Devendra Goyal & Associates
Chartered Accountants
Unit No. 228 Solaris One, N.S. Phadke Marg, Opp. Teli Gali, Andheri East, Mumbai – 400 069
Phone: 022 3513 5295/ 3513 5296 Email: devendragoyal@rediffmail.com

Draft Independent Auditor's Report

To
The Board of Directors of
JSW Renewable Energy (Amba River) Limited

Report on the audit of the Financial Results

Opinion

We have audited the accompanying financial results of **JSW Renewable Energy (Amba River)** Limited ('the Company') for the quarter and year ended March 31, 2023, attached herewith along with notes thereto, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, these financial results:

(i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

(ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India, of the net loss and other comprehensive income and other financial information for the quarter and year ended March 31, 2023.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibilities for the Financial Results

These quarterly financial results have been prepared on the basis of the annual financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net loss and other comprehensive income and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

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

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

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

Auditor's Responsibilities for the Audit of the Financial Results

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

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

- Identify and assess the risks of material misstatement of the financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) to evaluate the effect of identified misstatements in the financial statements.

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

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

Other Matter:

The Financial Results include the results for the quarter ended March 31, 2023 being the balancing figure between audited figures in respect of financial year (from 5th August 2022 to 31st March, 2023) and the published unaudited year to date figures up to the third quarter of the current financial year which were subjected to limited review by us.

Our opinion is not modified in respect of this matter.

For DEVENDRA GOYAL & ASSOCIATES
Chartered Accountants
Firm Reg. No. 113315W

(CA. POOJA BANSAL)
Sr. Partner
Membership No.120494
UDIN: XX

Place: Mumbai
Date: 19th May, 2023

JSW Renewable Energy (Amba River) Limited
Balance Sheet as at 31st March, 2023

(₹ in lakhs)

	Particulars	Note No.	As at 31st March, 2023
A	**ASSETS**		
1	**Current assets**		
	(a) Financial assets		
	(i) Cash and cash equivalents	4	1.00
	Total current assets		**1.00**
	Total assets		**1.00**
B	**EQUITY AND LIABILITIES**		
1	**Equity**		
	(a) Equity share capital	5	1.00
	(b) Other equity	6	(0.30)
	Total equity		**0.70**
2	**LIABILITIES**		
I	**Current liabilities**		
	(a) Financial liabilities		
	(i) Trade payables	7	
	- Total outstanding dues of micro enterprises and small enterprises		0.30
	- Total outstanding dues of creditors other than micro enterprises and small		-
	Total current liabilities		**0.30**
	Total equity and liabilities		**1.00**
See accompanying notes to the financial statements			

In terms of our report attached
For Devendra Goyal & Associates
Chartered Accountants
Firm Registration No.: 113315W

For and on behalf of the Board of Directors

CA Pooja Bansal
Partner
Membership No.: 120494

Anoop Vaish
Director
[DIN:08701639]

Hirva Vipul Shah
Director
[DIN:00437534]

Place: Mumbai
Date :19th May, 2023

Place: Mumbai
Date :19th May, 2023

JSW Renewable Energy (Amba River) Limited

Statement of Profit and Loss for the period from 05th August, 2022 to 31st March, 2023

(₹ in lakhs)

	Particulars	Note No.	For the period from 05th August, 2022 to 31st March, 2023
I	Revenue from operations		-
II	Other income		-
III	**Total Income (I + II)**		**-**
IV	**EXPENSES**		
	(b) Other expenses	8	0.30
	Total Expenses (IV)		**0.30**
V	**Loss before tax (III-IV)**		**(0.30)**
VI	**Tax Expense**		-
	(1) Current tax		-
	(2) Deferred tax		-
	Total tax expense		**-**
VII	**Loss after tax (V-VI)**		**(0.30)**
VIII	**Other comprehensive income**		-
IX	**Total comprehensive loss for the period (VII + VIII)**		**(0.30)**
X	**Earnings per equity share of ₹ 10 each**		
	(1) Basic ₹	10	(2.95)
	(2) Diluted ₹		(2.95)
See accompanying notes to the financial statements			

In terms of our report attached
For Devendra Goyal & Associates
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Firm Registration No.: 113315W

For and on behalf of the Board of Directors

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Partner
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Anoop Vaish
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[DIN:00437534]

Place: Mumbai
Date :19th May, 2023

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JSW Renewable Energy (Amba River) Limited
Statement of Changes in Equity for the period from 05th August, 2022 to 31st March, 2023

A] Equity share capital

(₹ in lakhs)

Balance as at 05th August, 2022	-
Changes in equity share capital during the period	1.00
Balance as at 31st March, 2023	**1.00**

B] Other Equity

(₹ in lakhs)

Particulars	**Reserves and surplus**	**Total**
	Retained earnings	
Balance as at 05th August, 2022	**-**	**-**
Loss for the period	(0.30)	(0.30)
Balance as at 31st March, 2023	**(0.30)**	**(0.30)**

See accompanying notes to the financial statements

In terms of our report attached
For Devendra Goyal & Associates
Chartered Accountants
Firm Registration No.: 113315W

CA Pooja Bansal
Partner
Membership No.: 120494

Place: Mumbai
Date :19th May, 2023

For and on behalf of Board of Directors

Anoop Vaish
Director
[DIN:08701639]

Hirva Vipul Shah
Director
[DIN:00437534]

Place: Mumbai
Date :19th May, 2023

JSW Renewable Energy (Amba River) Limited

Statement of Cash Flow for the period 05th August, 2022 to 31st March, 2023

(₹ in lakhs)

Particulars	For the period from 05th August, 2022 to 31st March, 2023
A Cash Flow from operating activities	
Loss before tax	(0.30)
Adjust for:	
Depreciation	-
Finance cost	-
Operating profit before working capital changes	**(0.30)**
Adjustment for movement in working capital :	
(Increase) / decrease in current and non current assets	-
Increase / (decrease) in trade payables and other liabilities	0.30
Net cash (used in) / generated from operating activities (A)	**-**
B Cash flow from investing activities	
Purchase of property, plant and equipment (including CWIP and capital advances)	-
Net cash (used in) / generated from investment activities (B)	**-**
C Cash Flow from Financing Activities	
Proceed from issue of equity shares	1.00
Finance cost	-
Net cash (used in) / generated from financing activities (C)	**1.00**
Net (decrease) / increase in cash and cash equivalents (A+B+C)	1.00
Cash and cash equivalents - at the beginning of the period	-
Cash and cash equivalents - at the end of the period	1.00

See accompanying notes to the financial statements

As per our attached report of even date
For Devendra Goyal & Associates
Chartered Accountants
Firm Registration No.: 113315W

For and on behalf of the Board of Directors

CA Pooja Bansal
Partner
Membership No.: 120494

Anoop Vaish
Director
[DIN:08701639]

Hirva Vipul Shah
Director
[DIN:00437534]

Place: Mumbai
Date :19th May, 2023

Place: Mumbai
Date :19th May, 2023

JSW Renewable Energy (Amba River) Limited

Statement of Profit and Loss for the period from 05th August, 2022 to 31st March, 2023

1 General information

JSW Renewable Energy (Amba River) Limited (“the Company" or "the Parent”) is a limited company incorporated on 5th August,2022 under the Companies Act, 2013. The registered office of the Company is located at JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai, Maharashtra. The Company is primarily engaged in the business of power generation

2.1 *Applicability of new Indian Accounting Standards ('Ind AS'), amendments and interpretations:*

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 Apr 2023. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective:

New and revised Ind ASs in issue but not yet effective:

At the date of approval of these financial statements, the Company has not applied the following new and revised Ind ASs that have been issued but are not yet effective.

Ind AS 1 – Presentation of Financial Statements

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

Ind AS 12 – Income Taxes

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

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

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

The Company is evaluating the impact of these amendments.

2.2 Statement of compliance

The Financial Statements of the Company which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2023, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as “Financial Statements”) have been prepared in accordance with Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time. The Financial Statements have been approved by the Board of Directors in its meeting held on May 19, 2023.

3 Significant accounting policies

3.1 *Basis of preparation of financial statements:*

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

3.2 *Use of estimates & Judgements:*

The preparation of the financial statements requires that the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.

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

The critical accounting judgements and key estimates followed by the Company for preparation of financial statements is described in note 4.

3.3 ***Property, plant and equipment***

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold or Leasehold land is stated at historical cost. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Transmission system assets are considered "ready for their intended use", for the purpose of capitalization, after test charging/ successful commissioning of the system/ assets and on completion of stabilization period wherever technically required.

The cost of an addition or extension to an existing asset which is of a capital nature and which becomes an integral part of the existing asset is usually added to its gross book value. Any addition or extension, which has a separate identity and is capable of being used after the existing asset is disposed of, is accounted for separately.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

In case of commissioned assets, work against deposits/works contracts where final settlement of bills with contractors is yet to be effected; capitalization is done on provisional basis subject to necessary adjustments in the year of final settlements.

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

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

Cost of regular comprehensive maintenance work (such as major overhaul) are capitalized as a separate component if they satisfy the recognition criteria.

3.4 ***Other Intangible assets :-***

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.
Certain computer software costs are capitalized and recognized as Intangible assets based on materiality, accounting prudence and significant benefits expected to flow therefrom for a period longer than one year.

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

3.5 *Depreciation & amortisation:*

Depreciation on tangible assets is provided, pro-rata for the period of use, by the Straight Line Method (SLM) as per the provisions of Part B of Schedule II of the Companies Act, 2013.

Leasehold land is amortized over the period of the lease.

Software is depreciated over an estimated useful life of 3 years.

When the historical cost of an asset has undergone a change due to price adjustment, exchange fluctuation or similar factors the depreciation on the revised unamortised depreciable amount is provided prospectively over the residual useful life of the asset.
“Useful Life” in relation to a transmission system is 35 Years as defined in Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulation 2019

Capital Work-in-progress and Pre-operative Expenses during Construction Period

Capital Work-in-Progress includes expenditure during construction period incurred on projects under implementation treated as pre-operative expenses pending allocation to the assets. These expenses are apportioned to the respective fixed assets on their completion / commencement of commercial production.

3.6 *Impairment of tangible and intangible assets other than goodwill:*

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.
Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

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

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

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

3.7 *Borrowing costs:*

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

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

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

3.8 *Cash and cash equivalents:*

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

3.9 *Inventories:*

Cost of inventories includes cost of purchase price, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.
Inventories of stores, spare parts and loose tools are stated at the lower of weighted average cost or net realizable value. Net realisable value represents the estimated selling price for inventories less all estimated cost of completion and costs necessary to make the sale.

3.10 Revenue recognition:

Transmission Income is accounted for on accrual basis for the period of operation of the transmission line computed based on the approved Annual Revenue Requirement (ARR) or where the ARR is not approved, on the basis of the tariff order.

Where neither the ARR nor the tariff order are approved, transmission income is accounted as per Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations 2015(MERC Regulations) where under, transmission income is computed by taking the total costs, contingency provision and Return on Equity (ROE) @ 15.5% on post-tax basis and after grossing up with the applicable income taxes for the purpose of revenue.

Any difference between the total annual revenue recognised as aforesaid and the annual revenue as approved by MERC in respect of ARR / Truing up Petition filed is adjusted / recognised during the accounting period in which approval of the ARR / Truing up Petition, as the case may be, is received from MERC.

Interest income:
Surcharge receivable towards delayed receipt of payment for Transmission services rendered by the company is accounted in the period during which such surcharge is approved by MERC.

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

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

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

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

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

c. Retirement benefit costs and termination benefits
Defined contribution plans:

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

Defined benefit plans:

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

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

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

Share-based payment arrangements:

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

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

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

3.13 ***Taxation:***

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

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

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

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

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

Current and deferred tax for the year
Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

The income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

3.14 ***Earnings per share:***

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

3.15 ***Provisions , Contingencies and commitments:***

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

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

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

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

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

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

3.16 ***Financial instruments:***

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

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

Financial assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Profit and Loss.

Subsequent measurement

Financial assets, other than equity instruments, are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

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

Classification of financial assets

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

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

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

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

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

All other financial assets are subsequently measured at fair value.

Effective interest method

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

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

Investments in equity instruments at FVTOCI

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

A financial asset is held for trading if:

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

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

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

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

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

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

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

Impairment of financial assets

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

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

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

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

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

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

Derecognition of financial assets

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

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

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

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

Classification as debt or equity

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

Equity instruments

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

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

Financial liabilities

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

Financial liabilities at FVTPL

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

A financial liability is classified as held for trading if:

• it has been incurred principally for the purpose of repurchasing it in the near term; or

• on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

• it is a derivative that is not designated and effective as a hedging instrument.

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

• such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

• the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Companying is provided internally on that basis; or

• it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

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

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

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

Financial liabilities subsequently measured at amortised cost

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

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

Derecognition of financial liabilities

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

3.18 *Reclassification of financial assets and liabilities*

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

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

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

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

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

3.19 *Leases :*

The Company as lessor:

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

Lease classification is made at the inception date and is reassessed only if there is a lease modification. Changes in estimates (for example, changes in estimates of the economic life or of the residual value of the underlying asset), or changes in circumstances (for example, default by the lessee), do not give rise to a new classification of a lease for accounting purposes. For a modification to a finance lease, if the lease would have been classified as an operating lease had the modification been in effect at the inception date, lease modification is accounted as a new lease from the effective date of modification and carrying amount of underlying asset is measured as the net investment in the lease immediately before the effective date of the lease modification.

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

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

The Company as lessee:

The Company assesses whether a contract is or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether : (i) the contract involves the use of an identified asset; (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease, and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (i.e. leases with a lease term of 12 months or less) and leases of low value assets (i.e. below Rupees five lac). For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

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

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

3.20 ***Change in accounting estimates***

The effect of change in an accounting estimate shall be recognised prospectively by including it in profit or loss accounts except where estimates relates to assets and liabilities or an equity it shall be recognised by adjusting the carrying amount of the related asset, liability or equity.

4 ***Critical accounting judgements and key sources of estimation uncertainty:***

In the course of applying the policies outlined in all notes under section 3 above, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates

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

Critical judgements in applying accounting policies

Service concession arrangements

The management have assessed applicability of Annexure D of Ind AS 115: 'Service Concession Arrangements' with respect to transmission assets. In assessing the applicability, they have exercised significant judgment in relation to the underlying ownership of the assets, terms of Licence, ability to determine prices, useful lives of the assets. Based on detailed evaluation, transmission assets do not meet the criterion for recognition as service concession arrangements.

Regulatory deferral accounts

The Company has not adopted Ind as 114 ‘Regulatory deferral accounts’ since in previous GAAP, Guidance Note on Accounting for the Rate Regulated Activities, issued by the Institute of Chartered Accountants of India (ICAI) was not adopted.

Key sources of estimation uncertainties

Useful lives and residual value of property, plant and equipment

Management reviews the useful lives and residual values of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly depreciable lives are reviewed annually using the best information available to the Management.

Impairment of property plant and equipment

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

Recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is usually determined on the basis of discounted estimated future cash flows. This involves management estimates on anticipated commodity prices, market demand and supply, economic and regulatory environment, discount rates and other factors. Any subsequent changes to cash flow due to changes in the above mentioned factors could impact the carrying value of assets.

Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallizing or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

Fair value measurements

Some of the Company’s assets and liabilities are measured at fair value for financial reporting purposes. The management determines the appropriate valuation techniques and inputs for fair value measurements. All assets and liabilities for which fair value measured or disclosed in financial statements are categorized with in the fair value hierarchy described as Level 1, Level 2 and Level 3 as below:

• Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

• Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

• Level 3 inputs are unobservable inputs for the asset or liability.

for the purpose of fair value disclosure, the company determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the assets and liabilities and the level of fair value hierarchy as explained above.

Defined benefit plans

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

Tax

The Company is subject to tax, principally in India. The amount of tax payable in respect of any period is dependent upon the interpretation of the relevant tax rules. Whilst an assessment must be made of deferred tax position of each entity within the Company, these matters are inherently uncertain until the position of each entity is agreed with the relevant tax authorities.

JSW Renewable Energy (Amba River) Limited
Notes to the financial statements for the period from 05th August, 2022 to 31st March, 2023

Note No. 4 - Cash and cash equivalents:

(₹ in lakhs)

Particulars	As at 31st March, 2023
a) Balances with bank	
- In current account	1.00
Total	**1.00**

JSW Renewable Energy (Amba River) Limited
Notes to the financial statements for the period from 05th August, 2022 to 31st March, 2023

Note No. 5 - Equity share capital:

Particulars	As at 31st March, 2023	
	No. of shares	₹ in lakhs
Authorised:		
Equity shares of ₹ 10 each with voting rights	1,000,000	100.00
Issued, Subscribed and Fully Paid:		
Equity shares of ₹ 10 each with voting rights	10,000	1.00
Total	**10,000**	**1.00**

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

Particulars	For the period from 05th August, 2022 to 31st March, 2023
	No. of shares
Balance as at the beginning of the period	-
Shares issued during the period	10,000
Balance as at the end of the period	10,000

b) Rights, preferences and restrictions attached to equity shares:

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

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

c) Details of shareholders holding more than 5% shares in the Company are set out below:

Name of the Companies	As at 31st March, 2023	
	No. of shares	%
JSW Neo Energy Limited	9,994	100

d) Shares held by Promoters at the end of the period:

Name of the Promoter	As at 31st March, 2023		% change during the period
	No. of Shares	% of total shares	
JSW Neo Energy Limited	9,994	100	100
JSW Hydro Energy Limited	1	0	0
JSW Energy (Barmer) Limited	1	0	0
JSW Energy (Kutehr) Limited	1	0	0
JSW Power Trading Company Limited	1	0	0
JSW Renew Energy Limited	1	0	0
JSW Renew Energy Two Limited	1	0	0

Note No. 6 - Other equity:

(₹ in lakhs)

Particulars	As at 31st March, 2023
Balance as at 05th August, 2022	-
Retained earnings	(0.30)
Balance as at 31st March, 2023	**(0.30)**

JSW Renewable Energy (Amba River) Limited

Notes to the financial statements for the period from 05th August, 2022 to 31st March, 2023

Note No. 7 - Trade payables:

(₹ in lakhs)

Particulars	As at 31st March, 2023
-Total outstanding dues of micro enterprises and small enterprises	0.30
-Total outstanding dues of creditors other than micro enterprises and small enterprises	-
Total	**0.30**

As at 31st March, 2023	Undisputed		Disputed	
	MSME	Others	MSME	Others
Outstanding for following periods from due date of payment				
Less than1 year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
Not due	-	-	-	-
Unbilled	0.30	-	-	-
	0.30	**-**	**-**	**-**

JSW Renewable Energy (Amba River) Limited
Notes to the financial statements for the period from 05th August, 2022 to 31st March, 2023

Note No. 8 - Other expenses:

(₹ in lakhs)

Particulars	For the period from 05th August, 2022 to 31st March, 2023
a) Audit fees	0.30
Total	**0.30**

JSW Renewable Energy (Amba River) Limited

Notes to the financial statements for the period from 05th August, 2022 to 31st March, 2023

Note No. 9 - Financial ratios:

Sr. No.	Particulars	For the period from 05th August, 2022 to 31st March, 2023		
		Numerator	**Denominator**	**Ratios**
1	Current Ratio (in times)	Current Assets	Current Liabilities	3.39
2	Debt-Equity Ratio (in times)	Total Borrowings	Net Worth	N/A
3	Debt Service Coverage Ratio (in times)	Profit before Tax, Exceptional Items, Depreciation, Finance Charges	Finance Charges + Long Term Borrowings scheduled Principal repayments (excluding prepayments + refinancing) during the year	N/A
4	Return on Equity Ratio (%)	Net profit after tax	Average Net Worth	-42%
5	Inventory Turnover (no. of days)	Average Inventory	Fuel Cost + Stores & Spares Consumed + Purchase of stock in trade	N/A
6	Debtors Turnover (no. of days)	Average Trade Receivables including unbilled revenue	Revenue from operations	N/A
7	Payables Turnover (no. of days)	Average Trade payables	Cost of goods sold	N/A
8	Net Capital Turnover (in times)	Annual turnover	Working Capital (excluding current maturies of long term debt)	N/A
9	Net Profit Margin (%)	Net profit for the year	Total Income	N/A
10	Return on Capital Employed (%)	Profit after tax plus Interest on long term loans and debentures	Average capital employed	-42%
11	Return on Investment (%)	Profit generated on sale of investment	Cost of investment	N/A

Net worth : Equity + Other equity

Finance costs : Interest on long term loans and debentures

The Company is in the project stage and currently does not have any borrowings, commercial operations or working capital. Hence, certain ratios are not applicable and no meaningful information can be derived from the ratios.

JSW Renewable Energy (Amba River) Limited
Notes to the financial statements for the period from 05th August, 2022 to 31st March, 2023

Note No. 10 - Earnings per share (EPS):

Particulars	For the period from 05th August, 2022 to 31st March, 2023
Loss attributable to equity holders of the Company [A] [₹ in lakhs]	(0.30)
Weighted average number of equity shares for basic EPS [B]	10,000.00
Basic Earnings Per Share [₹] - [A/B]	(2.95)
Diluted earnings per share [₹] - [A/B]	(2.95)

Note No. 11 - Commitments:

(₹ in lakhs)

Particulars	As at 31st March, 2023
Capital commitments	-

Note No. 12 - Contingent liabilities:

There are no contingent liabilities to be disclosed by the company.

Note No. 13 - Related party disclosures:

A) List of related parties

I	**Holding Company**
1	JSW Neo Energy Limited
II	**Key Managerial Personnel**
1	Mr. Anoop Vaish - Director (W.e.f. 5th August, 2022)
2	Mr. Prafull Pallav Katiyar-Director (W.e.f. 5th August, 2022)
3	Ms. Hirva Vipul Shah - Director (W.e.f. 5th August, 2022)

B) Transaction with related parties during the period: (₹ in lakhs)

Sr.No	Particulars	For the period from 05th August, 2022 to 31st March, 2023
1	**Infusion in share capital**	
	JSW Neo Energy Limited	1.00

C) Closing balances:

(₹ in lakhs)

Sr.No	Particulars	As at 31st March, 2023
1	**Equity share capital**	
	JSW Neo Energy Limited	1.00

Note :

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

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

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

Note No. 14 - Financial instruments

(a) Financial instruments:

i) Financial instruments by category:

(₹ in lakhs)

Particulars	As at 31st March, 2023			
	FVTPL	FVTOCI	Amortised cost	Total
Financial assets				
Cash and cash equivalents (CCE)	-	-	1.00	1.00
	-	**-**	**1.00**	**1.00**
Financial liabilities				
Trade payables	-	-	0.30	0.30
	-	**-**	**0.30**	**0.30**

ii) Fair value hierarchy:

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are
(a) recognised and measured at fair value and
(b) measured at amortised cost and for which fair values are disclosed in the financial statements.
To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard.

Financial assets and liabilities measured at fair value

The carrying amount of financial assets and liabilities as stated above is considered to be the same as it’s fair values.

There are no transfers between Level 1, Level 2 and Level 3 during the year.

(b) Risk management strategies

Financial risk management objectives

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

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

Credit risk management:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

I. Liquidity risk management

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

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

(₹ in lakhs)

As at 31st March, 2023	< 1 year	1-5 years	> 5 years	Total
Trade payables	0.30	-	-	0.30
	0.30	**-**	**-**	**0.30**

JSW Renewable Energy (Amba River) Limited
Notes to the financial statements for the period from 05th August, 2022 to 31st March, 2023

Note No. 15 - Disclosure under Micro, Small and Medium Enterprises Development Act:
The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

(₹ in lakhs)

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

JSW Renewable Energy (Amba River) Limited
Notes to the financial statements for the period from 05th August, 2022 to 31st March, 2023

Note No. 16 - Remuneration to Auditors (inclusive of tax):

(₹ in lakhs)

Particulars	As at 31st March, 2023
Services as statutory auditors (including quarterly limited reviews)	0.30
Total	**0.30**

Note No. 17 -
The Company has been incorporated on 5th August, 2022. This being the first financial period, previous year figures are not applicable.

Note No. 18 -
"Based on guiding principles given in Indian Accounting Standard (Ind AS) 108 on 'Operating Segment' notified under the Companies (Accounting Standards) Rules, 2015, Company's primary business segment is Power Generation, As Company's business activities fall within a single primary business segment, the disclosure requirements of Ind AS 108 are not applicable."

Note No. 19 -
1) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.
2) The Company does not have any immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) whose title deeds are not held in the name of the company.

3) The Company does not have any transactions with companies struck off.
4) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

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

6) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

7) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

For and on behalf of the Board of Directors

Anoop Vaish
Director
[DIN:08701639]

Hirva Vipul Shah
Director
[DIN:00437534]

Place: Mumbai
Date :19th May, 2023