

# Board's Report

To the Members,

Your Directors are pleased to present the 28<sup>th</sup> Annual Report and the audited Financial Statement of the Company for the year ended 31<sup>st</sup> March, 2022.

## 1. Financial performance

The financial performance of the Company for the year ended 31<sup>st</sup> March, 2022, is summarized below:

(₹ in crore)

Particulars	Standalone		Consolidated	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Total Income	3,871.00	2,959.94	8,735.84	7,159.65
Profit before Interest, Depreciation, Tax and Exceptional Items	1,272.77	875.91	4,137.69	3,144.03
Finance Cost	127.00	210.10	776.91	895.65
Depreciation and Amortisation Expense	327.69	358.07	1,131.05	1,166.94
Share of Profit of an Associate / Joint Venture	-	-	8.54	17.15
Profit before Tax	818.08	307.74	2,238.27	1,098.59
Tax Expense	(248.26)	(121.56)	(494.79)	(275.91)
Profit for the year attributable to: Owners of the Company	569.82	186.18	1,728.62	795.48
Profit for the year attributable to: Non-controlling interest in the Company	-	-	14.86	27.20
Other Comprehensive Income (attributable to Owners of the Company)	1,691.10	2,208.00	1,576.99	2,227.29
Other Comprehensive Income (attributable to Non-controlling interest in the Company)	-	-	(4.08)	(12.08)
Total Comprehensive Income (attributable to Owners of the Company)	2,260.92	2,394.18	3,305.61	3,022.77
Total Comprehensive Income (attributable to Non-controlling interest in the Company)	-	-	10.78	15.12

## 2. Result of operations and the state of affairs

### Standalone

Total revenue of the Company for fiscal 2022 stood at ₹3,871.00 crore as against ₹2,959.94 crore for fiscal 2021, showing an increase of 31%.

EBITDA for fiscal 2022 stood at ₹1,272.77 crore as against ₹875.91 crore for fiscal 2021, showing an increase of 45%.

Profit after tax for fiscal 2022 stood at ₹569.82 crore as against ₹186.18 crore for fiscal 2021 showing an increase of 206%.

Net worth increased to ₹13,487.71 crore at the end of fiscal 2022 from ₹11,632.34 crore at the end of fiscal 2021. The increase in net worth is due to profit for the year and increase in the value of listed equity investments through other comprehensive income.

Net debt gearing stood at 0.08 times as at the end of fiscal 2022 compared to 0.12 times as at the end of fiscal 2021.

### Consolidated

Revenue for fiscal 2022 stood at ₹8,735.84 crore as against ₹7,159.65 crore for fiscal 2021, showing an increase of 22%.

EBITDA for fiscal 2022 stood at ₹4,137.69 crore as against ₹3,144.03 crore for fiscal 2021, showing an increase of 32%.

Profit after tax for fiscal 2022 stood at ₹1,728.62 crore as against ₹795.48 crore for fiscal 2021 showing an increase of 117%.

Net worth increased to ₹17,414.90 crore in fiscal 2022 from ₹14,507.00 crore at the end of fiscal 2021. The increase in net worth is due to profit during the year and increase in the value of listed equity investments through other comprehensive income.

Net debt gearing stood at 0.40 times as at end of fiscal 2022 compared to 0.43 times as at the end of fiscal 2021.



### Effects of COVID-19 on the business of the Company

During fiscal 2022, India saw second and third waves of COVID-19 driven by the highly transmissible Delta and Omicron COVID variants respectively. This led to a fresh set of restrictions in the country which impacted the economic activity, although to a lower extent as compared to the previous fiscal year. Global supply chain and logistics disruption, container capacity constraints and geo-political tensions resulted in an increase in the freight costs and delivery times and higher commodity prices (e.g. imported coal price).

Despite such a situation, the Company's plant operations continued to run smoothly, while ensuring adherence to necessary safety measures. As the majority of the power generation capacity is tied-up under long-term Power Purchase Agreements (PPA) under a two-part tariff structure, the Company, in general, continues to receive fixed capacity charges based on availability which largely insulates it against any major swings in earnings. A majority of our power generating stations operated at a higher PLF during the year. Although the Company witnessed higher imported coal prices, especially towards the end of the year under review, it did not have any material impact as fuel cost is a pass-through in almost all PPAs. Further, through effective receivables management, the Company ensured timely collection of receivables from its customers (State Distribution Companies and Commercial & Industrial Consumers). Moreover, despite COVID-19 related disruptions, the Company completed the construction of its 225 MW utility scale solar project in Vijayanagar, Karnataka, in a record time of less than 12 months.

For further details on the Company's performance, operations and strategies for growth, please refer to the Management Discussion and Analysis section which forms a part of this Annual Report.

### Re-organisation of the Company's Green and Grey Businesses:

The Board at its meeting held on 25<sup>th</sup> November, 2021, had approved the re-organisation of the Company's Green (Renewable) Business and Grey (Thermal) Business for streamlining the renewable portfolio and setting up a holding

structure to potentially unlock and enhance shareholders' value going ahead. Pursuant to the same, the following actions to effectuate the re-organisation have been completed during the year under review:

1. 100% of the equity shares held by JSW Future Energy Limited (JSWFEL) in (i) JSW Renew Energy (Kar) Limited (JSWREKL) and (ii) JSW Renewable Energy (Dolvi) Limited (JSWREDL), were transferred to JSW Neo Energy Limited (JSWNEL).
2. 100% of the equity shares held by JSW Hydro Energy Limited (JSWHEL) in JSW Energy (Kutehr) Limited (JSWEKL) were transferred to JSWNEL.
3. 100% of the equity shares held by the Company in JSWHEL were transferred to JSWNEL.

Consequent to the aforesaid transfers, JSWREKL, JSWREDL, JSWEKL and JSWHEL have become wholly owned subsidiaries of JSWNEL.

4. The Scheme of Amalgamation was filed with the Hon'ble National Company Law Tribunal, Mumbai (NCLT) for the merger of JSWFEL with JSWNEL wherein all the assets and liabilities of JSWFEL will be transferred to JSWNEL, including but not limited to investments in JSW Renew Energy Limited (JSWREL), JSW Renew Energy Two Limited (JSWRETL), JSW Renewable Energy (Vijayanagar) Limited (JSWREVL) and JSW Renew Energy (Raj) Limited (JSWRERL). These companies will become subsidiaries of JSWNEL. The said Scheme is presently pending before the Hon'ble NCLT.

Post consummation of the aforesaid transactions, JSWNEL would house the renewable businesses, by way of holding equity shares in, inter-alia, the following companies: JSWREKL, JSWREDL, JSWREL, JSWRETL, JSWREVL, JSWRERL, JSWEKL and JSWHEL.

### 3. Transfer to Reserves

The Company does not propose to transfer any amount (previous year NIL) to the reserves from surplus. An amount of ₹4,398.46 crore (previous year ₹4,230.20 crore) is proposed to be held as Retained Earnings.

## 4. Dividend

Your Directors have recommended a dividend of ₹2 (20%) per share for the financial year 2021-22 [previous year ₹2 (20%) per share], for the approval by the Members at the ensuing 28<sup>th</sup> Annual General Meeting.

The dividend payout is in accordance with the Company's Dividend Distribution Policy.

## 5. Financial Statement

The audited Standalone and Consolidated Financial Statements of the Company, which form a part of this Annual Report, have been prepared in accordance with the provisions of the Companies Act, 2013 ("Act"), Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Indian Accounting Standards.

## 6. Subsidiaries, Associates and Joint Ventures

The performance and financial position of each of the subsidiaries, associates and joint venture companies for the year ended 31<sup>st</sup> March, 2022 in the prescribed format AOC-1 is attached as Annexure A to the Consolidated Financial Statement of the Company and forms a part of this Annual Report.

In accordance with Section 136 of the Companies Act, 2013, the audited Financial Statements, including the Consolidated Financial Statement and related information of the Company and audited accounts of each of its subsidiaries, are available on the website of the Company at [www.jsw.in/investors/energy](http://www.jsw.in/investors/energy).

During the year under review, the Company voluntarily applied for striking off the name of JSW Electric Vehicles Private Limited (JSWEVPL), a wholly owned subsidiary of the Company pursuant to which JSWEVPL was struck off from the Register of Companies with effect from 29<sup>th</sup> March 2022. Other than the above, no company has ceased to be a subsidiary, associate or joint venture of the Company during the year under review.

## Domestic Subsidiaries

### A. JSW Energy (Barmer) Limited (JSWEBL)

JSWEBL is a wholly owned subsidiary of the Company. The share capital of JSWEBL stood at ₹1,991.82 crore as at 31<sup>st</sup> March, 2022.

The power plant was commissioned in the financial year 2012-13 and comprises of eight lignite-based units of 135 MW each aggregating to 1,080 MW.

JSWEBL sources lignite from Barmer Lignite Mining Company Limited, and sells the entire power generated to the Rajasthan Distribution Companies ("Discoms") under a 30-year Power Purchase Agreement.

During the year, JSWEBL achieved a Deemed Plant Load Factor of 80.81% (previous year 82.14%) and a Plant Load Factor of 75.86% (previous year 74.26%) with a gross generation of 7,177 million units (previous year 7,026 million units). Its net generation, after auxiliary consumption, of 6,515 million units (previous year 6,369 million units) was sold to Discoms.

The tariff charged by JSWEBL is governed by Section 62 of the Electricity Act, 2003 and determined as per the regulation laid down by the Rajasthan Electricity Regulatory Commission ('RERC'). RERC has granted an Interim Tariff based on which JSWEBL has continued to raise bills and recognise revenue in its books.

JSWEBL recorded a total revenue including other income of ₹2,740.46 crore (previous year ₹2,744.45 crore) and a profit after tax of ₹444.15 crore (previous year ₹421.67 crore) on a standalone basis and a profit after tax of ₹452.69 crore (previous year ₹438.82 crore) on a consolidated basis during the financial year 2021-22.

During the year under review, JSWEBL issued and allotted 1,26,57,69,998 equity shares by way of a bonus issue by capitalizing ₹1,265.77 crore standing to the credit of its retained earnings, resulting in an increase in its paid-up capital from ₹1,726.05 crore to ₹2,991.82 crore. Later during the year, JSWEBL bought-back 100 crore equity shares amounting to ₹1,000 crore. Post the buy-back, the paid-up capital of JSWEBL is ₹1,991.82 crore.



### **Barmer Lignite Mining Company Limited (BLMCL)**

BLMCL is a 51:49 joint venture between Rajasthan State Mines and Minerals Limited (RSMML), a Government of Rajasthan enterprise and JSW Energy (Barmer) Limited (JSWEBL). BLMCL was set up to develop lignite mines in two contiguous blocks viz., Kapurdi and Jalipa in the District of Barmer in Rajasthan.

JSWEBL has invested equity of ₹9.80 crore in BLMCL besides providing an unsecured subordinate debt of ₹567.64 crore, as on 31<sup>st</sup> March, 2022.

BLMCL has incurred project cost of ₹2,298.54 crore as at 31<sup>st</sup> March, 2022, which is subject to audit.

BLMCL achieved production of 4.47 million tonnes of lignite from Kapurdi Mines and 1.60 million tonnes of lignite from Jalipa Mines in the financial year 2021-22. BLMCL supplied its entire lignite production to meet the total fuel requirement of JSWEBL's power plant.

The transfer price of lignite is determined by the Rajasthan Electricity Regulatory Commission (RERC). While the final transfer price is yet to be approved, RERC has granted an interim transfer price based on which BLMCL has continued to raise bills and recognise revenue in its books.

In early April 2022, BLMCL was directed by RSMML, to stop mining operations at the two lignite mines (Kapurdi and Jalipa) in Rajasthan. However, RSMML was directed by the Government of Rajasthan to ensure uninterrupted lignite supply to the 1,080 MW power plant operated by JSWEBL at Barmer, Rajasthan. Thereafter, the Government of Rajasthan, vide a letter dated 28<sup>th</sup> April, 2022, has permitted BLMCL to continue lignite mining operations for another three months. The Company would continue to work with the relevant stakeholders to ensure continuous lignite supply to JSWEBL's 1,080 MW power plant at Barmer.

### **B. Jaigad PowerTransco Limited (JPTL)**

JPTL is a 74:26 joint venture between the Company and Maharashtra State Electricity Transmission Company Limited, a Government of Maharashtra enterprise. The Company has invested ₹101.75 crore as equity in JPTL as at 31<sup>st</sup> March, 2022.

JPTL has been set up under the Public Private Partnership (PPP) model for development of the transmission system as an integral part of Intra-State transmission system aimed at

evacuation of power generated from the Company's 1,200 MW Ratnagiri Power Plant and also from other proposed projects in the region.

JPTL has been granted transmission license to establish, maintain and operate the transmission system for 25 years by Maharashtra Electricity Regulatory Commission (MERC) and has complied with all regulatory requirements under the same during the financial year 2021-22.

JPTL maintained a high availability of the transmission system at 99.63% (previous year 99.77%) during the financial year 2021-22, generating a total revenue of ₹72.84 crore (previous year ₹73.13 crore) and a net profit after tax of ₹28.64 crore (previous year ₹25.16 crore).

### **C. JSW Power Trading Company Limited (JSWPTC)**

JSWPTC is a wholly owned subsidiary of the Company. JSWPTC has been facilitating the Group companies by supplying power from their plants directly to the utilities / industry under spot / term agreements. The Company has invested ₹83.25 crore in aggregate in JSWPTC as at 31<sup>st</sup> March, 2022 comprising of equity of ₹70.05 crore and preference shares of ₹13.20 crore. JSWPTC achieved a total trading volume of 967 million units (previous year 602 million units) generating a total revenue of ₹9.71 crore (previous year ₹1.75 crore) with profit after tax of ₹6.74 crore (previous year ₹0.46 crore).

JSWPTC is a member of the Power Exchange of India Limited as well as the Indian Energy Exchange Limited.

### **D. JSW Energy (Raigarh) Limited (JSWERL)**

JSWERL is a wholly owned subsidiary of the Company. The Company has invested ₹115.28 crore as equity in JSWERL as at 31<sup>st</sup> March, 2022.

JSWERL has been incorporated for setting up a coal based 1,320 MW power plant in Raigarh District, Chhattisgarh. A part of the land required for the project has already been acquired as also the environment clearance from the Ministry of Environment, Forest and Climate Change. JSWERL is yet to commence project construction activities.

### **E. JSW Neo Energy Limited (JSWNEL)**

JSWNEL is a wholly owned subsidiary of the Company incorporated on 6<sup>th</sup> July, 2021. The Company has invested ₹50 crore as equity in JSWNEL as at 31<sup>st</sup> March, 2022.

During the year under review, as stated above, JSWHEL, JSWREDL, JSWREKL and JSWEKL were transferred to JSWNEL and have thus become its wholly-owned subsidiaries. Accordingly, these subsidiaries of JSWNEL are step-down subsidiaries of the Company.

For taking up various renewable energy projects, the following companies were incorporated as wholly owned subsidiaries of JSWNEL during the year under review:

JSW Energy PSP Two Limited and JSW Energy PSP Five Limited were incorporated on 7<sup>th</sup> September, 2021;

JSW Energy PSP One Limited, JSW Energy PSP Four Limited and JSW Renew Energy Three Limited were incorporated on 8<sup>th</sup> October, 2021;

JSW Energy PSP Three Limited was incorporated on 21<sup>st</sup> October, 2021;

JSW Renew Energy Five Limited was incorporated on 10<sup>th</sup> March, 2022;

JSW Renew Energy Six Limited was incorporated on 11<sup>th</sup> March, 2022; and

JSW Renew Energy Seven Limited was incorporated on 14<sup>th</sup> March, 2022.

The name of JSW Energy PSP Four Limited was changed to JSW Renew Energy Four Limited with effect from 10<sup>th</sup> January, 2022 and the name of JSW Energy PSP Five Limited was changed to JSW Green Hydrogen Limited with effect from 23<sup>rd</sup> February, 2022.

### **JSW Hydro Energy Limited (JSWHEL)**

JSWHEL was a wholly owned subsidiary of the Company until 14<sup>th</sup> March, 2022. As a part of the re-organisation of the Company's Green and Grey Businesses, the Company on 15<sup>th</sup> March, 2022, transferred its entire equity shareholding in JSWHEL to JSWNEL, a wholly-owned subsidiary of the Company, at a book value of ₹2,046.01 crore. Consequent to the said transfer, JSWHEL has become a wholly-owned subsidiary of JSWNEL and a step-down subsidiary of the Company.

JSWHEL owns two hydro-electric power plants in the state of Himachal Pradesh at Karcham Wangtoo and Baspa.

### **Karcham Wangtoo Plant**

The Karcham Wangtoo plant is a 1,000 MW (4X250 MW) run of the river hydro-electric power plant located on river Sutlej in district Kinnaur of Himachal Pradesh. It has an in-built capacity of 1,091 MW with 10% overload and design energy of 4,131 million units for 1,000 MW capacity.

In April 2021, the Central Electricity Authority gave approval to uprate the capacity of the Karcham Wangtoo plant from 1,000 MW to 1,091 MW in two stages i.e. 1,000 MW to 1,045 MW (with 10% continuous overload) in the first stage for two monsoon seasons and to 1,091 MW (with 10% continuous overload) thereafter. This capacity uprating by 9% to 1,091 MW entails no additional capital expenditure. Further, necessary approvals required from other authorities for the capacity uprating have since been received. JSWHEL has a Power Purchase Agreement through PTC India Limited for the 880 MW saleable capacity of the Karcham plant, net of 12% free power to Government of Himachal Pradesh (GoHP) for the initial 12 years and 18% free power thereafter, with various distribution utilities like Haryana, Uttar Pradesh, Punjab and Rajasthan on long term basis valid till 13<sup>th</sup> September, 2046. The additional capacity of 45 MW added during the year is being sold through short term arrangements.

During the year ended 31<sup>st</sup> March, 2022, the Karcham Wangtoo plant achieved a Plant Load Factor of 46.91% with gross generation of 4,243.46 million units and net generation of 3,706.89 million units after adjusting auxiliary consumption and 12% free power supply to GoHP.

The plant generated a total revenue of ₹1,637.49 crore (previous year ₹983.35 crore) during the financial year 2021-22.

### **Baspa Plant**

The Baspa plant is a 300 MW (3X100 MW) run of the river hydro-electric power plant located on the river Baspa, a tributary of river Sutlej in district Kinnaur, Himachal Pradesh with a design energy of 1,213 million units.

JSWHEL has a Power Purchase Agreement with Himachal Pradesh State Electricity Board Limited valid till 7<sup>th</sup> June, 2043 for the entire 264 MW saleable capacity of the Baspa plant, net of 12% free power to GoHP.



During the year ended 31<sup>st</sup> March, 2022, the Baspa plant achieved a Plant Load Factor of 50.24% with gross generation of 1,320.37 million units and net generation of 1,149.18 million units after adjusting auxiliary consumption and 12% free power supply to GoHP.

The plant generated a total revenue of ₹218.82 crore (previous year ₹239.26 crore) during the financial year 2021-22.

### **JSW Energy (Kutehr) Limited (JSWEKL)**

JSWEKL was a wholly owned subsidiary of JSWHEL until 13<sup>th</sup> March, 2022. On 14<sup>th</sup> March, 2022, as a part of the re-organisation of the Company's Green and Grey Businesses, JSWHEL transferred its entire equity shareholding in JSWEKL to JSWNEL, a wholly-owned subsidiary of the Company, at a book value of ₹789.33 crore. Consequent to the said transfer, JSWEKL has become wholly-owned subsidiary of JSWNEL and continues to be a step-down subsidiary of the Company. The paid-up capital of JSWEKL as at 31<sup>st</sup> March, 2022 is ₹798.00 crore.

JSWEKL resumed construction activities at the 240 MW Kutehr Hydro Electric Project (HEP) during the financial year 2019-20. All the six major contracts (2 civil packages, 1 hydro-mechanical, 1 electro-mechanical, 1 aqueduct works and 1 design & engineering) have been awarded.

Status of works as of 31<sup>st</sup> March, 2022 is as furnished below:

- Barrage excavation (left bank) completed to the tune of 1,46,631 cubic meters out of 1,58,696 cubic meters. Barrage excavation (right bank) completed to the tune of 9,072 cubic meters out of 52,101 cubic meters. Concrete of Left Half of Barrage 56,333 cubic meters out of 69,646 cubic meters completed. Concrete of Right Half of Barrage 3,050 cubic meters out of 90,079 cubic meters completed.
- Intake & Cut-n-cover excavation completed.
- Feeder Tunnel #1 excavation: 528.5 m achieved out of 593 m.
- Feeder Tunnel #2 excavation: 626.8 m achieved out of 639 m.
- Silt Flushing Tunnel: 314.4 m achieved out of 532.13 m.
- Head Race Tunnel: Five out of Six Construction Adits to HRT completed, Adit 6 excavation is

under progress (i.e. 1,453.5 m out of 1,612 m completed). 9,385 m out of 14,538 m of Head Race Tunnel excavation completed.

JSWEKL has signed a long term Power Purchase Agreement (PPA) on 5<sup>th</sup> March, 2022 with Haryana Power Purchase Centre for purchase of power on behalf of Uttar Haryana Bijli Vitran Nigam (UHBVN) and Dakshin Haryana Bijli Vitran Nigam (DHBVN) from the 240 MW Kutehr HEP. The PPA is valid for a period of 35 years. With the signing of this PPA, the entire 240 MW capacity of Kutehr HEP has been tied up on a long term basis.

### **JSW Renewable Energy (Dolvi) Limited (JSWREDL)**

JSWREDL was incorporated on 3<sup>rd</sup> September, 2020 as a wholly owned subsidiary of JSWFEL for the purpose of setting up renewable energy projects for JSW Group companies under the group captive scheme in the state of Maharashtra. As a part of the re-organisation of the Company's Green and Grey Businesses, on 3<sup>rd</sup> December, 2021, JSWFEL transferred its entire equity shareholding in JSWREDL to JSWNEL, a wholly-owned subsidiary of the Company, at a book value of ₹22.10 crore. Consequent to the said transfer, JSWREDL has become a wholly-owned subsidiary of JSWNEL and continues to be a step-down subsidiary of the Company.

JSWREDL is setting up a 95 MW wind power plant for JSW Group companies in the state of Maharashtra. The Power Purchase Agreement dated 29<sup>th</sup> July, 2021 has been signed with JSW Steel Limited and project development activities are progressing well.

### **JSW Renew Energy (Kar) Limited (JSWREKL)**

JSWREKL was incorporated on 22<sup>nd</sup> May, 2021 as a wholly-owned subsidiary of JSWFEL and a step down subsidiary of the Company for the purpose of setting up projects in the renewable energy space. As a part of the re-organisation of the Company's Green and Grey Businesses, on 3<sup>rd</sup> December, 2021, JSWFEL transferred the entire equity share capital held in JSWREKL to JSWNEL, a wholly-owned subsidiary of the Company at a book value of ₹0.01 crore. Consequent to the said transfer, JSWREKL has become a wholly-owned subsidiary of JSWNEL and continues to be a step-down subsidiary of the Company.

#### F. **JSW Future Energy Limited (JSWFEL) (formerly known as JSW Solar Limited)**

JSWFEL is a wholly owned subsidiary of the Company incorporated on 1<sup>st</sup> January, 2018. The Company has invested ₹331.68 crore as equity in JSWFEL as at 31<sup>st</sup> March, 2022

JSWFEL was incorporated to grow the Company's footprint in the renewable energy space as a measured step towards portfolio enhancement and diversification over the next few years. JSWFEL through its wholly owned subsidiaries is developing 810 MW Blended Wind Capacity & 450 MW Wind Capacity awarded under SECI Tranche IX & X tender, respectively. Details of the same are as below.

#### **JSW Renewable Energy (Vijayanagar) Limited (JSWREVL)**

JSWREVL is a wholly owned subsidiary of JSWFEL incorporated on 14<sup>th</sup> January, 2020 with the intent of setting up renewable energy projects for JSW Group companies under the group captive scheme in the states of Karnataka and Tamil Nadu.

JSWFEL and JSW Steel Limited (JSWSL) have entered into a 74 : 26 Joint Venture Agreement on 23<sup>rd</sup> March, 2022, pursuant to which JSWSL had agreed to acquire 26% stake in JSWREVL. Accordingly, JSWSL become a shareholder of JSWREVL to qualify as a captive user under the rules of the Electricity Act, 2003.

JSWREVL has set up 225 MW solar project and is setting up 600 MW wind project in the state of Karnataka and 38 MW wind project in the state of Tamil Nadu for JSW Group companies under the Group Captive scheme. A Power Purchase Agreement for 25 years has been signed with JSWSL on 29<sup>th</sup> July, 2021 and project development activities are progressing well.

JSWREVL has already commenced operations at the 225 MW Solar plant at Vijayanagar, Karnataka on 6<sup>th</sup> April, 2022. This solar project has commenced operations in a record time of less than 12 months despite several headwinds like Covid-19 related disruptions, elevated commodity prices, and global supply chain outages.

JSWFEL has invested ₹217.61 crore as equity in JSWREVL as at 31<sup>st</sup> March, 2022.

#### **JSW Renew Energy Limited (JSWREL)**

JSWREL is a wholly-owned subsidiary of JSWFEL incorporated on 5<sup>th</sup> March, 2020 for the purpose of

setting up projects in the renewable energy space. Accordingly, JSWREL is a step down subsidiary of the Company.

JSWREL has signed Power Purchase Agreements with Solar Energy Corporation of India Limited (SECI) for 810 MW Blended Wind Capacity under Tranche-IX tender. The project is expected to be commissioned within 24 months from signing of the Power Purchase Agreements. JSWFEL has invested ₹553.18 crore in aggregate in JSWREL as at 31<sup>st</sup> March, 2022 consisting of equity of ₹435.48 crores and Optionally Convertible Debentures of ₹117.70 crore. All the major contracts have been awarded and project development activities are progressing well.

#### **JSW Renew Energy Two Limited (JSWRETL)**

JSWRETL is a wholly-owned subsidiary of JSWFEL incorporated on 26<sup>th</sup> March, 2021 for the purpose of setting up projects in the renewable energy space. Accordingly, JSWRETL is a step down subsidiary of the Company.

On 15<sup>th</sup> September, 2021, JSWRETL has signed Power Purchase Agreements with Solar Energy Corporation of India Limited (SECI) for 450 MW Wind Capacity under the Tranche-X tender. The power will be procured by Rajasthan Discoms. The project is expected to be commissioned within 18 months from the date of signing the Power Purchase Agreements. JSWFEL has invested ₹229.93 crore as equity in JSWRETL as at 31<sup>st</sup> March, 2022. All the major contracts have been executed and project development activities are progressing well.

#### **JSW Renew Energy (Raj) Limited (JSWRERL)**

JSWRERL is a wholly owned subsidiary of JSWFEL incorporated on 20<sup>th</sup> May, 2021 for the purpose of setting up projects in the renewable energy space. Accordingly, JSWRERL is a step down subsidiary of the Company. JSWFEL has invested ₹2.40 crore as equity in JSWRERL as at 31<sup>st</sup> March, 2022.

### **Overseas Subsidiaries**

#### **A. JSW Energy Natural Resources Mauritius Limited (JSWENRML)**

JSWENRML is a wholly owned subsidiary of the Company incorporated in April, 2010 in Mauritius for overseas acquisition of coal assets. It has downstream investment of ₹45.17 crore in 100% equity of JSW Energy Natural Resources South



Africa (PTY) Limited and advanced ₹370.36 crore as loan as on 31<sup>st</sup> March, 2022.

#### **JSW Energy Natural Resources South Africa (PTY) Limited (JSWENRSAL)**

JSWENRSAL is a wholly owned subsidiary of JSWENRML. As on 31<sup>st</sup> March, 2022, JSWENRSAL has invested ₹26.83 crore in acquiring 100% equity of Royal Bafokeng Capital (Proprietary) Limited and ₹8.21 crore in acquiring 100% equity of Mainsail Trading 55 Proprietary Limited.

Further, JSWENRSAL has invested an amount of ₹6.78 crore in 10.97% equity of South African Coal Mining Holdings Limited (SACMH) and advanced ₹343.14 crore as loan to SACMH and its subsidiaries as on 31<sup>st</sup> March, 2022.

#### **B. South African Coal Mining Holdings Limited (SACMH)**

The Company has an effective shareholding of 69.44% in SACMH as at 31<sup>st</sup> March, 2022. SACMH, together with its subsidiaries, owns a coal mine with more than 32 million tonnes of resources, along with supporting infrastructure like coal washery, railway siding and equity investment based capacity allocation of 0.5 mtpa at Richards Bay Coal Terminal. While the mine is presently under care and maintenance pending receipt of requisite licences, SACMH uses its logistical and infrastructural assets to generate rental income to defray the costs incurred.

### **7. Joint Ventures and Other Investments**

#### **Toshiba JSW Power Systems Private Limited (Toshiba JSW)**

Toshiba JSW, is a joint venture company with the Toshiba Group, Japan, engaged in the business of designing, manufacturing, marketing and maintenance services of mid to large-size (500 MW to 1,000 MW) Supercritical Steam Turbines and Generators. As on 31<sup>st</sup> March, 2022, Toshiba Group, Japan holds 94.11% and JSW Group holds 5.89% in Toshiba JSW.

The Company has invested ₹100.23 crore in Toshiba JSW. The Company has been providing for its share of the losses of Toshiba JSW in its consolidated books of account. The cumulative share of losses of the Company has exceeded the value of its investment in Toshiba JSW. Toshiba JSW plans to continue its business by expanding the service businesses and increasing collaboration jobs for various projects of Toshiba, Japan.

#### **Power Exchange India Limited (PXIL)**

The Company had invested ₹1.25 crore in PXIL, a company promoted by National Stock Exchange of India Limited and National Commodities & Derivatives Exchange Limited. PXIL provides the platform for trading in electricity and Renewable Energy Certificates (REC). JSWPTC is also a member of PXIL.

#### **Ind Barath Energy (Utkal) Limited – Resolution Plan (IBEUL)**

The Company had submitted a resolution plan in the corporate insolvency resolution process of Ind-Barath Energy (Utkal) Limited (IBEUL) on 3<sup>rd</sup> October, 2019. Post approval of the Resolution Plan by the Committee of Creditors (CoC), the Resolution Professional (RP) filed an application (Plan Approval Application) before the National Company Law Tribunal, Hyderabad bench (NCLT) for approval of the same. Pending such approval, the Company filed an application (Termination Application) before the NCLT for a declaration that the Resolution Plan stands terminated as per the terms of the Resolution Plan due to occurrence of material adverse change (MAC) which has an adverse monetary impact on the assets of IBEUL. The NCLT vide its order dated 14<sup>th</sup> October, 2021 has ruled that the Termination Application is not maintainable considering a recent judgment of the Supreme Court of India. The NCLT, however, did not decide on the issue of whether MAC had occurred or not.

The Company has been advised that the recent Supreme Court judgment is distinguishable on facts from the case of the Company and therefore, there is a legitimate basis for the Company to pursue its remedies before the appellate courts. Moreover, the Plan Approval Application is also still pending adjudication by the NCLT and as on date there is no finality to the issue of the Company's ability to terminate the Resolution Plan. The Company has also extended the validity of the earnest money deposit (EMD) and the performance bank guarantee (PBG) submitted to the CoC by another year.

#### **Jaiprakash Power Ventures Limited (JPVL) – Debt Resolution**

During the financial year 2019-20, the Company entered into Debt Resolution Agreement with JPVL to restructure the principal outstanding amount of ₹751.77 crore owed by JPVL. In terms of the Agreement, the Company was allocated



35,17,69,546 shares of JPVL which the Company has sold in open market for partial realization of its outstanding dues and the outstanding debt of ₹120 crore will be repaid by JPVL out of its available cash flows after paying 10% of the re-structured sustainable debt to its secured lenders.

## 8. Share Capital

The paid up equity share capital of the Company as at 31<sup>st</sup> March, 2022 is ₹1,644.03 crore.

During the year under review, the Company has not issued any:

- a) shares with differential rights
- b) sweat equity shares.

During the year under review, 12,45,187 equity shares in aggregate were issued and allotted under the JSW Employees Stock Ownership Plan - 2016 to the 'JSW Energy Employees ESOP Trust' on 24<sup>th</sup> May, 2021, 8<sup>th</sup> September, 2021 and 19<sup>th</sup> October, 2021. Out of the said equity shares, 4,22,256 and 8,22,931 equity shares were allotted at the respective grant price of ₹51.80 and ₹51.96 per share.

## 9. Deposits

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement of providing details relating to deposits as also of deposits which are not in compliance with Chapter V of the Act, is not applicable.

## 10. Non-Convertible Debentures

During the year ended 31<sup>st</sup> March, 2022, the Company has redeemed / repaid Non-Convertible Debentures (NCDs) amounting to ₹500 crore. The redemption / repayment is in accordance with the terms of the respective issues. The NCDs are listed on BSE Limited.

## 11. Particulars of Loans, Guarantees, Investments and Securities

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose are given in the Notes to the Standalone Financial Statement.

## 12. Internal Financial Controls over Financial Statement

The details in respect of internal controls and internal financial controls and their adequacy are included in the Management Discussion and Analysis, which forms a part of this Report.

## 13. Particulars of Contracts or Arrangements with Related Parties

During the year under review, the Company revised its Policy on Materiality of Related Party Transactions as also Dealing with Related Party Transactions, in accordance with the amendments to applicable provisions of law / Listing Regulations.

The Company's Policy on Materiality of Related Party Transactions as also Dealing with Related Party Transactions, as approved by the Board, is available on the website of the Company at the link: [www.jsw.in/investors/energy](http://www.jsw.in/investors/energy).

The Company on 15<sup>th</sup> March, 2022 transferred the shares held by the Company in JSW Hydro Energy Limited, a wholly owned subsidiary of the Company, to JSW Neo Energy Limited, also a wholly owned subsidiary of the Company, at a book value of ₹2,046.01 crore on an arm's length basis. All other contracts / arrangements / transactions entered into during the financial year 2021-22 by the Company with Related Parties were in the ordinary course of business and on an arm's length basis. Related Party Transactions which are in the ordinary course of business and on an arm's length basis, of repetitive nature and proposed to be entered during the financial year are placed before the Audit Committee for prior omnibus approval. A statement giving details of all Related Party Transactions, as approved, is placed before the Audit Committee for review on a quarterly basis.

The Company has developed a framework for the purpose of identification and monitoring of such Related Party Transactions. The details of transactions / contracts / arrangements entered into by the Company with Related Parties during the financial year under review are set out in the Notes to the Financial Statement. The disclosure in Form AOC-2 is attached as Annexure A to this Report.



## 14. Disclosure under the Employee Stock Option Plan and Scheme

### JSWEL Employees Stock Ownership Plan – 2016 (Plan 2016)

The Board of Directors of the Company, at its meeting held on 20<sup>th</sup> January, 2016, formulated the JSWEL Employees Stock Ownership Plan – 2016 (Plan 2016), which is implemented through the JSW Energy Employees ESOP Trust (Trust).

A total of 60,00,000 (Sixty Lakh) options were available for grant to the eligible employees of the Company and its Indian Subsidiaries, including Whole-time Directors. The Compensation Committee at its meeting held on 3<sup>rd</sup> May, 2016 granted 24,47,355 options, being the first grant under Plan 2016, to the eligible employees of the Company and its Indian Subsidiaries, including Whole-time Directors. The grant of options to the then Whole-time Directors of the Company was approved by the Nomination & Remuneration Committee and the Board. 24,94,660 options, being the second grant under Plan 2016, were granted by the Compensation and Nomination & Remuneration Committee (CNRC) at its meeting held on 20<sup>th</sup> May, 2017 under Plan 2016 to the eligible employees of the Company and its Indian Subsidiaries, including Whole-time Directors. Out of the said options granted, Ms. Monica Chopra, Company Secretary was granted 37,840 options. The third and final grant of 23,23,883 options was approved by the CNRC at its meeting held on 1<sup>st</sup> November, 2018 under Plan 2016 to the eligible employees of the Company and its Indian Subsidiaries, including Whole-time Directors. Out of the said options granted, Mr. Prashant Jain, Joint Managing Director and CEO and Ms. Monica Chopra were granted 3,73,897 and 37,398 options, respectively.

As per Plan 2016, 50% of the granted options will vest at the end of the third year from the date of grant and the balance 50% at the end of the fourth year. Accordingly, 2,65,390 options, being the balance 50% of the options granted on 3<sup>rd</sup> May, 2016 and subsisting, vested on 3<sup>rd</sup> May, 2020 and 5,07,344 options being 50% of the options granted on 20<sup>th</sup> May, 2017 and subsisting, vested on 20<sup>th</sup> May, 2020. However, after appropriation of shares which lapsed due to non-exercise of options during the prescribed time limit, against the total requirement of 7,72,734 equity shares, the Company was required to issue 4,26,504 equity shares to fulfill the above requirement.

Further, 3,99,364 options being the balance 50% of the options granted on 20<sup>th</sup> May, 2017 and subsisting, vested on 20<sup>th</sup> May, 2021 and further 120,490 options also vested upon superannuation of an employee. Accordingly, the Company was required to allot 5,19,854 equity shares. However, after appropriation of shares which lapsed due to non-exercise during the prescribed time limit, the Company allotted 4,99,120 equity shares to the eligible employees on 24<sup>th</sup> May, 2021 to fulfill the above requirement.

Thereafter, 6,75,388 options being 50% of the options granted on 1<sup>st</sup> November, 2018 and subsisting, vested on 1<sup>st</sup> November, 2021 and 70,679 options also vested upon superannuation of an employee. Accordingly, the Company allotted 7,46,067 equity shares to the eligible employees during the year under review.

### JSW Energy Employees Stock Ownership Scheme – 2021 (JSWEL ESOP 2021)

Based on the recommendation of the CNRC, the Board of Directors of the Company, at its meeting held on 25<sup>th</sup> June, 2021, formulated the JSW Energy Employees Stock Ownership Scheme – 2021 (ESOS 2021) consisting of the following Plans for the employees of the Company and its Subsidiaries, including Whole-time Directors, in India in terms of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended:

- 1) Shri. O. P. Jindal Employees Stock Ownership Plan (JSWEL) - 2021 (JSWEL OPJ ESOP Plan 2021)
- 2) Shri. O. P. Jindal Samruddhi Plan - 2021 (JSWEL OPJ Samruddhi Plan 2021)

The Trust would implement the same by acquiring shares of the Company through secondary route and / or in any other manner not exceeding in aggregate 50,00,000 equity shares for the purpose of the ESOS 2021.

The Members of the Company at the 27<sup>th</sup> Annual General Meeting held on 4<sup>th</sup> August, 2021 had, inter-alia, approved the JSWEL OPJ ESOP Plan 2021 and the JSWEL OPJ Samruddhi Plan 2021.

The grant of share options also included grant to the Whole-time Directors of the Company, other than Promoter Director, and Key Managerial Personnel and Senior Managerial Personnel of the Company.

Based on the approval of the Members of the Company, the CNRC Committee approved the 1<sup>st</sup> Grant of Options under the JSW Energy Employees Stock Ownership Scheme – 2021 (JSWEL ESOP 2021) as per the following details:

- a) Aggregating to 4,72,574 shares at an Exercise Price of ₹10 per share to the Eligible Employees of the Company including Subsidiaries under the JSWEL OPJ ESOP Plan 2021. This includes Grant of Options of 55,100 shares to Mr. Prashant Jain, Joint Managing Director & CEO and 19,375 to Mr. Pritesh Vinay, Director (Finance) and 12,000 to Ms. Monica Chopra, Company Secretary of the Company. 25% of the above options will vest on 7<sup>th</sup> August, 2022.
- b) Aggregating to 22,40,650 shares at an Exercise Price of ₹10 per share to the Eligible Employees of the Company including Subsidiaries under the JSWEL OPJ Samruddhi Plan 2021. Out of above grants, 1<sup>st</sup> grant of 560,162 options will vest on 7<sup>th</sup> August, 2023, 2<sup>nd</sup> grant of 560,162 options will vest on 7<sup>th</sup> August, 2024 and 3<sup>rd</sup> grant of 11,20,326 options will vest on 7<sup>th</sup> August, 2025.

The applicable disclosures as stipulated under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity), Regulations, 2021 ('SEBI (SBEB) Regulations') for the year ended 31<sup>st</sup> March, 2022, with regard to ESOP 2016 and ESOS 2021 are provided on the website of the Company at the link: [www.jsw.in/investors/energy](http://www.jsw.in/investors/energy) and form a part of this Report.

Voting rights on the shares, if any, as may be issued to employees under the Plans are to be exercised by them directly or through their appointed proxy, hence, the disclosure stipulated under Section 67(3) of the Companies Act, 2013, is not applicable.

There are no material changes in the Plan 2016 and 2021 and the same are in compliance with the SEBI (SBEB) Regulations. The certificate from the Secretarial Auditor of the Company, that the aforesaid Schemes have been implemented in accordance with the SEBI (SBEB) Regulations alongwith the Resolution passed by the Members, will be available for electronic inspection by the Members at the forthcoming 28<sup>th</sup> Annual General Meeting.

## 15. Credit Rating

### During fiscal 2022:

- India Ratings and Research has upgraded long-term rating from 'IND AA-/Stable' to 'IND AA/Stable' on the long-term bank facilities & Non-Convertible Debentures of the Company, and also reaffirmed a short-term rating of 'IND A1+' on the Short Term Bank facilities and Commercial Papers of the Company.
- Brickwork Ratings reaffirmed the long-term rating of 'BWR AA- (Positive)' on the proposed Non-Convertible Debenture issue of the Company. Short-term rating of 'BWR A1+' was reaffirmed on the Commercial Papers of the Company.
- CARE Ratings has withdrawn its rating for the long-term bank facilities including Non-Convertible Debentures of the Company and Short-term Bank Facilities and Commercial Papers of the Company.

## 16. Awards

A keen focus on optimum utilisation of resources, efficient operations, occupational safety and minimising environmental impact provide the Company with due recognition each year.

During the year, the Company won prestigious awards and recognitions including the "Golden Peacock Award for Occupational Health & Safety", organized by the Institute of Directors, which included all the operational Thermal & Hydro power plants.

During the year, the Company also received the following awards:

### Vijayanagar Plant

1. "SEEM National Energy Management Award 2020 under Gold category" in recognition to efforts towards achieving sustainable energy performance by Society of Energy Engineers and Managers;
2. Certificate of Appreciation for timely return filing and sizeable payment of GST in cash issued by the Central Board of Indirect Taxes & Customs, Ministry of Finance;
3. Extra Mile Energy Conservation Awards – 2021 under the highest Diamond category for outstanding achievement in the area of Energy conservation by Green Maple Foundation;



4. Best Water Efficient Plant less than 500 MW category by Mission Energy, New Delhi;
5. Energy Efficient Unit award for energy conservation at the National Award for Excellence in Energy Management 2021 by the Confederation of Indian Industry;
6. Prestigious award Unnatha Suraksha Puraskara for the Best Safety Management Systems & Safety Performance by National Safety Council Karnataka chapter;
7. CPP4 was awarded Excellent Energy Efficient Unit under the coal CPP greater than 50 MW category for best Net Unit Heat Rate by Council of Enviro Excellence;
8. Diamond Award in GMF Ace Awards-2022 under the Corona Fighter Award Category organized by Green Maple Foundation;
9. Innovation in Data Intelligence Award for Innovation in Data Intelligence by International Data Center TQM excellence awards; and
10. Twelve awards received at CCQC Nagpur Chapter under different categories like Case Studies, Essay, Slogan competition and other competitions at the TQM excellence awards

#### Ratnagiri Plant

1. National Energy Management Award 2020 by Society of Energy Engineers & Managers (SEEM) in Gold category;
2. "Energy Efficient Unit" recognition in National Award for Excellence in Energy Management organized by CII;
3. State Level Award for Excellence in Energy Conservation & Management by MEDA (Maharashtra Energy Development Agency, a Govt. of Maharashtra Institution);
4. Quality Circle Awards for QCFI (Quality Circle Forum of India) and NCQC (National Convention on Quality Concepts) Awards;
5. Achieved Five Star Rating in Occupational Health and Safety Audit conducted by the British Safety Council, demonstrating commitment towards continual improvement for health and safety management systems

## 17. Disclosures related to Policies

### A. Nomination Policy

The Company has adopted a Nomination Policy to identify persons who are qualified to become Directors on the Board of the Company and who may be appointed in senior management positions in accordance with the criteria laid down, and recommend their appointment and removal and also for the appointment of Key Managerial Personnel (KMP) of the Company, who have the capacity and ability to lead the Company towards achieving sustainable development.

In terms thereof, the size and composition of the Board should have:

- an optimum mix of qualifications, skills, gender and experience as identified by the Board from time to time;
- an optimum mix of Executive, Non-Executive and Independent Directors;
- minimum six number of Directors or such minimum number as may be required by Listing Regulations and / or by the Act or as per Articles;
- maximum number of Directors as may be permitted by the Listing Regulations and / or by the Act or as per Articles; and
- at least one Independent Woman Director.

While recommending a candidate for appointment, the Compensation and Nomination & Remuneration Committee shall assess the appointee against a range of criteria including qualifications, age, experience, positive attributes, independence, relationships, gender diversity, background, professional skills and personal qualities required to operate successfully in the position and has discretion to decide adequacy of such criteria for the concerned position. All candidates shall be assessed on the basis of merit, skills and competencies without any discrimination on the basis of religion, caste, creed or sex.

### B. Remuneration Policy

The Company regards its employees as the most valuable and strategic resource and seeks to ensure a high performance work culture through a fair compensation structure, which is linked to both the Company and individual performance. The compensation is therefore based on the nature of job, as well as skill and knowledge required

to perform the given job in order to achieve the Company's overall objectives.

The Company has devised a policy relating to the remuneration of Directors, KMPs and senior management employees with the following broad objectives:

- i. Remuneration is reasonable and sufficient to attract, retain and motivate Directors;
- ii. Remuneration is reasonable and sufficient to motivate senior management, KMPs and other employees and to stimulate excellence in their performance; and
- iii. Remuneration is linked to performance.

The Remuneration Policy balances fixed and variable pay and short and long-term performance objectives.

The Remuneration Policy of the Company is available on the website of the Company at the link: [www.jsw.in/investors/energy/jsw-energy-corporate-governance-policies](http://www.jsw.in/investors/energy/jsw-energy-corporate-governance-policies).

### C. Corporate Social Responsibility Policy

The Board of Directors of the Company has adopted a Corporate Social Responsibility (CSR) Policy on the recommendation of the CSR Committee and this Policy has been amended from time to time to ensure its continued relevance and to align it with the amendments to applicable provisions of law. The Company undertakes CSR activities in accordance with the said Policy.

The Company has adopted a strategy for undertaking CSR activities through JSW Foundation and is committed to allocating at least 2% of average net profit of the previous 3 years. The Company gives preference to the local areas in which it operates for the CSR spend.

In line with the Company's CSR Policy and strategy, the Company plans interventions, inter alia, in the field of health and nutrition, education, water, environment & sanitation, agri-livelihoods, livelihoods and other initiatives.

The CSR Policy of the Company is available on the website of the Company at the link: [www.jsw.in/investors/energy/jsw-energy-corporate-governance-policies](http://www.jsw.in/investors/energy/jsw-energy-corporate-governance-policies).

During the year under review, the Company has spent the entire mandated amount of ₹6.82 crore (₹17.17 crore on a consolidated basis) on CSR activities.

Please refer to the Management Discussion and Analysis section of this Report for further details. The Annual Report on CSR activities is annexed as Annexure B and forms a part of this Report.

### D. Whistle Blower Policy and Vigil Mechanism

The Board has, pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and the Listing Regulations, framed a 'Whistle Blower Policy and Vigil Mechanism'.

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour.

The Policy has been framed with a view to provide a mechanism, inter alia, enabling stakeholders including Directors, individual employees of the Company and their representative bodies to freely communicate their concerns about illegal or unethical practices and to report genuine concerns or grievances as also to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct.

The Whistle Blower Policy was reviewed by the Board during the year under review to ensure its continued relevance and to align it with changes in applicable law and regulations. The Whistle Blower Policy and Vigil Mechanism is available on the website of the Company at the link: [www.jsw.in/investors/energy/jsw-energy-corporate-governance-policies](http://www.jsw.in/investors/energy/jsw-energy-corporate-governance-policies).

### E. Risk Management Policy

The Company has adopted a Risk Management Policy aimed to ensure resilience for sustainable growth and sound corporate governance by having a process of risk identification and management in compliance with the provisions of the Companies Act, 2013 and the Listing Regulations.

The Company recognises that all emerging and identified risks need to be managed and mitigated to –

- Protect its shareholder's and other stakeholder's interests;
- Achieve its business objectives; and
- Enable sustainable growth.



The Company follows the Committee of Sponsoring Organisations (COSO) framework of Enterprise Risk Management (ERM) to identify, classify, communicate, respond to risks and opportunities based on probability, frequency, impact, exposure and resultant vulnerability.

Pursuant to the requirement of Regulation 21 of the Listing Regulations, the Company has constituted a committee of Directors called the Risk Management Committee to oversee the Enterprise Risk Management framework. The Risk Management Committee periodically reviews the framework including cyber security, high risk items and opportunities which are emerging or where the impact is substantially changing.

The Risk Management Policy was revised by the Board during the year under review to ensure its continued relevance and to align it with changes in applicable law and regulations.

There are no risks, which in the opinion of the Board threaten the existence of the Company. Key risks and response strategies are set out in the Management Discussion and Analysis Section which forms a part of this Annual Report.

#### **F. Policy for Annual Performance Evaluation of Directors, Committees and Board**

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Company has framed a Policy for Performance Evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of the Non – Executive Directors and Executive Directors. On the basis of the criteria specified in this Policy, evaluation of performance of the Individual Directors during the financial year 2021-22 was carried out by the Compensation and Nomination & Remuneration Committee, while the Board carried out performance evaluation of Independent Directors, its own performance and that of the working of its Committees.

#### **G. Material Subsidiary Policy**

Pursuant to the provisions of Regulation 16(1)(c) of the Listing Regulations, the Company has adopted a Policy for determining Material Subsidiaries, laying down the criteria for identifying material subsidiaries of the Company.

Accordingly, JSW Hydro Energy Limited and JSW Energy (Barmer) Limited were the material

subsidiaries of the Company during the financial year 2021-22.

The Policy may be accessed on the website of the Company at the link: [www.jsw.in/investors/energy/jsw-energy-corporate-governance-policies](http://www.jsw.in/investors/energy/jsw-energy-corporate-governance-policies).

#### **H. Dividend Distribution Policy**

Pursuant to Regulation 43A of the Listing Regulations, the Board has approved and adopted a Dividend Distribution Policy. The same is available on the website of the Company at the link: [www.jsw.in/investors/energy/jsw-energy-corporate-governance-policies](http://www.jsw.in/investors/energy/jsw-energy-corporate-governance-policies).

The salient features of the policy are reviewed hereunder:

- a. the circumstances under which shareholders may or may not expect dividend;
- b. the financial parameters that shall be considered while declaring dividend;
- c. internal and external factors that shall be considered for declaration of dividend; and
- d. policy as to how the retained earnings shall be utilized.

During the year under review, the Dividend Distribution Policy was reviewed by the Board to ensure its continued relevance.

### **18. Corporate Governance Report**

The Company has complied with the requirements of Corporate Governance as stipulated under the Listing Regulations and accordingly, the Corporate Governance Report and the requisite Certificate from Deloitte Haskins & Sells LLP, the Statutory Auditor of the Company, regarding compliance with the conditions of Corporate Governance forms a part of this Report.

### **19. Business Responsibility and Sustainability Report**

Pursuant to Regulation 34(2)(f) of the Listing Regulations, instead of publishing a Business Responsibility Report, the Company has voluntarily published the Business Responsibility and Sustainability Report for the financial year ended 31<sup>st</sup> March, 2022, which forms a part of the report and is available on the website of the Company at the link: [www.jsw.in/investors/energy](http://www.jsw.in/investors/energy).

## 20. Directors and Key Managerial Personnel

The Company has received declarations from all the Independent Directors under Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of the Listing Regulations confirming that they meet the criteria of independence as prescribed thereunder.

The Independent Directors have complied with the Code for Independent Directors prescribed under Schedule IV of the Companies Act, 2013 and the Listing Regulations. The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and they hold highest standards of integrity.

During the year under review, none of the managerial personnel i.e. Managing Director and Whole-time Directors of the Company were in receipt of remuneration / commission from the subsidiary companies.

The Company familiarises the Independent Directors of the Company with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model and related risks of the Company, etc. Monthly updates on performance/developments are sent to the Directors. The brief details of the familiarisation programme are put up on the website of the Company at the link: [www.jsw.in/investors/energy/jsw-energy-corporate-governance-policies](http://www.jsw.in/investors/energy/jsw-energy-corporate-governance-policies).

There were no changes in Key Managerial Personnel during the financial year 2021-22.

### Resignation / Cessation

During the year under review, the term of Mr. Sattiraju Seshagiri Rao as an Independent Director of the Company ended and consequently he ceased to be a Director of the Company with effect from 3<sup>rd</sup> May, 2021. Mr. Chandan Bhattacharya's term as an Independent Director was upto 31<sup>st</sup> March, 2022 and consequently, he ceased to be a Director of the Company with effect from 1<sup>st</sup> April, 2022.

Your Directors place on record their appreciation for the valuable contribution and support provided by Mr. Rao and Mr. Bhattacharya, during their tenure.

No Independent Director has resigned before the expiry of his / her tenure.

### Re-appointment / Appointment

The Board of Directors, based on the recommendation of the Compensation and Nomination & Remuneration Committee (CNRC), appointed Mr. Pritesh Vinay (DIN: 08868022) as an Additional and Whole-time Director designated as, 'Director (Finance)', of the Company for a period of 5 years from 24<sup>th</sup> March, 2022 to 23<sup>rd</sup> March, 2027, subject to approval by the Members of the Company. Mr. Pritesh Vinay has been the Chief Financial Officer and Key Managerial Personnel of the Company with effect from 16<sup>th</sup> September, 2020. He continues to be a Key Managerial Personnel of the Company in his present capacity as Director (Finance).

Based on the recommendation of the CNRC, the Board of Directors, taking into account his credentials, expertise and experience, appointed Mr. Rajeev Sharma (DIN:00973413) as an Additional and Independent Director of the Company for a period of 3 consecutive years from 24<sup>th</sup> March, 2022 to 23<sup>rd</sup> March, 2025, subject to approval by the Members of the Company.

The Board of Directors of the Company at its meeting held on 3<sup>rd</sup> May, 2022, based on the recommendation of the CNRC and based on their performance evaluation, re-appointed Ms. Rupa Devi Singh (DIN:02191943) and Mr. Sunil Goyal (DIN:00503570) as Independent Directors of the Company for a second term of 5 consecutive years from 17<sup>th</sup> June, 2022 to 16<sup>th</sup> June, 2027, taking into account their past performance, contributions, expertise and experience, subject to approval by the Members of the Company.

Mr. Prashant Jain (DIN:01281621) was re-appointed as a Whole-time Director of the Company designated as 'Joint Managing Director and Chief Executive Officer' for a period of 5 years from 16<sup>th</sup> June, 2022 to 15<sup>th</sup> June, 2027 by the Board of Directors of the Company at its meeting held on 3<sup>rd</sup> May, 2022 based on the recommendation of the CNRC and subject to approval by the Members of the Company.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Prashant Jain (DIN: 01281621) retires by rotation at the forthcoming 28<sup>th</sup> Annual General Meeting and being eligible, offers himself for re-appointment.



Necessary resolutions for approval of the appointment / re-appointment of the aforesaid Directors have been included in the Notice of the forthcoming 28<sup>th</sup> Annual General Meeting of the Company. The Directors recommend the same for approval by the Members.

Profiles of the aforesaid Directors seeking appointment / re-appointment, as required under Regulations 36(3) of the Listing Regulations and Clause 1.2.5 of the Secretarial Standard - 2, are given in Annexure - 1 to the Notice of the forthcoming 28<sup>th</sup> Annual General Meeting.

## 21. Directors' Responsibility Statement

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, it is hereby confirmed that:

- (a) in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts for the year under review, on a 'going concern' basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 22. Committees of the Board

The Company has constituted various Committees of the Board as required under the Companies Act, 2013 and the Listing Regulations. For details like composition, number of meetings held, attendance of members, etc. of such Committees, please refer to the Corporate Governance Report which forms a part of this Annual Report.

## 23. Meetings of the Board

During the year under review, the Board of Directors met 8 times. For details of the meetings of the Board, please refer to the Corporate Governance Report which forms a part of this Annual Report.

## 24. Auditors and Auditors' Reports

### a. Statutory Auditor

In line with Section 139 of the Companies Act, 2013 and the Rules made thereunder, Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai, were appointed as the Statutory Auditor of the Company from the conclusion of the 23<sup>rd</sup> Annual General Meeting till the conclusion of the ensuing 28<sup>th</sup> Annual General Meeting.

Deloitte Haskins & Sells LLP, Chartered Accountants will complete their first term of 5 consecutive years as the Statutory Auditor of the Company at the ensuing 28<sup>th</sup> Annual General Meeting. As recommended by the Audit Committee and the Board of Directors of the Company and in terms of Section 139 of the Companies Act, 2013, it is proposed to re-appoint Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai as the Statutory Auditor of the Company, from the conclusion of the 28<sup>th</sup> Annual General Meeting till the conclusion of the 33<sup>rd</sup> Annual General Meeting.

The Statutory Auditor has issued Audit Reports with unmodified opinion on the Standalone and Consolidated Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2022. The Notes on the Financials Statement referred to in the Audit Report are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) (f) of the Companies Act, 2013.

### b. Cost Auditor

The Company has made and maintained cost accounts and records as specified by the Central Government under Section 148(1) of the Companies Act, 2013. For the financial year



2021-22, Kishore Bhatia & Associates, Cost Accountants have conducted the audit of the cost records of the Company.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Notifications / Circulars issued by the Ministry of Corporate Affairs from time to time, the Board appointed Kishore Bhatia & Associates, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year 2022-23.

The remuneration payable to the Cost Auditor is subject to ratification by the Members at the Annual General Meeting. Accordingly, the necessary Resolution for ratification of the remuneration payable to Kishore Bhatia & Associates, Cost Accountants, to conduct the audit of cost records of the Company for the financial year 2022-23 has been included in the Notice of the forthcoming 28<sup>th</sup> Annual General Meeting of the Company. The Directors recommend the same for approval by the Members.

#### c. Secretarial Auditor

The Board appointed Ashish Bhatt & Associates, Company Secretaries, to carry out secretarial audit for the financial year 2021-22.

The Secretarial Audit Report issued by Ashish Bhatt & Associates, Company Secretaries, for the financial year 2021-22 confirms that the Company has complied with the provisions of the applicable laws and does not contain any observation or qualification requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013. The report in Form MR-3 is annexed as Annexure C and forms a part of this Report.

As per Regulation 24(A)(1) of the Listing Regulations, the material subsidiaries of the Company are required to undertake secretarial audit. JSW Energy (Barmer) Limited (JSWEBL) and JSW Hydro Energy Limited (JSWHEL) were material subsidiaries of the Company for the financial year 2021-22 pursuant to the Regulation 16(1)(c) of the Listing Regulations.

Accordingly, Ashish Bhatt & Associates, Company Secretaries, carried out the secretarial audit for JSWEBL and JSWHEL for the financial year 2021-22. These Secretarial Audit Reports do not contain any observation or qualification. The respective reports in Form MR-3 are annexed as Annexure C1 and C2 respectively and form a part of this Report.

## 25. Compliance with Secretarial Standards

During the year under review, the Company has complied with Secretarial Standards 1 and 2, issued by the Institute of Company Secretaries of India.

## 26. Material Changes and Commitments

In terms of Section 134(3)(l) of the Companies Act, 2013, except as disclosed elsewhere in this Report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year and the date of this Report.

## 27. Significant and Material Orders passed by Regulators or Courts or Tribunal

No orders have been passed by any Regulator or Court or Tribunal which can have significant impact on the going concern status and the Company's operations in future.

## 28. Annual Return

Pursuant to the provisions of Sections 134(3)(a) and 92(3) of the Companies Act, 2013, the Annual Return for the financial year ended 31<sup>st</sup> March, 2022, is available on the website of the Company at the link: [www.jsw.in/investors/energy/annual-return](http://www.jsw.in/investors/energy/annual-return).

## 29. Environmental Norms

The Ministry of Environment, Forest and Climate Change (MOEF&CC) had, in December 2015, revised environment emission norms prescribing more stringent emission limits for operating as well as under development power plants in the country with respect to particulate matter, sulphur dioxide (SO<sub>2</sub>) & nitrogen dioxide (NO<sub>2</sub>).

As a responsible corporate and to maintain the best environmental operating standards, the Company has deployed state of the art technology to prevent / minimize pollution levels at all its power plants. The Company's Ratnagiri Units 1 to 4 of 300 MW capacity each, are in compliance with all revised emission norms prescribed by MoEF&CC. The Company has installed high efficiency ESP & Low NOX burners since inception. Also Flue Gas Desulphurization units were installed as per directives from MoEF&CC. Toranagallu Units 2 X 130 MW of the Company are already in compliance to all revised emission norms. Work is in progress to bring the



other operating units within the compliance limits in the stipulated time frame.

### 30. Reporting of frauds

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of the Act and Rules framed thereunder.

### 31. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo are as under:

#### (A) Conservation of Energy –

- (i) The steps taken for energy conservation are as below:

#### Vijayanagar Plant

1. SBU2 U1 Reserve shutdown units TG barring gear and JOP stopped to reduce wear and tear and increase availability of turning gear power consumption reduced from 37KWHR to 0KWHR, resulting in savings of 0.297MU.
2. SBU1 U1 BFP 1C Power optimization done by replacing the RC valve trim set. Power consumption reduced from 1558.79 KWHR to 1398.65KWHR, resulting in savings of 1.167MU.
3. SBU2 BFP 1A RC Passing arrested power consumption reduced from 3783.8KWHR to 3369.29KWHR resulting in savings of 0.5MU.
4. PA 1A Scoop upgradation PA 1A scoop hunting was eliminated, power consumption reduced from 910.01KWHR to 879.96KWHR resulting in savings of 0.0664MU.
5. Instrument Air Compressor Power Consumption Optimization by attending leakage & reducing Header pr to 5.5Kg/cm<sup>2</sup>. Power consumption reduced from 394.7KWHR to 346.21KWHR, resulting in savings of 0.283MU.
6. SBU2 U1 CEP Bypass MOV open Power Savings. Deaerator level CV across throttling losses optimized. Power consumption reduced from 414KWHR to 386KWHR resulting in savings of 0.167MU.
7. SBU1 Compressor -A Power Consumption Optimization. Mode of operation changed from BASE mode to Suction Throttling Mode, & Current set point changed for (38) to (35) amps, power consumption reduced from 394KWHR to 353KWHR resulting in savings of 0.237MU.

#### Ratnagiri Plant

1. Improvement in air preheater performance by changing baskets in Unit-4 has resulted in improvement of boiler efficiency by 0.39% and saving of aux consumption by 440 kWh. Total coal savings of 1914 MT in the year.
2. Improvement of air preheater performance by changing the baskets in Unit-3 has resulted in saving of 1100 kWh aux power consumption.
3. Internal inspection and rectification of Unit-1 HPH-7 passing parting plane has resulted in 6 Degree temperature improvement of Feed water. Total coal savings of 796 MT in the year.
4. Attending RH spray control valve passing in Unit-3 by valve setting & calibration so as to avoid RH flow losses has resulted in saving of 1.74 kCal/kWh heat rate. Total Coal savings of 152 MT in the year.
5. Change in deaerator level control logic to optimize CEP power consumption by controlling its discharge pressure has resulted in savings of 20 kWh. Coal savings of 150 MT in year.
6. Elimination of HFO guns by replacement with LDO guns in Unit-4 has resulted in savings of 5 kCal/kWh in heat Rate and 55 kWh in Aux power due to pump stopping. Coal Savings of 636 MT in the year.

7. Reduction in power consumption of Unit-3 boiler feed water pump by de-staging resulted in savings of 300 kWh of aux power. Coal Saving of 303 MT in the year.
  8. Reduction of 210 KWH power consumption by charging shutdown Unit CCW from running Unit CCW Pump. This has resulted in savings of 1.26 MUs.
  9. Reduction of 31 KWH power consumption by providing alternate water supply for HCSD operation from service water header. This has resulted in savings of 0.04 MUs.
  10. Reduction of 84 KWH power consumption by providing air dryer in ash handling system. This has resulted in savings of 0.36 MUs.
  11. ESP power consumption reduced by 398 KWH/MUs of generation by optimizing the ESP operation and increasing the fields availability
- (ii) The steps taken by the Company for utilizing alternate sources of energy:

#### **Vijayanagar Plant**

In both SBU-1 (2 X 130 MW) and SBU-2 (2 X 300 MW) units, waste gases from blast furnace of JSW Steel are being utilized as fuel which has led to 1.58 Lakh MT displacement of coal.

#### **Ratnagiri Plant**

The Company has built a number of check dams to store the rain water. In FY 2021-22, the Company utilized 2.39 Lakh M3 of stored rain water from these dams which is the highest till date (previous highest was 2.30 Lakh M3 in FY 2020-21)

- iii) The capital investment on energy conservation equipment:

#### **Vijayanagar Plant**

1. SBU-2 Unit-1 Cooling Tower fills 2 Nos replacement with Trickle Grid Anti clogging Hybrid fills for improving CT effectiveness and avoid clogging- ₹69 Lakh.
2. SBU-1 Unit-1 Cooling Tower fills 4 Nos replacement with Trickle Grid Anti

clogging Hybrid fills for improving CT effectiveness and avoid clogging- ₹53 Lakh.

#### **Ratnagiri Plant**

1. Improvement in air pre heater performance by changing profile of baskets in Unit-3- ₹3.20 crore
2. Improvement in air pre heater performance by changing profile of baskets in Unit-4- ₹3.40 crore
3. De-staging of BFP in one unit to save the auxiliary power consumption- ₹25 Lakh

### **(B) Technology absorption**

- (i) The efforts made towards technology absorption are provided below -

#### **Vijayanagar Plant**

1. Digitalization - Reduction of controllable losses and improvement in Heat rate & Sp. Steam consumption by using digital technologies.
2. Digital technologies are being used for reduction in APC by continuous monitoring.
3. Operations & Maintenance related dashboards created for monitoring and effective control of KPIs.

#### **Ratnagiri Plant**

1. Procurement of machine to check the NAS class in-house.
2. Procurement of online alkaliser in stator water system.
3. Installation of oil filtration machines.
4. Implementation of H2 quad operation and minimizing the usage of loose cylinders.
5. Installation of portable dew point meter in instrument header line for monitoring of online dew point and performance of the compressor.
6. Improving the ash quality by diverting the Eco & APH conveying line to Bottom Ash Silo.
7. Lone worker device implementation.
8. Implementation of common CW pump operation logic.



9. Online DO monitoring in stator water system.
  10. Chemical cleaning of stator water system by in house method.
  11. HVAC System PLC controller & HMI station was obsolete, same is upgraded with latest version. All HMI Station shifted from sub-control room to main control room for real time operation & monitoring as a part of automation & digitization.
  12. Upgradation of HVAC VAM Machine 1&2 local PLC control Panel due to obsolescence.
  13. ESP HMI Station upgradation is done due to obsolescence. All HMI Stations shifted to main control room for real time operation (ESP Current Charge Ratio, ON/Off Etc.) & monitoring as a part of automation & digitization.
  14. EOT Crane PLC Upgradation done due to technological obsolescence.
  15. Bulk ash silo project completed for ash export through sea.
  16. Capital investment done for technology absorption:
    - Online DO monitoring in stator water system: ₹10 Lakh
    - HVAC PLC and HMI station: ₹16 Lakh
    - VAM PLC Control panel: ₹7 Lakh
    - ESP HMI station: ₹14 Lakh
    - EOT crane PLC: ₹9.5 Lakh
    - Bulk ash export ₹71.1 Crore.
4. To enhance reliability & availability of RO Plant UF Membranes are replaced.
  5. BFP RC Valve trip set replaced with efficient trim set to eliminate valve passing.
  6. Chinese Actuators are refurbished in-house as part of reutilizing.
  7. CW Pump Motor wedge upgradation was carried out.
  8. HFO to LFO conversion was done in 1 unit.
  9. CT Fan Blades replaced with energy efficient blades.
  10. SCADA integration of 33kV JSSL feeder

### Ratnagiri Plant

1. Improved oil sampling and testing process
2. Reduction in oil wastages due to oil filtration.
3. Installation of alkaliser will improve the reliability of the generator
4. Safe operation by mitigating the hazard
5. Improvement of reliability of compressor which results in reduction of O&M cost
6. Reduction in fly ash silo ROS, enhances the fly ash dispatch
7. Safety of lone worker is improved
8. Improvement of system reliability which results in reduction of generation loss
9. Following modifications are carried out in system for improvement in reliability and safety
  - a. CEP: - High vibrations in pump & motor observed in critical speed zone. Logic for auto skipping of the operation in critical speed zones implemented in DCS with in-house expertise, resulting in an increase in the MTBF.
  - b. CW Pump Logic: - CW Pump Auto start logic is implemented for auxiliary power saving during the unit partial load operation, Auto pickup of unit's side stand

- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

### Vijayanagar Plant

1. Increasing the reliability of Switch yard to avoid damage to the equipment and breakdowns.
2. CO Detector installation in Control rooms & HVAC system to ensure human safety.
3. Installation & Commissioning of TR -18 & 19 transformer

- by pump initiated on tripping of common running pump.
- c. APH Hot Spot: - IR sensor installed in APH cold end zone for monitoring the APH basket temperature. The signals are communicated with DCS for real time monitoring to take the precautionary action.
  - d. HCSD System: - ART (Agitator Retention Tank) water level & flow control valve auto operation logic implemented to eliminate operator intervention & to optimize water consumption.
  - e. HFO – LDO conversion – Necessary Logic changes done for conversion of the HFO to LDO system.
  - f. Fire Suppression system (Aerosol Based) installed for IT server room / DCS room (Flame Scanner Panel). LPG detector installed for LPG station at canteen.
  - g. Static Discharge palm plate installed outside the hydrogen room for safety compliance
  - h. Remote DCS operation of 6.6 KV incomers & Tie feeders are commissioned to mitigate the local operation.
  - i. Ash Handling System: - Installation of NOGS (Naturally Occurring Gamma Ray Sensor) non-contact sensor in Unit-4 Pass-A-3<sup>rd</sup> field Master & slave-2 to monitor ash level of ESP hoppers.
  - j. CO & O<sub>2</sub> Analyzer installed at Chimney for all four units for compliance of CPCB guidelines.
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Nil
- (iv) The expenditure incurred on Research and Development: The Company did not carry out any core R&D work during the financial year 2021-22, however 377 KAIZENS implemented successfully.
- (v) Future Plans:
- Vijayanagar Plant**
1. Replacement of APH baskets in SBU-2 Unit-1 for Boiler efficiency improvement & APC reduction
  2. Reduction of Controllable losses by installation of PID controller through digitization.
  3. Installation of advance AI/ML based digital technology for improving plant performance.
- Ratnagiri Plant**
1. De-staging of boiler feed pumps (BFPs) to reduce auxiliary power consumption
  2. Installation of skylights
  3. RH spray control valve installation with new design to reduce the heat rate losses.
  4. HP exhaust dump valve assembly to reduce heat rate losses
  5. IP Phones in plant
  6. Coal Spillage feeding system
  7. Boiler AHP Post cooler conveying system
  8. ABT/EMS System upgradation and E logbook
  9. AED in OHC-OHS
  10. Hydrogen leak detection at battery Room-Safety improvement
- (C) Foreign exchange earnings and outgo -**
- The Foreign Exchange earnings of the Company for the year under review amounted to Nil. The foreign exchange outflow of the Company for the year under review amounted to ₹ 1,350.06 crore.
- 32. Particulars of Employees and Related Disclosures**
- Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure D and forms a part of this Report.
- Disclosure pertaining to remuneration and other details as required under Section 197(12) of the



Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms a part of this Report. However, as per first proviso to Section 136(1) of the Act and second proviso of Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Report and Financial Statements are being sent to the Members of the Company excluding the said statement. Any Member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company.

### **33. Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace**

Pursuant to the requirements under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has enacted a Policy and duly constituted Internal Complaints Committees across locations. To build awareness in this area, the Company has been conducting induction / refresher programmes in the organisation on a continuous basis. During the year under review, no complaint was filed.

### **34. IBC Code & One-time Settlement**

There is no proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016 (IBC Code). There has not been any instance of one-time settlement of the Company with any bank or financial institution.

### **35. Acknowledgements**

Your Directors would like to express their appreciation for the co-operation and assistance received from the Government authorities, banks and other financial institutions, vendors, suppliers, customers, debenture holders, shareholders and all other stakeholders during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the committed services of all the employees.

**For and on behalf of the Board of Directors**

**Sajjan Jindal**  
Chairman and Managing Director

Place: Mumbai

Date: 3<sup>rd</sup> May, 2022

# Annexure - A

## FORM NO. AOC - 2

Pursuant to clause (h) of sub - section 3 of section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014

Form for disclosure of particulars of contracts / arrangement entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: Not Applicable
2. Details of material contracts or arrangements or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the values, if any	Date(s) of approval by the Board if any	Amount paid as advances, if any
JSW Steel Limited (Part of the Promoter Group)	Sale of power and other materials, O&M services, Job work services	Power Purchase Agreement dated 30.03.2019 Period: 01.10.2018 to 30.09.2026.	Sale of Power and other materials, O&M services, Job work services, etc., to JSW Steel Limited (JSWSL) and also purchase from JSWSL fuel and other materials, steel, receive / avail services, etc., besides reimbursement of expenses paid on each other's behalf, allocating common corporate expenditure. (For details of transactions during the year Refer Note 40 of Standalone Financial Statement.)	-	Nil
	Purchase of fuel and other materials etc.	Power Purchase Agreement dated 02.05.2015 Period: 01.04.2015 to 31.03.2040.			
		Job work Agreement dated 09.07.2020 Period: 01.07.2020 to 31.03.2040.			
		O&M Agreement dated 17.08.2006 Valid up to 31.03.2024			
		O&M Agreement dated 15.05.2012 Valid up to 31.03.2024			
		Fuel and Water Supply Agreement dated 12.12.2001 Period: 01.08.2001 to 31.07.2031			

For and on behalf of the Board of Directors

**Sajjan Jindal**  
Chairman and Managing Director

Place: Mumbai  
Date: 3<sup>rd</sup> May, 2022



# Annexure - B

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

[Pursuant to Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014]

**Company Name: JSW Energy Limited (CIN: L74999MH1994PLC077041)**

- Brief outline on CSR Policy of the Company: - Please refer to the CSR section of Board's report
- Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ms. Rupa Devi Singh	Chairperson, Independent Director	2	2
2.	Mr. Prashant Jain	Member, Executive, Non-Independent Director	2	2
3.	Mr. Chandan Bhattacharya	Member, Independent Director	2	2

- Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:-

The Company's CSR Committee is disclosed at [www.jsw.in/energy/board-committees](http://www.jsw.in/energy/board-committees); CSR Policy is available at [www.jsw.in/investors/energy/jsw-energy-corporate-governance-policies](http://www.jsw.in/investors/energy/jsw-energy-corporate-governance-policies) and CSR projects are disclosed at [www.jsw.in/foundation](http://www.jsw.in/foundation)

- Provide the details of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).  
Not Applicable

- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (₹ in crore)	Amount required to be set-off for the financial year, if any (₹ in crore)
1.	2021 - 22	NA	NA
2.	2020 - 21	NA	NA
3.	2019 - 20	NA	NA

- Average net profit of the company as per section 135(5): ₹340.58 crore
- Two percent of average net profit of the company as per section 135(5): ₹ 6.82 crore
  - Surplus arising out of the CSR projects or programmes or activities of the previous financial years. NIL
  - Amount required to be set off for the financial year, if any: NIL
  - Total CSR obligation for the financial year (7a+7b-7c): ₹6.82 crore
- CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in crore)	Amount Unspent (₹ in crore)					
	Total Amount transferred to Unspent CSR Account as per section 135(6)			Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer	
6.82	NIL	NA	NA	NIL	NA	



(b) Details of CSR amount spent against ongoing projects for the financial year:

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration (in years)	Amount allocated for the project (₹ in crore)	Amount spent in the current financial Year (₹ in crore)	Amount transferred to Unspent CSR Account for the project as per Section 135 (₹ in crore)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1	COVID 19 Support & rehabilitation program	(i), (xii)	Yes	Maharashtra, Himachal Pradesh	Ratnagiri, Chamba		0.28	0.28	-	No	JSW Foundation	CSR00003978
2	Educational infrastructure & systems strengthening	(ii)	Yes	Maharashtra, Himachal Pradesh, Karnataka	Ratnagiri, Chamba, Bangalore	4	1.46	1.46	-	No	JSW Foundation	CSR00003978
3	Ehance Skills & rural livelihoods through nurturing of supportive ecosystems & innovations	(ii)	Yes	Maharashtra, Himachal Pradesh	Ratnagiri, Chamba	4	1.35	1.35	-	No	JSW Foundation	CSR00003978
4	General community infrastructure support & welfare initiatives	(x)	Yes	Maharashtra, Himachal Pradesh, Karnataka	Ratnagiri, Chamba, Kinnaur, Vijayanagar	4	1.47	1.47	-	No	JSW Foundation	CSR00003978
5	Integrated water resources management	(i),(iv)	Yes	Maharashtra, Himachal Pradesh	Ratnagiri, Chamba	4	1.03	1.03	-	No	JSW Foundation	CSR00003978
6	Nurturing aquatic & terrestrial ecosystems for better environment & reduced emissions	(iv)	Yes	Himachal Pradesh	Chamba	4	0.02	0.02	-	No	JSW Foundation	CSR00003978
7	Public health infrastructure, capacity building & support programs	(i)	Yes	Maharashtra, Himachal Pradesh	Ratnagiri, Chamba	4	0.72	0.72	-	No	JSW Foundation	CSR00003978
8	Sports promotion & institution building	(vii)	Yes	Maharashtra, Himachal Pradesh	Ratnagiri, Chamba	4	0.07	0.07	-	No	JSW Foundation	CSR00003978
9	Waste management & sanitation initiatives	(i)	Yes	Himachal Pradesh	Chamba	4	0.09	0.09	-	No	JSW Foundation	CSR00003978
<b>Total</b>							<b>6.48</b>	<b>6.48</b>				



## (c) Details of CSR amount spent against other than ongoing projects for the financial year: Not Applicable

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project.		Amount spent for the project (₹ in crore)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number

Not Applicable

- (d) Amount spent in Administrative Overheads : ₹ 0.34 crore
- (e) Amount spent on Impact Assessment, if applicable : NIL
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 6.82 crore
- (g) Excess amount for set off, if any : Not Applicable

Sr. No.	Particular	Amount (₹ in crore)
(i)	Two percent of average net profit of the company as per section 135(5)	-
(ii)	Total amount spent for the financial year	-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

## 9. Details of Unspent CSR amount for the preceding three financial years: Not Applicable

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in crore)	Amount spent in the reporting Financial Year (₹ in crore)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (₹ in crore)
				Name of the Fund	Amount (₹ in crore)	Date of transfer	

Not Applicable

## (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

Sr. No.	Project ID.	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (₹ in crore)	Amount spent on the project in the reporting Financial Year (₹ in crore)	Cumulative amount spent at the end of reporting Financial Year (₹ in crore)	Status of the project - Completed /Ongoing
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Not Applicable

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not Applicable (asset-wise details).
- (a) Date of creation or acquisition of the capital asset(s).
  - (b) Amount of CSR spent for creation or acquisition of capital asset.
  - (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
  - (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):  
Not Applicable

We hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR Objectives and Policy of the Company.

For JSW Energy Limited

Sd/-

**Prashant Jain**

Joint Managing Director & CEO

Sd/-

**Rupa Devi Singh**

Chairperson, CSR Committee



# Annexure - C

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

### JSW Energy Limited

JSW Centre, Bandra Kurla Complex,  
Bandra (East), Mumbai 400 051.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by JSW Energy Limited (hereinafter called 'the Company'). The Secretarial Audit was conducted in a manner which provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment External Commercial Borrowings; and
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable to the Company during audit period); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during audit period);
- (vi) **We further report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the laws i.e. as stated in the Annexure I attached herewith, applicable specifically to the Company.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings and agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the Company has passed following special resolutions which are having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. Consent of the Company for Issue of Equity Shares, etc. pursuant to the provisions of Sections 23, 41, 42, 62, 71 and other applicable provisions, if any, of the Companies Act, 2013 for an aggregate amount not exceeding ₹ 5,000 crore (Rupees Five Thousand crore only).
2. Consent of the Company for a potential dilution of shareholding in, and a potential disposal of, the assets of a material subsidiary JSW Hydro Energy Limited.
3. Approval of Shri. O. P. Jindal Employees Stock Ownership Plan (JSWEL) - 2021 and grant of stock options to Eligible Employees.
4. Approval to grant stock options to the Eligible Employees of the Company's subsidiary companies under the Shri. O. P. Jindal Employees Stock Ownership Plan (JSWEL) - 2021.
5. Authorization to the Trust to undertake secondary acquisition of the equity shares of the Company for implementation of the Shri. O. P. Jindal Employees Stock Ownership Plan (JSWEL) - 2021.
6. Approval for provision of money by the Company for purchase of its own shares by the Trust/ Trustees for the benefit of eligible employees under the Shri. O.P. Jindal Employees Stock Ownership Plan (JSWEL) - 2021.
7. Approval of JSWEL Shri. O. P. Jindal Samruddhi Plan - 2021 and grant of stock options to Eligible Employees.
8. Approval to grant stock options to the Eligible Employees of the Company's subsidiary companies under the JSWEL Shri. O. P. Jindal Samruddhi Plan - 2021.
9. Authorization to the Trust to undertake Secondary Acquisition of equity shares of the Company for implementation of the JSWEL Shri. O. P. Jindal Samruddhi Plan - 2021.
10. Approval for provision of money by the Company for purchase of its own shares by the Trust/ Trustees for the benefit of Eligible Employees under the JSWEL Shri. O. P. Jindal Samruddhi Plan - 2021.

**For Ashish Bhatt & Associates**

**Ashish Bhatt**

Practicing Company Secretary

FCS No: 4650

C.P. No. 2956

Place: Thane

Date: May 3, 2022

UDIN: F004650D000259421

**Note :** This report is to be read with our letter of even date which is annexed as Annexure II and forms an integral part of this report.



## Annexure - I

List of applicable laws to the Company

### Acts applicable specifically to the Company:

1. The Electricity Act, 2003 and the Rules made there under;
2. National Tariff Policy

For Ashish Bhatt & Associates

Ashish Bhatt

Practicing Company Secretary

FCS No: 4650

C.P. No. 2956

UDIN: F004650D000259421

Place: Thane

Date: May 3, 2022

## Annexure - II

To,

The Members,

### JSW Energy Limited

JSW Centre, Bandra Kurla Complex,  
Bandra (East), Mumbai 400 051.

### Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Ashish Bhatt & Associates

Ashish Bhatt

Practicing Company Secretary

FCS No: 4650

C.P. No. 2956

UDIN: F004650D000259421

Place: Thane

Date: May 3, 2022

## ANNEXURE - C1

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

**JSW Energy (Barmer) Limited**

JSW Centre, Bandra Kurla Complex,  
Bandra (East), Mumbai 400 051.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by JSW Energy (Barmer) Limited (hereinafter called 'the Company'). The Secretarial Audit was conducted in a manner which provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment External Commercial Borrowings; (Not applicable to the Company during audit period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011(Not applicable to the Company during audit period);
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (Not applicable to the Company during audit period);
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during audit period);
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during audit period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not applicable to the Company during audit period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable to the Company during audit period); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018(Not applicable to the Company during audit period);
- (vi) **We further report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the laws



i.e. as stated in the Annexure I attached herewith, applicable specifically to the Company.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Securities of the Company are not listed on any Stock Exchange hence no comment is made about Listing Agreements entered into by the Company with Stock Exchange(s);

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings and agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure

compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the Company has passed following special resolutions which are having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. Increasing the Authorised Share Capital of the Company to ₹55,00,00,00,000/- (Rupees Five Thousand Five Hundred Crore Only) divided into 550,00,00,000 (Five Hundred Fifty Crore) Equity Shares of ₹10/- (Rupees Ten) each.
2. Alteration in the Capital Clause of the Memorandum of Association of the Company.
3. Approval for issuance of Bonus Shares up to 126,57,70,000 equity shares of ₹ 10/- each of an aggregate nominal value up to ₹ 12,65,77,00,000/- (Rupees One Thousand Two Hundred Sixty Five Crore and Seventy Seven Lakh only).
4. Approval of Buyback of equity shares not exceeding ₹ 1,000 Crore (Rupees One Thousand Crore only) and being 23.39% of the aggregate of the paid up share capital and free reserves as on 30<sup>th</sup> September, 2021

**For Ashish Bhatt & Associates**

**Ashish Bhatt**

Practicing Company Secretary

FCS No: 4650

C.P. No. 2956

Place: Thane

Date: May 2, 2022

UDIN: F004650D000255197

**Note:** This report is to be read with our letter of even date which is annexed as Annexure II and forms an integral part of this report.



## Annexure - I

List of laws to the Company

### Acts applicable specifically to the Company:

1. The Electricity Act, 2003 and the Rules made there under;
2. The Indian Boiler Act, 1923 and the Rules made there under.

For Ashish Bhatt & Associates

**Ashish Bhatt**

Practicing Company Secretary

FCS No: 4650

C.P. No. 2956

UDIN: F004650D000255197

Place: Thane

Date: May 2, 2022

## Annexure - II

To,

The Members,

### **JSW Energy (Barmer) Limited**

JSW Centre, Bandra Kurla Complex,

Bandra (East), Mumbai 400 051.

### **Our report of even date is to be read along with this letter.**

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Ashish Bhatt & Associates

**Ashish Bhatt**

Practicing Company Secretary

FCS No: 4650

C.P. No. 2956

UDIN: F004650D000255197

Place: Thane

Date: May 2, 2022



## ANNEXURE - C2

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

#### JSW Hydro Energy Limited

JSW Centre, Bandra Kurla Complex,  
Bandra (East), Mumbai 400 051

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by JSW Hydro Energy Limited (hereinafter called 'the Company'). The Secretarial Audit was conducted in a manner which provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment External Commercial Borrowings; (Not applicable to the Company during audit period)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011(Not applicable to the Company during audit period)
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (Not applicable to the Company during audit period);
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during audit period);
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during audit period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not applicable to the Company during audit period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable to the Company during audit period); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018(Not applicable to the Company during audit period);
- (vi) **We further report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the laws i.e. as stated in the Annexure I attached herewith, applicable specifically to the Company.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities of the Company are not listed on any Stock Exchange hence no comment is made about Listing Agreements entered into by the Company with Stock Exchange(s);

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings and agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the Company has passed the following ordinary/ special resolutions which are having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. Increase in the Borrowing Powers of the Company pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 not exceeding in the aggregate at any one time, ₹11,000 crore (Rupees Eleven Thousand Crore).
2. Creation of Security pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 on all or any part of the movable and / or immovable properties of the Company wherever situated, both present and future.
3. Transfer of 100% of the equity shares held by the Company in JSW Energy (Kutehr) Limited to JSW Neo Energy Limited, a related party.
4. Approval for the transfer of shares held by the Company in JSW Energy (Kutehr) Limited, an undertaking of the Company pursuant to Section 180(1)(a) of the Companies Act, 2013.

#### **For Ashish Bhatt & Associates**

**Ashish Bhatt**

Practicing Company Secretary

FCS No: 4650

C.P. No. 2956

Place: Thane

Date: May 2, 2022

UDIN: F004650D000255109

**Note:** This report is to be read with our letter of even date which is annexed as Annexure II and forms an integral part of this report.



## Annexure - I

List of laws to the Company

### Acts applicable specifically to the Company:

1. The Electricity Act, 2003 and the Rules made there under;
2. National Tariff Policy

For Ashish Bhatt & Associates

Ashish Bhatt

Practicing Company Secretary

FCS No: 4650

C.P. No. 2956

UDIN: F004650D000255109

Place: Thane

Date: May 2, 2022

## Annexure - II

To,

The Members,

### JSW Hydro Energy Limited

JSW Centre, Bandra Kurla Complex,

Bandra (East), Mumbai 400 051

### Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Ashish Bhatt & Associates

Ashish Bhatt

Practicing Company Secretary

FCS No: 4650

C.P. No. 2956

UDIN: F004650D000255109

Place: Thane

Date: May 2, 2022

# Annexure - D

## Disclosure of Remuneration under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

No.	Requirement	Information	
		Director	Ratio
		Mr. Sajjan Jindal, Chairman & Managing Director	80.89:1.00
		Mr. Prashant Jain, Jt. Managing Director & CEO	24.92:1.00
		Mr. Pritesh Vinay, Director (Finance) (Date of Appointment - 24 <sup>th</sup> March, 2022)	~
	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Mr. Chandan Bhattacharya (NED) (Date of Separation - 1 <sup>st</sup> April, 2022)	1.97:1.00
(i)	In respect of Non-Executive Directors, the comparison is based on their respective actual remuneration during FY '22 in the capacity of Director	Mr. S S Rao (NED) (Date of Separation - 3 <sup>rd</sup> May, 2021)	~
		Ms. Rupa Devi Singh (NED)	1.68:1.00
		Mr. Sunil Goyal (NED)	1.69:1.00
		Mr. Munesh Khanna (NED)	0.33:1.00
		Mr. Rajeev Sharma (NED) (Date of Appointment - 24 <sup>th</sup> March, 2022)	~
	~ The disclosure with respect to Ratio of remuneration is not given as the tenure of Director was only for a part of the FY-2021-22.		
		<b>Director, Chief Executive Officer, Chief Financial Officer and Company Secretary</b>	<b>% Change</b>
		Mr. Sajjan Jindal, Chairman & Managing Director	-1.49%
		Mr. Prashant Jain, Jt. Managing Director & CEO	34.00%
		Mr. Pritesh Vinay, Director (Finance) (Date of Appointment - 24 <sup>th</sup> March, 2022) (Designated as Chief Financial Officer upto 23 <sup>rd</sup> March, 2022)	^
	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Ms. Monica Chopra, Company Secretary	17.74%
(ii)	In respect of Non-Executive Directors, the % change shown is based on their respective actual remuneration during FY21 & FY22	Mr. Chandan Bhattacharya (NED) (Date of Separation - 1 <sup>st</sup> April, 2022)	8.02%
		Mr. S S Rao (NED) (Date of Separation - 3 <sup>rd</sup> May, 2021)	*
		Ms. Rupa Devi Singh (NED)	41.80%
		Mr. Sunil Goyal (NED)	52.87%
		Mr. Munesh Khanna (NED)	#
		Mr. Rajeev Sharma (NED) (Date of Appointment - 24 <sup>th</sup> March, 2022)	*
	^ The disclosure with respect to increase in remuneration is not given as the tenure as Chief Financial Officer was only for a part of the FY 2020-21 and the tenure as Director was only for a part of the FY 2021-22.		
	# The disclosure with respect to increase in remuneration is not given as the tenure of Director was only for a part of the FY 2020-21.		
	* The disclosure with respect to increase in remuneration is not given as the tenure of Director was only for a part of the FY 2021-22.		
(iii)	The percentage increase in the median remuneration of employees in the financial year	14.44%	
(iv)	The number of permanent employees on the rolls of company	493	
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average remuneration of employees (non-managerial) increased by 9% (including the promotional increase) in FY22 and for managerial employees average remuneration increased by 11.25% in FY22.	
(vi)	Affirmation that the remuneration is as per the remuneration policy of the company	Affirmed	