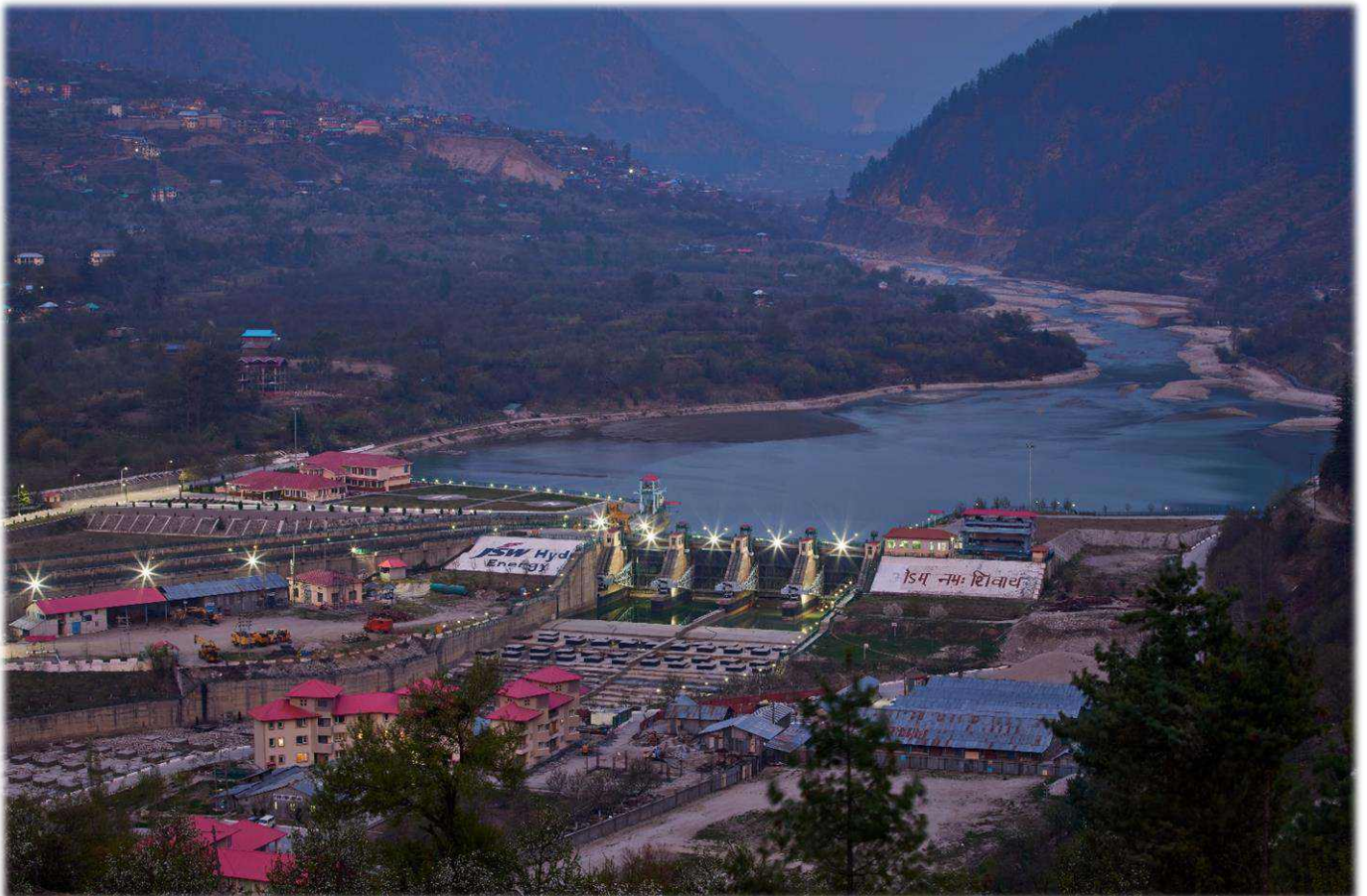




**JSW Hydro Energy Limited (JSWHEL)  
Compliance Certificate  
31<sup>st</sup> March, 2023**





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## Introduction

JSW Hydro Energy Limited (JSWHEL) is a wholly-owned subsidiary of JSW Neo Energy Limited and operates two hydroelectric power plants (HEPs) located in the state of Himachal Pradesh, India. Karcham Wangtoo Hydro Electric Project (Karcham HEP) has an installed capacity of 1,091 MW and Baspa II Hydro Electric Project (Baspa HEP) has an installed capacity of 300 MW.

On 18<sup>th</sup> May, 2021 JSW Hydro Energy Limited issued a USD 707 million 10-year green note (4.125% p.a. Senior Secured Notes due 2031, herein referred to as Notes) to refinance its existing term loan denominated in Indian Rupees (₹). Summary of the Notes is as per following details: -

CUSIP Regulation S Notes: Y4S71YAA2

Rule 144A Notes: 46653YAA6

ISIN Regulation S Notes: USY4S71YAA27

As per clause 4.3 of Schedule 4 of the Trust Deed, a compliance certificate and a business update is required to be provided within 90 days of closure of each six-month period ending September and March of each year starting 30<sup>th</sup> September, 2021. This report is the fourth such report being provided in compliance with the same.

## Executive Summary of Power Sector in India <sup>1</sup>

- As on 31<sup>st</sup> March, 2023 the total Installed Power Capacity in the country stood at 416 GW. India's renewable energy capacity stood at 125 GW (excluding large hydro) and at 172 GW (including large hydro) at the end of March 2023. The share of renewable energy capacity (including large hydro) has grown from 39% in FY 2022 to 41% in FY 2023. FY 2023 witnessed the renewable capacity addition (15.3 GW) largely driven by the solar segment (12.8 GW). Renewable energy constituted ~92% of total capacity addition (16.6 GW) in FY 2023.
- Power generation from renewable energy sources was at 22.5% of the total supply in FY 2023, similar to 21.5% in FY 2022. The share of generation from thermal sources was 74.3% in FY 2023 versus 74.8% in FY 2022.
- Pan India Power demand during FY 2023 grew at multi-decade high of 9.6% YoY vs 8.5% in FY 2022. This is indicative of a structural change in the overall demand across all segments of power consumption.
- In tandem with demand, overall generation grew by 9.0% YoY in FY 2023. This was driven by a strong generation in Thermal (+8.2%) and Renewable (+20.2%) segments. Within renewables, solar generation grew by 40.1% and wind generation grew by 4.7% YoY.

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<sup>1</sup> Source: Central Electricity Authority (CEA)



## Executive Summary of Business Performance: Key Highlights for FY 2023

### Operational performance

- Overall Plant Availability Factor (PAF) at 96% remained well above the normative PAF of 90%.
- Overall Gross Generation stood at 5,637 million units (MU), higher by 1% on a YoY basis, which was 5% higher compared to the aggregate Gross Design Energy of 5,344 MU.
- Overall Net Generation stood at 5,595 MU, higher by 1% YoY in-line with Gross Generation increase.
- Overall Plant Load Factor (PLF) at 48% was stable on YoY basis.

### Financial performance

- Revenue from Operations at ₹1,328 crore<sup>2</sup> was lower by 28% YoY, as the company had recognised reversal of trueing up provision pursuant to tariff order at Karcham Wangtoo hydro plant in FY 2022.
- EBITDA for FY 2023 stood at ₹1,170 crore as against ₹1,742 crore in FY 2022. The EBITDA for FY 2022 includes one-time effects of true-up order at Karcham Wangtoo.
- Profit after tax for FY 2023 stood at ₹274 crore lower YoY on account of true-up impact in FY 2022.
- Receivable Days at end of Mar-23 stood at healthy level of 40 days. This underpins the continuing cost competitiveness of the power supplied from these hydro power stations for the procuring power distribution companies (DISCOMs), incentivizing the five DISCOMs to prioritize offtake and payments.
- For more details, please visit [JSW Energy Integrated Report](#)

### Other Key Business Highlights

- Received CEA<sup>3</sup> approval for uprating of Karcham Wangtoo HE Capacity by 91 MW to 1,091 MW, in a phased manner, in April-21.
  - 1,045 MW in the first phase for two monsoon seasons in CY 2021 and CY 2022, and to 1,091 MW thereafter uprating without any additional capex, subject to fulfillment of certain conditions.
- Commenced Operations of 45 MW uprated capacity at Karcham Wangtoo HEP in July-21
  - Operational capacity increased to 1,045 MW from 1,000 MW, providing a boost to the earnings potential of the asset. An additional revenue of ₹48 crore was earned during FY 2023.
- Credit Rating:
  - Rating on USD Note of JSWHEL: International - Moody's (Ba1 Outlook – Stable), Fitch (BB+ Outlook – Stable)
  - Short Term Rating of JSWHEL: Domestic - India Ratings & Research (IND A1+)

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<sup>2</sup> 1 Crore = 10 million

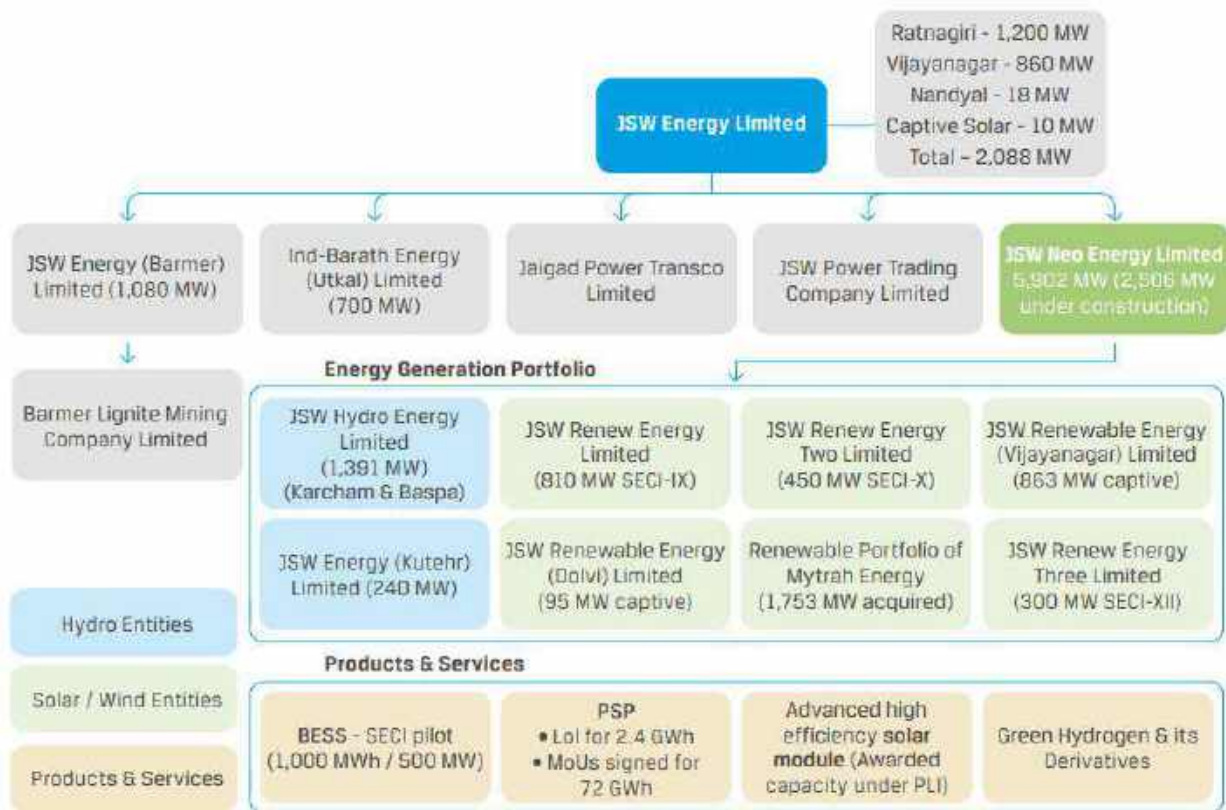
<sup>3</sup> Central Electricity Authority



- Summary of Covenants: For the 12-month Calculation period from 1<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2023

Particulars	As on 31 <sup>th</sup> March, 2023
Debt Service Coverage Ratio (DSCR) <a href="#">(Annexure 1)</a>	3.07
FFO/Net Debt <a href="#">(Annexure 2)</a>	11.70%

- Strategic Reorganization of JSW Energy Ltd's Green (Renewable) and Grey (Thermal) Businesses
  - The Company has completed the process of reorganization of its businesses into green and grey whereby the existing and upcoming renewable energy businesses across generation, energy storage, PV module and green hydrogen / ammonia and its derivatives will be housed under JSW Neo Energy.
  - This reorganization helps us to build and streamline the renewable portfolio and set up a holding structure for efficient fund-raising and potentially unlocking value for shareholders in future.
  - Exhibit below represent the broad corporate structure post re-organization.





## **Information on Compliance Certificate and Its Workings**

Date: June 21, 2023

To:

DB Trust (Hong Kong) Limited (the “Note Trustee”)

Note Holders for U.S.\$ 707,000,000 Senior Secured Notes Due 2031

From:

JSW Hydro Energy Limited

Dear Sirs,

### **JSW Hydro Energy Limited (the “Issuer”) – Note Trust Deed dated May 18, 2021 (the “Note Trust Deed”)**

We refer to the Note Trust Deed. This is a Compliance Certificate given in respect of the Calculation Date occurring on 31<sup>th</sup> March 2023. Terms used in the Note Trust Deed shall have the same meaning in this Compliance Certificate.

The Certificate is based on the following documents:

- (a) Audited Financial Statements for the 12-month period ended on 31<sup>st</sup> March, 2023
- (b) The Cash Flow Waterfall Mechanism as detailed in the Note Trust Deed
- (c) Working annexures



**A. Computation of Operating Account Waterfall as per Note Trust Deed Period from 1<sup>st</sup> Oct, 2022 (Closing Date) to 31<sup>st</sup> March, 2023 (Calculation Date)**

We hereby make the Operating Account Waterfall Calculation:

(in ₹ crore)

Sr No.	Particulars	Oct 01, 2022 to Mar 31, 2023
	Opening surplus available as on 1st Oct, 2022 for coupon, hedge premium and MCS payment falling due on 18th Nov, 2022	389.88
A	Inflows	
	Operating Revenue	584.49
	Working capital Debt	35.00
	New injection proceeds	-
	True up Reserve	-
	<b>Total Inflows</b>	<b>619.49</b>
B	Less: Statutory dues & Taxes	27.54
C	Less: O&M Expense	130.52
D	Less: Payments to Trustee, Agents & TRA Bank for cost & liability	0.05
E	Less:	
	a) Coupon payment	108.53
	b) CC/WC interest cost	-
	c) Hedge Premium payments	86.53
	d) MCS Payment	188.53
F	Less:	
	a)WC debt repayment (no obligated principal under bond)	-
	b) Hedge related settlement payments	-
G	Less:	
	Coupon payment due on 18.05.2023	103.25
	Ensuing Hedge Premium payment on 18.05.23 and 18.08.2023	80.07
	Ensuing Hedge related settlement payment on 18.05.2023	-
	Ensuing MCS payment on 18.05.2023	239.45
	<b>Net Surplus to be transferred to Distribution Account</b>	<b>44.90</b>



## B. Actual performance v/s stipulated covenants

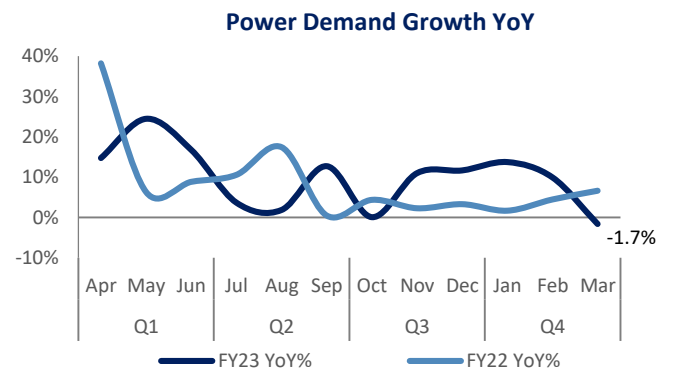
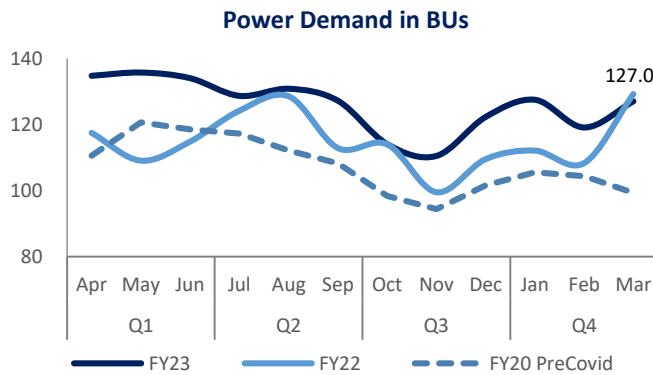
Particulars	As on 31 <sup>st</sup> Mar, 2023	Covenant Construct
<b>Debt Service Coverage Ratio (DSCR)</b> <a href="#">(Annexure 1)</a>	3.07	1)DSCR > 1.50x –100% distribution permitted 2)DSCR ≤ 1.50x –60% distribution permitted 3)DSCR ≤ 1.40x –50% distribution permitted 4)DSCR ≤1.30x –No Distribution 5)DSCR < 1.10x –Event of Default
<b>FFO/Net Debt</b> <a href="#">(Annexure 2)</a>	11.70%	FFO/Net Debt ≥ 6% for cash release

- For the period 1<sup>st</sup> October 2022 to 31<sup>st</sup> March, 2023, an amount of ₹44.90 crore is to be transferred from the Operating account to Distribution account as per the Operating Account Waterfall.

## Sector Updates<sup>4</sup>

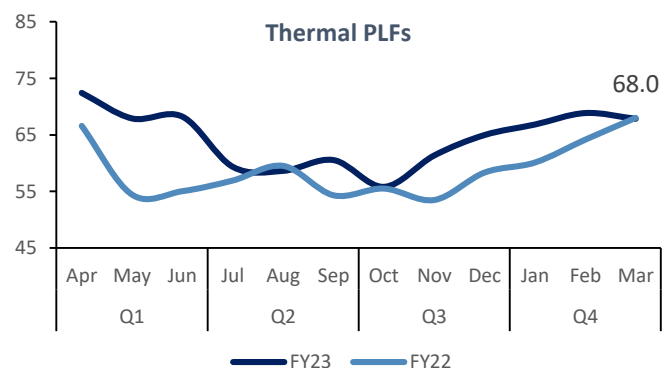
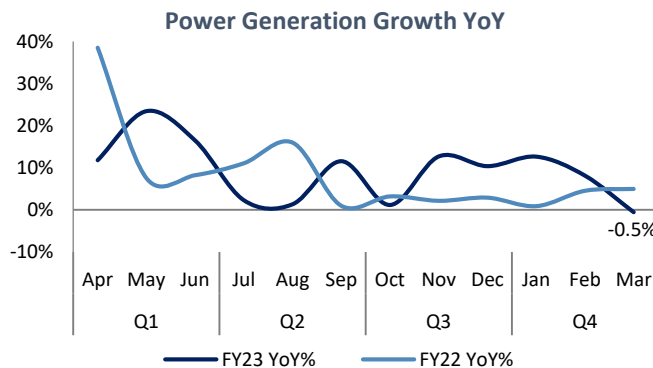
### Power Demand

- India's power demand increased by **9.6% YoY** in FY 2023 to **1,512 BUs**, on back of broad based demand increase across the country. Demand growth for 2H FY2023 stood at **7.1%**
- The peak demand witnessed in FY 2023 was **215.9 GW**.
- Total demand met (supply) for FY 2023 was **1,504 BUs** implying a shortfall of 8 BUs or **0.5%** of the overall demand.



### Power Generation

- In line with demand, overall power generation increased by **9.0% YoY** in FY 2023, led by solar generation up **40.1% YoY** and wind generation up **4.7% YoY**.
- Thermal generation saw a similar trend as there was **8.2% YoY** increase in generation in FY 2023.
- Average Thermal PLFs improved YoY in FY 2023 from 58.9% to 64.4%.



<sup>4</sup> Source: Central Electricity Authority (CEA)



## Power Capacity

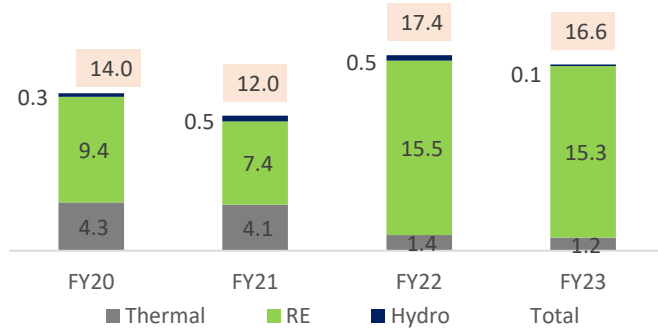
- Installed capacity stood at 416 GW as on March 31, 2023.
- Net Capacity additions during the fiscal stood at 16.6 GW and 8.3 GW for H2 FY23.

Mode-wise	GW	%
Thermal	237.3	57%
Nuclear	6.8	2%
Hydro	46.9	11%
Small Hydro	4.9	1%
BM/Cogen/Waste	10.8	3%
Wind	42.6	10%
Solar	66.8	16%
<b>TOTAL</b>	<b>416.1</b>	<b>100%</b>

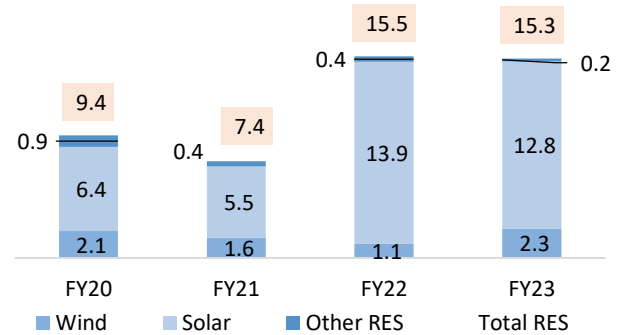
Sector-wise	GW	%
State	105.7	25.4%
Private	210.3	50.5%
Central	100.1	24.0%
<b>TOTAL</b>	<b>416.1</b>	<b>100%</b>

- Overall capacity addition of 16.6 GW during the year was dominated by renewables at 15.3 GW. Within renewables solar capacity addition stood at 12.8 GW.

**Overall segment wise net capacity additions (GW)**



**Renewable Capacity Additions (Excl. Hydro; GW)**

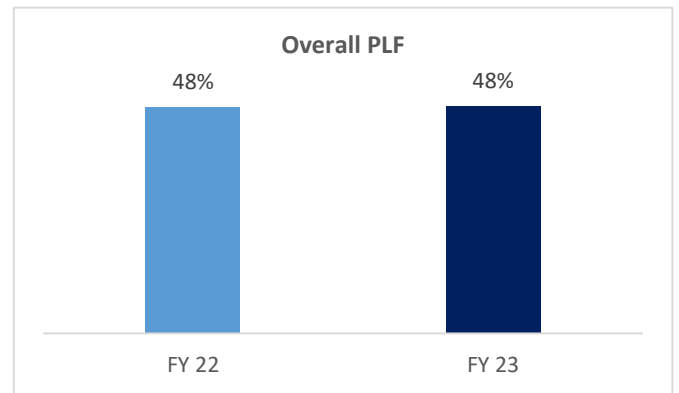
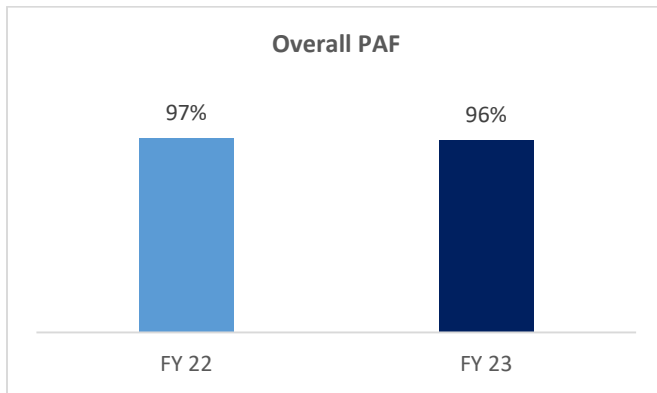
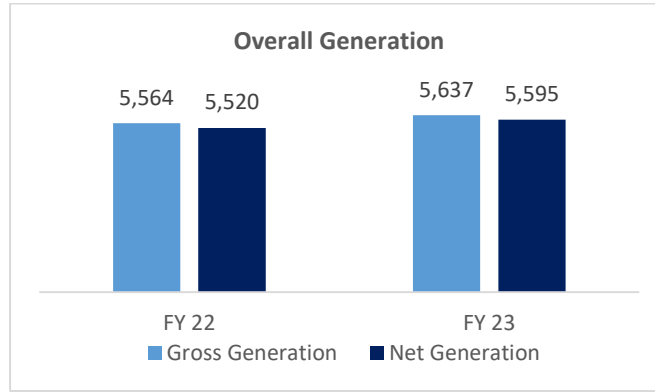




**Operational Performance for FY 2023**

**JSW Hydro**

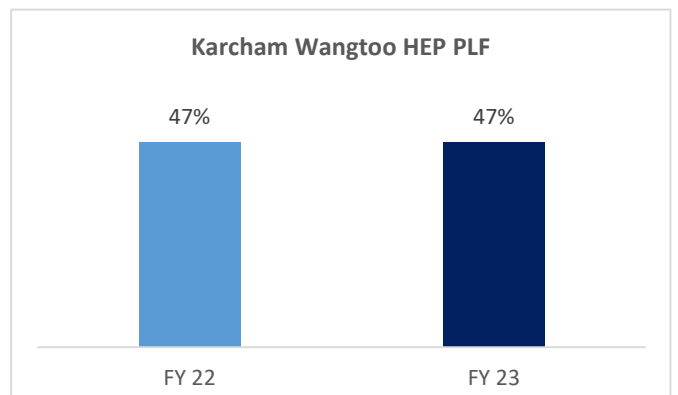
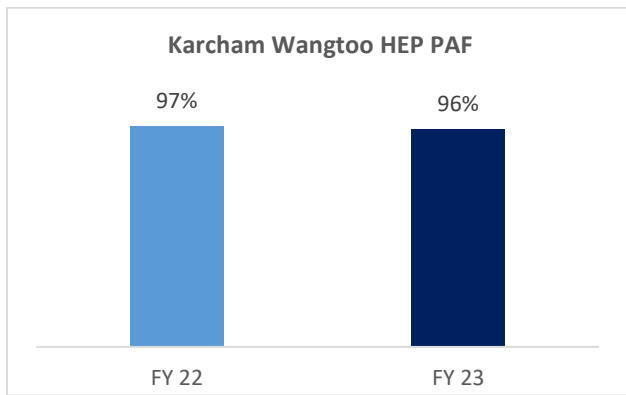
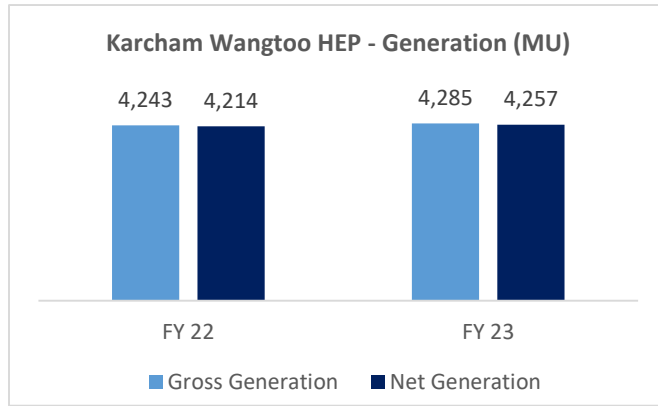
**Overall Operational Performance:**



Generation & Sales: JSWHEL						
Figures in MU	Gross Design Energy (DE)	Gross generation	Gross Generation as % of DE	Net Generation	Net Saleable Energy	Saleable Design Energy
<b>FY 2023</b>	5,344	5,637	105%	5,595	4,922	4,642
<b>FY 2022</b>	5,344	5,564	104%	5,520	4,856	4,642



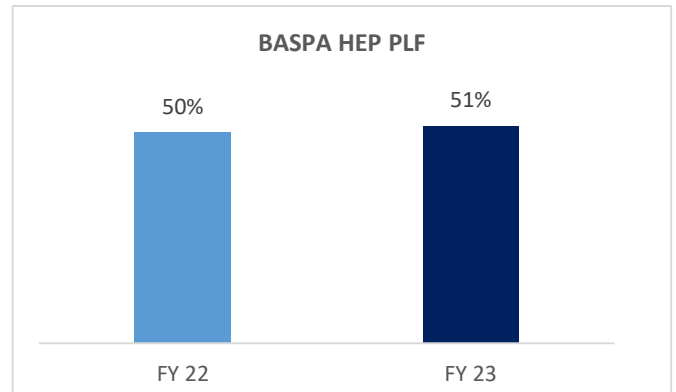
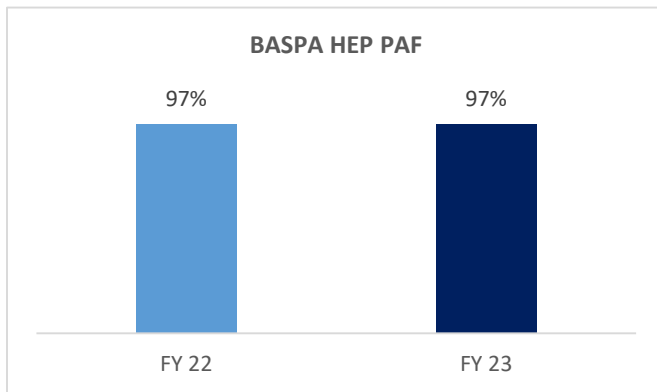
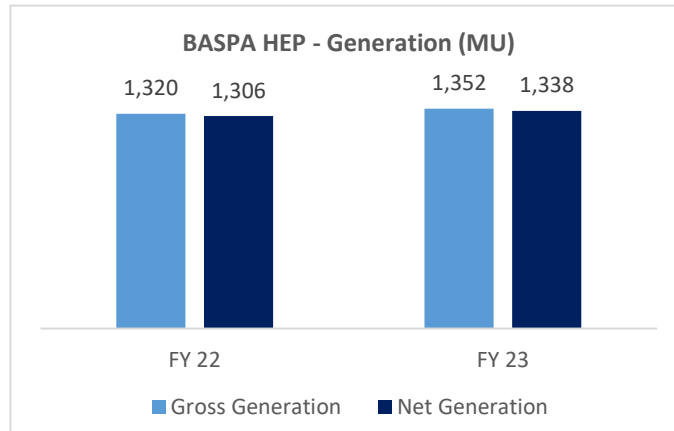
**Karcham Wangtoo HEP Operational Performance:**



Generation & Sales: Karcham Wangtoo HEP						
Figures in MU	Gross Design Energy (DE)	Gross generation	Gross Generation as % of DE	Net Generation	Net Saleable Energy	Saleable Design Energy
<b>FY 2023</b>	4,131	4,285	104%	4,257	3,744	3,592
<b>FY 2022</b>	4,131	4,243	103%	4,214	3,707	3,592



**BASPA HEP Operational Performance:**



Generation & Sales: Baspa II HEP						
Figures in MU	Gross Design Energy (DE)	Gross generation	Gross Generation as % of DE	Net Generation	Net Saleable Energy	Saleable Design Energy
<b>FY 2023</b>	1,213	1,352	111%	1,338	1,178	1,050
<b>FY 2022</b>	1,213	1,320	109%	1,306	1,149	1,050

- Plant Availability**

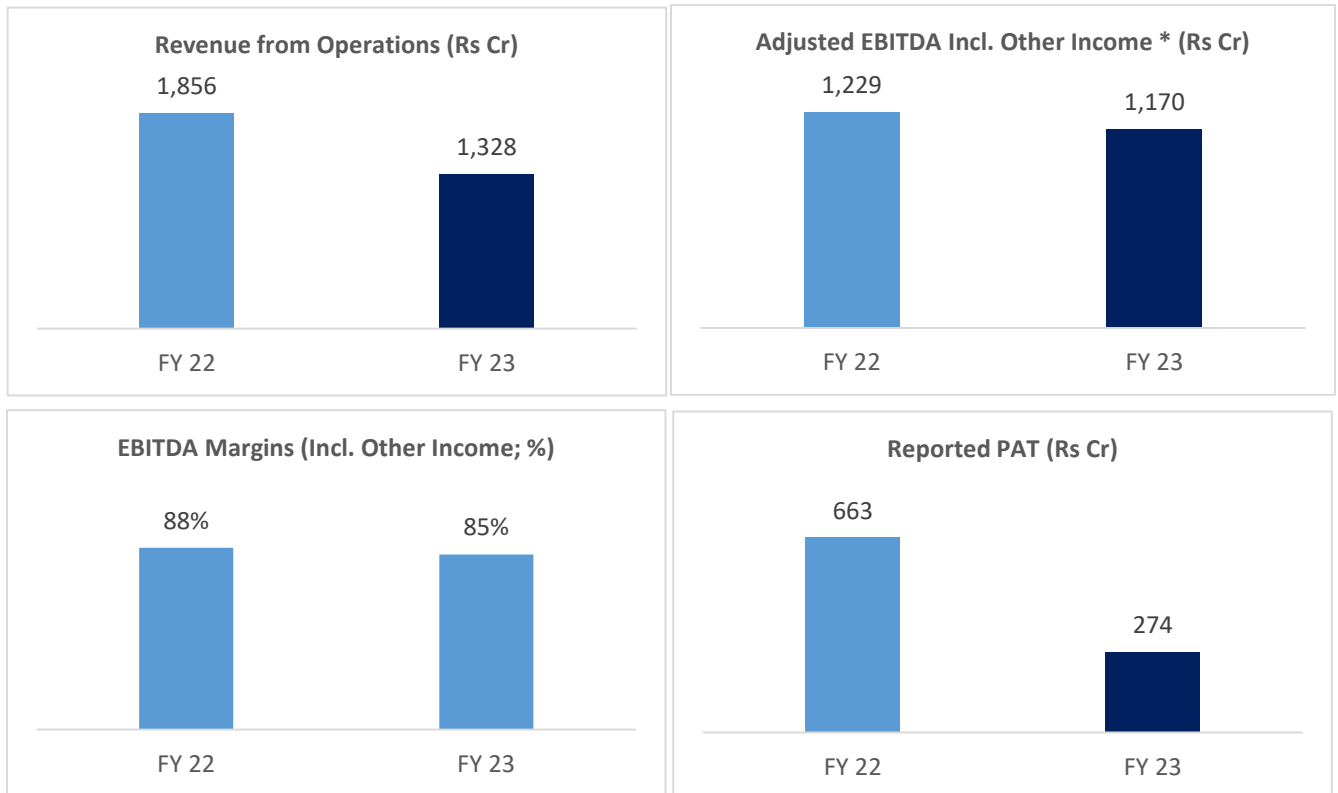
- Karcham HEP has recorded a PAF of 96% and Baspa II HEP a PAF of 97% for the aforesaid period against normative PAF of 90%. At the company level, the PAF was recorded at 96%.
- Hence, both plants were eligible for availability based incentives apart from the recovery of the fixed costs and ROE based on approved capital cost discovered through the Annual Revenue Requirement under the Multi-Year Tariff mechanism of 5 year blocks.



- **Generation Profile**

- For Karcham HEP, Gross generation at 4,285 MU and Net generation at 4,257 MU were both higher by 1% YoY. Consequently, the plant has operated at a PLF of 47% in FY 2023 broadly stable YoY.
- For Baspa II HEP, Gross generation at 1,352 MU and Net generation at 1,338 MU were both higher by 2% YoY. Consequently, the plant has operated at a PLF of 51% in FY23 vis-à-vis 50% in FY 2022.
- At an aggregate company level, the Gross generation at 5,637 MU and Net generation at 5,595 MU were both higher by 1% YoY. Consequently, at a company-wide level, average PLF was at 48% in FY 2023 broadly stable YoY.

### Financial Performance for FY 2023



\* EBITDA adjusted for one-time effects of true-up order at Karcham-Wangtoo in FY 2022.



- Revenue from operations declined by 28% to ₹1,328 crore compared to ₹1,856 crore on a YoY basis due to reversal of true up provisions at Karcham-Wangtoo HEP in FY 2022. The PAF was registered at 96% for FY 2023 entitling the plant to some incentive income also apart from the base ARR.
- Adjusted EBITDA was lower by 5% on a YoY basis at ₹1,170 crore in FY 2023 vs ₹1,229 crore in FY 2022, mainly due to lower waterflow.
- Reported PAT stood at ₹274 crore, lower on YoY basis given the impact of true-up in FY 2022.

### **Receivable Position (As of Mar-23)**

Debtor days stood at healthy levels of 40 days as of Mar-23 vs 29 days in Mar-22. On YoY basis and adjusting for one-time effects of true-up in FY 2022, the debtor days improved on a YoY basis from 45 days as of Mar-22.

In Days	Mar-23	Mar-22
Receivable Days	40	29



## Appendix - 1

### Form of Compliance Certificate

#### DB Trust (Hong Kong) Limited (the “Note Trustee”)

Level 60, International Commerce Centre,  
1 Austin Road West, Kowloon  
Hong Kong

Date: June 21, 2023

Dear Ladies and Gentlemen

#### JSW ENERGY HYDRO LIMITED U.S.\$707,000,000 4.125% Senior Secured Notes due 2031

In accordance with clause 4.3 of the note trust deed dated----(as amended or supplemented from time to time, the “**Note Trust Deed**”) made between (1) JSW Energy Hydro Limited and (2) the Note Trustee, we hereby certify and confirm below for the period 1<sup>st</sup> October, 2022 to 31<sup>st</sup> March 2023 on behalf of the issuer, that:

- (a) as at the Calculation Date, the aggregate amount for transfer to the Distribution Account in accordance with the Operating Accounts Waterfall was: **44.90**
- (b) in accordance with the workings set out in Annexure I, the Debt Service Cover Ratio for the Calculation Period ending on the relevant Calculation Date was: **3.07**
- (c) in accordance with the workings set out in Annexure II, the Fund from Operations to the Net Debt Ratio for the Calculation Period ending on the relevant Calculation Date was: **11.70%**
- (d) the amount received by the issuer pursuant to an Equity Cure, details of the Debt Service Cover Ratio for the Calculation Period ending on the relevant Calculation Date was:
- (i) without taking into account the Equity Cure: **3.07**
  - (ii) after taking into account the Equity Cure: **no equity cure received**
- (e) the amounts spent by the Issuer by way of Capital Expenditure, details of the amount utilized, the use of proceeds of such amounts, whether such amounts were funded by funds in the Distribution Account was: **NIL**
- (f) the cash balance in each of the Project Accounts as at the relevant Calculation Date was:

Nature of Account	Amount in ₹ Cr (As on 31 <sup>st</sup> March 2023)	Remarks
Operating Accounts	729.65	Including amounts invested in MF/FDRs
True Up Reserve Account	-	-
Distribution Account	-	-
Debt Service Reserve Account	187.00	Including amounts invested in MF/FDRs
<b>Total</b>	<b>916.65</b>	



(g) the MCS amount paid by the Issuer up to (and including) the relevant Calculation Date, and the amounts (if any) of shortfall in the payment of any MCS Amount was: **Three MCS payments upto 31<sup>st</sup> March 2023 amounting to USD81,305,000 and shortfall is NIL**

(h) New Injection amounts received for the purposes of paying any MCS Amount due was: **NIL**

(i) the amounts paid in respect of True-Up Liabilities, details of the amount utilized and the timing of any amounts utilized: **NIL**

(j) to the best of our knowledge having made due enquiry, no Default subsists.

Terms not defined herein shall have the same meanings as provided in the Note Trust Deed and the Conditions.

Yours Faithfully,

A handwritten signature in blue ink, appearing to be 'S. Kango', written over a blue triangular stamp.

Chief Financial Officer  
(Sanjeev Kango)



## Annexure 1

Working for Calculation of Debt Service Cover Ratio (A/B)		1 <sup>st</sup> Apr 2022 to 31 <sup>st</sup> March 2023
		<u>In Rs Crore</u>
	"Debt Service Cover Ratio" means in relation to a Calculation period ending on the relevant Calculation Date (A/B)	3.07
	"Cashflow Available for Debt Service" means, in respect of any period, (i) the aggregate amount of CFADS Operating Revenue for such period (which, for the avoidance of doubt, shall include interest revenue accrued by the Issuer on all Project Accounts (including the Distribution Account, to the extent any such interest is transferred to the Operating Accounts) to the extent not already included in CFADS Operating Revenue) and (ii) the amount of proceeds received by the Issuer from any New Injection made in such period and designated by the Issuer as an Equity Cure, less:	1,374.53
	a) Operating Expenses (other than any Costs or fees payable, written-off or amortized in connection with the Existing Indebtedness, the Senior Secured Documents and any Costs or break fees payable as a consequence of the repayment or prepayment of the Existing Indebtedness) and petty expenses, if any, in each case paid in such period and funded by amounts withdrawn from a Project Account in accordance with these Conditions and the Trust and Accounts Deed;	(205.88)
	b) Taxes (other than where any such Taxes have been paid by the Issuer from funds in the Distribution Account related to the write back of True-Up Liabilities) paid by the Issuer in such period; and	(52.30)
	c) costs paid by the Issuer to the Trustee,	(0.05)
	in each case for (b) and (c) of this definition, without double counting. Amounts received as a New Injection and designated by the Issuer as an Equity Cure in accordance with these Conditions and the Trust and Accounts Deed will be counted in Cashflow Available for Debt Service for the Calculation Period in which the Compliance Certificate is being provided but not for any subsequent period, without double counting, and solely for that specified period.	-
A)	Total	1,116.30



	<b>“CFADS Operating Revenue”</b> means Operating Revenue excluding (without double counting):	1,375.73
	(a) non-recurring significant items which are not generated in the ordinary course of business (including, but not limited to, profits and losses on the disposal of assets outside the ordinary course of business);	(1.20)
	(b) extraordinary items;	
	(c) any other non-cash items (including, but not limited to, property revaluations); <i>provided</i> that such non-cash items shall not include “income from service concession arrangements”;	Nil
	(d) insurance proceeds, other than business interruption insurance proceeds or advance consequential loss of profit insurance proceeds or any proceeds applied towards reimbursement for repairs or reinstatement of an asset where the cost of the relevant repair or reinstatement is an Operating Expense;	Nil
	(e) proceeds of any Finance Debt or equity; and	Nil
	(f) any warranty claim or indemnity payment received under a PPA, other than any amounts calculated with respect to, or provided in lieu of, revenue or where the cost, liability or loss being compensated for or the subject of the relevant warranty or indemnity is an Operating Expense.	Nil

B)	(ii) the aggregate amount of (x) interest in respect of the Notes accrued during such period, (y) interest in respect of any Working Capital Debt accrued during such period and (z) net payments accrued under any Currency Hedging Agreement or any Interest Rate Hedging Agreement during such period (without double counting); <i>provided</i> that for the Calculation Period ending on March 31 <sup>st</sup> , 2023, paragraph (i) shall be Cashflow Available for Debt Service for the 12-months ending March 31 <sup>st</sup> , 2023, and paragraph (ii) shall be the aggregate amount of (a) the scheduled principal repayments (to the extent not refinanced, prepaid or repaid and/or marked for refinancing) under the Existing Term Loan Indebtedness during such period, (b) interest payments to creditors of Existing Indebtedness and payments of any Costs (of recurring nature) to creditors in relation to Existing Indebtedness due or accrued during such period, (c) interest accrued in respect of the Notes during such period, (d) interest accrued in respect of any Working Capital Debt during such period and (e) net payments accrued under any Currency Hedging Agreement or any Interest Rate Hedging Agreement during such period.	363.70



## Annexure 2

Working for the Fund From Operations to Net Debt Ratio		1 <sup>st</sup> April 2022 to 31 <sup>st</sup> March 2023
		<b>In ₹ Crore</b>
	<b>Fund from Operations to Net Debt Ratio (A/B)</b>	<b>11.70%</b>
	<b>“Funds From Operations”</b> means, for any period,	
	a) EBITDA minus	1,169.85
	b) cash Taxes paid on income	(52.30)
	c) adjusted for any positive or negative adjustments in working capital	(209.80)
	d) cash net interest.	(394.01)
A)	<b>Total</b>	<b>513.74</b>
	a) “Net Debt” means the total indebtedness of the Issuer (excluding any Subordinated Debt)	<b>5,119.01</b>
	b) less: Cash balances	(729.65)
	c) less any amounts held in the MCS Account,	-
	d) less the Debt Service Reserve Account,	-
	e) less the Restricted Surplus Account and	-
	f) less the Restricted Debt Service Account.	-
B)	<b>Total</b>	<b>4,389.36</b>



## Appendix - 2

### Form of Certificate of Directors

**DB Trust (Hong Kong) Limited (the “Note Trustee”)**

Level 60, International Commerce Centre,  
1 Austin Road West, Kowloon  
Hong Kong

Date: June 21, 2023

Dear Ladies and Gentlemen

**JSW ENERGY HYDRO LIMITED U.S.\$707,000,000 4.125% Senior Secured Notes due 2031**

In accordance with clause 4.3 of the note trust deed dated May 18, 2021 (as amended or supplemented from time to time, the “**Note Trust Deed**”) made between (1) JSW Energy Hydro Limited and (2) the Note Trustee, we, as Directors of the Issuers, hereby confirm that, having made all reasonable enquiries, to the best of the knowledge, information and belief of the issuers that as at date of this certificate

- (a) as at June 21, 2023, no Event of Default or Potential Event of Default had occurred since 1<sup>st</sup> October 2022.
- (b) From and including **October 1<sup>st</sup>, 2022** to and including June 21, 2023, issuer has complied in all respects with its obligations under the Note Trust Deed and the Notes.

Terms not defined herein shall have the same meaning as provided in the Note Trust Deed.

Yours Faithfully,

Chief Financial Officer  
(Sanjeev Kango)



# Financial Statements of JSWHEL for year March 2023

# Shah Gupta & Co.

## Chartered Accountants

### INDEPENDENT AUDITORS' REPORT

To the Members of JSW Hydro Energy Limited

Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of **JSW Hydro Energy 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 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 (l) 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 remuneration paid / provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - 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 40 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 SHAH GUPTA & CO.,

Chartered Accountants

Firm Registration No.: 109574W



Vipul K Choksi

Partner

M. No.37606

Unique Document Identification Number (UDIN) for this document is 23037606BGGYDYN9236

Place: Mumbai

Date: May 22, 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 Hydro Energy 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.
- (B) According to the information and explanations given to us and the records of the Company examined by us, the Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Company has a program of verification to cover all the items of property, plant and equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies have been noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company, except the following:

Description of property	Net carrying value (Rs. In Crore)	Held in the name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of the Company*
Bithal Land & Building	22.26	Jaiprakash Power Ventures Limited	No	From 01.09.2015	Title has been vested in the name of the company through Scheme of arrangement approved by HP High Court.  Procedural requirement for change of name of the company in the Government record is in process.

- (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 physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by the Management is appropriate. The discrepancies noticed on physical verification of inventory by the Management, as compared to book records were not material and have been appropriately dealt with in the books of account. No discrepancies of 10% or more in aggregate for each class of inventory were noticed in respect of such physical verification.
- (b) The Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements including clarifications provided by the banks, the quarterly returns / statements along with subsequent revisions filed by the Company with the banks are in agreement with the books of account of the Company.
- (iii) (a) During the year, the Company has granted unsecured loans, details of which are given below:

Particulars	(Rs. in crores)
<b>A. Aggregate amount granted during the year</b>	
- Related party	789.00
<b>B. Balance outstanding as at balance sheet date in respect of above cases</b>	
- Related party	789.00



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

- (b) During the year, the terms and conditions of the grant of all loans to are not prejudicial to the Company's interest. The Company has not provided guarantees or security or granted advances in the nature of loans to companies, firms, limited liability partnerships or any other parties.
- (c) The Company has granted loans during the year to companies where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular. The Company has not granted advances in the nature of loans to companies, firms, limited liability partnerships or any other parties.
- (d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are 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) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, limited liability partnerships or any other parties. Accordingly, reporting under paragraph 3 (iii) (f) of the Order is not applicable to the Company.
- (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 granted during the year.
- (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 except as follows:

Name of the Statute	Nature of the Dues	Amount* (Rs. in Crore)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income tax	4.48	A.Y. 2016-17	Commissioners of Income Tax (Appeals)

#Net of amounts paid under protest

- 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, we report that no funds raised on short-term basis have been used for long-term purposes by 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 to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the 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 to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios (Also refer Notes 27 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 to the Company.
- (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 to the Company.
- (xxi) The reporting under clause 3 (xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **SHAH GUPTA & CO.,**

Chartered Accountants

Firm Registration No.: 109574W



**Vipul K Choksi**

Partner

M. No.37606

Unique Document Identification Number (UDIN) for this document is 23037606BGDYN9236

Place: Mumbai

Date: May 22, 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 Hydro Energy 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 **SHAH GUPTA & CO.,**  
Chartered Accountants  
Firm Registration No.: 109574W



**Vipul K Choksi**  
Partner  
M. No.37606



Unique Document Identification Number (UDIN) for this document is 23037606BGYDYN9236.

Place: Mumbai

Date: May 22, 2023

**JSW HYDRO ENERGY LIMITED**  
**Balance Sheet as at 31st March, 2023**

( ₹ Crore )

Particulars		Note No.	As at 31st March, 2023	As at 31st March, 2022
A	<b>ASSETS</b>			
1	<b>Non-current assets</b>			
	(a) Property, plant and equipment	4	5,200.21	5,598.73
	(b) Capital work-in-progress	5	5.70	1.05
	(c) Other Intangible assets	6	681.66	714.19
	(d) Financial assets			
	(i) Loans	7	789.00	-
	(ii) Other Financial Assets	7A	779.57	128.15
	(e) Income tax assets (net)	7B	65.30	65.11
	(f) Other non-current assets	8	0.76	1.05
	<b>Total non-current assets</b>		<b>7,522.20</b>	<b>6,508.28</b>
2	<b>Current assets</b>			
	(a) Inventories	9	13.10	13.03
	(b) Financial assets			
	(i) Investments	10	709.73	612.72
	(ii) Trade receivables	11	64.58	69.28
	(iii) Unbilled revenue		79.88	77.87
	(iv) Cash and cash equivalents	12	18.93	13.93
	(v) Bank balances other than (iv) above	12A	199.32	290.13
	(vi) Other financial assets	7A	65.05	848.63
	(c) Other current assets	8	15.05	12.93
	<b>Total current assets</b>		<b>1,165.64</b>	<b>1,938.52</b>
	<b>Total assets (1+2)</b>		<b>8,687.84</b>	<b>8,446.80</b>
B	<b>EQUITY AND LIABILITIES</b>			
1	<b>Equity</b>			
	(a) Equity share capital	13	1,250.05	1,250.05
	(b) Other equity	14	1,871.02	1,279.12
	<b>Total equity</b>		<b>3,121.07</b>	<b>2,529.17</b>
2	<b>Liabilities</b>			
	<b>(i) Non-current liabilities</b>			
	<b>(a) Financial liabilities</b>			
	(i) Borrowings	15	4,628.31	4,682.95
	(ii) Lease liabilities	15A	25.74	26.01
	(iii) Other financial liabilities	16	76.73	70.05
	(b) Provisions	17	4.53	6.84
	<b>Total non-current liabilities</b>		<b>4,735.31</b>	<b>4,785.85</b>
	<b>(ii) Current liabilities</b>			
	<b>(a) Financial liabilities</b>			
	(i) Borrowings	15	490.70	418.56
	(ii) Lease liabilities	15A	0.27	0.24
	(iii) Trade payables			
	(a) Total outstanding dues of micro and small enterprises	18	1.66	2.88
	(b) Total outstanding dues of creditors other than micro and small enterprises	18	25.03	23.58
	(iv) Other financial liabilities	16	303.41	682.48
	(b) Other current liabilities	19	2.59	2.18
	(c) Provisions	17	5.05	1.86
	(d) Current tax liabilities (Net)	7C	2.75	-
	<b>Total current liabilities</b>		<b>831.46</b>	<b>1,131.78</b>
	<b>Total liabilities</b>		<b>5,566.77</b>	<b>5,917.63</b>
	<b>Total equity and liabilities (1+2)</b>		<b>8,687.84</b>	<b>8,446.80</b>

**See accompanying notes to the financial statements**

As per our attached report

For Shah Gupta & Co

Chartered Accountants

Firm Registration No.: 109574W

Vipul K Choksi  
Partner  
M No. 37606



For and on behalf of Board of Directors

*Gyan Bhadra Kr.*

Gyan Bhadra Kumar  
Whole Time Director  
[DIN: 03620109]

*Prashant Jain*

Prashant Jain  
Chairman  
[DIN: 01281621]

*Sanjeev Kango*

Sanjeev Kango  
Company Secretary &  
Chief Financial Officer

Place: Mumbai  
Date : 22nd May, 2023

**JSW HYDRO ENERGY LIMITED**  
**Statement of Profit and Loss for the year ended 31st March, 2023**

₹ Crore, except per share data and as stated otherwise

Particulars	Note No.	For the year Ended 31st March, 2023	For the year Ended 31st March, 2022
I Revenue from operations	20	1,328.23	1,856.31
II Other income	21	47.50	56.08
III Total income (I + II)		<b>1,375.73</b>	<b>1,912.39</b>
IV Expenses			
(a) Employee benefits expense	22	83.46	62.91
(b) Finance costs	23	401.44	502.01
(c) Depreciation and amortisation expenses	24	436.35	435.77
(d) Other expenses	25	122.42	107.91
<b>Total expenses</b>		<b>1,043.67</b>	<b>1,108.60</b>
V Profit before tax		<b>332.06</b>	<b>803.79</b>
VI Tax Expense	26		
Current tax		58.02	141.05
Deferred tax		(6.16)	(147.02)
VII Deferred Tax (recoverable from)/adjustable in future tariff		6.16	147.02
		<b>58.02</b>	<b>141.05</b>
VIII Profit for the year (V-VI-VII)		<b>274.04</b>	<b>662.74</b>
IX Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurements of the net defined benefit plan		(0.39)	(1.75)
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.07	0.31
B (i) Items that will be reclassified to profit or loss		312.95	(123.83)
(ii) Income tax relating to items that will be reclassified to profit or loss		(78.76)	31.17
(iii) Deffered tax recoverable from / (adjustable in) future tariff		78.76	(31.17)
<b>Other comprehensive income/(loss) for the year (A + B)</b>		<b>312.63</b>	<b>(125.27)</b>
X Total comprehensive income for the year (VIII + IX)		<b>586.67</b>	<b>537.47</b>
XI Earnings per equity share of ₹ 10 each :			
Basic ₹		2.19	5.30
Diluted ₹		2.19	5.30

See accompanying notes to the financial statements

As per our attached report

For Shah Gupta & Co

Chartered Accountants

Firm Registration No.: 109574W

*Vipul K Choksi*

Vipul K Choksi

Partner

M No. 37606



For and on behalf of Board of Directors

*Gyanbhadra Kumar*

Gyan Bhadra Kumar

Whole Time Director

[DIN: 03620109]

*Prashant Jain*

Prashant Jain

Chairman

[DIN: 01281621]

*Sanjeev Kango*

Sanjeev Kango

Company Secretary &

Chief Financial Officer

Place: Mumbai

Date : 22nd May, 2023

**JSW HYDRO ENERGY LIMITED**

Statement of changes in equity for the year ended 31st March, 2023

**a. Equity share capital**

( ₹ Crore )

Balance at the 1st April, 2021	1,250.05
Changes in equity share capital during FY 2021-22	-
Balance at the 31st March, 2022	1,250.05
Changes in equity share capital during FY 2022-23	-
Balance at the 31st March, 2023	1,250.05

**b. Other equity**

( ₹ Crore )

Particulars	Reserves & surplus		Item of other comprehensive income	Capital Contribution by parent company	Total
	Equity-settled employee benefits reserve	Retained earnings	Effective portion of cash flow hedge		
Balance as at 1st April, 2022	3.86	1,242.95	(123.83)	156.14	1,279.12
Profit for the year	-	274.04	-	-	274.04
Recognition of Share based payment	5.23	-	-	-	5.23
Other comprehensive income for the period, net of income tax	-	(0.32)	312.95	-	312.63
Transfer to retained earnings after exercise of options	(0.99)	0.99	-	-	-
Balance as at 31st March, 2023	8.10	1,517.66	189.12	156.14	1,871.02

( ₹ Crore )

Particulars	Reserves & surplus		Item of other comprehensive income	Capital Contribution by parent company	Total
	Equity-settled employee benefits reserve	Retained earnings	Effective portion of cash flow hedge		
Balance at 1st April, 2021	0.72	581.65	-	156.14	738.51
Profit for the year	-	662.74	-	-	662.74
Recognition of Share based payment	3.14	-	-	-	3.14
Other comprehensive income for the year, net of income tax	-	(1.44)	(123.83)	-	(125.27)
Balance as at 31st March, 2022	3.86	1,242.95	(123.83)	156.14	1,279.12

See accompanying notes to the financial statements

As per our attached report

For Shah Gupta & Co

Chartered Accountants

Firm Registration No.: 109574W

*Vipul K Choksi*

Vipul K Choksi  
Partner  
M No. 37606



For and on behalf of Board of Directors

*Gyan Bhadra Kumar*

Gyan Bhadra Kumar  
Whole Time Director  
[DIN: 03620109]

*Prashant Jain*

Prashant Jain  
Chairman  
[DIN: 01281621]

*Sanjeev Kango*

Sanjeev Kango  
Company Secretary &  
Chief Financial Officer

Place: Mumbai

Date : 22nd May, 2023

**JSW HYDRO ENERGY LIMITED**  
**Statement of Cash Flows for the year ended 31st March, 2023**

(₹ Crore)

Particulars	For the year ended 31st March, 2023		For the year ended 31st March, 2022	
<b>I CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before tax		332.06		803.79
Adjusted for:				
Depreciation and amortisation expense	436.35		435.77	
Interest income earned on financial assets that are not designated as at FVTPL	(13.77)		(31.70)	
Net Gain from current investments	(28.82)		(21.83)	
(Gain) / Loss on sale / discard of property, plant and equipment	-		(0.05)	
Share based payments	5.23		3.14	
Finance costs	401.44		502.01	
Property, Plant and equipment written off	0.00		1.07	
		<b>800.42</b>		<b>888.41</b>
<b>Operating profit before working capital changes</b>		<b>1,132.48</b>		<b>1,692.20</b>
<b>Adjustment for movement in working capital :</b>				
(Increase) / Decrease In Trade and other receivables	2.58		(18.26)	
Increase / (Decrease) in Trade payables & Other Liabilities	382.26		(288.69)	
(Increase) / Decrease in Current & non-current assets	(648.69)		(742.87)	
(Increase) / Decrease in Inventories	(0.06)		(1.37)	
		<b>(263.91)</b>		<b>(1,051.19)</b>
<b>Cash generated from operations</b>		<b>868.58</b>		<b>641.01</b>
Income taxes paid (net)		(55.45)		(169.64)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>		<b>813.12</b>		<b>471.37</b>
<b>II CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant & equipment (including Capital Work in progress and capital advances)		(9.95)		(10.70)
Consideration received for sale of equity in subsidiary		789.33		-
Loan given to related party		(789.00)		-
Investment made / (redeem) in mutual fund		142.39		(142.39)
Investment made in Equity share capital of subsidiary		-		454.15
Bank deposits other than cash and cash equivalent		90.81		(249.97)
Interest received		13.77		31.70
Net Gain from current investments		28.82		21.83
<b>NET CASH GENERATED FROM INVESTING ACTIVITIES</b>		<b>266.18</b>		<b>104.62</b>
<b>III CASH FLOW FROM FINANCING ACTIVITIES</b>				
Repayment of non-current borrowings		(407.28)		(174.22)
Proceeds from current borrowings (net)		(5.47)		(122.99)
Payment of Lease liabilities		(0.50)		(0.50)
Finance costs paid		(421.65)		(376.18)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(834.90)</b>		<b>(673.89)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (I+II+III)</b>		<b>244.40</b>		<b>(97.90)</b>
<b>CASH AND CASH EQUIVALENTS - At the beginning of the Year</b>		<b>484.26</b>		<b>582.16</b>
<b>CASH AND CASH EQUIVALENTS - At the end of Year</b>		<b>728.66</b>		<b>484.26</b>
1) Balances with Banks		18.92		13.92
2) Cash on hand		0.01		0.01
3) Investments in mutual funds		709.73		470.33
<b>Total</b>		<b>728.66</b>		<b>484.26</b>

See accompanying notes to the financial statements

Note:

The Statement of cash flows has been prepared under the indirect method as set out in Indian Accounting standard (Ind AS 7) Statement of cash flows.

As per our attached report

For Shah Gupta & Co

Chartered Accountants

Firm Registration No.: 109574W

Vipul K Choksi  
Partner  
M No. 37606



For and on behalf of Board of Directors

*Gyan Bhadra Kumar*

Gyan Bhadra Kumar  
Whole Time Director  
(DIN: 03620109)

*Prashant Jain*

Prashant Jain  
Chairman  
(DIN: 01281621)

*Sanjeev Kango*

Sanjeev Kango  
Company Secretary &  
Chief Financial Officer

Place: Mumbai

Date : 22nd May, 2023

## JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2023

### Note 1: General information

a) JSW Hydro Energy Limited is a public limited Company domiciled in India and is incorporated under the provisions of the Companies Act, 2013 applicable in India is wholly owned subsidiary of JSW Neo Energy Limited and is a step down subsidiary of JSW Energy Limited. The registered office of the Company is located at Sholtu Colony, P.O. Tapri, Dist. Kinnaur, 172104 (HP).

b) The Company is primarily engaged in the business of generation and sale of power.

### Note 2.1: Statement of compliance

a) 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 Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, the provisions of the Companies Act, 2013 ("the Act") to the extent notified and other accounting principles generally accepted in India.

b) The Financial Statements were approved for issue by the Board of Directors on 22nd May, 2023.

### Note No. 2.2 - 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:

(a) **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.

(b) **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.

(c) **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.

## **JSW HYDRO ENERGY LIMITED**

**Notes to Financial Statement for the year ended 31st March, 2023**

### **Note 3: Basis of preparation of financial statements & Significant accounting policies**

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

The Financial Statements are prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies given below which are consistently followed except where a new accounting standard or amendment to the existing accounting standards requires a change in the policy hitherto applied. Presentation requirements of Division II of Schedule III to the Companies Act, 2013, "as amended", as applicable to the Financial Statements have been followed. The Financial Statements are presented in Indian Rupees ('INR') in crore rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013.

#### **Current and non-current classification:**

The Company presents assets and liabilities in the balance sheet based on current / noncurrent 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 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.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

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

#### **3.2 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.

Cost of major inspection/overhauling is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection/overhauling (as distinct from physical parts) is de-recognised.

Properties in the course of construction are carried at cost, less any recognised impairment loss, as capital work in progress. Upon completion, such properties are transferred to the appropriate categories of property, plant and equipment and the depreciation commences.

Where an obligation (legal or constructive) exists to dismantle or remove an asset or restore a site to its former condition at the end of its useful life, the present value of the estimated cost of dismantling, removing or restoring the site is capitalized along with the cost of acquisition or construction upon completion and a corresponding liability is recognised.

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 the statement of profit and loss.

## JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2023

### 3.3 Other Intangible assets

- a) Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.
- b) Certain computer software costs are capitalized and recognized as Intangible assets based on materiality, accounting prudence and significant benefits expected to flow therefrom for a period longer than one year.
- c) An intangible asset is derecognised on disposal, or when no further economic benefits are expected from use or disposal. Gain / (loss) on de-recognition are recognized in profit or loss.

### 3.4 Depreciation and Amortisation

- a) Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values as per the provisions of Part B of Schedule II of the Companies Act, 2013 based on the useful life, rate and residual value notified for accounting purposes by CERC Tariff regulation 2014.
- b) Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.
- c) Assets held under Service concession arrangement are amortised over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.
- d) Post 100% tie up of Karcham Wangtoo HEP from April 1st, 2018 with state discoms, the company provided depreciation on tangible assets as per the provisions of Part B of Schedule II of the Companies Act, 2013 based on the rates, useful life and residual value notified for accounting purposes by CERC Tariff regulation 2014. Earlier company was providing depreciation based on technical evaluation of useful life and residual value as per the provision of part A of schedule II of the Companies' Act 2013.
- e) Depreciation is being calculated annually based on straight line method and at rates specified below which are as per CERC Tariff regulation 2014. Provided that the remaining depreciable value as on 31st March of the year closing after a period of twelve years from the effective date of commercial operation of the station shall be spread over the balance useful life of the assets.
- f) When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.
- g) Freehold land is not depreciated. Leasehold land acquired by the Company, with an option in the lease deed, entitling the Company to purchase on outright basis after a certain period at no additional cost is not amortized.
- h) Major overhaul costs are depreciated over the estimated life of the economic benefit derived from the overhaul. The carrying amount of the remaining previous overhaul cost is charged to the Statement of Profit and Loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.
- i) Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

Rate of depreciation are given below

Particulars	Depreciation rate (Per Annum)
Plant & Machinery	5.28%
Lease hold Land	3.34%
Buildings	3.34%
Furniture's & Fixtures	6.33%
Vehicles	9.50%
Office Equipment's	6.33%
Computer & Software	15.00%

## JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2023

### 3.5 Impairment of Tangible & Intangible Assets

- a) At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.
- b) Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.
- c) Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.
- d) If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.
- e) Any reversal of the previously recognised impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

### 3.6 Borrowing costs

- a) Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.
- b) All other borrowing costs are recognised in profit or loss in the period in which they are incurred.
- c) The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

The Company suspends capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

Borrowing Cost includes exchange differences arising from foreign currency borrowings from ECB to the extent they are regarded as an adjustment to the finance cost.

### 3.7 Statement of cash flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- i. changes during the period in inventories and operating receivables and payables, transactions of a non-cash nature;
- ii. non-cash items such as depreciation, provisions, and unrealised foreign currency gains and losses etc.; and
- iii. all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents comprise cash at banks and on hand, short-term deposits with an original maturity of three months or less and liquid investments, which are subject to insignificant risk of changes in value.

### 3.8 Revenue recognition

Revenue from contracts with customers is recognised when control of the goods including power generated 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 including Power Purchase Agreements, relevant tariff regulations and the tariff orders by the regulator, as applicable. 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.

# JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2023

## Sale of Power

The Company primarily generates revenue from contracts with customers for supply of power generated from power plants including from allocating the capacity of the plant under the long term power purchase agreements, from sale of power on merchant basis including under short term contracts.

Revenue from capacity charges (other than from contracts classified as lease) under the long term power supply agreements is recognised over a period of time as the capacity of the plant is made available under the terms of the contracts. Electricity charges are recognised on supply of power under such power supply agreements. Revenue from sale of power on merchant basis is recognised when power is supplied to the customers.

## Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Interest or Surcharge on delayed payments on overdue trade receivables is recognised when significant certainty as to measurability or realisability exists.

### **3.9 Foreign currency transactions**

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR).

In preparing the Financial Statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences on transactions entered into in order to hedge certain foreign currency risks.

### **3.10 Employee benefits**

#### **a) Short term employee benefits:**

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

#### **b) Long term employee benefits:**

Liabilities recognised in respect of longterm employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date. The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

## **JSW HYDRO ENERGY LIMITED**

Notes to Financial Statement for the year ended 31st March, 2023

### **C) Retirement benefit costs and termination benefits:**

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

#### **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. Payments made to state-managed retirement benefit plans are accounted for as payments to defined contribution plans where the Company's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

#### **Defined benefit plans:**

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurements comprising actuarial gains and losses, the effect of the asset ceiling (if applicable) and the return on plan assets (excluding interest) are recognised immediately in the balance sheet with a charge or credit to other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income are not reclassified. Actuarial valuations are being carried out at the end of each annual reporting period for defined benefit plans.

The retirement benefit obligation recognised in the balance sheet represents the deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the 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 each completed year of service as per the Payment of Gratuity Act, 1972.

### **3.11 Share-based payment arrangements**

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

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

The Company has created an Employee Welfare Trust for providing share-based payment to its employees. The Company uses the Trust as a vehicle for distributing shares to employees under the employee remuneration schemes. The Trust buys shares of the Parent Company from the market or directly from the Parent Company, for giving shares to employees. The Company treats Trust as its extension and shares held by the Trust are treated as treasury shares. Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from Equity. No gain or loss is recognised in profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in other equity.

## JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2023

### 3.12 Taxation

**i) Income tax comprises current and deferred tax.** Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

#### a) Current tax

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

#### b) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Standalone Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

A deferred tax asset arising from unused tax losses or tax credits (credit on account of Minimum Alternative Tax) is recognised only to the extent that the Company has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the Company. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For operations carried out under tax holiday period (80IA benefits of Income Tax Act, 1961), deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

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

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

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

#### c) Current and deferred tax for the year

Current and deferred tax are recognised in 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. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

## JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2023

### 3.13 Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) for the year by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

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

### 3.14 Provisions, contingencies and commitments

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A disclosure for contingent liabilities is made when there is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- (b) a present obligation that arises from past events but is not recognized because:
  - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- (a) estimated amount of contracts remaining to be executed on capital account and not provided for;
- (b) uncalled liability on shares and other investments partly paid;
- (c) funding related commitment to associate and joint venture companies; and
- (d) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Commitments include the amount of purchase orders (net of advances) issued to parties for completion of assets.

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

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable incremental costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

## JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2023

### 3.15 Non-current assets held for sale:

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification. Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell, except for financial assets which are measured as per Ind AS 109 "Financial Instruments". Non-current assets are not depreciated or amortised.

### 3.16 Financial Instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) 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 and loss are recognised immediately in Statement of Profit and Loss.

#### a) Investment in subsidiaries associate and joint venture:

The Company has accounted for its investments in subsidiaries at cost.

#### b) Financial assets

##### (i) Recognition and Initial measurement:

A financial asset is initially recognised at fair value and, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. Purchases and sales of financial assets are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

##### (iii) Classification of financial assets

Financial assets are classified, at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit and loss. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

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

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognised at FVTPL:

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

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the Other Comprehensive Income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the effective interest rate (EIR) method.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

All other financial assets are classified as measured at FVTPL. In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

## **JSW HYDRO ENERGY LIMITED**

**Notes to Financial Statement for the year ended 31st March, 2023**

Financial assets at FVTPL are measured at fair value at the end of each reporting year, with any gains and losses arising on remeasurement recognised in statement of profit and loss. The net gain or loss recognised in standalone statement of profit and 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 dividends 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.

Perpetual debt instruments / loans, which provide it's holder with the contractual right to receive payments on account of interest at fixed dates extending into the indefinite future, either with no right to receive a return of principal or a right to a return of principal under terms that make it very unlikely or very far in the future, are considered as investment in equity instrument of the holder. The Company has elected to measure investment in equity instruments of it's subsidiaries at cost.

### **(iii) 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.

### **(iv) Impairment:**

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost. Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

### **(v) Income from financial assets:**

Dividend income from investments is recognised when the shareholder's right to receive payment has been established. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Delayed payment charges are recognised on collection or earlier when there is reasonable certainty to expect ultimate collection.

### **(vi) 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 year. 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 year, 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.

## **JSW HYDRO ENERGY LIMITED**

Notes to Financial Statement for the year ended 31st March, 2023

### **3.17 Financial liabilities and equity instruments**

#### **Classification as debt or equity**

Debt and equity instruments issued by a company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### **Equity instruments:**

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

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

#### **Financial liabilities:**

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

#### **Financial liabilities at FVTPL:**

Financial liabilities are classified as at FVTPL when the financial liability is either 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 may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and

Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

#### **(d) 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 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 the Statement of Profit or Loss.

### **3.18 Derivative financial instruments:**

The Company uses derivative financial instruments, such as forward foreign exchange contracts, to hedge its foreign currency risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting year. The resulting gain or loss is recognised in Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Statement of Profit and Loss depends on the nature of the hedge item.

The contracts to buy or sell a non-financial item that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements are not considered as derivative instruments.

### **3.19 Offsetting of financial instruments:**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2023

### 3.20 Fair Value measurement:

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) In the principal market for the asset or liability; or
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

### 3.21 Hedge accounting

The Company designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency, interest rate and commodity risk, as either cash flow hedge, fair value hedge. Hedges of foreign currency risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to hedged risk.

#### Fair value hedges:

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in the Statement of Profit and Loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to hedged risk are recognised in the Statement of Profit and Loss in the line item relating to the hedged item.

The Company designates only the spot component for derivative instruments in fair value Hedging relationship. The Company defers changes in the forward element of such instruments in hedging reserve and the same is amortised over the period of the contract.

When the Company designates only the intrinsic value of the option as the hedging instrument, it account for the changes in the time value in OCI. This amount is be removed from OCI and recognised in P&L, either over the period of the hedge if the hedge is time related, or when the hedged transaction affects P&L if the hedge is transaction related.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. For fair value hedges relating to items carried at amortised cost, the fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit and loss from that date.

## JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2023

### Cash flow hedges:

The effective portion of changes in fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit and Loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to Consolidated Statement of Profit and Loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains or losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the nonfinancial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in Statement of Profit and Loss.

### 3.22 Leases

#### (a) The Company as lessee:

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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

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

#### (b) The Company as lessor:

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

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

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

Subsequent to initial recognition, the Company regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of Ind AS 109, recognising an allowance for expected credit losses on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for creditimpaired financial assets for which interest income is calculated with reference to their A100amortised cost (i.e. after a deduction of the loss allowance).

When a contract includes both lease and nonlease components, the Company applies Ind AS 115 to allocate the consideration under the contract to each component.

## **JSW HYDRO ENERGY LIMITED**

Notes to Financial Statement for the year ended 31st March, 2023

### **3.23 Service concession arrangements**

Under Appendix C to Ind AS 115 – Service Concession Arrangements (revenue from contract with customer) applies to public-to-private service concession arrangements if:

- a) the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; AND
- b) the grantor controls—through ownership, beneficial entitlement or otherwise—any significant residual interest in the infrastructure at the end of the term of the arrangement; AND
- c) Is the Infrastructure constructed or acquired by the operator from a third party for the purpose of the service arrangement OR is the infrastructure existing infrastructure of the grantor to which the operator is given access for the purpose of the service arrangement?

Infrastructure used in a public-to-private service concession arrangement for its entire useful life (whole of life assets) is within the scope of this Appendix if the conditions in 'a') above are met.

These arrangements are accounted on the basis of below mentioned models depending on the nature of consideration and relevant contract law.

#### **Financial asset model:**

The Financial asset model is used when the Company, being an operator, has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. Unconditional contractual right is established when the grantor contractually guarantees to pay the operator:

- (a) specific or determinable amount;
- (b) the shortfall, if any, between amounts received from the users of the public services and specified or determinable amounts.

#### **Intangible asset model:**

The Intangible asset model is used to the extent that the company, being an operator, receives a right (a license) to charge users of the public service. A right to charge users of a public services is not an unconditional right to receive cash because the amounts are contingent on to the extent that public uses the services. Both type of arrangements may exist within a single contract to the extent that the grantor has given an unconditional guarantee of payment for the construction and the operation i.e. considered as a Financial asset and to the extent that the operator has to rely on the public using the service in order to obtain payment, the operation has an intangible asset. If the Company (being an operator) performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

The Company manages concession arrangements which include power supply from one of its hydro power plant. The Company maintains and services the infrastructure during the concession period. These concession arrangements set out rights and obligations related to the infrastructure and the services to be provided.

The right to consideration gives rise to an intangible asset and financial receivable and accordingly, both the intangible asset and financial receivable models are applied.

Income from the concession arrangements earned under the intangible asset model consists of the (i) Fair Value of the contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset; and (ii) payments actually received from the users. The Intangible asset is amortized over its expected useful life in a way that reflects the pattern in which the asset's economic benefits are consumed by the Company, starting from the date when the right to operate starts to be used. Based on these principles, the intangible asset is amortized in line with the actual usage of the specific public facility, with a maximum of the duration of the concession.

Financial receivable is recorded at a fair value of guaranteed residual value to be received at the end of the concession period. This receivable is subsequently measured at amortised cost.

Any asset carried under concession arrangements is derecognised on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expire.

### **3.24 Segment reporting:**

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.

### **3.25 Exceptional items:**

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed in the notes to accounts.

### **3.26 Inventories**

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

Inventories of stores, spare parts, fuel and loose tools are stated at the lower of weighted average cost and net realizable value. Net realisable value represents the estimated selling price for inventories in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale.

## **JSW HYDRO ENERGY LIMITED**

**Notes to Financial Statement for the year ended 31st March, 2023**

### **3.27 Government grants**

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the years in which the Company recognises as expenses the related costs for which the grants are intended to compensate or when performance obligations are met.

The benefit of a government loan at a below market rate of interest and effect of this favorable interest is treated as a government grant. The Loan or assistance is initially recognised at fair value and the government grant is measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and recognised to the Statement of profit and loss immediately on fulfillment of the performance obligations. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

### **3.28 Investment in subsidiaries, associates and joint ventures**

Investment in subsidiaries, associates and joint ventures are shown at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

The Company has elected to continue with carrying value of all its investment in affiliates recognised as on transition date, measured as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

### **3.29 Business Combination**

Acquisition of business has been accounted for using the acquisition method. The consideration transferred in business combination is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Company to the former owners of the acquiree and consideration paid by the Company in exchange for control of the acquiree.

Acquisition related costs are recognised in the statement of profit and loss.

**JSW HYDRO ENERGY LIMITED**

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

**Note 4. Property, plant & equipment**

( ₹ Crore )

Description of Assets	Land - Freehold	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Right of Use Assets (Land)	Total
<b>At cost / deemed cost</b>								
<b>I. Gross carrying value</b>								
Balance as at 1st April, 2022	77.40	58.94	7,550.42	6.06	1.37	4.78	34.35	7,733.32
Additions	-	-	2.32	0.31	0.02	1.78	-	4.43
Disposals/Discard	-	-	-	-	-	(0.15)	-	(0.15)
<b>Balance as at 31st March, 2023</b>	<b>77.40</b>	<b>58.94</b>	<b>7,552.74</b>	<b>6.37</b>	<b>1.39</b>	<b>6.41</b>	<b>34.35</b>	<b>7,737.60</b>
<b>II. Accumulated depreciation and impairment for the year 2022-23</b>								
Balance as at 1st April, 2022	-	6.83	2,116.90	3.98	0.44	2.21	4.23	2,134.59
Depreciation expense for the year	-	1.96	398.65	0.30	0.09	0.49	1.36	402.85
Eliminated on Disposals/discards	-	-	-	-	-	(0.05)	-	(0.05)
<b>Balance as at 31st March, 2023</b>	<b>-</b>	<b>8.79</b>	<b>2,515.55</b>	<b>4.28</b>	<b>0.53</b>	<b>2.65</b>	<b>5.59</b>	<b>2,537.39</b>
<b>Net carrying value as at 31st March, 2023 (I-II)</b>	<b>77.40</b>	<b>50.15</b>	<b>5,037.19</b>	<b>2.09</b>	<b>0.86</b>	<b>3.76</b>	<b>28.76</b>	<b>5,200.21</b>

( ₹ Crore )

Description of Assets	Land - Freehold	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Right of Use Assets (Land)	Total
<b>At cost / deemed cost</b>								
<b>I. Gross carrying value</b>								
Balance as at 1st April, 2021	77.40	35.01	7,544.41	5.59	1.31	3.85	34.35	7,701.92
Additions	-	23.93	6.01	0.62	0.06	0.94	-	31.56
Disposals/Discard	-	-	-	(0.15)	(0.00)	(0.01)	-	(0.16)
<b>Balance as at 31st March, 2022</b>	<b>77.40</b>	<b>58.94</b>	<b>7,550.42</b>	<b>6.06</b>	<b>1.37</b>	<b>4.78</b>	<b>34.35</b>	<b>7,733.32</b>
<b>II. Accumulated depreciation and impairment for the year 2021-22</b>								
Balance as at 1st April, 2021	-	5.19	1,718.36	3.85	0.36	1.87	2.82	1,732.45
Depreciation expense for the year	-	1.64	398.54	0.28	0.08	0.35	1.41	402.30
Eliminated on Disposals/discards	-	-	-	(0.15)	(0.00)	(0.01)	-	(0.16)
<b>Balance as at 31st March, 2022</b>	<b>-</b>	<b>6.83</b>	<b>2,116.90</b>	<b>3.98</b>	<b>0.44</b>	<b>2.21</b>	<b>4.23</b>	<b>2,134.59</b>
<b>Net carrying value as at 31st March, 2022 (I-II)</b>	<b>77.40</b>	<b>52.11</b>	<b>5,433.52</b>	<b>2.08</b>	<b>0.93</b>	<b>2.57</b>	<b>30.12</b>	<b>5,598.73</b>

Note:

- a) Refer note 15 for the details in respect of certain property, plant and equipment hypothecated/mortgaged as security against borrowing  
b) The right-of-use assets related to land refer to Note 37

**Details of immovable properties (Freehold Land) of which title deeds are not in the name of the company:**

Description of the Property	Net Carrying value (₹ crore)	Title deeds held in the name of	Share of the Group in the property (%)	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company
Bithal Land & Building	22.26	Jalprakash Power Ventures Limited	100%	NA	1st Sept., 2015	Title has been vested in the name of company through Scheme of arrangement approved by HP High Court. Procedural requirement for change of name of company in the Government record is in process.

**JSW HYDRO ENERGY LIMITED**

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

**Note 5. Capital work in progress**

Capital work in progress &amp; pre operative expenditure during construction period (pending allocation) relating to property, plant &amp; equipment

	( ₹ Crore )
Balance as at 31st March, 2022	1.05
Balance as at 31st March, 2023	5.70

Footnote:

- 1) Amount transferred to property plant and equipment during the year ₹ Nil crore (for the year ended 31st March, 2022: ₹ 23.03 Crore), amount transferred to Profit and Loss ₹ Nil
- 2) No project temporarily suspended as on 31st March, 2023.

Capital work in progress ageing & schedule					( ₹ crore)
As at 31st March, 2023	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	4.65	1.05	-	-	5.70
<b>Total</b>	<b>4.65</b>	<b>1.05</b>	-	-	<b>5.70</b>

Capital work in progress ageing & schedule					
As at 31st March, 2022	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	1.05	-	-	-	1.05
<b>Total</b>	<b>1.05</b>	-	-	-	<b>1.05</b>

**JSW HYDRO ENERGY LIMITED**

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

**Note 6. Other Intangible assets**

( ₹ Crore )

Description of Assets	Computer Software	Service Concession Arrangement Intangibles*	Total
<b>At Cost/deemed cost</b>			
<b>I. Gross Carrying Value</b>			
Balance as at 1st April, 2022	1.56	931.68	933.24
Disposals	-	-	-
Additions	0.12	0.85	0.97
Balance as at 31st March, 2023	1.68	932.53	934.21
<b>II. Accumulated amortisation and impairment for the year 2021-22</b>			
Balance as at 1st April, 2022	0.81	218.24	219.05
Amortisation expense for the year	0.22	33.28	33.50
Balance as at 31st March, 2023	1.03	251.52	252.55
<b>Net carrying value as at 31st March, 2023 (I-II)</b>	<b>0.65</b>	<b>681.01</b>	<b>681.66</b>

( ₹ Crore )

Description of Assets	Computer Software	Service Concession Arrangement Intangibles*	Total
<b>At Cost/deemed cost</b>			
<b>I. Gross Carrying Value</b>			
Balance as at 1st April, 2021	1.42	931.95	933.37
Disposals	-	(1.30)	(1.30)
Additions	0.14	1.03	1.17
Balance as at 31st March, 2022	1.56	931.68	933.24
<b>II. Accumulated amortisation and impairment for the year 2020-21</b>			
Balance as at 1st April, 2021	0.61	185.19	185.80
Amortisation expense for the year	0.20	33.27	33.47
Eliminated on disposal of assets	-	(0.22)	(0.22)
Balance as at 31st March, 2022	0.81	218.24	219.05
<b>Net carrying value as at 31st March, 2022 (I-II)</b>	<b>0.75</b>	<b>713.44</b>	<b>714.19</b>

\*Refer Note 32 for Service concession arrangement intangibles

**JSW HYDRO ENERGY LIMITED**

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

**Note 7. Loan**

( ₹ Crore )

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Current	Non- Current	Total	Current	Non- Current	Total
1) Unsecured, considered good - Loan to related parties*		789.00	789.00			
<b>Total</b>		<b>789.00</b>	<b>789.00</b>			

\*Refer Note No. 41

**Details of Loan**

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Loan outstanding	% to the total loans	Loan outstanding	% to the total loans
1) Ultimate holding company - JSW Energy Limited	789.00	100%		

**Movement in loss allowance - loans**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening loss allowance		
Loss allowance reversed during the year		
Loss allowance recognised during the year		
Closing loss allowance		

**Note 7A. Other financial assets**

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Current	Non- Current	Total	Current	Non- Current	Total
(a) Service concession receivable (refer Note 32)	61.05	0.36	61.41	58.42	61.41	119.83
	<b>61.05</b>	<b>0.36</b>	<b>61.41</b>	<b>58.42</b>	<b>61.41</b>	<b>119.83</b>
(b) Security Deposits						
-Government/Semi-Government Authorities	-	0.52	0.52		0.52	0.52
-Others	-	0.09	0.09		0.09	0.09
		<b>0.61</b>	<b>0.61</b>		<b>0.61</b>	<b>0.61</b>
(c) Other Receivable						
-Other Receivable*	0.00	-	0.00	0.10	-	0.10
- Interest accrued on deposits	4.00	-	4.00	0.78	-	0.78
-Receivable from related party (refer note 41)	-	-	-	789.33	-	789.33
	<b>4.00</b>		<b>4.00</b>	<b>790.21</b>		<b>790.21</b>
(d) Derivative Designated as hedges						
-Foreign Currency Options	-	778.60	778.60	-	66.13	66.13
		<b>778.60</b>	<b>778.60</b>		<b>66.13</b>	<b>66.13</b>
<b>Total</b>	<b>65.05</b>	<b>779.57</b>	<b>844.61</b>	<b>848.63</b>	<b>128.15</b>	<b>976.78</b>

\* Less than Rs. 10,000

-Foreign Currency Options is net off value derived from Hedge effectiveness testing. It is the difference derived from Derivative assets value is Rs. 850.03 crs and Derivative liability value of Rs. 71.43 crs.

**JSW HYDRO ENERGY LIMITED**

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

**Note 7B. Income Tax Assets (net)**

( ₹ Crore )

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Current	Non-current	Current	Non-current
Advance Tax and tax deducted at sources [(Net of provision for Tax as at 31st March, 2023 Rs. 327.19 crore, as at 31st March, 2022 Rs. 327.19 crore)]	-	65.30	-	65.11
	-	65.30	-	65.11

**Note 7C. Current tax liabilities (net)**

( ₹ Crore )

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Current	Non-current	Current	Non-current
Income Tax Liabilities [(Net of advance Tax & Tax deducted at source as at 31st March, 2023 Rs. 55.20 crore, as at 31st March, 2022 Nil)]	2.75	-	-	-
	2.75	-	-	-

**JSW HYDRO ENERGY LIMITED**

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

**Note 8. Other assets**

( ₹ Crore )

Particulars	As at 31st March, 2023			As at 31st March , 2022		
	Current	Non- Current	Total	Current	Non- Current	Total
(a) Capital Advances	-	0.59	0.59	-	0.96	0.96
(b) Prepayments	13.40	0.17	13.57	10.59	0.09	10.68
(c) Balances with Government Authority	0.05	-	0.05	0.05	-	0.05
(d) Advances to Vendors	1.60	-	1.60	2.29	-	2.29
<b>Total</b>	<b>15.05</b>	<b>0.76</b>	<b>15.81</b>	<b>12.93</b>	<b>1.05</b>	<b>13.98</b>

**JSW HYDRO ENERGY LIMITED**

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

**Note 9. Inventories****( ₹ Crore )**

<b>Particulars</b>	<b>As at 31st March, 2023</b>	<b>As at 31st March, 2022</b>
(a) Stores and spares	12.97	12.92
(b) Medicines	0.13	0.11
<b>Total</b>	<b>13.10</b>	<b>13.03</b>

**Cost of inventories recognised as an expense**

<b>Particulars</b>	<b>As at 31st March, 2023</b>	<b>As at 31st March, 2022</b>
(a) Stores and spares	14.30	17.19
(b) Medicines	0.42	0.68
<b>Total</b>	<b>14.72</b>	<b>17.87</b>

Basis of valuation: Refer note 3.26 (Inventories)

Refer Note 15 for Inventories hypothecated as security against certain bank borrowings.

**JSW HYDRO ENERGY LIMITED**

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

**Note 10. Investment**

( ₹ Crore )

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Current	Non- Current	Total	Current	Non- Current	Total
<b>Investments:</b>						
<b>A )Investment in mutual funds**(at Fair Value through Profit &amp; Loss)</b>						
i) Aditya Birla Sunlife Liquid Fund - Growth	235.60	-	235.60	106.87	-	106.87
ii) Aditya Birla Sunlife Floating rate Fund - Growth	-	-	-	81.49	-	81.49
iii) Aditya Birla Saving Fund - Growth	58.38	-	58.38	55.38	-	55.38
iv) SBI Floating DEBT Fund Regular Growth	-	-	-	60.90	-	60.90
v) SBI Premier Liquid Fund- Regular - Growth	-	-	-	245.65	-	245.65
vi) ICICI Prudential Liquid Fund - Growth	3.36	-	3.36	62.43	-	62.43
vii) Aditya Birla Sun Life Crisil IBX AAA June-23 Index Fund Reg. Growth	43.68	-	43.68	-	-	-
viii) Aditya Birla Sun Life Crisil IBX AAA Mar-24 Index Fund Reg. Growth	20.22	-	20.22	-	-	-
ix) Aditya Birla Sun Life Crisil IBX AAA_June-23 Index Fund Dir. Growth	20.51	-	20.51	-	-	-
x) SBI Liquid Fund- Regular - Growth	222.68	-	222.68	-	-	-
xi) Kotak FMP Series 307-Regular Growth	30.21	-	30.21	-	-	-
xii) Mirae Assets Fixed Maturity -Series V plan-1	35.33	-	35.33	-	-	-
xiii)Mirae Assets fixed Maturity -Series V plan-2	15.06	-	15.06	-	-	-
	<b>685.03</b>	<b>-</b>	<b>685.03</b>	<b>612.72</b>	<b>-</b>	<b>612.72</b>
<b>B )Investment in Commercial Paper (at Amortised cost)</b>						
i) Investment in Commercial Paper	24.70	-	24.70	-	-	-
	<b>24.70</b>	<b>-</b>	<b>24.70</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>709.73</b>	<b>-</b>	<b>709.73</b>	<b>612.72</b>	<b>-</b>	<b>612.72</b>

\*\*Rs. 142.39 Crore of investments has been earmarked towards a True Up Reserve account as on 31st March, 2022 and the same has been reversed during FY 2022-23.

**JSW HYDRO ENERGY LIMITED**

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

**Note 11. Trade receivables**

( ₹ Crore )

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Current	Non- Current	Total	Current	Non- Current	Total
(I) Trade Receivables considered good - Secured	64.58	-	64.58	69.28	-	69.28
<b>Total</b>	<b>64.58</b>	<b>-</b>	<b>64.58</b>	<b>69.28</b>	<b>-</b>	<b>69.28</b>

**Ageing of Trade Receivables**

( ₹ Crore )

As at 31st March, 2023	Undisputed Trade receivables		Disputed Trade Receivables	
	Considered good	Considered doubtful	Considered good	Considered doubtful
Outstanding for following periods from due date of payment				
Less than 6 months	-	-	-	-
6 months-1 year	0.91	-	-	-
1-2 years	25.91	-	-	-
2-3 years	14.86	-	1.71	-
More than 3 years	-	-	6.87	-
Within credit period	14.32	-	-	-
<b>Total</b>	<b>56.00</b>	<b>-</b>	<b>8.58</b>	<b>-</b>

( ₹ Crore )

As at 31st March, 2022	Undisputed Trade receivables		Disputed Trade Receivables	
	Considered good	Considered doubtful	Considered good	Considered doubtful
Outstanding for following periods from due date of payment				
Less than 6 months	-	-	-	-
6 months-1 year	8.33	-	-	-
1-2 years	14.86	-	1.91	-
2-3 years	-	-	11.61	-
More than 3 years	-	-	5.68	-
Within credit period	26.89	-	-	-
<b>Total</b>	<b>50.08</b>	<b>-</b>	<b>19.20</b>	<b>-</b>

• The Credit period allowed to customers is 60 days in Karcham plant and 30 days in Baspa Plant and Interest rate is on overdue receivables is generally levied at 15% and 15.30%(SBI PLR @ 12.30%+3%) Karcham & Baspa respectively per annum as per terms of agreement.

• Refer Note 15 for trade receivables hypothecated as security for borrowings.

• Refer Note 31 (Trade receivable) for credit terms, ageing analysis and other relevant details related to trade receivables.

• The Company does not have history of defaults in trade receivables. Loss allowance is estimated for disputed receivables based on assessment of each case by obtaining legal advice, where considered necessary.

• Trade receivables include Rs. 8.58 crore (as at 31st March, 2022 Rs. 19.20 crore) withheld / unpaid by the customers because of tariff related disputes which are pending adjudication. The Company has, based on legal advice, and subsequent actions by the regulators in certain cases, assessed that there is a reasonable certainty about recoverability of these receivables and no provision is required. Having regard to the said assessment and based on the expected timing of realisation of these balances, the Company has classified the receivables as current.

**JSW HYDRO ENERGY LIMITED**

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

**Note 12. Cash and cash equivalents and other bank balances**

( ₹ Crore )

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Cash and cash equivalents</b>		
(a) Balances with banks		
(i) With scheduled banks		
-In Current accounts	8.92	11.93
-In Deposit accounts with maturity less than 3 months at inception	10.00	1.99
(b) Cash on hand	0.01	0.01
<b>Total</b>	<b>18.93</b>	<b>13.93</b>

**Note 12A. Bank balances other than Cash and cash equivalents**

( ₹ Crore )

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Bank balances other than above</b>		
(a) Balances with banks		
-In deposit accounts (maturity more than 3 months at inception)	1.00	19.63
(b) Earmarked balances with banks		
-Margin money for Security*	198.32	270.50
<b>Total</b>	<b>199.32</b>	<b>290.13</b>

\* against security deposit for Debt Service Reserve Account Rs. 187.00 crs, Cash credit/Overdraft facility of Rs. 10.27 crs and Rs. 1.05 crs against Bank Guarantee.

**JSW HYDRO ENERGY LIMITED**

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

**Note 13. Equity share capital**

( ₹ Crore )

Particulars	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	1,250,050,000	1,250.05	1,250,050,000	1,250.05	
Issued, Subscribed and Fully Paid:					
Equity shares of ₹ 10 each with voting rights	1,250,050,000	1,250.05	1,250,050,000	1,250.05	
	<b>1,250,050,000</b>	<b>1,250.05</b>	<b>1,250,050,000</b>	<b>1,250.05</b>	
<b>a) Reconciliation of the number of shares outstanding at the beginning and end of year:</b>					
Particulars	As at 31st March, 2023		As at 31st March, 2022		
	No. of Shares		No. of Shares		
Balance as at the beginning of the year	1,250,050,000		1,250,050,000		
Issued during the year	-		-		
Balance as at the end of the year	1,250,050,000		1,250,050,000		
<b>b) Terms &amp; Rights attached to equity shares :</b>					
(i) The Company has only one class of equity shares having a par value of ₹10 each. Each holder of equity shares is entitled to one vote per share.					
(ii) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to the shareholding. However, no such preferential amount exists currently.					
<b>c) Details of shareholding more than 5% shares in the company are set out below :</b>					
Particulars	As at 31st March, 2023		As at 31st March, 2022		
	No. of Shares		No. of Shares		
1 JSW Neo Energy Limited & its nominees	1,250,050,000		1,250,050,000		
	100%		100%		
<b>d) Shares held by promoters at the end of the year :</b>					
Name of Promoters	As at 31st March, 2023		As at 31st March, 2022		% change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
1 JSW Neo Energy Limited & its nominees	1,250,050,000	100%	1,250,050,000	100%	0.00%
<b>Total</b>	<b>1,250,050,000</b>	<b>100%</b>	<b>1,250,050,000</b>	<b>100%</b>	<b>0.00%</b>

## JSW HYDRO ENERGY LIMITED

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

**Note 14. Other Equity**

( ₹ Crore )

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>A. Reserve &amp; Surplus</b>		
- Retained earnings	1,517.66	1,242.95
<b>B. Other Reserves</b>		
- Equity-settled employee benefits reserve	8.10	3.86
- Effective portion of cash flow hedge	189.12	(123.83)
- Capital contribution by ultimate parent company	156.14	156.14
<b>Total comprehensive income</b>	<b>1,871.02</b>	<b>1,279.12</b>

**Notes:**

**(1) Retained earning**

Retained earning comprise balance of accumulated (undistributed) profit and loss at each year end.

**(2) Equity -settled employee benefit reserve**

The Company offers ESOP under which options to subscribe for the Company's share have been granted to each employee 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) Effective portion of cash flow hedge**

Effective portion of cash flow hedge : Effective portion of cash flow hedges represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges, which shall be reclassified to profit or loss only when the hedged transaction affects the profit or loss.

**4) Capital contribution by ultimate parent company**

Waiver of Interest by the ultimate parent company, JSW Energy Limited (JSWEL) on the debenture issued by the company to JSWELV is considered as the ' Capital contribution by ultimate parent company' as per the provision of Ind AS.

**JSW HYDRO ENERGY LIMITED**

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

**Note 15. Borrowings**

( ₹ Crore )

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Non- Current</b>		
<b>Borrowings at amortised cost</b>		
Secured Borrowings:		
i) Green Bond	4,679.25	4,743.21
Less: Unamortised borrowing cost	50.94	60.26
	<b>4,628.31</b>	<b>4,682.95</b>
<b>Current</b>		
Secured Borrowings :		
i) Green Bond	465.02	428.76
ii) Short Term loans		
Working capital demand loan from Bank	35.00	
Less: Unamortised borrowing cost	9.32	10.20
	<b>490.70</b>	<b>418.56</b>
<b>Total</b>	<b>5,119.01</b>	<b>5,101.51</b>

Note:

The rate of interest for Secured Notes (Green Bond) is @4.125% ( March, 22 - @4.125% )

**Reconciliation of the borrowings outstanding at the beginning and end of the year:**

( ₹ Crore )

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>I. Non-current borrowings (including current maturities of long-term debt)</b>		
Balance as at the beginning of the year	5,101.51	5,140.30
Cash flows (repayment )/proceeds	(447.75)	(189.97)
<b>Non- Cash Changes:</b>		
Foreign Exchange Movement	420.05	189.81
Amortised borrowings cost	10.20	(38.63)
<b>Balance as at the end of the year</b>	<b>5,084.01</b>	<b>5,101.51</b>
<b>II. Current borrowings</b>		
Balance as at the beginning of the year	-	30.00
Cash Flows (repayment)/ proceeds	35.00	(30.00)
<b>Balance as at the end of the year</b>	<b>35.00</b>	<b>-</b>

**Disclosure as per para 44A of IND AS 7**

Particulars	Non current borrowings	Current borrowings	Lease Liabilities
<b>As at 1st April, 2021</b>	<b>4,838.09</b>	<b>409.46</b>	<b>26.53</b>
Proceeds	-	-	2.38
Repayments	(174.22)	(122.99)	(0.50)
Effect of changes in foreign exchange rates	174.07	15.74	-
Changes in fair value	-	-	(2.16)
Others	(155.13)	116.50	-
<b>As at 31st March, 2022</b>	<b>4,682.81</b>	<b>418.70</b>	<b>26.25</b>
Proceeds	-	35.00	2.35
Repayments	(407.28)	(40.47)	(0.50)
Effect of changes in foreign exchange rates	382.08	37.97	-
Changes in fair value	-	-	(2.09)
Others	9.32	0.88	-
<b>As at 31st March, 2023</b>	<b>4,666.93</b>	<b>452.08</b>	<b>26.01</b>

Details of Security :

USD Green Bond

Terms of repayment	Security	As at 31st March, 2023	
		Current	Non-Current
USD 46.02 million @ 4.125% Senior Secured Notes due in May 2031	<ul style="list-style-type: none"> <li>• First ranking pari-pasu mortgage over the leasehold and freehold land of the Baspa II Project.</li> <li>• First ranking pari passu charge over the Project Accounts, all movable assets (tangible &amp; intangible) and current assets of the Baspa II project, all revenues from the Projects including book debts and operating cash flows, both present and future and the rights, title and interest of the project under the PPAs and clearances pertaining to the Projects of Subsidiary's Baspa II HEP (both present and future) project of the Group situated at Kinnaur Dist., Himachal Pradesh.</li> <li>• First ranking pari passu pledge over 51% of equity shares of the Issuer held by JSW Energy Limited and other shareholders and a negative pledge over the remaining 49% of equity shares of the Issuer held by JSW Energy Limited and other shareholders.</li> </ul>	34.20	344.16
USD 579.68 million @ 4.125% Senior Secured Notes due in May 2031	<ul style="list-style-type: none"> <li>• First ranking pari-pasu mortgage over the leasehold and freehold land of the Karcham II Project.</li> <li>• First ranking pari passu charge over the Project Accounts, all movable assets (tangible &amp; intangible) and current assets of the Karcham II project, all revenues from the Projects including book debts and operating cash flows, both present and future and the rights, title and interest of the project under the PPAs and clearances pertaining to the Projects of Subsidiary's Karcham II HEP (both present and future) project of the Group situated at Kinnaur Dist., Himachal Pradesh.</li> <li>• First ranking pari passu pledge over 51% of equity shares of the Issuer held by JSW Energy Limited and other shareholders and a negative pledge over the remaining 49% of equity shares of the Issuer held by JSW Energy Limited and other shareholders.</li> </ul>	430.82	4,335.09
<b>Total Secured Borrowings</b>		<b>465.02</b>	<b>4,679.25</b>
<b>Unamortised upfront fees on borrowings</b>		<b>(9.32)</b>	<b>(50.94)</b>
<b>Total secured borrowings measured at amortised cost</b>		<b>455.70</b>	<b>4628.31</b>

USD Green Bond

Terms of repayment	Security	As at 31st March, 2022	
		Current	Non-Current
USD 50.18 million @ 4.125% Senior Secured Notes due in May 2031	<ul style="list-style-type: none"> <li>• First ranking pari-pasu mortgage over the leasehold and freehold land of the Baspa II Project.</li> <li>• First ranking pari passu charge over the Project Accounts, all movable assets (tangible &amp; intangible) and current assets of the Baspa II project, all revenues from the Projects including book debts and operating cash flows, both present and future and the rights, title and interest of the project under the PPAs and clearances pertaining to the Projects of Subsidiary's Baspa II HEP (both present and future) project of the Group situated at Kinnaur Dist., Himachal Pradesh.</li> <li>• First ranking pari passu pledge over 51% of equity shares of the Issuer held by JSW Energy Limited and other shareholders and a negative pledge over the remaining 49% of equity shares of the Issuer held by JSW Energy Limited and other shareholders.</li> </ul>	31.54	348.86
USD 632.08 million @ 4.125% Senior Secured Notes due in May 2031	<ul style="list-style-type: none"> <li>• First ranking pari-pasu mortgage over the leasehold and freehold land of the Karcham II Project.</li> <li>• First ranking pari passu charge over the Project Accounts, all movable assets (tangible &amp; intangible) and current assets of the Karcham II project, all revenues from the Projects including book debts and operating cash flows, both present and future and the rights, title and interest of the project under the PPAs and clearances pertaining to the Projects of Subsidiary's Karcham II HEP (both present and future) project of the Group situated at Kinnaur Dist., Himachal Pradesh.</li> <li>• First ranking pari passu pledge over 51% of equity shares of the Issuer held by JSW Energy Limited and other shareholders and a negative pledge over the remaining 49% of equity shares of the Issuer held by JSW Energy Limited and other shareholders.</li> </ul>	397.23	4,394.35
<b>Total Secured Borrowings</b>		<b>428.76</b>	<b>4,743.21</b>
<b>Unamortised upfront fees on borrowings</b>		<b>(10.20)</b>	<b>(60.26)</b>
<b>Total secured borrowings measured at amortised cost</b>		<b>418.56</b>	<b>4682.95</b>

Short term loan (WCTL) aggregating to Rs.35.00 crore outstanding as on 31st March, 2023 is secured by way of pari-passu first ranking charge on all movable and immovable assets of the company.

**Green Bond at the year ended 31st March, 2023**

Green Bond aggregating to ₹ 4,710.08 outstanding as on 31st March, 2023 are secured by pledging of 51% share of the company and with negative lien for balance 49% and also on a pari passu basis by first ranking charge by way of legal mortgage on immovable property and first ranking charge by way of hypothecation of movable assets of Karcham-Wangtoo HEP (both present and future) situated at Kinnaur Dist., Himachal Pradesh.

Green Bond aggregating to ₹ 373.93 outstanding as on 31st March, 2023 are secured by pledging of 51% share of the company and with negative lien for balance 49% and also on a pari passu basis by first charge on immovable and movable assets of Baspa II HEP (both present and future) project of the Company situated at Kinnaur Dist., Himachal Pradesh.

**Issuance of Green Bond :**

The Company has raised ₹ 5,162.87 crore [US\$ 707 million] on 18th May, 2021, by issuing of US\$ denominated senior secured "Green Bonds" (also referred as the notes) pursuant to Rule 144A of the U.S. Securities Act, 1933, as amended, and applicable Indian regulations, for the repayment of its existing green project related rupee-denominated indebtedness. The notes are listed on the Singapore Exchange Securities Trading Limited (SGX-ST).

During the financial year 2021-22 the company has prepaid its existing project related rupee-denominated loans.

**JSW HYDRO ENERGY LIMITED**

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

**Note 15A. Lease liabilities****( ₹ Crore )**

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Current	Non-Current	Total	Current	Non-Current	Total
Lease liabilities	0.27	25.74	26.01	0.24	26.01	26.25
<b>Total</b>	<b>0.27</b>	<b>25.74</b>	<b>26.01</b>	<b>0.24</b>	<b>26.01</b>	<b>26.25</b>

\*Refer to Note no. 37

**JSW HYDRO ENERGY LIMITED**

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

**Note 16. Other financial liabilities****( ₹ Crore )**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Non- Current</b>		
(a) Deposits received	0.02	0.02
(b) Other payable	76.71	70.03
	<b>76.73</b>	<b>70.05</b>
<b>Current</b>		
(a) Interest accrued but not due on borrowings	78.40	78.82
(b) Payable for capital supplies/services	33.99	35.43
(c) Other payable	191.02	568.23
	<b>303.41</b>	<b>682.48</b>
<b>Total</b>	<b>380.14</b>	<b>752.53</b>

**JSW HYDRO ENERGY LIMITED**

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

**Note 17. Provisions**

( ₹ Crore )

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Current	Non- Current	Total	Current	Non- Current	Total
Provision for employee benefits						
(i) Provision for gratuity	2.13	3.11	5.24	1.34	2.45	3.79
(ii) Provision for compensated absence	2.92	1.42	4.34	0.52	4.39	4.91
<b>Total</b>	<b>5.05</b>	<b>4.53</b>	<b>9.58</b>	<b>1.86</b>	<b>6.84</b>	<b>8.70</b>

\* Refer Note No 35 (Employee benefit plans)

**JSW HYDRO ENERGY LIMITED**

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

**Note 18. Trade payables**

( ₹ Crore )

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Current	Non- Current	Total	Current	Non- Current	Total
Trade Payables						
(a) Total outstanding dues of micro and small enterprises	1.66	-	1.66	2.88	-	2.88
(b) Total outstanding dues of creditors other than micro and small enterprises	25.03	-	25.03	23.58	-	23.58
<b>Total</b>	<b>26.69</b>	<b>-</b>	<b>26.69</b>	<b>26.46</b>	<b>-</b>	<b>26.46</b>

**Creditors Ageing**

( ₹ Crore )

As at 31st March, 2023	Undisputed		Disputed	
	MSME	Others	MSME	Others
Outstanding for following periods from due date of payment				
Less than 1 year	-	1.36	-	-
1-2 years	-	1.08	-	-
2-3 years	-	0.96	-	-
More than 3 years	-	2.80	-	-
Not due	1.66	9.41	-	-
Unbilled	-	9.42	-	-
<b>Total</b>	<b>1.66</b>	<b>25.03</b>	<b>-</b>	<b>-</b>

( ₹ Crore )

As at 31st March, 2022	Undisputed		Disputed	
	MSME	Others	MSME	Others
Outstanding for following periods from due date of payment				
Less than 1 year	-	2.35	-	-
1-2 years	-	1.59	-	-
2-3 years	-	1.58	-	-
More than 3 years	-	1.87	-	-
Not due	2.88	6.40	-	-
Unbilled	-	9.79	-	-
<b>Total</b>	<b>2.88</b>	<b>23.58</b>	<b>-</b>	<b>-</b>

-Trade payables are normally settled within 30 days.

-Refer Note 41 (Closing balance of Trade payable pertaining to related parties)

**Disclosure related to Micro and Small Enterprises :**

( ₹ Crore )

Particulars	As at 31st March, 2023	As at 31st March, 2022
Principal amount outstanding to MSME	1.66	2.88
Principal amount due and remaining unpaid	-	-
Interest due on (2) above and the unpaid interest	-	-
Interest paid on all delayed payments under the MSMED Act.	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay other than (4) above	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

**JSW HYDRO ENERGY LIMITED**

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

**Note 19. Other current liabilities**

( ₹ Crore )

<b>Particulars</b>	<b>As at 31st March, 2023</b>	<b>As at 31st March, 2022</b>
(a) Advance received from customers	0.73	0.46
(b) Employee and employer contributions	0.90	0.58
(c) Statutory dues	0.91	1.07
(d) Others	0.05	0.07
<b>Total</b>	<b>2.59</b>	<b>2.18</b>

**JSW HYDRO ENERGY LIMITED**

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

Note 20. Revenue from operations

( ₹ Crore )

Particulars	For the year Ended 31st March, 2023	For the year Ended 31st March, 2022
<b>Disaggregation of revenue from contract with customers:</b>		
(1) Sale of power (Own generation)	1,311.24	1,812.35
<b>Total revenue from contract with customers (A)</b>	<b>1,311.24</b>	<b>1,812.35</b>
(2) Income from service concession arrangement	11.82	18.71
<b>Income from service concession arrangement (B)</b>	<b>11.82</b>	<b>18.71</b>
(3) Other Operating Income	5.17	25.25
<b>Other Operating Income (C)</b>	<b>5.17</b>	<b>25.25</b>
<b>Total (A) + (B) + (C)</b>	<b>1,328.23</b>	<b>1,856.31</b>

Karcham Wangtoo hydro plant tariff determination for control period FY2014 to FY2024:

During the year ended 31st March, 2022 the Company has recognised revenue of Rs 665.35 crore by writing back truing up payable pursuant to an order of Central Electricity Regulatory Commission for truing up the tariff for the control period FY 2014-19 and for determination of tariff for the control period FY 2019-24 for Karcham Wangtoo hydro plant.

**Details of revenue from contracts with customers**

Particulars	For the year Ended 31st March, 2023	For the year Ended 31st March, 2022
Total Revenue from contract with customers as above*	1,311.24	1,812.35
Add: Rebate on prompt payment	23.37	24.36
Less: Incentive	97.05	118.20
<b>Total Revenue from contract with customers as per contracted price</b>	<b>1,237.56</b>	<b>1,718.51</b>

\*The Company primarily generates revenue from contracts with customers for supply of power generated from power plants including from allocating the capacity of the plant under the long term power purchase agreements and under short term contract ( merchant basis).

Revenue from capacity charges (other than from contracts classified as lease and service concession arrangements) under the long term power supply agreements is recognised over a period of time as the capacity of the plant is made available under the terms of the contracts. Electricity charges are recognised on supply of power under such power supply agreements. Revenue from sale of power on merchant basis is recognised when power is supplied to the customers.

**Significant changes in the contract liability balance during the year are as follows:**

	For the year Ended 31st March, 2023	For the year Ended 31st March, 2022
<b>Opening Balance</b>	<b>0.46</b>	<b>1.04</b>
Less: Revenue recognised during the year from balance at the beginning of the year	0.46	1.04
Add: Advance received during the year not recognized as revenue	0.73	0.46
<b>Closing Balance</b>	<b>0.73</b>	<b>0.46</b>

The Credit period allowed to customers is 60 days in Karcham plant and 30 days in Baspa Plant. Thereafter, interest on overdue receivable from the customer at 15% and 15.30% (SBI PLR @ 12.30%+3%) in Karcham & Baspa respectively per annum as per terms of agreement.

**JSW HYDRO ENERGY LIMITED**

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

Note 21. Other income

( ₹ Crore )

Particulars	For the year Ended 31st March, 2023	For the year Ended 31st March, 2022
<b>a) Interest Income earned on financial assets that are not designated as at FVTPL</b>		
i On Bank deposits	12.47	1.98
ii On Loans	2.08	-
iii Other Financial Assets	1.31	29.71
<b>b) Other non-operating income</b>		
i Net Gain on sale of current investments designated as at FVTPL	28.82	21.83
ii Net Gain on disposal of property, plant and equipment	-	0.05
iii Net gain on foreign currency transaction	0.01	0.04
iv Domestic Scrap Sales	1.20	1.35
v Miscellaneous Income	1.61	1.12
<b>Total</b>	<b>47.50</b>	<b>56.08</b>

**JSW HYDRO ENERGY LIMITED**

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

**Note 22. Employee benefits expense**

( ₹ Crore )

Particulars	For the year Ended 31st March, 2023	For the year Ended 31st March, 2022
(a) Salaries and wages	67.24	49.38
(b) Contribution to provident and other funds	4.83	4.78
(c) Share based payment	5.23	3.14
(d) Staff welfare expenses	6.17	5.61
<b>Total</b>	<b>83.46</b>	<b>62.91</b>

\* Refer note 35 ( Employee benefit plans) for the details of defined benefit plan and defined contribution plan of the Company.

\*\* Refer note 36 (Employee share base payment plan )for the details of share base payment

**JSW HYDRO ENERGY LIMITED**

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

**Note 23. Finance costs**

( ₹ Crore )

Particulars	For the year Ended 31st March, 2023	For the year Ended 31st March, 2022
(a) Interest expense		
i Interest on Green Bond	207.08	193.16
ii Hedging charges	156.53	143.40
iii Interest on Term Loan	-	54.83
iv Interest cash credit	0.09	0.04
v Other Interest Expense	-	3.48
(b) Revaluation gain/loss on foreign currency borrowings (Net)	10.13	0.66
(c) Other borrowing costs*	25.26	104.06
(d) Interest on lease liabilities	2.35	2.38
<b>Total</b>	<b>401.44</b>	<b>502.01</b>

\*Includes one time expenses of the pre-payment charges and write off of unamortized other borrowing costs, relating to the prepaid rupee denominated loans aggregating to ₹ 91.94 crore in FY 2021-22

**JSW HYDRO ENERGY LIMITED**

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

**Note 24. Depreciation and amortisation expense**

( ₹ Crore )

Particulars	For the year Ended 31st March, 2023	For the year Ended 31st March, 2022
(a) Depreciation on property, plant and equipment	402.85	402.30
(b) Amortization on Intangible assets	33.50	33.47
<b>Total</b>	<b>436.35</b>	<b>435.77</b>

**JSW HYDRO ENERGY LIMITED**

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

**Note 25. Other expenses**

( ₹ Crore )

Particulars	For the year Ended 31st March, 2023	For the year Ended 31st March, 2022
(a) Stores and spares consumed	14.30	17.19
(b) Power & Water	3.75	3.64
(c) Repairs and maintenance	27.55	39.11
(d) Rates and taxes	0.59	1.80
(e) Insurance	22.75	20.31
(f) Legal and other professional charges	13.61	4.66
(g) Travelling Expenses	10.48	6.30
(h) Corporate Social Responsibility Expenses*	7.47	2.50
(i) Open Access Charges	0.12	0.13
(j) Other General Expenses	2.11	4.60
(k) Bad Debt Written Off	7.76	-
(l) Safety and Security	6.17	1.36
(m) Branding Expenses	3.36	3.03
(n) Shared Service Charges	2.40	2.21
(o) Property ,Plant and equipment written off**	0.00	1.07
<b>Total</b>	<b>122.42</b>	<b>107.91</b>

\* Refer note 38 (Details of Corporate Social Responsibility (CSR) expenditure

\*\* Less than Rs. 10,000

**JSW HYDRO ENERGY LIMITED**

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

**Note 26. Tax expense**

( ₹ Crore )

Particulars	For the year Ended 31st March, 2023	For the year Ended 31st March, 2022
(a) Current Tax	58.02	141.05
<b>Total</b>	<b>58.02</b>	<b>141.05</b>

A reconciliation of income tax expenses applicable to accounting profit / (loss) before tax at the statutory income tax rate to recognised income tax expenses for the year indicated are as follows:

Particulars	For the year Ended 31st March, 2023	For the year Ended 31st March, 2022
Profit before tax	332.06	803.79
Enacted tax rate	34.944%	34.944%
Expected tax expense at statutory tax rate	116.04	280.87
Tax effect due to tax holiday	(105.11)	(258.11)
Effect due to non deductible expenses	2.61	2.25
Effect of taxes (recoverable)/payable in future tariff	6.16	147.02
Impact due to reduced rate of tax during the year	36.51	(31.29)
Impact due to reduced rate of tax on opening	1.88	-
OCI Tax	(0.07)	0.31
<b>Tax expenses for the year</b>	<b>58.02</b>	<b>141.05</b>

**Deferred tax assets / (liabilities)**

Significant components of deferred tax assets / (liabilities) ,deductible temporary differences and unused tax losses recognised in the Financial Statements are follows:

Particulars	As at 31st March, 2022	Recognised / (reversed) through profit or loss/ OCI / equity	As at 31st March,2023
Property plant & equipment	162.36	(5.12)	157.24
Borrowings	(17.73)	18.86	1.13
MAT credit	76.37	(21.19)	55.18
OCI	31.17	(78.76)	(47.60)
Recoverable / (payable) in future tariff	(242.25)	72.60	(169.65)
Others	(9.92)	13.61	3.69
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

Particulars	As at March 31, 2021	Recognised / (reversed) through profit or loss/ OCI / equity	As at 31st March,2022
Property plant & equipment	77.67	84.69	162.36
Borrowings	-	(17.73)	(17.73)
MAT credit	-	76.37	76.37
OCI	-	31.17	31.17
Recoverable / (payable) in future tariff	(64.07)	(178.18)	(242.25)
Others	(13.60)	3.68	(9.92)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

**JSW HYDRO ENERGY LIMITED**

**Notes to the financial statements as at and for the year ended 31st March, 2023**

**Note no. 27 - Financial Ratios**

Sr. No.	Particulars	For the year ended 31st March, 2023		For the year ended 31st March, 2022	Variance (%)	Reason for variance over 25%
		Numerator	Denominator			
1	<b>Current Ratio (in times)</b> (Current Assets / Current Liabilities)	1,165.64	831.46	1.40	-18%	Decrease was primarily on account of decrease in current assets (mainly decrease in other financial assets).
2	<b>Debt-Equity Ratio (in times)</b> ((Non-Borrowings + Current Borrowings) / Total Equity)	5,119.01	3,121.07	1.64	-19%	
3	<b>Debt Service Coverage Ratio (in times)</b> (Profit before Tax, Exceptional Items, Depreciation, Finance Charges / Finance Charges + Long Term Borrowings scheduled Principal repayments (excluding prepayments + refinancing) during the year).	695.77	811.46	0.86	-59%	Decrease was primarily on account of decrease in profit before tax
4	<b>Return on Equity Ratio (%)</b> (Net profit after tax / Average Net Worth)	274.04	2,825.12	10%	-67%	Decrease was primarily on account of decrease in profit after tax
5	<b>Inventory Turnover (no. of days)</b> (Average Inventory) / (Fuel Cost + Stores & Spares Consumed + Purchase of stock in trade)	13.07	41.85	80	42%	Increase was due to increase in average inventory
6	<b>Debtors Turnover (no. of days)</b> (Average Trade Receivables including unbilled revenue X No. of days) / Revenue from operations	145.86	1,328.23	40	49%	Increase was primarily on account of decrease in turnover
7	<b>Payables Turnover (no. of days)</b> (Average Trade payables including X No. of days) / Cost of goods sold	26.58	41.85	232	37%	Increase was primarily on account of decrease in Cost of Goods Sold
8	<b>Net Capital Turnover (in times)</b> (Annual turnover / Working Capital)	1,328.23	3,121.07	0.43	-42%	Decrease was primarily on account of increase in working capital
9	<b>Net Profit Margin (%)</b> (Net profit for the year / Total Income)	274.04	1,328.23	21%	-42%	Lower profit margin attributable to decrease in profit after tax and decrease in total income
10	<b>Return on Capital Employed (%)</b> (Earnings before Interest and Tax) / (Net Worth + Total Borrowings)	905.28	7,935.38	11%	-42%	Decrease was primarily on account of decrease in net profit before tax
11	<b>Return on Investment (%)</b> (Profit generated on sale of investment / Cost of investment)	28.32	685.03	4.00%	5%	

# JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2023

## Note 28 Key sources of estimation uncertainty and critical accounting judgements:

In applying the Company's accounting policies, which are described in note 3, the directors are required to make judgements that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts 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 periods if the revision affects both current and future periods.

### A) Key sources of estimation uncertainty:

#### i) Provisions and Contingencies:

In the normal course of business, contingent liabilities arise from litigations and claims. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such contingent liabilities are disclosed in the notes but are not recognised. Potential liabilities that are remote are neither recognized nor disclosed as contingent liability. The management decides whether the matters needs to be classified as 'remote,' 'possible' or 'probable' based on expert advice, past judgements, terms of the contract, regulatory provisions etc.

#### ii) Fair value measurements:

When the fair values of financial assets or financial liabilities recorded or disclosed in the Financial Statements cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques including the Discounted Cash Flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility

#### iii) Income Taxes:

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. In assessing the realizability of deferred tax assets arising from unused tax credits, the management considers convincing evidence about availability of sufficient taxable income against which such unused tax credits can be utilized. The amount of the deferred income tax assets considered realizable, however, could change if estimates of future taxable income changes in the future.

#### iv) Defined benefit plans:

The present value of defined benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary escalations and mortality rates etc. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### B) Critical accounting judgements in applying accounting policy:

The following are the critical judgements, apart from those involving estimations (which are presented separately above), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements:

#### i) Tariff related disputes with customers:

Tariff related disputes with the customers arise mainly on account of differences in interpretation of the terms of the power purchase agreements / regulations. A significant judgment is required in determining likelihood of entitlement to the revenue. The Company recognizes such revenues having regard to legal advice, judicial precedence and interpretation of the terms of the agreements / regulations. The final outcome of such disputes may have impact on the revenue recognised by the Company. The Company has also estimated the expected timing of realisation of these balances, which is in turn dependent on the expected ultimate settlement of legal disputes, for classification of such receivables between current and noncurrent.

## JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2023

### Note 29. Financial Instruments:

#### a) Financial Instruments by category

( ₹ Crore )

As at 31st March, 2023	FVTPL	FVTOCI	Amortised Cost	Total
<b>Financial assets</b>				
Investment in mutual fund units	685.03	-	-	685.03
Investment in Commercial Paper	-	-	24.70	24.70
<b>Financial assets carried at amortised cost</b>				
Security deposits	-	-	0.61	0.61
Trade receivables #	-	-	64.58	64.58
Receivables-Service concession agreement	-	-	61.41	61.41
Cash and cash equivalents and other bank balances #	-	-	218.25	218.25
Unbilled revenue	-	-	79.88	79.88
Interest Receivable	-	-	4.00	4.00
Other Receivable	-	-	0.00	0.00
Loan given to JSW Energy Limited	-	-	789.00	789.00
Foreign Currency Options	-	-	778.60	778.60
<b>Total Financial assets</b>	<b>685.03</b>	<b>-</b>	<b>2,021.03</b>	<b>2,706.06</b>
<b>Financial liabilities</b>				
Green Bonds	-	-	5,084.01	5,084.01
Working capital demand loan from Bank	-	-	35.00	35.00
Rent and Other Deposits #	-	-	0.02	0.02
Trade Payables #	-	-	26.69	26.69
Payable for capital projects#	-	-	33.99	33.99
Other payable#	-	-	267.73	267.73
Lease Liability	-	-	26.01	26.01
Interest accrued but not due on borrowings	-	-	78.40	78.40
<b>Total Financial liabilities</b>	<b>-</b>	<b>-</b>	<b>5,551.85</b>	<b>5,551.85</b>

## JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2023

( ₹ Crore )

As at 31st March, 2022	FVTPL	FVTOCI	Amortised Cost	Total
<b>Financial assets</b>				
Investment in mutual fund units	612.72	-	-	612.72
Security deposits	-	-	0.61	0.61
Trade receivables #	-	-	69.28	69.28
Receivables-Service concession agreement	-	-	119.83	119.83
Cash and cash equivalents and other bank balances #	-	-	304.06	304.06
Unbilled Revenue	-	-	77.87	77.87
Interest Receivable	-	-	0.78	0.78
Other Receivable	-	-	0.10	0.10
Receivable from JSW Neo Energy Limited	-	-	789.33	789.33
Foreign Currency Options	-	-	66.13	66.13
<b>Total Financial assets</b>	<b>612.72</b>	<b>-</b>	<b>1427.99</b>	<b>2040.71</b>
<b>Financial liabilities</b>				
Green Bonds	-	-	5,101.51	5,101.51
Short term Borrowings (WC DL)	-	-	-	-
Rent and Other Deposits #	-	-	0.02	0.02
Trade Payables #	-	-	26.46	26.46
Payable for capital projects#	-	-	35.43	35.43
Other payable#	-	-	638.26	638.26
Lease Liabilities	-	-	26.25	26.25
Interest accrued but not due on borrowings	-	-	78.82	78.82
<b>Total Financial liabilities</b>	<b>-</b>	<b>-</b>	<b>5,906.75</b>	<b>5,906.75</b>

#The carrying amounts of ancillary borrowing cost, trade receivables, unbilled revenue, other receivables, trade payables, capital creditors, cash and cash equivalents and other bank balances, rent and other deposits are considered to be the same as their fair values, due to their short term nature. The fair values of the financial assets and financial liabilities included in the level 2 are based on NAV and in level 3 based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

## JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2023

### ii) Fair Value Hierarchy:

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into three levels prescribed under the accounting standard.

#### Financial assets and liabilities measured at fair value :

Particulars	As at 31st March, 2023		As at 31st March, 2022		Level	Valuation techniques and key inputs
	Carrying value	Fair value	Carrying value	Fair value		
<b>Financial assets</b>						
Foreign Currency Options	778.60	778.60	66.13	66.13	2	The fair value of foreign currency option is determined using foreign exchange rates at the balance sheet date.
Investment in mutual fund units	685.03	685.03	612.72	612.72	2	The mutual funds are valued using the closing NAV
<b>Financial liabilities</b>						
Borrowings (includes Current & Non current)	5,084.01	4,188.21	5,101.51	4,433.52	3	The borrowings are valued using the NPV

#### Fair value of financial assets and liabilities measured at amortised cost

The carrying amount of current investments, Trade Receivable, Unbilled revenue, Trade Payable, Capital Creditors, Cash & Cash Equivalents, Other bank balances, Other Financial assets and Other financial liabilities (Other than those specifically disclosed) are to be considered to be the same as fair values, due to their short term nature.

#### Financial Assets & Liabilities, measured at amortised cost, for which Fair value is disclosed:

Particulars	As at 31st March, 2023		As at 31st March, 2022		Level	Valuation Technique
	Carrying Value	Fair Value	Carrying Value	Fair Value		
<b>Financial assets</b>						
Security deposits	0.61	0.61	0.61	0.61	3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
Loan given to related party	789.00	789.00	-	-	3	Loan given to related party has been considered at amortised cost.
Receivables-Service concession agreement	61.41	66.34	119.83	129.43	3	Service concession agreement has been considered at amortised cost.
<b>Total</b>	<b>0.61</b>	<b>0.61</b>	<b>0.62</b>	<b>0.62</b>		
<b>Financial Liabilities</b>						
Lease Liability	26.01	26.01	26.25	26.25	3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
<b>Total</b>	<b>5,961.64</b>	<b>5,070.77</b>	<b>5,248.81</b>	<b>4,590.42</b>		

## JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2023

### Financial risk management objectives

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

The Company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the Internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

### Foreign currency risk management

The Company's functional currency is Indian Rupees (INR). The Company undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Company's revenue from export markets and the costs of imports, primarily in relation to raw materials. The Company is exposed to exchange rate risk under its trade and debt portfolio.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result's in increase in the Company's overall debt position in Rupee terms without the Company having incurred additional debt and favourable movements in the exchange rates will conversely result in reduction in the Company's receivables in foreign currency.

In order to hedge exchange rate risk, the Company has a policy to hedge cash flows up to a specific tenure using forward exchange contracts, options and other non-derivative financial instruments like long-term foreign currency borrowings and acceptances. At any point in time, the Company hedges its estimated foreign currency exposure in respect of forecast sales over the following 6 months using derivative instruments. Forecasted sales beyond the period of 6 months are hedged using non-derivative financial instruments basis the tenure of the specific long term foreign currency borrowings. In respect of imports and other payables, the Company hedges its payables as and when the exposure arises. Short term exposures are hedged progressively based on their maturity.

All hedging activities are carried out in accordance with the Company's internal risk management policies, as approved by the Board of Directors, and in accordance with the applicable regulations where the Company operates.

The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The Company continues to believe that there is no impact on effectiveness of its hedges. The carrying amounts of the Company's monetary assets and monetary liabilities at the end of the reporting year are as follows:

#### Currency exposure as at 31st March, 2023

Particulars	USD Million	INR Crores	TOTAL
<b>Financial liabilities</b>			
Borrowings	625.70	5,084.01	5,084.01
Other financial liabilities	-	-	-
<b>Total Financial liabilities</b>	<b>625.70</b>	<b>5,084.01</b>	<b>5,084.01</b>

#### Currency exposure as at 31st March, 2022

Particulars	USD Million	INR Crores	TOTAL
<b>Financial liabilities</b>			
Borrowings	682.26	5,101.51	5,101.51
Other financial liabilities	-	-	-
<b>Total Financial liabilities</b>	<b>682.26</b>	<b>5,101.51</b>	<b>5,101.51</b>

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilizing currency options.

The outstanding foreign exchange options contracts entered by the company and outstanding are as under:

Particulars	As at 31st March, 2023	As at 31st March, 2022
No. of Contracts	4	4
Type of Contracts	Call Spread	Call Spread
Equivalent to USD in millions	791.18	875.24
Average exchange rate (1USD= Rupees)	82.22	75.81
Nominal Value (Rs. In Crore.)	6,504.85	6,634.95
Fair Value MTM asset/(liabilities) (Rs. In crore)	201.04	8.98

The Company uses foreign currency options contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and foreign currency required at the settlement date of certain payables. The use of foreign currency options contracts is governed by the Company's strategy approved by the Board of Directors, which provide principles on the use of such options contracts consistent with the Company's risk management policy.

## JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2023

### Movement in Cash flow hedge:

( ₹ Crore )

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	-	-
FX recognised in other comprehensive income	312.95	(123.83)
Hedge ineffectiveness recognised in P&L	-	-
Amount reclassified to P&L during the year	-	-
<b>Closing Balance</b>	<b>312.95</b>	<b>(123.83)</b>

### Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with fixed interest rates. The risk is managed by the Company by maintaining fixed rate of borrowings.

The Company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

### Interest rate sensitivity analysis

The sensitivity analysis below has 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.

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

( ₹ Crore )

As at March,2023	Net Balance	Unamortised Transaction Cost	Gross Balance
Fixed rate borrowings	5,084.01	60.26	5,144.27
<b>Total</b>	<b>5,084.01</b>	<b>60.26</b>	<b>5,144.27</b>

( ₹ Crore )

As at March,2022	Net Balance	Unamortised Transaction Cost	Gross Balance
Fixed rate borrowings	5,101.51	70.46	5,171.97
<b>Total</b>	<b>5,101.51</b>	<b>70.46</b>	<b>5,171.97</b>

The company has only fixed rate of borrowings, there will be no exposure to change in interest rates accordingly sensitivity analysis is not applicable.

### 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. The Company's exposure and the credit ratings of its counterparties are continuously monitored.

The state electricity distribution companies (Government companies) are the major customer of the Company and accordingly, credit risk is minimal.

(refer Note 31 for additional details)

### Loans and investment in debt securities:

The Company's centralised treasury function manages the financial risks relating to the business. The treasury function focusses on capital protection, liquidity and yield maximisation. Investments of surplus funds are made only in approved counterparties within credit limits assigned for each of the counterparty. Counterparty credit limits are reviewed and approved by the Finance Committee of the Company. The limits are set to minimise the concentration of risks and therefore mitigate the financial loss through counter party's potential failure to make payments.

### Cash and cash equivalents, derivatives and financial guarantees:

Credit risks from balances with banks and financial institutions are managed in accordance with the Company policy. For derivative and financial instruments, the Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions having high credit-ratings assigned by credit-rating agencies.

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. (Refer note 41)

### Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

## JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2023

The table below provides details regarding the remaining contractual maturities of financial liabilities as at reporting date.

As at 31st March, 2023		( ₹ Crore )		
Particulars	< 1 year	1-5 years	> 5 years	Total
<b>Non-current Financial assets</b>				
<u>Long term loans and advances:</u>				
Security deposits	-	0.01	0.60	0.61
Ancillary Borrowing cost	-	-	-	-
Service concession – arrangements	-	0.03	0.33	0.36
Loan to related parties	-	789.00	-	789.00
Foreign Currency Options	-	-	778.60	778.60
<b>Total Non-current financial Assets</b>	-	<b>789.04</b>	<b>779.53</b>	<b>1,568.57</b>
<b>Current financial assets</b>				
Trade receivables	64.58	-	-	64.58
Cash and cash equivalents	18.93	-	-	18.93
Bank Balances other than above	199.32	-	-	199.32
Service concession – arrangements	61.05	-	-	61.05
Investments in mutual fund & Commercial Papers	709.73	-	-	709.73
Unbilled revenue	79.88	-	-	79.88
Other Receivable	-	-	-	-
Receivable from JSW Neo Energy Limited	-	-	-	-
Interest Receivable	4.00	-	-	4.00
<b>Total current financial assets</b>	<b>1,137.49</b>	-	-	<b>1,137.49</b>
<b>Total Financial Assets</b>	<b>1,137.49</b>	<b>789.04</b>	<b>779.53</b>	<b>2,706.06</b>
<b>Non-current financial liabilities</b>				
Long term borrowings	-	1,248.17	3,380.14	4,628.31
<u>Other long-term liabilities:</u>				
Rent and other Deposits	-	0.02	-	0.02
Lease payable	-	2.25	23.49	25.74
Other Payable	-	76.71	-	76.71
<b>Total Non-Current financial Liabilities</b>	-	<b>1,327.15</b>	<b>3,403.63</b>	<b>4,730.78</b>
<b>Current financial liabilities</b>				
<u>Trade and other payables and acceptances:</u>				
Trade payables - Other than acceptances	21.84	4.85	-	26.69
<u>Other current financial liabilities:</u>				
Short Term Borrowings	455.70	-	-	455.70
Working capital demand loan from Bank	35.00	-	-	35.00
Payable for capital project	33.99	-	-	33.99
Other payable	191.02	-	-	191.02
Interest accrued but not due on borrowings	78.40	-	-	78.40
Lease payable	0.27	-	-	0.27
<b>Total current financial liabilities</b>	<b>816.22</b>	<b>4.85</b>	-	<b>821.07</b>
<b>Total Financial Liabilities</b>	<b>816.22</b>	<b>1,332.00</b>	<b>3,403.63</b>	<b>5,551.85</b>

## JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2023

As at 31st March, 2022

( ₹ Crore )

Particulars	< 1 year	1-5 years	> 5 years	Total
<b>Non-current Financial assets</b>				
<u>Long term loans and advances</u>				
Security deposits	-	0.01	0.60	0.61
Ancillary Borrowing cost	-	-	-	-
Service concession-arrangements	-	61.07	0.34	61.41
Other advances	-	-	-	-
Foreign Currency Options	-	-	66.13	66.13
<b>Total Non-current financial Assets</b>	-	<b>61.08</b>	<b>67.07</b>	<b>128.15</b>
<b>Current financial assets</b>				
Trade receivables	69.28	-	-	69.28
Cash and cash equivalents	13.93	-	-	13.93
Bank Balances other than above	290.13	-	-	290.13
Investments in mutual fund	612.72	-	-	612.72
Service concession-arrangements	58.42	-	-	58.42
Unbilled revenue	77.87	-	-	77.87
Other Receivable	0.10	-	-	0.10
Receivable from JSW Neo Energy Limited	789.33	-	-	789.33
Interest Receivable	0.78	-	-	0.78
<b>Total current financial assets</b>	<b>1912.56</b>	-	-	<b>1912.56</b>
<b>Total Financial Assets</b>	<b>1912.56</b>	<b>61.08</b>	<b>67.07</b>	<b>2040.71</b>
<b>Non-current financial liabilities</b>				
Long term borrowings	-	1,359.72	3,323.23	4,682.95
<u>Other long-term financial liabilities</u>				
Rent and other Deposits	-	0.02	-	0.02
Lease payable	-	1.94	24.07	26.01
Other payable	-	70.03	-	70.03
<b>Total Non-Current financial Liabilities</b>	-	<b>1,431.71</b>	<b>3,347.30</b>	<b>4,779.01</b>
<b>Current financial Liabilities</b>				
Trade and other payables and acceptances:				
Trade payables - Other than acceptances	5.23	21.23	-	26.46
<u>Other current financial liabilities:</u>				
Short Term Borrowings	418.56	-	-	418.56
Short Term Borrowings (WC DL)	-	-	-	-
Payable for capital project	35.43	-	-	35.43
Other payable	568.23	-	-	568.23
Interest accrued but not due on borrowings	78.82	-	-	78.82
Lease Payable	0.24	-	-	0.24
<b>Total current financial liabilities</b>	<b>1106.51</b>	<b>21.23</b>	-	<b>1,127.74</b>
<b>Total Financial Liabilities</b>	<b>1106.51</b>	<b>1,452.94</b>	<b>3,347.30</b>	<b>5,906.75</b>

The Company has hypothecated part of its trade receivables, loans, short term investments and cash and cash equivalents in order to fulfil certain collateral requirements for the banking facilities extended to the Company. There is obligation to release the hypothecation on these securities to the Company once these banking facilities are surrendered. (Refer Note 15)

## JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2023

### Note 30 Capital management

The Company being in a capital intensive industry, its objective is to maintain a strong credit rating, healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

The Company's capital requirement is mainly to fund its capacity expansion ,repayment of principal and interest on its borrowings and strategic acquisition.The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings and the capital markets. The Company is not subject to any externally imposed capital requirements.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and align maturity profile of its debt commensurate with life of the asset and closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

### Gearing ratio

The Company monitors its capital using gearing ratio, which is net debt divided to total equity as given below:

( ₹ Crore )

Particulars	As at 31st March ,2023	As at 31st March,2022
Debt (i)	5,119.01	5,101.51
Cash and bank balances (including current investment in liquid fund) (ii)	729.66	503.89
Net debt (i-ii)	<b>4,389.35</b>	<b>4,597.62</b>
Total equity (iii)	3,121.07	2,529.17
Net debt to equity ratio	<b>1.41</b>	<b>1.82</b>

(i) Debt includes Current and Non-Current borrowings (refer note No-15)

(ii) Includes cash and cash equivalents balance in bank deposits and investments in mutual fund & commercial paper (other than earmarked deposits and Investment in Mutual Funds)

(iii) Includes equity share capital and other equity. ( refer note No-13 & 14)

## JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2023

### Note 31. Ageing of Trade receivable:\*

The average credit period on sale of power is 60 /30 days for Karcham Wangtoo HEP and Baspa II HEP respectively.

Trade receivables include amounts (see below for aged analysis) that are past due at the end of the reporting period for which the Company has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Allowances for doubtful debts are recognised against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

( ₹ Crore )

Particulars	As at 31st March, 2023	As at 31st March, 2022
Within the credit period	94.20	86.98
1-30 days past due	-	17.78
31-60 days past due	-	-
61-90 days past due	-	-
91-180 days past due	-	-
>180 days past due	50.26	42.39
<b>Total</b>	<b>144.46</b>	<b>147.15</b>

\*Above mentioned Customer's balance Includes unbilled revenue of ₹ 79.88 Crore (Previous year ₹ 77.87 Crore.)

#### Customer contributing more than 10% of revenue

Revenue from operations includes revenue aggregating to ₹1,257.96 crore (previous year : ₹1,798.43 crore) from two (previous year :two) major customers having more than 10% of total revenue from operations of the Company.

### Note 32. Service concession arrangement

#### (a) Description of the concession arrangement:

On October 1st, 1992, a service concession agreement was entered into with the Government of Himachal Pradesh ("the Government") to establish, own, operate and maintain 300 MW Hydro Electric power plant at Baspa, Kuppa, Himachal Pradesh ("the power plant") for supply of power to Himachal State Electricity Board. Pursuant to the above, a power purchase agreement was entered with Himachal Pradesh State Electricity Board ("the PPA").

## JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2023

### (b) Significant terms of the concession arrangement:

Term	Particulars
Period of arrangement	40 years from date of commissioning of the power plant and extendable for 20 years at the option of the Government
Commissioning of the Power plant	8th June, 2003
Tariff	Determined by HPERC in terms of HPERC ( Terms and Conditions for Determination of Hydro Generation Supply Tariffs ) Regulation 2011, along with its subsequent amendments, having regard to the Tariff entitlement under PPA.
Option to purchase	After the expiry of the agreement period, the Government has the option to purchase all the assets and works of the power plant, at mutually agreed terms.
Free power	12 % free power of the electricity generated is to supplied to the Government

### (c) Obligation for overhaul:

Under the concession agreement, the Company has to manage, operate, maintain and repair the power plant entirely at its own cost.

### (d) Renewal /Termination options:

Termination of the concession agreement can happen before expiry date under the force majeure events and default by either parties of the concession agreement

### (e) Classification of service concession arrangement in the Financial Statements:

Particulars	( ₹ Crore )	
	As at 31st March, 2023	As at 31st March, 2022
Intangible asset - Rights under service concession receivable (refer note 6)	681.01	713.44
Financial asset – Receivable under service concession arrangement (refer note 7)	61.41	119.83

### Note 33. Operating segment / Segment Reporting

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.

The information regarding the revenue from customers of it's single reportable Segment has been disclosed below:

#### Revenue from operation

Particulars	( ₹ Crore )	
	As at 31st March, 2023	As at 31st March, 2022
Within India	1,328.23	1,856.31
Outside India	-	-
<b>Total</b>		

### Non-current operating assets

All non –current assets (other than financial instruments, deferred tax assets) of the Company are located in India

## JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2023

### Note 34. Earnings per share

Particulars	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Profit for the year (₹ crore) - (A)	274.04	662.74
Weighted average number of equity shares for basic & diluted EPS - (B)	1,250,050,000	1,250,050,000
Earnings Per Share (₹ crore) - Basic and Diluted (C) - (A/B)	2.19	5.30
Nominal value of an equity share (₹ crore)	10	10

### Note 35. Employee benefit Plans:

#### (a) Defined contribution plans – Provident fund:

The employer's contribution for the period from 1st April, 2020 to 31st December, 2020, were deposited with the employer established provident fund trust maintained by the Company. 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 2021 onwards are being deposited with regional provident fund authorities

The Company's contribution to provident fund recognized in Statement of Profit and Loss of ₹ 3.48 crore (Previous year ₹ 2.01 crore) (Included in note 22)

#### (b) National pension scheme:

The company's contribution to National Pension Scheme (NPS) recognized in statement of profit and loss of ₹ 0.30 crore (Year ended 31st March, 2022 : ₹ 0.13 crore) (Included in Note 22)

#### (c) Defined benefits plans - 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 employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of service completed. The gratuity plan is a funded plan administered by a separate fund that is legally separated from the entity and the 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.

#### (d) Compensated absences plan

During the year ended 31st March, 2023, the compensated absence plans were revised as detailed below:

1. Privileged Leave (PL) - Unutilised PL balance at the end of the calendar year (31st December) shall be encashed at the prevailing basic pay and no carry forward is allowed.
2. Contingency Leave (CoL) - The existing casual leave and sick leave were clubbed together and shall be called as CoL. The annual credit of a contingency leave shall be 14 days for plant locations and 8 days for Corporate and other locations. Maximum accumulation of 30 days is allowed and can not be encashed.

## JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2023

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.
Asset Liability matching risk	The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.
Mortality risk	Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.
Concentration risk	Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31st March, 2023 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:

	( ₹ Crore )
<b>Defined benefit obligation as at 1st April, 2021</b>	<b>5.82</b>
Interest cost	0.38
Current service cost	0.59
Liabilities Transferred In / Acquisition	0.24
Liabilities Transferred out / Divestment	(0.24)
Benefits paid	(0.72)
Actuarial (Gains)/Loss	1.73
<b>Defined benefit obligation as at 31st March, 2022</b>	<b>7.80</b>
Interest cost	0.54
Current service cost	0.77
Liabilities Transferred In / Acquisition	2.30
Liabilities Transferred out / Divestment	(2.28)
Benefits paid	(0.50)
Actuarial (Gains)/Loss	0.44
<b>Defined benefit obligation as at 31st March, 2023</b>	<b>9.07</b>

## JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2023

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

( ₹ Crore )

Particulars		Defined Benefit Obligation	Fair Value of Plan assets	(Benefit)/ Liability
Gratuity cost charged to profit or loss	<b>Opening Balance as on 1st April, 2022</b>	<b>7.80</b>	<b>4.00</b>	<b>3.79</b>
	Current Service cost	0.77		0.77
	Net Interest expense /(Income)	0.54	0.28	0.26
	Liability Transferred in/Acquisitions	2.30		2.30
	(Liability Transferred out/Divestments)	(2.28)		(2.28)
	<b>Sub-total included in profit or loss</b>	<b>1.33</b>	<b>0.28</b>	<b>1.05</b>
Re-measurement gains / (losses) in other comprehensive income	Benefits paid	(0.50)	(0.50)	-
	Return on plan assets (excluding amounts included in net interest expense)	-	0.05	(0.05)
	Actuarial changes arising from changes in financial/Demographic assumptions	(0.37)		(0.37)
	Experience adjustments	0.81		0.81
	<b>Sub-total included in OCI</b>	<b>0.44</b>	<b>0.05</b>	<b>0.39</b>
	Contributions by employer	-	-	-
	<b>Closing Balance as on 31st March, 2023</b>	<b>9.07</b>	<b>3.83</b>	<b>5.24</b>

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

( ₹ Crore )

Particulars		Defined Benefit Obligation	Fair Value of Plan assets	(Benefit)/ Liability
Gratuity cost charged to profit or loss	<b>Opening Balance as on 1st April, 2021</b>	<b>5.82</b>	<b>1.18</b>	<b>4.64</b>
	Current Service cost	0.59		0.59
	Net interest expense /(Income)	0.38	0.08	0.30
	Liability Transferred in/Acquisitions	0.24	-	0.24
	(Liability Transferred out/Divestments)	(0.24)	-	(0.24)
	<b>Sub-total included in profit or loss</b>	<b>0.97</b>	<b>0.08</b>	<b>0.89</b>
Re-measurement gains / (losses) in other comprehensive income	Benefits paid	(0.72)	(0.72)	-
	Return on plan assets (excluding amounts included in net interest expense)		(0.03)	0.03
	Actuarial changes arising from changes in financial assumptions	0.86	-	0.86
	Experience adjustments	0.87	-	0.87
	<b>Sub-total included in OCI</b>	<b>1.73</b>	<b>(0.03)</b>	<b>1.75</b>
	Contributions by employer	-	3.49	(3.49)
	<b>Closing Balance as on 31st March, 2022</b>	<b>7.80</b>	<b>4.00</b>	<b>3.79</b>

The actual return on plan assets (including interest income) was ₹ 0.33 Crore (previous year ₹0.05 crore)

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

Particulars	As at 31st March, 2023	As at 31st March, 2022
Insurer Managed Funds	100%	100%

In the absence of detailed information regarding plan assets which is funded with insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has been not been disclosed.

## JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2023

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

Particulars	As at 31st March, 2023	As at 31st March, 2022
Discount rate:	7.44%	6.96%
Future salary increases:	8.00%	8.00%
Rate of Employee Turnover	4.40%	4.00%
Expected return on plan assets	6.96%	6.44%
Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14) (Urban)	Indian Assured Lives Mortality (2012-14) (Urban)

### Category of Assets

Particulars	As at 31st March, 2023	As at 31st March, 2022
Government of India Assets	-	-
State Government Securities	-	-
Special Deposits Scheme	-	-
Debt Instruments	-	-
Corporate Bonds	-	-
Cash And Cash Equivalents	-	-
Insurance fund	3.83	4.01
Asset-Backed Securities	-	-
Structured Debt	-	-
Other	-	-
<b>Total</b>	<b>3.83</b>	<b>4.01</b>

### Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discounted rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period. While holding all other assumptions constant.

Particulars	As at 31st March, 2023	As at 31st March, 2022
Delta Effect of +1% Change in Rate of Discounting	(0.65)	(0.58)
Delta Effect of -1% Change in Rate of Discounting	0.74	0.66
Delta Effect of +1% Change in Rate of Salary Increase	0.73	0.65
Delta Effect of -1% Change in Rate of Salary Increase	(0.65)	(0.58)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.04)	(0.05)
Delta Effect of -1% Change in Rate of Employee Turnover	0.05	0.05

The following are the maturity analysis of projected benefit obligations:

( ₹ Crore )

Particulars	As at 31st March, 2023	As at 31st March, 2022
Within the next 12 months (next annual reporting period)	0.64	0.61
Between 2 and 5 years	2.93	2.18
Between 6 and 10 years	4.41	3.47
Above 10 years	10.11	8.88
<b>Total expected payments</b>	<b>18.09</b>	<b>15.14</b>

## **JSW HYDRO ENERGY LIMITED**

### **Notes to Financial Statement for the year ended 31st March, 2023**

Each year an assets-liability-matching study is performed in which the consequences of the strategic investment policies are analysed in term of risk and return profiles.

The company expects to contribute ₹ 2.13 crore (previous year ₹ 1.34 crore) to its gratuity plan for the next year. The weighted average duration of the defined benefit plan is 9 years (previous year 10 year)

#### **Compensated Absences**

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

#### **Social Security Code**

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.

**JSW HYDRO ENERGY LIMITED****Notes to Financial Statement for the year ended 31st March, 2023****Note 36. Employee share based payment plan:****JSWEL Employees Stock Ownership Plan – 2016 (ESOP 2016)**

The company has offered equity options under ESOP 2016 to the permanent employees of the Company and of its subsidiaries who has been working in India or outside India, including whole-time director, in the identified grades of L16 and above except any employee who is a promoter or belongs to the promoter company or a director who either by himself or through his relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company and Independent directors, Nominee Directors and Non-Executive Directors.

The grant is determined after having regard to various factors and criteria specified in ESOP 2016. The exercise price is at a discount of 20% to the closing market price on the previous trading day of the grant date at the Exchange having highest trading volume or any other price as may be determined by the Compensation Committee but at least equal to the face value of the shares. The option shall not be transferable and can be exercised only by the employees of the company.

Vesting of the options granted under the ESOP 2016 shall be at least one year from the date of Grant. 50% of the granted options would vest on the date following 3 years from the date of respective grant and the remaining 50% on the date following 4 years from the date of respective grant.

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

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

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

Vesting of the options granted under the ESOP 2021 shall be at least one year from the date of Grant. 25% of the granted options would vest on the date following 1 year from the date of respective grant, 25% of the granted options would vest on the date following 2 years from the date of respective grant and the remaining 50% on the date following 4 years from the date of respective grant.

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

The company has offered equity options under ESOP Samruddhi 2021 to the permanent employees, including whole-time director, of the Company and of its subsidiaries who has been working in India or outside India, in the grades of L-01 to L-15 (excluding employees covered under ESOP 20-21), except any employee who is a promoter or belongs to the promoter company or a director who either by himself or through his relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company and Independent directors, Nominee Directors and Non-Executive Directors.

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

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

**ESOP 2016 (Grant Date: 3rd May, 2016)**

Particulars	As at 31st March, 2023	As at March, 31st 2022
Outstanding at 1st April	-	-
Granted during the year	-	-
Exercised During the Year	-	-
Expired during the year	-	-
Outstanding at 31 <sup>st</sup> March	-	-
Exercisable at 31 <sup>st</sup> March	-	-

**ESOP 2016 (Grant Date: 20th May, 2017)**

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Outstanding at 1st April	-	36,606
Granted during the year	-	-
Exercised During the Year	-	36,606
Expired during the year	-	-
Outstanding at 31 <sup>st</sup> March	-	-
Exercisable at 31 <sup>st</sup> March	-	-

**JSW HYDRO ENERGY LIMITED****Notes to Financial Statement for the year ended 31st March, 2023****ESOP 2016 (Grant Date: 1st Nov, 2018)**

<b>Particulars</b>	<b>As at 31st March, 2023</b>	<b>As at 31st March, 2022</b>
Outstanding at 1st April	123,749	219,428
Granted during the year	-	-
Exercised During the Year	123,749	95,679
Expired during the year	-	-
Outstanding at 31 <sup>st</sup> March	-	123,749
Exercisable at 31 <sup>st</sup> March	-	123,749

**ESOP 2021 (Grant Date: 7th Aug, 2021)**

<b>Particulars</b>	<b>As at 31st March, 2023</b>	<b>As at 31st March, 2022</b>
Outstanding at 1st April	69,100	-
Granted during the year	-	69,100
Exercised During the Year	3,949	-
Expired during the year	-	-
Outstanding at 31 <sup>st</sup> March	65,151	69,100
Exercisable at 31 <sup>st</sup> March	-	-

**ESOP Samruddhi 2021 (Grant Date: 7th Aug, 2021)**

<b>Particulars</b>	<b>As at 31st March, 2023</b>	<b>As at 31st March, 2022</b>
Outstanding at 1st April	504,250	-
Granted during the year	-	504,250
Options Lapsed as at 31.03.2022	1,500	-
Exercised During the Year	-	-
Expired during the year	-	-
Outstanding at 31 <sup>st</sup> March	502,750	504,250
Exercisable at 31 <sup>st</sup> March	-	-

**ESOP 2021 (Grant Date: 7th Aug, 2022)**

<b>Particulars</b>	<b>As at 31st March, 2023</b>	<b>As at 31st March, 2022</b>
Outstanding at 1st April	-	-
Granted during the year	71,700	-
Options Lapsed as at 31.03.2022	-	-
Exercised During the Year	-	-
Expired during the year	-	-
Outstanding at 31 <sup>st</sup> March	71,700	-
Exercisable at 31 <sup>st</sup> March	-	-

**JSW HYDRO ENERGY LIMITED**

**Notes to Financial Statement for the year ended 31st March, 2023**

The Method of settlement for above grants are as below:

Particulars	Grant date					
	ESOP 2016			ESOP 2021	ESOP 2021 Samrudhi	ESOP 2021
Grant Date	3rd May, 2016	20th May, 2017	1st Nov, 2018	7th Aug, 2021	7th Aug, 2021	7th Aug, 2022
Vesting period	3/4 years	3/4 years	3/4 years	1/2/3 years	2/3/4 Year	1/2/3 years
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity
Exercise price ₹	53.68	51.80	51.96	10	10	10
Fair value ₹	30.78	28.88	37.99	229.88	228.5	250.5
Dividend Yield(%)	20%	20%	20%	20%	20%	20%
Expected Volatility(%)	46.32% / 44.03%	44.50% / 45.16%	42.57% / 43.53%	42.53% / 42.22% / 40.85%	42.22% / 40.85% / 42.45%	47.51% / 44.43% / 43.44%
Risk free Interest rate (%)	7.40% / 7.47%	6.90% / 6.98%	7.78% / 7.84%	5.02% / 5.44% / 5.78%	5.44% / 5.78% / 6.06%	6.73% / 6.90% / 7.01%
Expected Life of Share options (years)	5/6 Years	5/6 Years	5/6 Years	3/4/5 years	4/5/6 years	3/4/5 years
Weighted Average exercise price ₹	53.68	51.8	51.96	10.00	10.00	10.00

**Pricing formula:**

	2nd May, 2016	19th May, 2017	31st Oct, 2018	6th Aug, 2021	6th Aug, 2021	6th Aug, 2022
Book close date						
Closing market Price (₹)	67.1	64.75	64.95	246.17	246.17	266.35
Exercise price (₹)	53.68	51.8	51.96	10	10	10
Discount (%)	20%	20%	20%	-	-	-
Expected option Life	The expected option life is assumed to be mid-way between the option vesting and expiry. Since the vesting period and contractual term of each tranche is different, the expected life for each tranche will be different. The Expected option life is calculated as (Year to Vesting + Contractual Option term) / 2.					
Expected volatility	Volatility was calculated using standard deviation of daily change in stock price. The historical period considered for volatility match the expected life of the option.					
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	The following factors have been considered: (a) Share price (b) Exercise prices (c) Historical volatility (d) Expected option life (e) Dividend Yield					
Whether and how any other features of the option grant were incorporated in to the measurement of fair value, such as market condition.						
Model used	Black-Scholes Method					
The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.						

## JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2023

### Note 37. Lease Liabilities

For the Financial Year 2022-23

( ₹ Crore )

Particulars	For the year Ended 31st March,2023
Depreciation	1.36
Interest expenses on lease liabilities	2.35

For the Financial Year 2021-22

( ₹ Crore )

Particulars	For the year Ended 31st March,2022
Depreciation	1.41
Interest expenses on lease liabilities	2.38

Future minimum rentals payable under non-cancellable operating leases as follows:

( ₹ Crore )

Particular	As at 31st March, 2023	As at 31st March,2022
Within one year	2.60	2.60
After one year but not more than five years	13.43	13.29
More than five years	43.32	46.05
<b>Total</b>	<b>59.34</b>	<b>61.94</b>

The agreements are executed on non-cancellable basis for a period of 3-40 years, which are renewable on expiry with mutual consent.

Reconciliation of the lease liabilities:

( ₹ Crore )

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening Lease liabilities as per Indas 116	26.25	26.53
Add: Interest Expense on Lease liabilities	2.35	2.38
Less: Cash Outflow/Lease Rent	0.50	0.50
Less: Provision made in the books	2.09	2.16
Balance as at the end of the Year	26.01	26.25

## JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2023

### Note 38. Details of Corporate Social Responsibility (CSR) Expenditure:

( ₹ Crore )		
Particulars	As at 31st March, 2023	As at 31st March, 2022
1.) Amount required to be spent by the company during the year	7.47	2.50
2.) Amount spent during the year on:		
(i) Construction / acquisition of an asset	7.47	2.50
(ii) On purpose other than (i) above	-	-
3.) Shortfall at the end of the year	-	-
4.) Total of previous years shortfall	-	-
5.) Reason for shortfall	-	-
6.) Nature of CSR activities	<ul style="list-style-type: none"> <li>• COVID 19 Support &amp; rehabilitation program,</li> <li>• Educational infrastructure &amp; systems strengthening,</li> <li>• Enhance Skills &amp; rural livelihoods through nurturing of supportive ecosystems &amp; innovations,</li> <li>• General community infrastructure support &amp; welfare initiatives,</li> <li>• Integrated water resources management,</li> <li>• Nurture women entrepreneurship &amp; employability,</li> <li>• Nurturing aquatic &amp; terrestrial ecosystems for better environment &amp; reduced emissions,</li> <li>• Promotion &amp; preservation of art, culture &amp; heritage,</li> <li>• Public health infrastructure, capacity building &amp; support programs,</li> <li>• Sports promotion &amp; institution building,</li> <li>• Waste management &amp; sanitation initiatives,</li> <li>• Project Management Cost</li> </ul>	
7.) Amount unspent, if any;	-	-
8.) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	Donation paid to JSW Foundation, 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	-	-

### Note 39. Commitments

( ₹ Crore )		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Estimated amount of Capital contracts remaining to be executed to the extent not provided for (net of advances)	1.52	4.56
<b>Total</b>	<b>1.52</b>	<b>4.56</b>

### Note 40. Contingent liabilities

( ₹ Crore )		
Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Claims against the Company not acknowledged as debt *	139.83	139.83
(b) Other claims not acknowledged as debt	0.07	0.07
(c) Income tax Demand for AY 2016-17	34.72	34.72
(d) Water Cess FY 2022-23 **	6.65	-
<b>Total</b>	<b>181.27</b>	<b>174.62</b>

\*Himachal Pradesh State Electricity Board Limited (HPSEBL) has made a claim against JPVL, as seen in its letter dated 6th November, 2012, for expenditures incurred for a survey and investigation work in connection with the Baspa II Project amounting to Rs 127.84 Crore the company has filed an application with the High Court of Himachal Pradesh to restrain HPSEBL from recovering the claimed amount from the energy bills of the company. The court has accepted the plea and directed the Company to deposit Rs.25.00 Crore as security deposit. Accordingly, the company has deposited Rs. 25.00 Crore with HPSEBL, However decision came from High Court in favour of the company during the FY 21-22 and an amount of Rs. 25 Crore as security deposits has been received along with Interest from the HPSEB. However, HPSEBL has challenged the award in High Court, Shimla and case is under process.

\*\* Government of Himachal Pradesh has introduced water cess on consumption of water for generation of Hydropower through Himachal Pradesh Water Cess on Hydro Power Generation Ordinance passed by Government of Himachal Pradesh ("GoHP") on 15th February, 2023 ("Ordinance") and through Jal Shakti Vibhag Notification bearing No. JSV-B (A)3-1/2022, dated 16th February 2023 ("Notification"). Therefore, water cess @Rs.0.50 per cubic metre of water consumption shall be levied in terms of the Notification. The imposed cess to be recoverable as a change in law from DISCOMs.

# JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2023

## Note 41. Related party disclosure

<b>A)</b>	<b>List of Related Parties</b>
<b>I</b>	<b>Ultimate Holding Company</b>
1	JSW Energy Limited
<b>II</b>	<b>Holding Company</b>
1	JSW Neo Energy Limited
<b>III</b>	<b>Fellow Subsidiaries</b>
1	JSW Power Trading Company Limited
2	JSW Energy (Kutehr) Limited
<b>IV</b>	<b>Key Managerial Personnel</b>
1	Mr. Prashant Jain – Chairman
2	Mr.Pritesh Vinay -Director
3	Mr.Sunil Goyal - Independent Director
4	Mr. Gyan Bhadra Kumar - Whole Time Director
5	Mr. Sanjeev Kango - Chief Financial Officer & Company Secretary
6	Ms. Seema Jajodia- Woman Director / Independent Director
<b>v</b>	<b>Other related parties with whom the company has entered into transactions during the year</b>
1	JSW Steel Limited
2	Jindal Education Trust (Jindal Vidya Mandir)
3	Jindal Education Trust (Jaypee Pvt ITI)
4	JSW IP Holdings Private Limited
5	JSW Global Business Solutions Limited
6	JSW Foundation

## JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2023

(₹ crore)

B	Transaction during the year	Relationship	Current Year	Previous Year
<b>1</b>	<b>Sale of power /Material/Other to:</b>			
	JSW Power Trading Company Limited	Fellow Subsidiaries	48.14	7.93
	JSW Energy (Kutehr) Limited	Fellow Subsidiaries	0.15	-
<b>2</b>	<b>Service Received from:</b>			
	JSW Global Business Solutions Limited	Others	2.40	2.21
<b>3</b>	<b>Purchase of Goods</b>			
	JSW Steel Limited	Others	0.62	0.13
	JSW Paints Limited	Others	-	0.01
<b>4</b>	<b>Branding expense</b>			
	JSW IP Holdings Private Limited	Others	3.36	3.03
<b>5</b>	<b>Reimbursement received from / (paid to) {net}:</b>			
	JSW Energy Limited	Ultimate Holding Company	(9.47)	(6.26)
	JSW Steel Limited	Others	(0.88)	(1.51)
	JSW Power Trading Company Limited	Fellow Subsidiaries	(0.01)	(0.01)
	Jindal Education Trust (Jindal Vidya Mandir)	Others	(0.13)	(0.25)
	Jindal Education Trust (Jaypee Private ITI)	Others	(0.23)	(0.21)
	JSW Foundation	Others	0.08	-
<b>6</b>	<b>Donation for CSR Expenses</b>			
	JSW Foundation	Others	7.47	2.50
<b>7</b>	<b>Sale of Equity Investment</b>			
	JSW Neo Energy Limited	Holding	-	789.33
<b>8</b>	<b>Investment &amp; Equity Share Capital</b>			
	JSW Energy (Kutehr) Limited	Fellow Subsidiaries	-	335.19
<b>9</b>	<b>Loan Given to:</b>			
	JSW Energy Limited	Ultimate Holding Company	789.00	-
<b>10</b>	<b>Interest Income on Loan:</b>			
	JSW Energy Limited	Ultimate Holding Company	2.08	-
<b>11</b>	<b>Debt Service Reserve Account Guarantee</b>			
	JSW Energy Limited	Ultimate Holding Company	-	(161.60)

**JSW HYDRO ENERGY LIMITED**

Notes to Financial Statement for the year ended 31st March, 2023

(₹ crore)

C	Closing Balances	Relationship	As at 31st March, 2023	As at 31st March, 2022
<b>1</b>	<b>Trade Receivables</b>			
	JSW Energy Limited	Ultimate Holding Company	0.01	-
	JSW Steel Limited	Others	0.08	-
	JSW Foundation	Others	0.07	-
	JSW Global Business Solutions Limited	Others	0.00	-
<b>2</b>	<b>Trade Payables</b>			
	JSW Energy Limited	Ultimate Holding Company	-	0.16
	JSW Steel Limited	Others	-	0.72
<b>3</b>	<b>Deposit With</b>			
	JSW IP Holdings Private Limited	Others	0.07	0.07
<b>4</b>	<b>Equity Share Capital</b>			
	JSW Energy Limited	Ultimate Holding Company	-	-
	JSW Neo Energy Limited	Holding	1,250.05	1,250.05
<b>5</b>	<b>Loan Given</b>			
	JSW Energy Limited	Ultimate Holding Company	789.00	-
<b>6</b>	<b>Other Receivable</b>			
	JSW Neo Energy Limited	Holding	-	789.33

## JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2023

### D. The Remuneration to Key Managerial Personnel during the year was as follows:

(₹ crore)

Sl No	Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
1	Short term benefits	3.66	2.38
2	Post –Employment benefits	0.07	0.05
3	Sitting fees	0.04	0.06

#### Note:

The above figures does not include provisions for gratuity, group mediclaim, group personal accident and compensated absences as the same is determined at the company level and is not possible to determine for select individuals.

The Company has accrued Rs. 1.70 crore (previous year Rs. 0.61 crore) in respect of employee stock options granted to Whole Time Director. The same has not been considered as managerial remuneration of the current year as defined under section 2 (78) of the Companies act 2013 as the options have not been exercised.

i) No amounts in respect of related parties have been written off / written back during the year, nor has any provision been made for doubtful debts / receivables during the year, except as discussed above

ii) Related party relationships have been identified by the management and relied upon by the Auditors

iii) Related party transactions have been disclosed on basis of value of transactions in terms of the respective contracts.

iv) Terms and conditions of sales and purchases: the sales and purchases transactions among the related parties are in the ordinary course of business based on normal commercial terms, conditions, market rates and memorandum of understanding signed with the related parties. For the year ended 31st March, 2022 & 31st March, 2023, the Company has not recorded any loss allowances for transactions between the related parties.

v) Transactions are inclusive of Taxes

vi) Transactions are disclosed based on relationship as on the date of transaction.

vii) Purchase of goods are at arm length price.

viii) During the FY 2022-23 company has entered into an agreement with the ultimate holding company for advancing a Loan of Rs 800 crore (Rupees Eight Hundred Crore), vide agreement dated 20th March, 2023.

Loan terms are as under:

a) Tenure - 3 years from the date of first disbursement of the respective tranche.

b) Lending Rate - 8.03% plus 25 bps p.a. i.e. 8.28% payable quarterly.

c) Amount advanced - 789.00 crores

## JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2023

### Note 42. Remuneration to Auditors (excluding GST)

(₹ crore)

Sl. No.	Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
1	Services as statutory auditors (including quarterly limited reviews)	0.41	0.38
2	Tax Audit Fees	0.07	0.06
3	Certification Fees	0.01	0.04
4	Reimbursement of out of pocket Expenses	0.00	0.01
	<b>Total</b>	<b>0.49</b>	<b>0.49</b>

## JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2023

### Note no. 43 - Other statutory information:

- 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 have immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) whose title deeds are held in the name of the company (except as disclosed under Note No 4).
- iii) The Company does not have any transactions with struck off companies.
- iv) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- v) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- vi) 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
- vii) 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.
- viii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- ix) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- x) The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

Note no. 44 - Previous years figures have been regrouped/reclassified wherever necessary.

For and on behalf of Board of Directors



Gyan Bhadra Kumar  
Whole Time Director  
[DIN:03620109]



Prashant Jain  
Chairman  
[DIN: 01281621]



Sanjeev Kango  
Company Secretary &  
Chief Financial Officer