

**BEFORE THE HON'BLE CENTRAL ELECTRICITY  
REGULATORY COMMISSION, NEW DELHI**

Petition No. \_\_\_\_\_/2025  
Diary No. \_\_\_\_\_

In the matter of:

Petition for true up of capital cost & generation tariff for 2019-24 tariff period under Regulation 13 of the CERC (Terms and Conditions of Tariff) Regulations, 2019 AND determination of generation tariff for 2024-29 tariff period under Regulation 9(2) of the CERC (Terms and Conditions of Tariff) Regulations, 2024, in respect of Karcham Wangtoo Hydro Electric Project (KW HEP)

And

In the matter of:

JSW Hydro Energy Limited

Sholtu Colony, P.O. Tapri, District Kinnaur 172104

Himachal Pradesh

...Petitioner

Versus

PTC India Limited

NBCC Tower, 15 Bhikaji Cama Place,

New Delhi -66

...Respondent & Others

## VOLUME II

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**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
**JSW HYDRO ENERGY LIMITED**  
**Balance Sheet as on 31st March, 2020**

405

( ₹ Crore )

Particulars		Note No.	As at 31st March, 2020	As at 31st March, 2019
<b>A</b>	<b>ASSETS</b>			
1	<b>Non-current assets</b>			
	(a) Property, plant and equipment	4	6,305.15	6,698.16
	(b) Capital work-in-progress	5	14.68	7.15
	(c) Intangible assets	6	1.00	0.76
	(d) Financial assets			
	(i) Investments	10	68.86	-
	(ii) Other financial assets	7	2.20	3.75
	(e) Other non-current assets	8	0.20	0.24
	(f) Income tax assets		34.22	32.66
	<b>Total non - current assets</b>		<b>6,426.31</b>	<b>6,742.72</b>
2	<b>Current assets</b>			
	(a) Inventories	9	6.33	5.73
	(b) Financial assets			
	(i) Investments	10	203.84	107.06
	(ii) Trade receivables	11	278.25	169.68
	(iii) Cash and cash equivalents	12	0.33	34.25
	(iv) Bank balances other than (iii) above	12	29.93	26.66
	(v) Other financial assets	7	137.73	226.47
	(c) Other current assets	8	28.30	30.15
	<b>Total current assets</b>		<b>684.71</b>	<b>600.00</b>
	<b>Total Assets (1+2)</b>		<b>7,111.03</b>	<b>7,342.72</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
1	<b>Equity</b>			
	(a) Equity share capital	13	966.00	966.00
	(b) Other equity	14	374.90	354.85
	<b>Total equity</b>		<b>1,340.90</b>	<b>1,320.85</b>
	<b>Liabilities</b>			
2	<b>Non-current liabilities</b>			
	(a) Financial liabilities			
	(i) Borrowings	15	4,760.25	5,386.77
	(ii) Other financial liabilities	16	5.08	-
	(b) Provisions	17	3.54	2.47
	<b>Total non - current liabilities</b>		<b>4,768.87</b>	<b>5,389.24</b>
3	<b>Current liabilities</b>			
	(a) Financial liabilities			
	(i) Trade payables			
	(a) Total outstanding dues of micro and small enterprises	18	0.45	0.47
	(b) Total outstanding dues of creditors other than micro and small enterprises	18	66.72	47.37
	(ii) Other financial liabilities	16	930.66	576.78
	(b) Other current liabilities	19	2.39	6.97
	(c) Provisions	17	1.04	1.04
	<b>Total current liabilities</b>		<b>1,001.26</b>	<b>632.63</b>
	<b>Total Equity and Liabilities (1+2+3)</b>		<b>7,111.03</b>	<b>7,342.72</b>

See accompanying notes to the financial statements standalone

As per our attached report of even date

For Shah Gupta &amp; Co

Chartered Accountants

Firm Registration No.: 109574W

Vipul K Choksi

Partner

M No. 37606



For and on behalf of Board of Directors

Gyan Bhadra Kumar  
 Whole Time Director  
 [DIN: 03620109]

Prashant Jain  
 Chairman  
 [DIN: 01281621]

Sanjeev Kango  
 Company Secretary &  
 Chief Financial Officer

Place: Mumbai

Date: -19th May, 2020

**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
**JSW HYDRO ENERGY LIMITED**  
**Statement of Profit and Loss for the year ended 31st March, 2020**

( ₹ Crore )

Particulars	Note No.	For the year Ended 31st March, 2020	For the year Ended 31st March, 2019
I Revenue from operations	20	1,047.06	1,071.69
II Other income	21	11.34	30.32
<b>III Total income (I + II)</b>		<b>1,058.40</b>	<b>1,102.01</b>
<b>IV Expenses</b>			
(a) Employee benefits expense	22	42.01	37.74
(b) Finance costs	23	507.17	563.20
(c) Depreciation and amortisation expenses	24	399.67	399.02
(d) Other expenses	25	88.29	105.61
<b>Total expenses (IV)</b>		<b>1,037.14</b>	<b>1,105.57</b>
<b>V Profit/(loss) before exceptional item and tax (III-IV)</b>		<b>21.26</b>	<b>(3.56)</b>
VI Exceptional items		-	-
<b>VII Profit before tax (V - VI)</b>		<b>21.26</b>	<b>(3.56)</b>
VIII Tax Expense			
Current tax		1.07	2.31
Deferred tax		(3.07)	(30.19)
<b>IX Deferred Tax (recoverable)/adjustable in future tariff</b>		<b>3.07</b>	<b>(5.09)</b>
<b>X Profit for the year (VII-VIII)</b>	26	<b>1.07</b>	<b>(32.97)</b>
<b>XI Other comprehensive income</b>		<b>(0.35)</b>	<b>(0.64)</b>
(i) Items that will not be reclassified to profit or loss Remeasurements of the net defined benefit liabilities / (asset)		(0.42)	(0.82)
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.07	0.18
<b>XII Total comprehensive income for the year ( X + XI )</b>		<b>19.84</b>	<b>28.77</b>

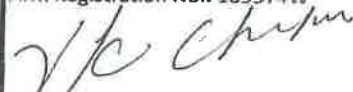
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As per our attached report of even date

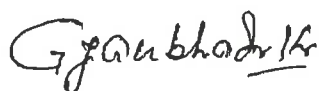
**For Shah Gupta & Co**

Chartered Accountants

Firm Registration No.: 109574W



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

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


**Gyan Bhadra Kumar**  
 Whole Time Director  
 [DIN: 03620109]



**Prashant Jain**  
 Chairman  
 [DIN: 01281621]



**Sanjeev Kango**  
 Company Secretary &  
 Chief Financial Officer

Place: Mumbai

Date: 19th May, 2020

**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
JSW HYDRO ENERGY LIMITED**

Standalone Statement of changes in equity for the year ended 31st March, 2020

**a. Equity share capital**

( ₹ Crore )

Balance at the 1st April, 2018	966.00
Changes in equity share capital during the FY 2018-19	-
Balance at the 1st April, 2019	966.00
Changes in equity share capital during the FY 2019-20	-
Balance at the 31st March, 2020	966.00

**b. Other equity**

( ₹ Crore )

Particulars	Reserves & surplus			Capital Contribution by parent company	Total
	Equity-settled employee benefits reserve	Debenture redemption reserve	Retained earnings		
Balance as at 1st April, 2019	0.24	38.45	196.94	119.22	354.85
Profit for the year	-	-	20.19	-	20.19
Recognition of Share based payment	0.20	-	-	-	0.20
Transfer from Debenture redemption reserve	-	(38.45)	38.45	-	-
Other comprehensive income for the year, net of income tax	-	-	(0.34)	-	(0.34)
<b>Total comprehensive income for the period ended 31st March'20</b>	<b>0.44</b>	<b>-</b>	<b>255.24</b>	<b>119.22</b>	<b>374.90</b>

See accompanying notes to the financial statements standalone

As per our attached report of even date

For Shah Gupta & Co

Chartered Accountants

Firm Registration No.: 109574W

*Vipul K Choksi*

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Partner

M No. 37606



For and on behalf of Board of Directors

*Gyan Bhadra Kumar*

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Whole Time Director

[DIN: 03620109]

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Chairman

[DIN: 01281621]

*Sanjeev Kango*

Sanjeev Kango

Company Secretary &

Chief Financial Officer

Place: Mumbai

Date: 19th May, 2020



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT****JSW HYDRO ENERGY LIMITED****(Formerly Known as Himachal Baspa Power Company Limited)****Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2020****Note 1: General information**

- a) Karcham Wangtoo Hydro Electric Plant (1000 MW) is a run of the river plant on the river Sutlej, in the kinnaur district of the state of Himachal Pradesh.
- b) JSW Hydro Energy Limited (Formerly Known as Himachal Baspa Power Company Limited) is a public limited Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. It is 100% subsidiary of M/s JSW Energy Limited. The registered office of the Company is located at Sholtu Colony, P.O. Tapri, Dist. Kinnaur, 172104 (HP).
- c) The Company is primarily engaged in the business of generation and sale of power.
- d) For details financial disclosures and policies, refer to standalone financial statement as prepared for the Financial Year 2019-20 of JSW Hydro Energy Limited.
- e) The company has continued its operations during lockdown due to outbreak of COVID-19 as the electricity generation is considered as one of the essential services by the Government. The Company substantial generation capacities are tied up under long term power purchase agreements, which insulates revenue of the company under such contracts. The notices of applying force majeure clause under the power supply agreements from some of the customers have been appropriately responded under legal advice that the prevailing situation is outside the ambit of force majeure clause. This position is further supported by clarification from Ministry of Power that the DISCOMs will have to comply with obligation to pay fixed capacity charges as per the power purchase agreement. Based on initial assessment, the Management does not expect any medium to long-term impact on the business of the Group. The Company has evaluated the possible effects on the carrying amounts of property, plant and equipment, inventory, loans, receivables and debt covenants basis the internal and external sources of information and determined, exercising reasonable estimates and judgements, that the carrying amounts of these assets are recoverable. Having regard to above, and the company's liquidity position, there is no uncertainty in meeting financial obligations over the foreseeable future.

**Note 2.1: Statement of compliance**

- a) These standalone financial statements have been prepared in accordance with the Indian accounting standards (referred to as "Ind AS") prescribed under section 133 of the Company act, 2013 read with the Companies (India Accounting Standards) rules as amended from time to time.
- b) The standalone Financial Statements were approved for issue by the Board of Directors on 19<sup>th</sup> May, 2020

**2.2 Recent India Accounting Standards (Ind AS)**

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT****JSW HYDRO ENERGY LIMITED**

(Formerly Known as Himachal Baspa Power Company Limited)

Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2020**2.3 Applicability of new Ind AS:  
Initial application of an Ind AS****Ind AS 116-Leases**

The Company applied Ind AS 116-Leases first time. Ind AS 116 Leases was notified on March 30, 2019 by the Ministry of Corporate Affairs. It replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases (i.e. leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right of use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right of use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right of use asset.

The standard permits two possible methods of transition i.e. Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, and Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application. The Company adopted Ind AS 116 using the modified retrospective approach on transition. Therefore, the comparative information was not restated and continues to be reported under Ind AS 17. There was no impact on transition on the opening balance sheet as at April 1, 2019. The new standard has no material impact on the revenue recognised during the year.

**Note 3: Significant accounting policies****3.1 Basis of preparation of financial statements:**

- a) In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its Financial Statements as per the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1<sup>st</sup> April, 2016. Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at 31<sup>st</sup> March, 2019, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2019, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements").



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT****JSW HYDRO ENERGY LIMITED****(Formerly Known as Himachal Baspa Power Company Limited)****Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2020**

- b) General Purpose Financial Statements of Karcham Wangtoo Hydro Electric Plant has been prepared for submission to various regulatory authorities.
- c) The financial statements of the Company are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) on the accrual basis of accounting and historical cost convention except for certain material items that have been measured at fair value as required by the relevant Ind AS and explained in the ensuing policies below.
- d) The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest crore, except otherwise indicated.
- e) All expenses of the company are booked in their respective plant. The expenses incurred for the company as a whole, which are directly identifiable are allocated to the respective plant on the basis suitable for the respective transaction.
- f) Current and non-current classification  
The company presents assets and liabilities in the balance sheet passed on current / non-current classification.

An assets is classified as current when it satisfies any of the followings criteria:

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

All other assets are classified as non-current.

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

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

All other liabilities are classified as non-current.

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

**3.2 Use of estimates & judgements**

- a) The preparation of the financial statements requires that the Management to make estimates and assumptions that affect the reported amounts of assets and



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT****JSW HYDRO ENERGY LIMITED****(Formerly Known as Himachal Baspa Power Company Limited)****Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2020**

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.

- b) 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 27.

**3.3 Property, plant and equipment**

- a) The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to statement of profit and loss in the period in which the costs are incurred.
- b) 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.
- c) Assets in the course of construction are capitalised in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences.
- d) Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold or Leasehold land is stated at historical cost.

**3.4 Other Intangible assets**

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



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT****JSW HYDRO ENERGY LIMITED**

(Formerly Known as Himachal Baspa Power Company Limited)

Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2020

- c) An intangible assets is derecognised on disposal, or when no further economic benefits are expected from use or disposal. Gain / (loss) on de-recognition are recognized in profit or loss.

**3.5 Depreciation and Amortisation**

- a) Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values as per the provisions of Part B of Schedule II of the Companies Act, 2013 based on the useful life, rate and residual value notified for accounting purposes by CERC Tariff regulation 2014.
- b) Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.
- c) Assets held under Service concession arrangement are amortised over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.
- d) Post 100% tie up of Karcham Wangtoo HEP from 1st April 2018 with state discoms, The company provided depreciation on tangible assets as per the provisions of Part B of Schedule II of the Companies Act, 2013 based on the rates, useful life and residual value notified for accounting purposes by CERC Tariff regulation 2014. Earlier company was providing depreciation based on technical evaluation of useful life and residual value as per the provision of part A of schedule II of the companies act 2013.
- e) Depreciation is being calculated annually based on straight line method and at rates specified below which are as per CERC Tariff regulation 2014. Provided that the remaining depreciable value as on 31<sup>st</sup> March of the year closing after a period of twelve years from the effective date of commercial operation of the station shall be spread over the balance useful life of the assets.

**Rate of depreciation are given below:**

Particulars	Depreciation rate (Per Annum)
Plant & Machinery	5.28%
Lease hold Land	3.34%
Buildings	3.34%
Furniture's & Fixtures	6.33%
Vehicles	9.50%
Office equipment's	6.33%
Computer & Software	15%





**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**

**JSW HYDRO ENERGY LIMITED**

(Formerly Known as Himachal Baspa Power Company Limited)

Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2020

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

- a) At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.
- b) Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.
- c) Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.
- d) If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.
- e) 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**

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





**KARCHAM WANGTOO HYDRO ELECTRIC PLANT****JSW HYDRO ENERGY LIMITED****(Formerly Known as Himachal Baspa Power Company Limited)****Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2020**

asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

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

**3.8 Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and demand deposits with an original maturity of three months or less 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 Revenue recognition**Sale of Power

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

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

Interest Income

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

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

**3.10 Foreign currency transactions**

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

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



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT****JSW HYDRO ENERGY LIMITED****(Formerly Known as Himachal Baspa Power Company Limited)****Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2020**

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

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

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

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

**3.11 Employee benefits**

The Company has following post-employment plans:

**a) Defined-benefit plan - gratuity**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of plan assets. The defined benefit obligation is calculated annually by actuaries through actuarial valuation using the projected unit credit method.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- service cost comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements
- net interest expense or income

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefit expenses in the statement of the profit & loss.

Re-measurement comprising of actuarial gains and losses arising from

- (a) Re-measurement of Actuarial (gains) / losses
- (b) Return on plan assets, excluding amount recognized in effect of asset ceiling
- (c) Re-measurement arising because of change in effect of asset ceiling are recognised in the period in which they occur directly in Other comprehensive income. Re-measurement is not reclassified to profit or loss in subsequent periods.

Ind AS 19 requires the exercise of judgment in relation to various assumptions including future pay rises, inflation and discount rates and employee and pensioner demographics. The Company determines the assumptions in conjunction with its



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actuaries, and believes these assumptions to be in line with best practice, but the application of different assumptions could have a significant effect on the amounts reflected in the income statement, other comprehensive income and balance sheet. There may be also interdependency between some of the assumptions.

**b) Defined-contribution plan – provident fund**

Under defined contribution plans, provident fund, the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Defined Contribution plan comprise of contributions to the employees' provident fund set up as trust or Regional Provident Fund Commissioner and certain state plans like Employees' State Insurance. The Company's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.

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

**c) Short-term and other long-term employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the Balance sheet date determined based on an actuarial valuation.

**3.12 Share-based payment arrangements**

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



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revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

**3.13 Taxation**

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

**a) Current tax**

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

**b) Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the 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. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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.

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.



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

iii) 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.

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

**3.15 Provisions, contingencies and commitments**

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

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

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

A disclosure for contingent liabilities is made when there is





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

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

Commitments 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 an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through 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****(i) Initial recognition and measurement:**

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

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.





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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 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 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.



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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.



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Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement 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

- a) 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.
- b) 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.
- c) 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.
- d) 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.
- e) 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

- a) 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.



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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.

- b) 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.
- c) 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 an entity are recognised at the proceeds received, net of direct issue costs.

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

Financial liabilities

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



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

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement 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





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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 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 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.

#### 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 changes 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





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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 reclassifications and the how they are accounted for:

<b>Original Classification</b>	<b>Revised Classification</b>	<b>Accounting treatment</b>
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.
FCTOCI	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 below.



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Financial assets/ financial liabilities	
Fair value hierarchy	Valuation technique(s) and key input(s)
Level 1	Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2	Valuation Techniques for which the lowest level input that is significant to the fair Value measurement is directly or indirectly observable.
Level 3	Valuation Techniques for which the lowest level input that is significant to the fair Value measurement is unobservable.

**3.18 Leases**

- a) As per requirement of Ind AS 116 company defines a lease as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration
- b) Accounting for arrangements that contains Finance lease

As per Ind AS 116 company using a single lessee accounting model which requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Lease liability is initially recognised and measured at an amount equal to the present value of minimum lease payments during the lease term. Right of use asset is recognised and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of the restoration costs and any initial direct costs incurred. The company has made election for leases for which the underlying asset is of low value on lease-by-lease basis.

- c) The Company as lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments (discounted at the interest rate implicit in the lease or at the entity's incremental borrowing rate). For the purpose of impairment testing the recoverable amount (i.e. the higher of the fair value less cost to sale and the value in use) is determined on an individual assets basis unless the assets does not generate cash flows that are largely independent of does from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the assets belongs.

The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or



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loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

The company accounts for each lease component within the contract as a lease separately from non-lease components in the contract, unless it is practically expedient to do so.

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

The company has exposure to leases which have not yet commenced contractually but to which company is committed and is making provision for rentals.

**3.19 Inventories**

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

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



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

( ₹ Crore )

Description of Assets	Land - Freehold	Land - Leasehold	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Right of Use Assets	Total
I. Gross carrying value									
Balance as at 1st April, 2019	60.47	8.77	33.73	7,509.95	4.39	1.21	3.66	-	7,622.18
Additions	-	-	-	0.77	0.55	0.06	0.07	12.70	14.14
Disposals/Adjustment	-	(8.77)	-	-	-	-	(0.24)	-	(9.01)
<b>Balance as at 31st March, 2020</b>	<b>60.47</b>	<b>-</b>	<b>33.73</b>	<b>7,510.72</b>	<b>4.94</b>	<b>1.27</b>	<b>3.49</b>	<b>12.70</b>	<b>7,627.31</b>
II. Accumulated depreciation and impairment for the year 2019-20									
Balance as at 1st April, 2019	-	1.23	3.05	915.00	3.14	0.20	1.39	-	924.02
Depreciation expense for the year	-	-	1.12	397.08	0.43	0.08	0.29	0.51	399.51
Disposals/Adjustment	-	(1.23)	-	-	-	-	(0.14)	-	(1.37)
<b>Balance as at 31st March, 2020</b>	<b>-</b>	<b>-</b>	<b>4.17</b>	<b>1,312.08</b>	<b>3.57</b>	<b>0.28</b>	<b>1.54</b>	<b>0.51</b>	<b>1,322.16</b>
<b>Net carrying value as at 31st March, 2020 (I-II)</b>	<b>60.47</b>	<b>-</b>	<b>29.56</b>	<b>6,198.64</b>	<b>1.36</b>	<b>0.99</b>	<b>1.95</b>	<b>12.18</b>	<b>6,305.15</b>

( ₹ Crore )

Description of Assets	Land - Freehold	Land - Leasehold	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Right of Use Assets	Total
I. Gross carrying value									
Balance as at 1st April, 2018	60.47	8.77	33.73	7,509.86	4.25	0.99	3.44	-	7,621.50
Additions	-	-	-	0.09	0.14	0.22	0.22	-	0.67
<b>Balance as at 31st March, 2019</b>	<b>60.47</b>	<b>8.77</b>	<b>33.73</b>	<b>7,509.95</b>	<b>4.39</b>	<b>1.21</b>	<b>3.66</b>	<b>-</b>	<b>7,622.17</b>
II. Accumulated depreciation and impairment for the year 2018-19									
Balance as at 1st April, 2018	-	0.94	1.92	518.48	2.61	0.13	1.06	-	525.15
Depreciation expense for the year	-	0.29	1.13	396.52	0.53	0.07	0.33	-	398.87
<b>Balance as at 31st March, 2019</b>	<b>-</b>	<b>1.23</b>	<b>3.05</b>	<b>915.00</b>	<b>3.14</b>	<b>0.20</b>	<b>1.39</b>	<b>-</b>	<b>924.02</b>
<b>Net carrying value as at 31st March, 2019 (I-II)</b>	<b>60.47</b>	<b>7.54</b>	<b>30.68</b>	<b>6,594.95</b>	<b>1.25</b>	<b>1.01</b>	<b>2.27</b>	<b>-</b>	<b>6,698.16</b>

Note:

a) Refer note 15 for the details in respect of certain property, plant and equipment hypothecated/mortgaged as security against borrowing

**Note 5. Capital work in progress**

( ₹ Crore )

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

Balance as at 31st March, 2019	7.15
Balance as at 31st March, 2020	14.68

Footnote:

1) Amount transferred to property plant and equipment during the year ₹ 0.80 crore (for the year ended 31st March 2019: ₹ 0.02 Crore)



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Notes to the financial statements for the year ended 31st March, 2020

**Note 6. Other Intangible assets**

( ₹ Crore )

Description of Assets	Computer Software	Total
<b>I. Gross Carrying Value</b>		
Balance as at 1st April, 2019	0.99	0.99
Additions	0.39	0.39
Balance as at 31st March, 2020	1.38	1.38
<b>II. Accumulated amortisation and impairment for the year 2019-20</b>		
Balance as at 1st April, 2019	0.23	0.23
Amortisation expense for the year	0.15	0.15
Balance as at 31st March, 2020	0.38	0.38
<b>Net carrying value as at 31st March, 2020 (I-II)</b>	<b>1.00</b>	<b>1.00</b>

( ₹ Crore )

Description of Assets	Computer Software	Total
<b>I. Gross Carrying Value</b>		
Balance as at 1st April, 2018	0.93	0.93
Additions	0.06	0.06
Balance as at 31st March, 2019	0.99	0.99
<b>II. Accumulated amortisation and impairment for the year 2018-19</b>		
Balance as at 1st April, 2018	0.08	0.08
Amortisation expense for the year	0.15	0.15
Balance as at 31st March, 2019	0.23	0.23
<b>Net carrying value as at 31st March, 2019</b>	<b>0.76</b>	<b>0.76</b>



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Notes to the financial statements for the year ended 31st March, 2020

**Note 7. Other financial assets**

( ₹ Crore )

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Current	Non-Current	Total	Current	Non-Current	Total
(a) Service concession receivable	-	-	-	-	-	-
(b) Security Deposits						
- Unsecured, considered good						
(i) Government/Semi-Government Authorities	-	0.12	0.12	-	0.06	0.06
(ii) Others	-	0.09	0.09	-	0.09	0.09
	-	0.21	0.21	-	0.15	0.15
(c) Revenue receivable						
- Unbilled revenue	5.32	-	5.32	-	-	-
- Unsecured, considered good	132.41	-	132.41	226.47	-	226.47
	137.73	-	137.73	226.47	-	226.47
(d) Other bank balances						
- In margin money for security against entry tax	-	1.99	1.99	-	3.60	3.60
	-	1.99	1.99	-	3.60	3.60
<b>Total</b>	<b>137.73</b>	<b>2.20</b>	<b>139.93</b>	<b>226.47</b>	<b>3.75</b>	<b>230.22</b>





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Notes to the financial statements for the year ended 31st March, 2020

**Note 8. Other non-current and current assets**

**( ₹ Crore )**

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Current	Non- Current	Total	Current	Non- Current	Total
(a) Capital Advances	-	0.01	0.01	0.77	-	0.77
(b) Prepayments	7.06	0.19	7.24	8.70	0.24	8.94
(c) Entry tax receivable	19.18	-	19.18	19.18	-	19.18
(d) Advance to Vendor	1.18	-	1.18	-	-	-
(f) Others	0.88	-	0.88	1.50	-	1.50
<b>Total</b>	<b>28.30</b>	<b>0.20</b>	<b>28.50</b>	<b>30.15</b>	<b>0.24</b>	<b>30.39</b>



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Notes to the financial statements for the year ended 31st March, 2020

**Note 9. Inventories**

( ₹ Crore )

Particulars	As at 31st March, 2020	As at 31st March, 2019
Stores and spares	6.33	5.73
<b>Total</b>	<b>6.33</b>	<b>5.73</b>

Basis of valuation: Refer note 3.20 (Inventories)

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



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Notes to the financial statements for the year ended 31st March, 2020

**Note 10. Investment**

( ₹ Crore )

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Current	Non- Current	Total	Current	Non- Current	Total
<b>(A) Investment in equity instruments</b>						
JSW Energy (Kutler ) Limited	-	68.86	68.86	-	-	-
Investments carried at:						
<b>(B) Fair value through Profit and Loss</b>						
<b>(a) Investments in mutual funds</b>						
i) Aditya Birla Sunlife Liquid Growth	4.25	-	4.25	16.02	-	16.02
ii) Kotak Liquid Regular Plan Growth	-	-	-	27.02	-	27.02
iii) HDFC Liquid Fund Regular Growth	23.31	-	23.31	53.06	-	53.06
iv) Franklin India Treasury -SIP Growth	-	-	-	10.96	-	10.96
v) Aditya Birla Sunlife Overnight Regular Growth	84.40	-	84.40	-	-	-
vi) Kotak Overnight Fund Growth	34.15	-	34.15	-	-	-
vii) HDFC Overnight Fund	57.73	-	57.73	-	-	-
<b>Total</b>	<b>203.84</b>	<b>68.86</b>	<b>272.70</b>	<b>107.06</b>	<b>-</b>	<b>107.06</b>



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Notes to the financial statements for the year ended 31st March, 2020

**Note 11. Trade receivables**

( ₹ Crore )

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Current	Non-Current	Total	Current	Non-Current	Total
(a) Unsecured, considered good						
(i) Trade Receivables considered good - Secured;	205.25	-	205.25	-	-	-
(ii) Trade Receivables considered good - Unsecured;	73.00	-	73.00	169.68	-	169.68
<b>Total</b>	<b>278.25</b>	<b>-</b>	<b>278.26</b>	<b>169.68</b>	<b>-</b>	<b>169.68</b>

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



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Notes to the financial statements for the year ended 31st March, 2020

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

( ₹ Crore )

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Cash and cash equivalents</b>		
(a) Balances with banks		
(i) In Current accounts	0.32	24.54
(ii) In Deposit accounts with maturity less than 3 months at inception	-	9.70
(b) Cash on hand	0.01	0.02
<b>Total</b>	<b>0.33</b>	<b>34.25</b>

( ₹ Crore )

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Bank balances other than above</b>		
(i) Earmarked balances with banks		
- Margin money for Security against Entry Tax	29.93	26.66
<b>Total</b>	<b>29.93</b>	<b>26.66</b>





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Notes to the financial statements for the year ended 31st March, 2020

**Note 13. Equity share capital**

( ₹ Crore )

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of ₹ 10 each with voting rights	966,000,000	966.00	966,000,000	966.00
Issued, Subscribed and Fully Paid:				
Equity shares of ₹ 10 each with voting rights	966,000,000	966.00	966,000,000	966.00
	<b>966,000,000</b>	<b>966.00</b>	<b>966,000,000</b>	<b>966.00</b>
<b>a) Reconciliation of the number of shares outstanding at the beginning and end of the year:</b>				
Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares		No. of Shares	
Balance as at the beginning of the year	966,000,000		966,000,000	
Issued during the year	-		-	
Balance as at the end of the year	966,000,000		966,000,000	
<b>b) Terms &amp; Rights attached to equity shares :</b>				
(i) The Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share.				
(ii) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to the shareholding. However, no such preferential amount exists currently.				
<b>c) Details of shareholding more than 5% shares in the company are set out below :</b>				
	Particulars	No. of Shares		No. of Shares
1	JSW Energy Limited & its nominees	966,000,000		966,000,000
		100%		100%
		-		-



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Notes to the financial statements for the year ended 31st March, 2020

**Note 14. Other Equity**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Equity-settled employee benefits reserve	0.44	0.24
Debenture redemption	-	38.45
Retained earnings	255.24	196.94
Capital contribution by parent company	119.22	119.22
<b>Total comprehensive income</b>	<b>374.90</b>	<b>354.85</b>

\* As per Ind AS, waiver of interest by the Holding company on debentures issued to it, has been considered as deemed equity.

**Notes:**

**(1) Retained earning**

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

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

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

**(3) Debenture redemption reserve**

The Indian Companies Act requires companies that issue debentures to create a debenture redemption reserve from annual profits until such debentures are redeemed. Companies are required to maintain 25% as a reserve of outstanding redeemable debentures. The amounts credited to the debentures redemption reserve may not be utilised except to redeem debentures.



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
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Notes to the financial statements for the year ended 31st March, 2020

**Note 15. borrowings**

( ₹ Crore )

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Current	Non Current	Current	Non Current
Measured at amortised cost				
Un Secured Borrowings:				
i Debentures				
i Non-convertible Debentures				384.50
Secured Borrowings:				
i Term loans				
i From Banks	244.74	4,789.78	238.70	5,036.05
	<b>244.74</b>	<b>4,789.78</b>	<b>238.70</b>	<b>5,420.55</b>
Less: unamortised borrowing cost	4.25	29.53	4.46	33.78
Less: Current maturities of long term debt (included in note no 16)	240.49		234.24	
<b>Total</b>	<b>-</b>	<b>4,760.25</b>	<b>-</b>	<b>5,386.77</b>

**(i) Terms of Redemptions of Debentures:**

Nil (Previous Year 3,84,00,000 no.) @ 13% unsecured non convertible debentures of Rs. 100 each are redeemable at par at the end of 10 years from the date of issue i.e. 01.09.2015.

**ii) Term of Repayment of Rupee Term Loans :**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>From Banks :</b>		
2 - 3 Years	552.93	516.68
4 - 5 Years	407.90	565.02
6 - 10 Years	682.86	806.74
Above 10 Year	3,146.10	3,147.61
<b>Total Borrowings from Banks</b>	<b>4,789.78</b>	<b>5,036.05</b>

**Reconciliation at the beginning of the year (Including current maturities)**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balance as at the beginning of the year (including current maturities)	5,621.01	6168.49
Cash flows (repayment )/proceeds)	(624.73)	(552.12)
Non cash changes		
1 Foreign exchange movement	-	-
1 Amortised borrowings cost	4.46	4.64
<b>Balance as at the end of the year (including current maturities)</b>	<b>5,000.74</b>	<b>5,621.01</b>

**(iii) Details of Security :**

Rupee Term Loan aggregating to ₹ 5,000.74 crore (Previous Year ₹ 5,236.51 crore) included in A are secured on a pari passu basis by (a) a first charge on all immovable assets of the Karcham Wangtoo and Baspa II hydro electric plant of the Company (the Projects), (b) a first charge on all moveable assets of the Projects, (c) a first charge on all project related documents licenses, permits, approvals, rights, titles, interest etc pertaining to the Projects, and (d) first charge on book debts, operating cash flows, receivable, commissions & revenue (both present & future) and bank accounts of the Projects.



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
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Notes to the financial statements for the year ended 31st March, 2020

**Note 16. Other financial liabilities**

( ₹ Crore )

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Non-Current</b>		
(a) Deposits received from Dealers	0.01	-
(b) Lease Payable	5.07	-
	<b>5.08</b>	-
<b>Current</b>		
(a) Current maturities of long-term debt*	240.49	234.24
(b) Interest accrued but not due on borrowings	39.77	23.91
(c) Lease Liabilities	0.06	-
(d) Payable for capital project	45.79	49.26
(e) Other payable	604.55	269.37
	<b>930.66</b>	<b>576.78</b>
<b>Total</b>	<b>935.74</b>	<b>576.78</b>

\* Refer Note 15 for the details of borrowings repayment terms and security charge.



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Notes to the financial statements for the year ended 31st March, 2020

**Note 17. Provisions**

( ₹ Crore )

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Current	Non-Current	Total	Current	Non-Current	Total
Provision for employee benefits						
(i) Provision for gratuity	0.88	1.92	2.80	0.87	1.00	1.87
(ii) Provision for compensated absence	0.16	1.62	1.78	0.17	1.47	1.64
<b>Total</b>	<b>1.04</b>	<b>3.54</b>	<b>4.58</b>	<b>1.04</b>	<b>2.47</b>	<b>3.51</b>





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Notes to the financial statements for the year ended 31st March, 2020

**Note 18. Trade payables**

( ₹ Crore )

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Current	Non-Current	Total	Current	Non-Current	Total
Trade Payables						
(a) Total outstanding dues of micro and small enterprises	0.45	-	0.45	0.47	-	0.47
(b) Total outstanding dues of creditors other than micro and small enterprises	66.72	-	66.72	47.37	-	47.37
<b>Total</b>	<b>67.17</b>	<b>-</b>	<b>67.17</b>	<b>47.84</b>	<b>-</b>	<b>47.84</b>



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Notes to the financial statements for the year ended 31st March, 2020

Note 19. Other non-current and current liabilities

( ₹ Crore )

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Current	Non-Current	Total	Current	Non-Current	Total
(a) Employee recoveries and employer contributions	0.33	-	0.33	0.28	-	0.28
(b) Statutory dues	2.06	-	2.06	6.69	-	6.69
<b>Total</b>	<b>2.39</b>	<b>-</b>	<b>2.39</b>	<b>6.97</b>	<b>-</b>	<b>6.97</b>



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Notes to the financial statements for the year ended 31st March, 2020

Note 20. Revenue from operations

( ₹ Crore )

Particulars	For the year Ended 31st March ,2020	For the year Ended 31st March,2019
<b>Disaggregation of revenue from contract with customers:</b>		
(1) Sale of power		
Own generation	1,047.06	1,071.69
<b>Total revenue from contract with customers (A)</b>	<b>1,047.06</b>	<b>1,071.69</b>
(2) Income from service concession arrangement	-	-
<b>Income from service concession arrangement (B)</b>	<b>-</b>	<b>-</b>
<b>Total (A) + (B)</b>	<b>1,047.06</b>	<b>1,071.69</b>

(a) Details of revenue from contract with Customer

Particulars	For the year Ended 31st March ,2020	For the year Ended 31st March,2019
Total Revenue from contract with customers as above	1,047.06	1,071.69
Add: Rebate on prompt payment	7.17	12.31
Less: Incentive	68.38	53.91
<b>Total Revenue from contract with customers as per contracted price</b>	<b>985.86</b>	<b>1,030.09</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
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Notes to the financial statements for the year ended 31st March, 2020

**Note 21. Other income**

( ₹ Crore )

Particulars	For the year Ended 31st March ,2020	For the year Ended 31st March,2019
<b>a) Interest Income earned on financial assets that are not designated as at FVTPL</b>		
i On Bank deposits	2.23	2.31
ii Interest Income	0.01	12.25
<b>b) Others</b>		
i Net Gain on sale of current investments designated as at FVTPL	6.33	9.45
ii Profit on sale of capital assets (net of loss on assets sold / scrapped / written off)	0.01	-
iii Net gain on foreign currency transaction *	0.00	0.00
iv Domestic Scrap Sales	0.01	0.38
v Sale of Carbon credit	2.07	1.02
vi Provision no longer required written back	0.15	4.22
vii Miscellaneous income	0.53	0.68
<b>Total</b>	<b>11.34</b>	<b>30.32</b>

\* Actual figures in INR FY 2019-20 Rs.816.76 FY 2018-19 Rs.2105.25



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Notes to the financial statements for the year ended 31st March, 2020

**Note 22. Employee benefits expense**

( ₹ Crore )

Particulars	For the year Ended 31st March ,2020	For the year Ended 31st March,2019
(a) Salaries and wages	37.01	34.06
(b) Contribution to provident and other funds	2.85	1.41
(c) Share based payment	0.30	0.16
(d) Staff welfare expenses	1.85	2.12
<b>Total</b>	<b>42.01</b>	<b>37.74</b>





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Notes to the financial statements for the year ended 31st March, 2020

**Note 23. Finance costs**

( ₹ Crore )

Particulars	For the year Ended 31st March ,2020	For the year Ended 31st March,2019
(a) Interest expense		
i Interest on Debentures	23.18	71.13
ii Interest on Term Loan	474.89	483.57
iii Interest cash credit	0.05	0.01
(b) Unwinding of interest on Financial liabilities carried at Amortised cost	4.12	4.12
(c) Other borrowing costs	4.47	4.37
(d) Interest on lease liabilities	0.46	-
<b>Total</b>	<b>507.17</b>	<b>563.20</b>



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Notes to the financial statements for the year ended 31st March, 2020

Note 25. Other expenses

( ₹ Crore )

Particulars	For the year Ended 31st March ,2020	For the year Ended 31st March,2019
(a) Stores and spares consumed	14.59	10.44
(b) Power & Water	2.53	2.84
(c) Rent including lease rentals	2.11	2.41
(d) Repairs and maintenance	29.52	39.29
(e) Royalty	0.03	0.08
(f) Rates and taxes	0.26	0.25
(g) Insurance	15.37	15.57
(h) Net loss / (gain) on foreign currency transactions net off )	(0.00)	0.01
(i) Legal and other professional charges	2.30	1.60
(j) Travelling Expenses	1.41	1.08
(k) Donation	5.00	0.12
(l) Corporate Social Responsibility	3.45	4.09
(m) Open Access Charges	0.07	14.10
(n) Miscellaneous receivable balance written off	-	0.83
(o) Other General Expenses	5.10	12.89
(p) Provision for doubtful debts	-	-
(q) Safety and Security	1.17	-
(r) Branding Expenses	3.08	-
(s) Share Service cost	2.30	-
<b>Total</b>	<b>88.29</b>	<b>105.61</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
JSW HYDRO ENERGY LIMITED**

Notes to the financial statements for the year ended 31st March, 2020

**Note 26. Tax expense**

**( ₹ Crore )**

<b>Particulars</b>	<b>For the year Ended 31st March ,2020</b>	<b>For the year Ended 31st March,2019</b>
a) Current Tax	1.07	2.31
b) Deferred Tax	-	(35.28)
<b>Total</b>	<b>1.07</b>	<b>(32.97)</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
JSW HYDRO ENERGY LIMITED**

**Balance Sheet as at 31st March, 2024**

( ₹ Crore )

Particulars		Note No.	As at 31st March, 2024	As at 31st March, 2023
<b>A</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Property, plant and equipment	4	4,771.14	5,165.22
	(b) Capital work-in-progress	5	11.45	1.80
	(c) Other Intangible assets	6	0.53	0.65
	(d) Financial assets			
	(i) Loans	7	1,143.16	789.00
	(ii) Other Financial Assets	7A	628.35	721.58
	(iii) Trade receivables	11	4.70	-
	(e) Income tax assets (net)	7B	48.46	42.86
	(f) Other non-current assets	8	1.43	0.59
			<b>6,609.22</b>	<b>6,721.70</b>
<b>2</b>	<b>Current assets</b>			
	(a) Inventories	9	9.41	8.94
	(b) Financial assets			
	(i) Investments	10	516.55	709.73
	(ii) Trade receivables	11	-	4.73
	(iii) Unbilled revenue		97.24	61.03
	(iv) Cash and cash equivalents	12	49.74	17.63
	(v) Bank balances other than (iv) above	12A	231.56	194.18
	(vi) Other financial assets	7A	5.15	3.82
	(c) Other current assets	8	28.71	12.33
			<b>938.36</b>	<b>1,012.39</b>
	<b>Total assets (1+2)</b>		<b>7,547.58</b>	<b>7,734.09</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Equity</b>			
	(a) Equity share capital	13	966.00	966.00
	(b) Other equity	14	1,599.33	1,342.60
			<b>2,565.33</b>	<b>2,308.60</b>
<b>2</b>	<b>Liabilities</b>			
	<b>(i) Non-current liabilities</b>			
	(a) Financial liabilities			
	(i) Borrowings	15	3,988.14	4,287.90
	(ii) Lease liabilities	15A	4.91	4.94
	(iii) Other financial liabilities	16	41.96	37.82
	(b) Provisions	17	6.16	3.96
			<b>4,041.17</b>	<b>4,334.62</b>
	<b>(ii) Current liabilities</b>			
	(a) Financial liabilities			
	(i) Borrowings	15	360.76	457.18
	(ii) Lease liabilities	15A	0.03	0.03
	(iii) Trade payables			
	(a) Total outstanding dues of micro and small enterprises	18	1.42	0.78
	(b) Total outstanding dues of creditors other than micro and small enterprises	18	41.20	21.18
	(iv) Other financial liabilities	16	528.65	602.45
	(b) Other current liabilities	19	4.23	2.37
	(c) Provisions	17	4.79	4.41
	(d) Current tax liabilities (Net)	7C	-	2.47
	<b>Total current liabilities</b>		<b>941.08</b>	<b>1,090.87</b>
	<b>Total liabilities</b>		<b>4,982.25</b>	<b>5,425.49</b>
	<b>Total equity and liabilities (1+2)</b>		<b>7,547.58</b>	<b>7,734.09</b>

See accompanying notes to the financial statements

As per our attached report

For Shah Gupta & Co

Chartered Accountants

Firm Registration No.: 109574W

Parth P Patel

Partner

M No. 172670

For and on behalf of Board of Directors

Gyan Bhadra Kumar

Whole Time Director

[DIN: 03620109]

Sharad Mahendra

Chairman

[DIN: 02100401]

Sanjeev Kango

Company Secretary &

Chief Financial Officer

Place: Mumbai

Date : 6th May, 2024



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
**JSW HYDRO ENERGY LIMITED**  
**Statement of Profit and Loss for the year ended 31st March, 2024**

₹ Crore, except per share data and as stated otherwise

Particulars	Note No.	For the year Ended 31st March, 2024	For the year Ended 31st March, 2023
I Revenue from operations	20	1,189.65	1,108.88
II Other income	21	148.15	47.19
III Total income (I + II)		<b>1,337.80</b>	<b>1,156.07</b>
IV Expenses			
(a) Employee benefits expense	22	86.56	74.83
(b) Finance costs	23	329.85	370.20
(c) Depreciation and amortisation expenses	24	402.66	402.17
(d) Other expenses	25	100.79	101.96
Total expenses		<b>919.86</b>	<b>949.16</b>
V Profit before tax		<b>417.94</b>	<b>206.91</b>
VI Tax Expense	26		
Current tax		73.02	36.17
Deferred tax		(66.23)	(3.83)
VII Deferred Tax (recoverable from)/adjustable in future tariff		66.23	3.83
		<b>73.02</b>	<b>36.17</b>
VIII Profit for the year (V-VI-VII)		<b>344.92</b>	<b>170.74</b>
IX Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurements of the net defined benefit plan		(0.51)	(0.34)
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.09	0.06
B (i) Items that will be reclassified to profit or loss		(92.59)	289.93
(ii) Income tax relating to items that will be reclassified to profit or loss		23.30	(72.97)
(iii) Deferred tax recoverable from / (adjustable in) future tariff		(23.30)	72.97
Other comprehensive income/(loss) for the year (A + B)		<b>(93.01)</b>	<b>289.65</b>
X Total comprehensive income for the year (VIII + IX)		<b>251.91</b>	<b>460.39</b>

See accompanying notes to the financial statements

As per our attached report

For **Shah Gupta & Co**

Chartered Accountants

Firm Registration No.: 109574W

**Parth P Patel**

Partner

M No. 172670



For and on behalf of Board of Directors

**Gyan Bhadra Kumar**  
 Gyan Bhadra Kumar  
 Whole Time Director  
 [DIN: 03620109]

**Sharda Mahendra**  
 Chairman  
 [DIN: 02100401]

**Sanjeev Kango**  
 Company Secretary &  
 Chief Financial Officer

Place: Mumbai

Date : 6th May, 2024





**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
JSW HYDRO ENERGY LIMITED**

Statement of changes in equity for the year ended 31st March, 2024

**a. Equity share capital** ( ₹ Crore )

Balance at the 1st April, 2022	966.00
Changes in equity share capital during FY 2022-23	-
Balance at the 31st March, 2023	966.00
Changes in equity share capital during FY 2023-24	-
Balance at the 31st March, 2024	966.00

**b. Other equity** ( ₹ Crore )

Particulars	Reserves & surplus		Item of other comprehensive income	Capital Contribution by parent company	Total
	Equity-settled employee benefits reserve	Retained earnings	Effective portion of cash flow hedge		
Balance at 1st April, 2022	3.85	868.64	(114.73)	119.22	876.98
Profit for the year	-	170.74	-	-	170.74
Recognition of Share based payment	5.23	-	-	-	5.23
Other comprehensive income for the year, net of income tax	-	(0.28)	289.93	-	289.65
Transfer to retained earnings after exercise of options	(0.99)	0.99	-	-	-
Balance as at 31st March, 2023	8.09	1,040.09	175.20	119.22	1,342.60

Particulars	Reserves & surplus		Item of other comprehensive income	Capital Contribution by parent company	Total
	Equity-settled employee benefits reserve	Retained earnings	Effective portion of cash flow hedge		
Balance as at 1st April, 2023	8.09	1,040.09	175.20	119.22	1,342.60
Profit for the year	-	344.92	-	-	344.92
Recognition of Share based payment	4.82	-	-	-	4.82
Other comprehensive income for the year, net of income tax	-	(0.42)	(92.59)	-	(93.01)
Balance as at 31st March, 2024	12.91	1,384.59	82.61	119.22	1,599.33

See accompanying notes to the financial statements

As per our attached report

For Shah Gupta & Co

Chartered Accountants

Firm Registration No. 109574W

Parth P. Patel  
Partner  
M No. 172670



For and on behalf of Board of Directors

Gyan Bhadra Kumar

Gyan Bhadra Kumar  
Whole Time Director  
[DIN: 03620109]



Shard Mahendra

Shard Mahendra  
Chairman  
[DIN: 02100401]

Sanjeev Kango

Sanjeev Kango  
Company Secretary &  
Chief Financial Officer

Place: Mumbai  
Date : 6th May, 2024

**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
JSW HYDRO ENERGY LIMITED**

**Notes to Financial Statement for the year ended 31st March, 2024**

**Note 1. General information**

- a) Karcham Wangtoo Hydro Electric Plant (1045 MW) is a run of the river plant on the river Sutlej, in the kinnaur district of the state of Himachal Pradesh.
- b) JSW Hydro Energy Limited is a public limited Company domiciled in India and is incorporated under the provisions of the Companies Act, 2013 applicable in India is wholly owned subsidiary of JSW Neo Energy Limited and is a step down subsidiary of JSW Energy Limited. The registered office of the Company is located at Sholtu Colony, P.O. Tapri, Dist. Kinnaur, 172104 (HP). The Company is primarily engaged in the business of generation and sale of power.
- c) For detail financial disclosures and policies, refer to full set of financial statement as prepared for the Financial Year 2023-24 of JSW Hydro Energy Limited.

**Note 2: Statement of compliance**

The Financial Statements of the Company which comprise the Balance Sheet as at 31st March, 2024, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2024, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements") have been prepared in accordance with Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, the provisions of the Companies Act, 2013 ("the Act") to the extent notified and other accounting principles generally accepted in India. The Financial Statements were approved for issue by the Board of Directors on 6th May, 2024.



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
JSW HYDRO ENERGY LIMITED**

**Notes to Financial Statement for the year ended 31st March, 2024**

**Note 3: Basis of preparation & presentation of financial statement & Material accounting Policy**

**3.1 Basis of preparation & Presentation of financial statements:**

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

b) The Financial Statements of Karcham Wangtoo Hydro Electric Plant has been prepared for submission to various regulatory authorities.

c) These Financial Statement do not include all the information and disclosures normally included in annual financial statements. Accordingly, these statements are to be read in conjunction with annual financial statements for the year ended 31 March, 2024.

d) Unit wise Financial Statements have been prepared for submission to various regulatory authorities. Further, the Accounting Policies followed in the Financial Statements are same as compared with the annual financial statements for the year ended 31st March, 2024.

**Current and non-current classification:**

The Company presents assets and liabilities in the balance sheet based on current / noncurrent classification. An asset is classified as current when it satisfies any of the following criteria:

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

All other assets are classified as non-current.

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

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

All other liabilities are classified as non-current.

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

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

**Material accounting Policy**

**3.2 Property, plant and equipment**

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning.

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

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

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



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT****JSW HYDRO ENERGY LIMITED**

Notes to Financial Statement for the year ended 31st March, 2024

**3.3 Other Intangible assets**

a) Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.

b) An intangible asset is derecognised on disposal, or when no further economic benefits are expected from use or disposal. Gain / (loss) on de-recognition are recognized in profit or loss.

**3.4 Depreciation and Amortisation**

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values. Depreciation is being calculated annually based on straight line method and at rates specified below which are as per CERC Tariff regulation 2014. Provided that the remaining depreciable value as on 31st March of the year closing after a period of twelve years from the effective date of commercial operation of the station shall be spread over the balance useful life of the assets.

Rate of depreciation and amortisation are given below

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



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
**JSW HYDRO ENERGY LIMITED**

Notes to Financial Statement for the year ended 31st March, 2024

**3.5 Impairment of tangible & intangible assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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.

Any reversal of the previously recognised impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

**3.6 Borrowing costs**

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

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

c) The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

If any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

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

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

**3.7 Statement of cash flows**

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

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

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





**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
JSW HYDRO ENERGY LIMITED**

**Notes to Financial Statement for the year ended 31st March, 2024**

**3.8 Revenue recognition**

Revenue from contracts with customers is recognised when control of the goods including power generated or services is transferred to the customer, at transaction price (net of variable consideration) i.e. at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services having regard to the terms of the contract including Power Purchase Agreements, relevant tariff regulations and the tariff orders by the regulator, as applicable. If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for satisfaction of performance obligation. The variable consideration is estimated having regard to various relevant factors including historical trend and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Compensation towards shortfall in offtake are recognised on collection or earlier when there is reasonable certainty to expect ultimate collection.

**Sale of Power**

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

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

Revenue from operations of the company mainly consists from plants regulated under the Electricity Act, 2003. Accordingly, the Central Electricity Regulatory Commission (CERC) determines the tariff on the norms prescribed in the tariff regulations as applicable from time to time. Revenue from sale of energy is accounted for as per tariff notified by CERC. In case of power stations where the tariff rates are yet to be approved, provisional rates are adopted considering the applicable CERC Tariff Regulations.





**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
JSW HYDRO ENERGY LIMITED**

**Notes to Financial Statement for the year ended 31st March, 2024**

As at each reporting date, revenue from operations includes an accrual for energy sales transmitted to customers but not yet billed (unbilled Revenue).

Rebate to customers as early payment incentive is deducted from the amount of revenue from energy sales.

Incentives are accounted for based on the norms notified/approved by the Central Electricity Regulatory Commission.

Interest/Surcharge on late payment/ overdue sundry debtors for sale of energy are recognised when no significant uncertainty as to measurability or collectability exists.

Income arising from sale of CERs-carbon credit is recognized on transfer sale of carbon credits i.e. when there is certainty regarding ultimate collection.

**Interest income**

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

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

**3.9 Foreign currency transactions**

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

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

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

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

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

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



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
JSW HYDRO ENERGY LIMITED**

Notes to Financial Statement for the year ended 31st March, 2024

**3.10 Employee benefits**

**a) Short term employee benefits:**

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

**b) Long term employee benefits:**

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

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

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

**Defined contribution plans:**

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. Payments made to state-managed retirement benefit plans are accounted for as payments to defined contribution plans where the Company's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

**Defined benefit plans:**

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

The retirement benefit obligation recognised in the balance sheet represents the deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

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

**3.11 Share-based payment arrangements**

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 Holding Company has created an Employee Welfare Trust for providing share-based payment to its employees. The Holding Company uses the Trust as a vehicle for distributing shares to employees under the employee remuneration schemes. The Trust buys shares of the Parent Company from the market or directly from the Parent Company, for giving shares to employees.



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT****JSW HYDRO ENERGY LIMITED****Notes to Financial Statement for the year ended 31st March, 2024****3.12 Taxation**

Income tax expenses represents the sum of the tax currently payable and deferred tax.

**a) Current tax**

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

**b) Deferred tax**

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

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

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

Deferred tax 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.

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

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

**3.13 Earnings per share**

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

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



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT****JSW HYDRO ENERGY LIMITED****Notes to Financial Statement for the year ended 31st March, 2024****3.14 Provisions, contingencies and commitments**

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

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

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

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

A disclosure for contingent liabilities is made when there is:

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

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

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

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

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

**3.15 Financial instruments**

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

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





**KARCHAM WANGTOO HYDRO ELECTRIC PLANT****JSW HYDRO ENERGY LIMITED****Notes to Financial Statement for the year ended 31st March, 2024****a) Investment in subsidiaries associate and joint venture:**

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

**b) Financial assets****(i) Recognition and Initial measurement:**

All financial assets are recognized initially at fair value. In case of financial assets not recorded at fair value through profit or loss (FVTPL), financial assets are recognized at transaction costs that are attributable to the acquisition of financial assets. However, trade receivables that do not contain a significant financing component are measured at transaction price. Purchases and sales of financial assets are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

**(ii) Classification of financial assets**

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

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

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

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

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

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

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

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

Financial assets at FVTPL are measured at fair value at the end of each reporting year, with any gains and losses arising on remeasurement recognised in statement of profit and loss. The net gain or loss recognised in statement of profit and loss incorporates any dividend or interest earned on the financial asset and is included in the other income line item. Dividend on financial assets at FVTPL is recognised when:

- The Company's right to receive the dividends is established;
- It is probable that the economic benefits associated with the dividends will flow to the entity;
- The dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT****JSW HYDRO ENERGY LIMITED****Notes to Financial Statement for the year ended 31st March, 2024**

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

**(iii) Derecognition of financial assets:**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

**(iv) Impairment:**

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

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

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

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

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

**(vi) Effective interest method:**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter year, to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.





## KARCHAM WANGTOO HYDRO ELECTRIC PLANT

JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2024

### 3.16 Financial liabilities and equity instruments

#### Classification as debt or equity

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

#### Equity instruments:

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

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

#### Financial liabilities:

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

#### Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL. A financial liability is classified as held for trading if:

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

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

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

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

#### (d) Derecognition of financial liabilities:

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

### 3.17 Derivative financial instruments:

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

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

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

### 3.18 Offsetting of financial instruments:

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

### 3.19 Fair Value measurement:

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

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

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



## KARCHAM WANGTOO HYDRO ELECTRIC PLANT

### JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2024

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

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

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

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

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

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

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

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

### 3.20 Hedge accounting

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

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

#### Fair value hedges:

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

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

#### Cash flow hedges:

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

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

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



## KARCHAM WANGTOO HYDRO ELECTRIC PLANT

JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2024

### 3.21 Leases

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### 3.22 Service concession arrangements

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

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

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

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



## KARCHAM WANGTOO HYDRO ELECTRIC PLANT

JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2024

### Financial asset model:

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

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

### Intangible asset model:

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

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

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

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

Financial receivable is recorded at a fair value of guaranteed residual value to be received at the end of the concession period. This receivable is subsequently measured at amortised cost. Financial receivable is discounted at IRR and Income from service concession arrangements is booked.

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

### **3.23 Segment reporting:**

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Group to make decisions for performance assessment and resource allocation. The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.

### **3.24 Exceptional items:**

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

### **3.25 Inventories**

Inventories are stated at the lower of cost or net realisable value. Costs of inventories are determined on weighted average basis.

Cost of inventories includes cost of purchase price, cost of conversion and other cost incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. However, when a decline in the price of materials indicates that the cost of the finished products exceeds net realisable value, the materials are written down to net realisable value.





**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
**JSW HYDRO ENERGY LIMITED**

Notes to the financial statements for the year ended 31st March ,2024

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

( ₹ Crore )

Particulars	Land - Freehold	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Right of Use Assets (Land)	Total
<b>At cost / deemed cost</b>								
I. Gross carrying value								
Balance as at 1st April, 2022	60.47	58.95	7,550.41	6.05	1.37	4.77	12.70	7,694.72
Additions	-	-	2.32	0.31	0.02	1.78	-	4.43
Disposals/Discard	-	-	-	-	-	(0.15)	-	(0.15)
<b>Balance as at 31st March, 2023</b>	<b>60.47</b>	<b>58.95</b>	<b>7,552.73</b>	<b>6.36</b>	<b>1.39</b>	<b>6.40</b>	<b>12.70</b>	<b>7,699.00</b>
<b>II. Accumulated depreciation and impairment for the year 2022-23</b>								
Balance as at 1st April, 2022	-	6.83	2,116.91	3.98	0.44	2.19	1.53	2,131.88
Depreciation expense for the year	-	1.96	398.65	0.30	0.09	0.49	0.46	401.95
Eliminated on disposals/discards	-	-	-	-	-	(0.05)	-	(0.05)
<b>Balance as at 31st March, 2023</b>	<b>-</b>	<b>8.79</b>	<b>2,515.56</b>	<b>4.28</b>	<b>0.53</b>	<b>2.63</b>	<b>1.99</b>	<b>2,533.78</b>
<b>Net carrying value as at 31st March, 2023 (I-II)</b>	<b>60.47</b>	<b>50.16</b>	<b>5,037.17</b>	<b>2.08</b>	<b>0.86</b>	<b>3.77</b>	<b>10.71</b>	<b>5,165.22</b>

( ₹ Crore )

Particulars	Land - Freehold	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Right of Use Assets (Land)	Total
<b>At cost / deemed cost</b>								
I. Gross carrying value								
Balance as at 1st April, 2023	60.47	58.95	7,552.73	6.36	1.39	6.40	12.70	7,699.00
Additions	-	4.52	2.66	0.41	0.05	0.69	-	8.33
Disposals/Discard	-	-	-	(0.02)	(0.00)	(0.12)	-	(0.14)
<b>Balance as at 31st March, 2024</b>	<b>60.47</b>	<b>63.47</b>	<b>7,555.39</b>	<b>6.75</b>	<b>1.44</b>	<b>6.97</b>	<b>12.70</b>	<b>7,707.19</b>
<b>II. Accumulated depreciation and impairment for the year 2023-24</b>								
Balance as at 1st April, 2023	-	8.79	2,515.56	4.28	0.53	2.63	1.99	2,533.78
Depreciation expense for the year	-	2.08	398.82	0.37	0.09	0.58	0.46	402.40
Eliminated on disposals/discards	-	-	-	(0.02)	(0.00)	(0.11)	-	(0.13)
<b>Balance as at 31st March, 2024</b>	<b>-</b>	<b>10.87</b>	<b>2,914.38</b>	<b>4.63</b>	<b>0.62</b>	<b>3.10</b>	<b>2.45</b>	<b>2,936.05</b>
<b>Net carrying value as at 31st March, 2024 (I-II)</b>	<b>60.47</b>	<b>52.60</b>	<b>4,641.01</b>	<b>2.12</b>	<b>0.82</b>	<b>3.87</b>	<b>10.25</b>	<b>4,771.14</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
**JSW HYDRO ENERGY LIMITED**

Notes to the financial statements for the year ended 31st March, 2024

**Note 5. Capital work in progress**

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

	( ₹ Crore )
Balance as at 31st March, 2023	1.80
Balance as at 31st March, 2024	11.45





## KARCHAM WANGTOO HYDRO ELECTRIC PLANT

## JSW HYDRO ENERGY LIMITED

Notes to the financial statements for the year ended 31st March, 2024

## Note 6. Other Intangible assets

( ₹ Crore )

Particulars	Computer Software	Total
<b>At Cost/deemed cost</b>		
<b>I. Gross Carrying Value</b>		
Balance as at 1st April, 2022	1.51	1.51
Additions	0.12	0.12
Balance as at 31st March, 2023	1.63	1.63
<b>At Cost/deemed cost</b>		
<b>I. Gross Carrying Value</b>		
Balance as at 1st April, 2023	1.63	1.63
Additions	0.14	0.14
Balance as at 31st March, 2024	1.77	1.77
<b>II. Accumulated amortisation and impairment for the year 2022-23</b>		
Balance as at 1st April, 2022	0.76	0.76
Amortisation expense for the year	0.22	0.22
Balance as at 31st March, 2023	0.98	0.98
<b>II. Accumulated amortisation and impairment for the year 2023-24</b>		
Balance as at 1st April, 2023	0.98	0.98
Amortisation expense for the year	0.26	0.26
Balance as at 31st March, 2024	1.24	1.24
<b>Net carrying value as at 31st March, 2023 (I-II)</b>	0.65	0.65
<b>Net carrying value as at 31st March, 2024 (I-II)</b>	0.53	0.53



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**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
JSW HYDRO ENERGY LIMITED**

Notes to the financial statements for the year ended 31st March, 2024

**Note 7. Loan**

( ₹ Crore )

Particulars	As at 31st March, 2024			As at 31st March, 2023		
	Current	Non- Current	Total	Current	Non- Current	Total
1) Unsecured, considered good						
- Loan to related parties	-	1,143.16	1,143.16	-	789.00	789.00
<b>Total</b>	-	<b>1,143.16</b>	<b>1,143.16</b>	-	<b>789.00</b>	<b>789.00</b>

**Details of Loan**

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Loan outstanding	% to the total loans	Loan outstanding	% to the total loans
1) Ultimate holding company - JSW Energy Limited	1,143.16	100%	789.00	100%

**Movement in loss allowance - loans**

Particulars	As at 31st March, 2024	As at 31st March, 2023
Opening loss allowance	-	-
Loss allowance reversed during the year	-	-
Loss allowance recognised during the year	-	-
Closing loss allowance	-	-

**Note 7A. Other financial assets**

Particulars	As at 31st March, 2024			As at 31st March, 2023		
	Current	Non- Current	Total	Current	Non- Current	Total
(a) Security deposits						
- Unsecured, considered good						
- Government/Semi-Government Authorities	-	0.15	0.15	-	0.15	0.15
- Others	-	0.09	0.09	-	0.09	0.09
	-	<b>0.24</b>	<b>0.24</b>	-	<b>0.24</b>	<b>0.24</b>
(b) Other receivable						
- Other receivable	1.24	-	1.24	0.00	-	0.00
- Interest receivables	3.91	-	3.91	3.82	-	3.82
	<b>5.15</b>	-	<b>5.15</b>	<b>3.82</b>	-	<b>3.82</b>
(c) Other bank balances						
- Margin money for security (against the guarantees)	-	3.30	3.30	-	-	-
	-	<b>3.30</b>	<b>3.30</b>	-	-	-
(d) Derivative designated as hedges						
- Foreign currency options	-	624.81	624.81	-	721.34	721.34
	-	<b>624.81</b>	<b>624.81</b>	-	<b>721.34</b>	<b>721.34</b>
<b>Total</b>	<b>5.15</b>	<b>628.35</b>	<b>633.50</b>	<b>3.82</b>	<b>721.58</b>	<b>725.40</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
JSW HYDRO ENERGY LIMITED**

Notes to the financial statements for the year ended 31st March, 2024

**Note 7B. Income tax assets (net)**

( ₹ Crore )

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Current	Non-current	Current	Non-current
Advance tax and tax deducted at sources	-	48.46	-	42.86
	-	48.46	-	42.86

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

( ₹ Crore )

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Current	Non-current	Current	Non-current
Income tax liabilities	-	-	2.47	-
	-	-	2.47	-



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
JSW HYDRO ENERGY LIMITED**

Notes to the financial statements for the year ended 31st March, 2024

Note 8. Other assets

( ₹ Crore )

Particulars	As at 31st March, 2024			As at 31st March , 2023		
	Current	Non- Current	Total	Current	Non- Current	Total
(a) Capital Advances	-	0.99	0.99	-	0.59	0.59
(b) Prepayments	13.62	0.44	14.06	10.82	-	10.82
(c) Balances with Government Authority	1.93	-	1.93	0.05	-	0.05
(d) Advances to Vendors	13.16	-	13.16	1.46	-	1.46
<b>Total</b>	<b>28.71</b>	<b>1.43</b>	<b>30.14</b>	<b>12.33</b>	<b>0.59</b>	<b>12.92</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
JSW HYDRO ENERGY LIMITED**

Notes to the financial statements for the year ended 31st March, 2024

**Note 9. Inventories**

( ₹ Crore )

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Stores and spares	9.29	8.81
(b) Medicines	0.12	0.13
<b>Total</b>	<b>9.41</b>	<b>8.94</b>



# KARCHAM WANGTOO HYDRO ELECTRIC PLANT

## JSW HYDRO ENERGY LIMITED

Notes to the financial statements for the year ended 31st March, 2024

### Note 10. Investment

( ₹ Crore )

Particulars	As at 31st March, 2024			As at 31st March, 2023		
	Current	Non- Current	Total	Current	Non- Current	Total
<b>Investments:</b>						
<b>A ) Investment in mutual funds (at Fair Value through Profit &amp; Loss)</b>						
i) Aditya Birla Sunlife Liquid Fund - Growth	138.40	-	138.40	235.60	-	235.60
ii) Aditya Birla Saving Fund - Growth	-	-	-	58.38	-	58.38
iii) ICICI Prudential Liquid Fund - Growth	-	-	-	3.36	-	3.36
iv) Aditya Birla Sun Life Crisil IBX AAA June-23 Index Fund Reg. Growth	-	-	-	43.68	-	43.68
v) Aditya Birla Sun Life Crisil IBX AAA Mar-24 Index Fund Reg. Growth	-	-	-	20.22	-	20.22
vi) Aditya Birla Sun Life Crisil IBX AAA_June-23 Index Fund Dir. Growth	-	-	-	20.51	-	20.51
vii) SBI Liquid Fund Regular Growth	121.24	-	121.24	222.68	-	222.68
viii) Kotak FMP Series 307-Regular Growth	-	-	-	30.21	-	30.21
ix) Mirae Assets Fixed Maturity -Series V plan-1	-	-	-	35.33	-	35.33
x) Mirae Assets fixed Maturity -Series V plan-2	-	-	-	15.06	-	15.06
xi) Mirae Assets Liquid Fund Regular Plan Growth	33.91	-	33.91	-	-	-
xii) Mirae Assets Ultra Short Duration Fund-Regular Plan Growth	20.03	-	20.03	-	-	-
xiii) Aditya Birla Sunlife Liquid Interval Income-Qttr-SI-Growth	57.05	-	57.05	-	-	-
xiv) Aditya Birla Sunlife Liquid FMP-Series US-Regular Growth	15.26	-	15.26	-	-	-
xv) Aditya Birla Sunlife Liquid Money Manager Growth	20.45	-	20.45	-	-	-
xvi) Kotak FMP Series 328-Regular Plan Growth	10.10	-	10.10	-	-	-
xvii) Kotak Liquid Regular Growth	71.91	-	71.91	-	-	-
xviii) Mahindra Manulife Liquid Regular Growth	18.08	-	18.08	-	-	-
xix) SBI FMP- Series 92 91 days)- Regular Plant-Growth	10.12	-	10.12	-	-	-
	<b>516.55</b>	<b>-</b>	<b>516.55</b>	<b>685.03</b>	<b>-</b>	<b>685.03</b>
<b>B ) Investment in commercial paper (at Amortised cost)</b>						
i) Investment in commercial paper	-	-	-	24.70	-	24.70
	<b>-</b>	<b>-</b>	<b>-</b>	<b>24.70</b>	<b>-</b>	<b>24.70</b>
<b>Total</b>	<b>516.55</b>	<b>-</b>	<b>516.55</b>	<b>709.73</b>	<b>-</b>	<b>709.73</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
JSW HYDRO ENERGY LIMITED**

Notes to the financial statements for the year ended 31st March, 2024

**Note 11. Trade receivables**

( ₹ Crore )

Particulars	As at 31st March, 2024			As at 31st March, 2023		
	Current	Non- Current	Total	Current	Non- Current	Total
(i) Trade receivables considered good - Secured	-	4.70	4.70	4.73	-	4.73
<b>Total</b>	-	4.70	4.70	4.73	-	4.73

**Ageing of trade receivables**

( ₹ Crore )

As at 31st March, 2024	Undisputed Trade receivables		Disputed Trade Receivables	
	Considered good	Considered doubtful	Considered good	Considered doubtful
Outstanding for following periods from due date of payment				
Less than 6 months	-	-	-	-
6 months-1 year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	4.70	-
Within credit period	-	-	-	-
<b>Total</b>	-	-	4.70	-

( ₹ Crore )

As at 31st March, 2023	Undisputed Trade receivables		Disputed Trade Receivables	
	Considered good	Considered doubtful	Considered good	Considered doubtful
Outstanding for following periods from due date of payment				
Less than 6 months	-	-	-	-
6 months-1 year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	4.70	-
Within credit period	0.03	-	-	-
<b>Total</b>	0.03	-	4.70	-





**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
**JSW HYDRO ENERGY LIMITED**

Notes to the financial statements for the year ended 31st March, 2024

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

( ₹ Crore )

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Balances with banks		
-In Current accounts	20.74	7.62
-In Deposit accounts (maturity less than 3 months at inception)	29.00	10.00
(b) Cash on hand	0.00	0.01
<b>Total</b>	<b>49.74</b>	<b>17.63</b>

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

( ₹ Crore )

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Bank balances other than above</b>		
(a) Balances with banks		
-In deposit accounts (maturity more than 3 months at Inception)	56.42	1.00
(b) Earmarked balances with banks		
-Margin money for security (against the gurantees)	175.14	193.18
<b>Total</b>	<b>231.56</b>	<b>194.18</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
**JSW HYDRO ENERGY LIMITED**

Notes to the financial statements for the year ended 31st March, 2024

**Note 13. Equity share capital**

( ₹ Crore )

Particulars		As at 31st March, 2024		As at 31st March, 2023		
		No. of shares	Amount	No. of shares	Amount	
Authorised: Equity shares of ₹ 10 each with voting rights		96,60,00,000	966.00	96,60,00,000	966.00	
Issued, Subscribed and Fully Paid: Equity shares of ₹ 10 each with voting rights		96,60,00,000	966.00	96,60,00,000	966.00	
		96,60,00,000	966.00	96,60,00,000	966.00	
a) Reconciliation of the number of shares outstanding at the beginning and end of the year:						
Particulars		As at 31st March, 2024		As at 31st March, 2023		
		No. of Shares		No. of Shares		
Balance as at the beginning of the year		96,60,00,000		96,60,00,000		
Issued during the year		-		-		
Balance as at the end of the year		96,60,00,000		96,60,00,000		
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. However, no such preferential amount exists currently.						
c) Details of shareholding more than 5% shares in the company are set out below :						
Particulars		As at 31st March, 2024		As at 31st March, 2023		
		No. of Shares		No. of Shares		
1	JSW Neo Energy Limited & its nominees	96,60,00,000		96,60,00,000		
		100%		100%		
d) Shares held by promoters and promoter group at the end of the year:						
Name of Promoters		As at 31st March, 2024		As at 31st March, 2023		% change during the year
		No. of shares	% of total shares	No. of shares	% of total shares	
1	JSW Neo Energy Limited & its nominees	96,60,00,000	100%	96,60,00,000	100%	0.00%
Total		96,60,00,000	100%	96,60,00,000	100%	0.00%



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
**JSW HYDRO ENERGY LIMITED**

Notes to the financial statements for the year ended 31st March, 2024

**Note 14. Other equity**

( ₹ Crore )

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>A. Reserve &amp; Surplus</b>		
- Retained earnings	1,384.59	1,040.09
<b>B. Other Reserves</b>		
- Equity-settled employee benefits reserve	12.91	8.09
- Capital contribution by ultimate parent company	119.22	119.22
<b>C. Other comprehensive income</b>		
- Effective portion of cash flow hedge	82.61	175.20
	<b>1,599.33</b>	<b>1,342.60</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
JSW HYDRO ENERGY LIMITED**

Notes to the financial statements for the year ended 31st March, 2024

**Note 15. Borrowings**

( ₹ Crore )

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Non- Current</b>		
<b>Borrowings at amortised cost</b>		
Secured Borrowings:		
i) Green Bond	4,027.48	4,335.09
Less: Unamortised borrowing cost	39.34	47.19
	<b>3,988.14</b>	<b>4,287.90</b>
<b>Current</b>		
Secured Borrowings :		
i) Green Bond	368.62	430.82
ii) Short Term loans		
Working capital demand loan from Bank		35.00
Less: Unamortised borrowing cost	7.86	8.64
	<b>360.76</b>	<b>457.18</b>
<b>Total</b>	<b>4,348.90</b>	<b>4,745.08</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
JSW HYDRO ENERGY LIMITED**

Notes to the financial statements for the year ended 31st March, 2024

Note 15A. Lease liabilities

( ₹ Crore )

Particulars	As at 31st March, 2024			As at 31st March, 2023		
	Current	Non-Current	Total	Current	Non-Current	Total
Lease liabilities	0.03	4.91	4.94	0.03	4.94	4.97
<b>Total</b>	<b>0.03</b>	<b>4.91</b>	<b>4.94</b>	<b>0.03</b>	<b>4.94</b>	<b>4.97</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
JSW HYDRO ENERGY LIMITED**

Notes to the financial statements for the year ended 31st March, 2024

**Note 16. Other financial liabilities**

( ₹ Crore )

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Non- current</b>		
(a) Deposits received	0.01	0.01
(b) Derivative instruments		
Foreign currency forward contracts	0.72	-
(c) Other payables	41.23	37.81
	<b>41.96</b>	<b>37.82</b>
<b>Current</b>		
(a) Interest accrued but not due on borrowings	70.87	76.95
(b) Other liabilities		
Payable for capital supplies/services	457.28	334.48
Other payables	0.50	191.02
	<b>528.65</b>	<b>602.45</b>
<b>Total</b>	<b>570.61</b>	<b>640.27</b>





**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
JSW HYDRO ENERGY LIMITED**

Notes to the financial statements for the year ended 31st March, 2024

**Note 17. Provisions**

( ₹ Crore )

Particulars	As at 31st March, 2024			As at 31st March, 2023		
	Current	Non- Current	Total	Current	Non- Current	Total
Provision for employee benefits						
(i) Provision for gratuity	2.03	4.40	6.43	1.86	2.72	4.58
(ii) Provision for compensated absence	2.76	1.76	4.52	2.55	1.24	3.79
<b>Total</b>	<b>4.79</b>	<b>6.16</b>	<b>10.95</b>	<b>4.41</b>	<b>3.96</b>	<b>8.37</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
JSW HYDRO ENERGY LIMITED**

Notes to the financial statements for the year ended 31st March, 2024

**Note 18. Trade payables**

( ₹ Crore )

Particulars	As at 31st March, 2024			As at 31st March, 2023		
	Current	Non- Current	Total	Current	Non- Current	Total
Trade Payables						
(a) Total outstanding dues of micro and small enterprises	1.42	-	1.42	0.78	-	0.78
(b) Total outstanding dues of creditors other than micro and small enterprises	41.20	-	41.20	21.18	-	21.18
<b>Total</b>	<b>42.62</b>	<b>-</b>	<b>42.62</b>	<b>21.96</b>	<b>-</b>	<b>21.96</b>

**Creditors Ageing**

( ₹ Crore )

As at 31st March, 2024	Undisputed		Disputed	
	MSME	Others	MSME	Others
Outstanding for following periods from due date of payment				
Less than 1 year	-	1.58	-	-
1-2 years	-	0.14	-	-
2-3 years	-	0.01	-	-
More than 3 years	-	1.73	-	-
Not due	1.42	25.32	-	-
Unbilled	-	12.42	-	-
<b>Total</b>	<b>1.42</b>	<b>41.20</b>	<b>-</b>	<b>-</b>

( ₹ Crore )

As at 31st March, 2023	Undisputed		Disputed	
	MSME	Others	MSME	Others
Outstanding for following periods from due date of payment				
Less than 1 year	-	0.82	-	-
1-2 years	-	0.70	-	-
2-3 years	-	0.82	-	-
More than 3 years	-	2.66	-	-
Not due	0.78	7.80	-	-
Unbilled	-	8.38	-	-
<b>Total</b>	<b>0.78</b>	<b>21.18</b>	<b>-</b>	<b>-</b>

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

( ₹ Crore )

Particulars	As at 31st March, 2024	As at 31st March, 2023
Principal amount outstanding to MSME	1.42	0.78
Principal amount due and remaining unpaid	-	-
Interest due on (2) above and the unpaid interest	-	-
Interest paid on all delayed payments under the MSMED Act.	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay other than (4) above	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
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Notes to the financial statements for the year ended 31st March, 2024

**Note 19. Other current liabilities**

( ₹ Crore )

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Advance received from customers	0.02	0.73
(b) Statutory dues	4.14	1.59
(c) Others	0.07	0.05
<b>Total</b>	<b>4.23</b>	<b>2.37</b>



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**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
**JSW HYDRO ENERGY LIMITED**

Notes to the financial statements for the year ended 31st March, 2024

Note 20. Revenue from operations

( ₹ Crore )

Particulars	For the year Ended 31st March, 2024	For the year Ended 31st March, 2023
<b>Disaggregation of revenue from contract with customers:</b>		
(1) Sale of power (Own generation)	1,189.64	1,104.93
<b>Total revenue from contract with customers (A)</b>	<b>1,189.64</b>	<b>1,104.93</b>
(2) Other Operating Income	0.01	3.95
<b>Other Operating Income (B)</b>	<b>0.01</b>	<b>3.95</b>
<b>Total (A) + (B)</b>	<b>1,189.65</b>	<b>1,108.88</b>

Details of revenue from contracts with customers

Particulars	For the year Ended 31st March, 2024	For the year Ended 31st March, 2023
Total Revenue from contract with customers as above	1,189.64	1,104.93
Add: Rebate on prompt payment	19.16	21.48
Less: Incentive	62.85	87.22
<b>Total Revenue from contract with customers as per contracted price</b>	<b>1,145.95</b>	<b>1,039.19</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
JSW HYDRO ENERGY LIMITED**

Notes to the financial statements for the year ended 31st March, 2024

Note 21. Other income

( ₹ Crore )

Particulars	For the year Ended 31st March, 2024	For the year Ended 31st March, 2023
<b>a) Interest Income earned on financial assets that are not designated as at FVTPL</b>		
i On bank deposits	16.82	12.21
ii On loans	80.53	2.08
iii Other financial assets	2.60	1.31
<b>b) Other non-operating income</b>		
i Net Gain on sale of current investments designated as at FVTPL	36.68	28.82
ii Net Gain on disposal of property, plant and equipment	0.01	-
iii Net gain on foreign currency transaction	0.00	0.01
iv Domestic scrap sales	0.23	1.20
v Provision no longer required written back	9.15	-
vi Miscellaneous income	2.13	1.56
<b>Total</b>	<b>148.15</b>	<b>47.19</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
JSW HYDRO ENERGY LIMITED**

Notes to the financial statements for the year ended 31st March, 2024

**Note 22. Employee benefits expense**

( ₹ Crore )

Particulars	For the year Ended 31st March, 2024	For the year Ended 31st March, 2023
(a) Salaries and wages	70.62	60.36
(b) Contribution to provident and other funds	5.28	3.96
(c) Share based payment	4.81	5.23
(d) Staff welfare expenses	5.85	5.28
<b>Total</b>	<b>86.56</b>	<b>74.83</b>





**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
**JSW HYDRO ENERGY LIMITED**

Notes to the financial statements for the year ended 31st March, 2024

Note 23. Finance costs

( ₹ Crore )

Particulars	For the year Ended 31st March, 2024	For the year Ended 31st March, 2023
(a) Interest expense		
i Interest on green bond	175.17	191.85
ii Hedging charges	138.78	145.02
iii Interest cash credit	0.06	0.08
iv Other Interest expense	0.00	-
(b) Revaluation gain/loss on foreign currency borrowings (Net)	6.19	9.39
(c) Other borrowing costs	9.20	23.41
(d) Interest on lease liabilities	0.45	0.45
<b>Total</b>	<b>329.85</b>	<b>370.20</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
JSW HYDRO ENERGY LIMITED**

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Notes to the financial statements for the year ended 31st March, 2024

**Note 24. Depreciation and amortisation expense**

( ₹ Crore )

Particulars	For the year Ended 31st March, 2024	For the year Ended 31st March, 2023
(a) Depreciation on property, plant and equipment	402.40	401.95
(b) Amortization on intangible assets	0.26	0.22
<b>Total</b>	<b>402.66</b>	<b>402.17</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
**JSW HYDRO ENERGY LIMITED**

Notes to the financial statements for the year ended 31st March, 2024

**Note 25. Other expenses**

( ₹ Crore )

Particulars	For the year Ended 31st March, 2024	For the year Ended 31st March, 2023
(a) Stores and spares consumed	9.76	9.65
(b) Power & water	2.48	2.44
(c) Rent including lease rentals	2.14	-
(d) Repairs and maintenance	20.91	19.43
(e) Rates and taxes	0.57	0.47
(f) Insurance	23.97	18.24
(g) Legal and other professional charges	9.64	13.22
(h) Travelling expenses	6.32	1.85
(i) Donation	1.00	-
(j) Corporate social responsibility expenses	9.00	7.47
(k) Open access charges	0.18	0.12
(l) Other general expenses	2.86	10.52
(m) Bad debt written Off	-	7.76
(n) Safety and Security	6.24	6.16
(o) Branding expenses	3.06	2.78
(p) Shared service charges	2.66	1.85
(q) Property ,plant and equipment written off	0.00	0.00
<b>Total</b>	<b>100.79</b>	<b>101.96</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
JSW HYDRO ENERGY LIMITED**

Notes to the financial statements for the year ended 31st March, 2024

**Note 26. Tax expense**

( ₹ Crore )

Particulars	For the year Ended 31st March, 2024	For the year Ended 31st March, 2023
(a) Current Tax	73.02	36.17
<b>Total</b>	<b>73.02</b>	<b>36.17</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
**JSW HYDRO ENERGY LIMITED**

Notes to the financial statements for the year ended 31st March, 2024

**Note no. 27 - Financial Ratios**

Sr. No.	Particulars	For the year ended 31st March, 2024		For the year ended 31st March, 2023	Variance (%)	Reason for variance over 25%
		Numerator	Denominator			
1	Current Ratio (in times) (Current Assets / Current Liabilities)	938.36	941.08	1.00	0.93	7%
2	Debt-Equity Ratio (in times) ((Non- Borrowings + Current Borrowings) / Total Equity))	4,348.90	2,565.33	1.70	2.06	-18%
3	Debt Service Coverage Ratio (in times) (Profit before Tax, Exceptional Items, Depreciation, Finance Charges + Long Term Borrowings scheduled Principal repayments (excluding prepayments + refinancing) during the year).	731.96	747.05	0.98	0.72	35%
4	Return on Equity Ratio (%) (Net profit after tax / Average Net Worth)	344.92	2,436.96	14%	10.00%	42%
5	Inventory Turnover (no. of days) (Average Inventory) / (Fuel Cost + Stores & Spares Consumed + Purchase of stock in trade)	9.18	30.67	109	107	2%
6	Debtors Turnover (no. of days) (Average Trade Receivables including unbilled revenue X No of days) / Revenue from operations	84.46	1,189.65	26	24	7%
7	Payables Turnover (no. of days) (Average Trade payables including X No of days) / Cost of goods sold	32.29	30.67	384	277	39%
8	Net Capital Turnover (in times) (Annual turnover / Working Capital)	1,189.65	2,565.33	0.46	0.48	-3%
9	Net Profit Margin (%) (Net profit for the year / Total Income)	344.92	1,189.65	29%	15%	96%
10	Return on Capital Employed (%) (Earnings before Interest and Tax) / (Net Worth + Total Borrowings)	907.62	6,983.95	13%	7%	74%
11	Return on Investment (%) (Profit generated on sale of investment / Cost of investment)	36.68	516.55	7.10%	4.21%	69%



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
(JSW HYDRO ENERGY LIMITED)  
Balance Sheet as at 31st March, 2022**

( ₹ Crore )

Particulars		Note No.	As at 31st March, 2022	As at 31st March, 2021
A	<b>ASSETS</b>			
1	<b>Non-current assets</b>			
	(a) Property, plant and equipment	4	5,562.83	5,932.71
	(b) Capital work-in-progress	5	0.05	17.94
	(c) Other intangible assets	6	0.75	0.81
	(d) Investments in subsidiary	10A	-	454.15
	(e) Financial assets			
	(i) Other financial assets	7	61.51	0.24
	(f) Income tax assets (net)	7A	42.71	36.03
	(g) Other non-current assets	8	0.96	0.47
	<b>Total non - current assets</b>		<b>5,668.81</b>	<b>6,442.35</b>
2	<b>Current assets</b>			
	(a) Inventories	9	8.13	6.52
	(b) Financial assets			
	(i) Investments	10B	612.72	472.22
	(ii) Trade receivables	11	15.68	17.73
	(iii) Cash and cash equivalents	12A	13.31	108.14
	(iv) Bank balances other than (iii) above	12B	285.13	38.10
	(v) Other financial assets	7	855.22	94.74
	(c) Other current assets	8	10.01	9.72
	<b>Total current assets</b>		<b>1,800.20</b>	<b>747.17</b>
	<b>Total assets (1+2)</b>		<b>7,469.01</b>	<b>7,189.52</b>
B	<b>EQUITY AND LIABILITIES</b>			
1	<b>Equity</b>			
	(a) Equity share capital	13	966.00	966.00
	(b) Other equity	14	876.98	435.03
	<b>Total equity</b>		<b>1,842.98</b>	<b>1,401.03</b>
	<b>Liabilities</b>			
2	<b>Non-current liabilities</b>			
	(a) Financial liabilities			
	(i) Borrowings	15	4,338.52	4,492.34
	(ii) Lease liabilities	15A	4.97	4.99
	(iii) Other financial liabilities	16	32.05	413.86
	(b) Provisions	17	5.77	5.88
	<b>Total non - current liabilities</b>		<b>4,381.31</b>	<b>4,917.07</b>
3	<b>Current liabilities</b>			
	(a) Financial liabilities			
	(i) Borrowings	15	387.78	297.91
	(ii) Lease liabilities	15A	0.02	0.08
	(iii) Trade payables			
	(a) Total outstanding dues of micro and small enterprises	18	1.87	3.26
	(b) Total outstanding dues of creditors other than micro and small enterprises	18	20.35	18.38
	(iv) Other financial liabilities	16	831.14	548.13
	(b) Other current liabilities	19	1.99	2.19
	(c) Provisions	17	1.57	1.47
	<b>Total current liabilities</b>		<b>1,244.72</b>	<b>871.42</b>
	<b>Total liabilities</b>		<b>5,626.03</b>	<b>5,788.49</b>
	<b>Total equity and liabilities (1+2+3)</b>		<b>7,469.01</b>	<b>7,189.52</b>

See accompanying notes to the standalone financial statements

As per our attached report

For Shah Gupta &amp; Co

Chartered Accountants

Firm Registration No.: 109574W

Vipul K Choksi

Partner

M No. 37606



For and on behalf of Board of Directors

Gyan Bhadra Kumar

Whole Time Director

[DIN: 03620109]



Prashant Jain

Chairman

[DIN: 01281621]

Sanjeev Kango

Company Secretary &  
Chief Financial Officer

Place: Mumbai

Date: 02 May, 2022



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
(JSW HYDRO ENERGY LIMITED)**  
**Statement of Profit and Loss for the Year ended 31st March, 2022**

( ₹ Crore )

Particulars	Note No.	For the year Ended 31st March, 2022	For the year Ended 31st March, 2021
I Revenue from operations	20	1,637.49	983.35
II Other income	21	42.71	38.46
III Total Income (I + II)		<b>1,680.20</b>	<b>1,021.81</b>
IV Expenses			
(a) Employee benefits expense	22	56.16	47.93
(b) Finance costs	23	464.89	415.67
(c) Depreciation and amortisation expenses	24	401.61	408.75
(d) Other expenses	25	84.72	76.82
Total expenses		<b>1,007.38</b>	<b>949.17</b>
V Profit before exceptional item and tax (III-IV)		<b>672.82</b>	<b>72.64</b>
VI Exceptional items		-	-
VII Profit before tax (V - VI)		<b>672.82</b>	<b>72.64</b>
VIII Tax Expense	26		
Current tax		118.06	12.72
Deferred tax		(123.09)	(13.31)
IX Deferred Tax (recoverable from)/adjustable in future tariff		123.09	13.31
X Profit for the year (VII-VIII)		<b>118.06</b>	<b>12.72</b>
XI Other comprehensive Income		<b>554.76</b>	<b>59.92</b>
A (i) Items that will not be reclassified to profit or loss		(115.95)	(0.07)
Remeasurements of the net defined benefit plan		(1.48)	(0.10)
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.26	0.03
B (i) Items that will be reclassified to profit or loss		(114.73)	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
(iii) Deferred tax recoverable from / (adjustable in) future tariff		-	-
XII Total comprehensive (loss)/income for the year (X + XI)		<b>438.81</b>	<b>59.85</b>

See accompanying notes to the standalone financial statements

As per our attached report

For Shah Gupta & Co

Chartered Accountants

Firm Registration No.: 109574W

*Vipul K Choksi*

Vipul K Choksi  
Partner  
M No. 37606



For and on behalf of Board of Directors

*Gyan Bhadra Kumar*

Gyan Bhadra Kumar  
Whole Time Director  
[DIN: 03620109]

*Prashant Jain*

Prashant Jain  
Chairman  
[DIN: 01281621]

*Sanjeev Kango*

Sanjeev Kango  
Company Secretary &  
Chief Financial Officer

Place: Mumbai

Date: 02 May, 2022

**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
(JSW HYDRO ENERGY LIMITED)**

Statement of changes in equity for the year ended 31st March, 2022

**a. Equity share capital**

( ₹ Crore )

Balance at the 1st April, 2020	966.00
Changes in equity share capital during the FY 2020-21	-
Balance at the 31st March, 2021	966.00
Changes in equity share capital during the FY 2021-22	-
Balance at the 31st March, 2022	966.00

**b. Other equity**

( ₹ Crore )

Particulars	Reserves & surplus		Items of other comprehensive income	Capital Contribution by parent company	Total
	Equity-settled employee benefits reserve	Retained earnings	Effective portion of cash flow hedge reserve		
Balance as at 1st April, 2021	0.71	315.10	-	119.22	435.03
Profit for the year	-	554.76	-	-	554.76
Recognition of Share based payment	3.14	-	-	-	3.14
Other comprehensive income for the period, net of income tax	-	(1.22)	(114.73)	-	(115.95)
Balance as at 31st March , 2022	3.85	868.64	(114.73)	119.22	876.98

( ₹ Crore )

Particulars	Reserves & surplus		Items of other comprehensive income	Capital Contribution by parent company	Total
	Equity-settled employee benefits reserve	Retained earnings	Effective portion of cash flow hedge reserve		
Balance at 1st April, 2020	0.44	255.24	-	119.22	374.90
Profit for the year	-	59.92	-	-	59.92
Recognition of Share based payment	0.27	-	-	-	0.27
Other comprehensive income for the year, net of income tax	-	(0.06)	-	-	(0.06)
Balance as at 31st March 2021	0.71	315.10	-	119.22	435.03

See accompanying notes to the standalone financial statements

As per our attached report

For Shah Gupta & Co

Chartered Accountants

Firm Registration No.: 109574W

Vipul K Choksi

Partner

M No. 37606



Gyan Bhadra Kumar

Whole Time Director

[DIN: 03620109]

Prashant Jain

Chairman

[DIN: 01281621]

Sanjeev Kango

Company Secretary &

Chief Financial Officer

Place: Mumbai

Date: 02 May, 2022

**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
JSW HYDRO ENERGY LIMITED**

**Notes to Financial Statement for the year ended 31st March, 2022**

**Note 1. General Information**

a) Karcham Wangtoo Hydro Electric Plant (1045 MW) is a run of the river plant on the river Sutlej, in the kinnaur district of the state of Himachal Pradesh.

b) JSW Hydro Energy Limited is a public limited Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India is wholly owned subsidiary of JSW Neo Energy Limited and is a step down subsidiary of JSW Energy Limited. ( in the FY 2020-21 JSW Hydro energy limited was wholly owned subsidiary of JSW energy Limited).The registered office of the Company is located at Sholtu Colony, P.O. Tapri, Dist. Kinnaur, 172104 (HP).

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

d) For details financial disclosures and policies, refer to standalone financial statement as prepared for the Financial Year 2021-22 of JSW Hydro Energy Limited.

e) The company has continued its operations during lockdown due to outbreak of COVID-19 as the electricity generation is considered as one of the essential services by the Government. The Company substantial generation capacities are tied up under long term power purchase agreements, which insulates revenue of the company under such contracts. The notices of applying force majeure clause under the power supply agreements from some of the customers have been appropriately responded under legal advice that the prevailing situation is outside the ambit of force majeure clause. This position is further supported by clarification from Ministry of Power that the DISCOMs will have to comply with obligation to pay fixed capacity charges as per the power purchase agreement. Based on initial assessment, the Management does not expect any medium to long-term impact on the business of the Company. The Company has evaluated the possible effects on the carrying amounts of property, plant and equipment, inventory, loans, receivables and debt covenants basis the internal and external sources of information and determined, exercising reasonable estimates and judgements, that the carrying amounts of these assets are recoverable. Having regard to above, and the company's liquidity position, there is no uncertainty in meeting financial obligations over the foreseeable future.

**Note 2.1. Statement of compliance**

a) These unit-wise financial statements have been prepared in accordance with the Indian accounting standards (referred to as "Ind AS") prescribed under section 133 of the Company Act, 2013 read with the Companies (India Accounting Standards) rules as amended from time to time.

**Note 2.2. Recent accounting pronouncements:**

The Ministry of Corporate Affairs ("MCA") notifies new standards / amendments under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23rd March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.:

- (a) Ind AS 16 | Property, plant and equipment – The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022.
- (b) Ind AS 37 | Provisions, contingent liabilities and contingent assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted.
- (c) Ind AS 103 | Business combinations – The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.
- (d) Ind AS 109 | Financial instruments – The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

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



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
**JSW HYDRO ENERGY LIMITED**  
**Notes to Financial Statement for the year ended 31st March, 2022**

**Note 3: Significant accounting policies**

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

a) The Company has prepared these unit-wise Financial Statements which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2022, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements").

b) The Financial Statements of Karcham Wangtoo Hydro Electric Plant has been prepared for submission to various regulatory authorities.

c) These Financial Statement do not include all the information and disclosures normally included in annual financial statements. Accordingly, these statements are to be read in conjunction with annual financial statements for the year ended 31 March, 2022.

d) Accounting Policies followed in the Financial Statements are same as compared with the annual financial statements for the year ended 31th March, 2022.

e) The Financial Statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest crore, except otherwise indicated.

f) Current and non-current classification

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

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

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

All other assets are classified as non-current.

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

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

All other liabilities are classified as non-current.

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



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT****JSW HYDRO ENERGY LIMITED**

Notes to Financial Statement for the year ended 31st March, 2022

**3.2. Use of estimates & judgements**

a) 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.

b) 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 27.

**3.3. Property, plant and equipment**

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

b) 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.

a) Assets in the course of construction are capitalised in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences.

b) Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold or Leasehold land is stated at historical cost.

**3.4. Other Intangible assets**

a) Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.

b) Certain computer software costs are capitalized and recognized as Intangible assets based on materiality, accounting prudence and significant benefits expected to flow therefrom for a period longer than one year.

c) An intangible asset is derecognised on disposal, or when no further economic benefits are expected from use or disposal. Gain / (loss) on de-recognition are recognized in profit or loss.





**KARCHAM WANGTOO HYDRO ELECTRIC PLANT****JSW HYDRO ENERGY LIMITED****Notes to Financial Statement for the year ended 31st March, 2022****3.5. Depreciation and Amortisation**

a) Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values as per the provisions of Part B of Schedule II of the Companies Act, 2013 based on the useful life, rate and residual value notified for accounting purposes by CERC Tariff regulation 2014.

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

c) Assets held under Service concession arrangement are amortised over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

d) Post 100% tie up of Karcham Wangtoo HEP from 1st April, 2018 with state discoms, the company provided depreciation on tangible assets as per the provisions of Part B of Schedule II of the Companies Act, 2013 based on the rates, useful life and residual value notified for accounting purposes by CERC Tariff regulation 2014. Earlier company was providing depreciation based on technical evaluation of useful life and residual value as per the provision of part A of schedule II of the Companies' Act 2013.

e) Depreciation is being calculated annually based on straight line method and at rates specified below which are as per CERC Tariff regulation 2014. Provided that the remaining depreciable value as on 31<sup>st</sup> March of the year closing after a period of twelve years from the effective date of commercial operation of the station shall be spread over the balance useful life of the assets.

**Rate of depreciation are given below**

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

**3.6. Impairment of tangible and intangible assets**

a) At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

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

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

e) 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.





## KARCHAM WANGTOO HYDRO ELECTRIC PLANT

JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2022

### 3.7. Borrowing costs

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

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

c) The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

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

### 3.8. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and demand deposits with an original maturity of three months or less 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. Revenue recognition

#### Sale of Power

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

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

#### Interest income

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

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

### 3.10. Foreign currency transactions

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

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

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

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

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

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

exchange differences on transactions entered into in order to hedge certain foreign currency risks.



## KARCHAM WANGTOO HYDRO ELECTRIC PLANT

JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2022

### 3.11. Employee benefits

The Company has following post-employment plans:

#### a) Defined-benefit plan - gratuity

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of plan assets. The defined benefit obligation is calculated annually by actuaries through actuarial valuation using the projected unit credit method.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- service cost comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements
- net interest expense or income

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefit expenses in the statement of the profit & loss.

Re-measurement comprising of actuarial gains and losses arising from

(b) Return on plan assets, excluding amount recognized in effect of asset ceiling

(c) Re-measurement arising because of change in effect of asset ceiling are recognised in the period in which they occur directly in Other comprehensive income. Re-measurement is not reclassified to profit or loss in subsequent periods.

Ind AS 19 requires the exercise of judgment in relation to various assumptions including future pay rises, inflation and discount rates and employee and pensioner demographics. The Company determines the assumptions in conjunction with its actuaries, and believes these assumptions to be in line with best practice, but the application of different assumptions could have a significant effect on the amounts reflected in the income statement, other comprehensive income and balance sheet. There may be also interdependency between some of the assumptions.

#### b) Defined-contribution plan – provident fund

Under defined contribution plans, provident fund, the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Defined Contribution plan comprise of contributions to the employees' provident fund set up as trust or Regional Provident Fund Commissioner and certain state plans like Employees' State Insurance. The Company's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.

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

### C) Short-term and other long-term employee benefits

#### 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.

#### 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.

### 3.12. Share-based payment arrangements

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

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



# KARCHAM WANGTOO HYDRO ELECTRIC PLANT

JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2022

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## 3.13. Taxation

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

### a) Current tax

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

### b) Deferred tax

(i) 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. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiary, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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.

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

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

### iii) 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.



## KARCHAM WANGTOO HYDRO ELECTRIC PLANT

JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2022

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### 3.14. Earnings per share

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

Diluted earnings per share is computed by dividing the profit/(loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of

any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

### 3.15. Provisions, contingencies and commitments

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

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

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

A disclosure for contingent liabilities is made when there is

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

(b) a present obligation that arises from past events but is not recognized because:

- (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (ii) the amount of the obligation cannot be measured with sufficient reliability.

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

Commitments 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.

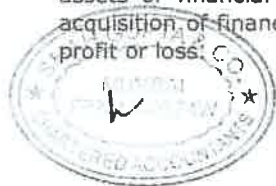
### 3.16. Financial instruments

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

#### Investment in subsidiaries:

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

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





# KARCHAM WANGTOO HYDRO ELECTRIC PLANT

JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2022

## Financial assets

### (i) Initial recognition and measurement:

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

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.

### (ii) 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 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.



## KARCHAM WANGTOO HYDRO ELECTRIC PLANT

JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2022

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 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 re-measurement 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.





## KARCHAM WANGTOO HYDRO ELECTRIC PLANT

**JSW HYDRO ENERGY LIMITED****Notes to Financial Statement for the year ended 31st March, 2022**

### Impairment of financial assets

a) 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.

b) 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.

c) 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.

d) 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.

e) 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

a) 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.

b) 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.

c) 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 a basis that takes into account the relative fair values of those parts on the date of the transfer.



## KARCHAM WANGTOO HYDRO ELECTRIC PLANT

JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2022

### 3.17. Financial liabilities and equity instruments

Classification as debt or equity

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

#### Equity instruments:

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

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

#### Financial liabilities:

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

#### Derivative financial instruments:

The company uses derivative financial instruments, such as option foreign exchange contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value, with changes in fair value recognised in the Statement of Profit and Loss.

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

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

#### Cash flow hedges:

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

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

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



## KARCHAM WANGTOO HYDRO ELECTRIC PLANT

JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2022

### Segment reporting:

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Group to make decisions for performance assessment and resource allocation. The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.

### 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 grouping is provided internally on that basis; or
    - it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement 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 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 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.



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**

JSW HYDRO ENERGY LIMITED

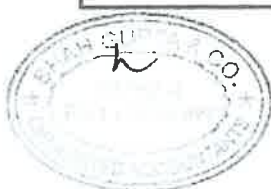
Notes to Financial Statement for the year ended 31st March, 2022

**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 changes 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 reclassifications and the 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.
FCTOCI	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.





## KARCHAM WANGTOO HYDRO ELECTRIC PLANT

JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2022

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 below.

Financial assets/ financial liabilities	
Fair value hierarchy	Valuation technique(s) and key input(s)
Level 1	Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2	Valuation Techniques for which the lowest level input that is significant to the fair Value measurement is directly or indirectly observable.
Level 3	Valuation Techniques for which the lowest level input that is significant to the fair Value measurement is unobservable.

### 3.18. Leases

a) As per requirement of Ind AS 116 company defines a lease as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration

b) Accounting for arrangements that contains Finance lease

As per Ind AS 116 company using a single lessee accounting model which requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Lease liability is initially recognised and measured at an amount equal to the present value of minimum lease payments during the lease term. Right of use asset is recognised and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of the restoration costs and any initial direct costs incurred. The company has made election for leases for which the underlying asset is of low value on lease-by-lease basis.

c) The Company as lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments (discounted at the interest rate implicit in the lease or at the entity's incremental borrowing rate). For the purpose of impairment testing the recoverable amount (i.e. the higher of the fair value less cost to sale and the value in use) is determined on an individual assets basis unless the assets does not generate cash flows that are largely independent of does from other assets. In such cases, the cit in the lease or at the entity's incremental borrowing rate). For the purpose of Impairment testing the recoverable amount (i.e. the higher of the fair value less cost to sale and the value in use) is determined on an individual assets basis unless the assets does not generate cash flows that are largely independent of does from other assets. In such cases, the

recoverable amount is determined for the cash generating unit (CGU) to which the assets belongs.

The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

The company accounts for each lease component within the contract as a lease separately from non-lease components in the contract, unless it is practically expedient to do so.



## KARCHAM WANGTOO HYDRO ELECTRIC PLANT

JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2022

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

The company has exposure to leases which have not yet commenced contractually but to which company is committed and is making provision for rentals.

### 3.19. Service concession arrangements

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

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

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

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

**Financial asset model:**

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

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

**Intangible asset model:**

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

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

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

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

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

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





**KARCHAM WANGTOO HYDRO ELECTRIC PLANT****JSW HYDRO ENERGY LIMITED****Notes to Financial Statement for the year ended 31st March, 2022****3.20. Inventories**

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

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



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
(JSW HYDRO ENERGY LIMITED)**

Notes to the financial statements as at and for the year ended 31st March, 2022

Note 4. Property, plant & equipment

( ₹ Crore )

Description of Assets	Land - Freehold	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Right of Use Assets	Total
<b>IGAAP</b>								
I. Gross carrying value								
Balance as at 1st April, 2021	60.47	35.02	7,544.41	5.59	1.31	3.84	12.70	7,663.34
Additions	-	23.93	6.00	0.61	0.06	0.94	-	31.54
Disposals/Discard	-	-	-	(0.15)	(0.00)	(0.01)	-	(0.16)
<b>Balance as at 31st March, 2022</b>	<b>60.47</b>	<b>58.95</b>	<b>7,550.41</b>	<b>6.05</b>	<b>1.37</b>	<b>4.77</b>	<b>12.70</b>	<b>7,694.72</b>
II. Accumulated depreciation and impairment for the year 2020-21								
Balance as at 1st April, 2021	-	5.19	1,718.35	3.85	0.36	1.85	1.02	1,730.63
Depreciation expense for the year	-	1.64	398.56	0.28	0.08	0.35	0.51	401.42
Eliminated on Disposals/discards	-	-	-	(0.15)	(0.00)	(0.01)	-	(0.16)
<b>Balance as at 31st March, 2022</b>	<b>-</b>	<b>6.83</b>	<b>2,116.91</b>	<b>3.98</b>	<b>0.44</b>	<b>2.19</b>	<b>1.53</b>	<b>2,131.89</b>
<b>Net carrying value as at 31st March, 2022 (I-II)</b>	<b>60.47</b>	<b>52.12</b>	<b>5,433.50</b>	<b>2.07</b>	<b>0.93</b>	<b>2.58</b>	<b>11.17</b>	<b>5,562.83</b>

( ₹ Crore )

Description of Assets	Land - Freehold	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Right of Use Assets	Total
I. Gross carrying value								
Balance as at 1st April, 2020	60.47	33.73	7,510.72	4.94	1.27	3.49	12.70	7,627.32
Additions	-	1.99	33.69	0.65	0.04	0.36	-	36.73
Disposals/Discard	-	(0.70)	-	-	-	(0.01)	-	(0.71)
<b>Balance as at 31st March, 2021</b>	<b>60.47</b>	<b>35.02</b>	<b>7,544.41</b>	<b>5.59</b>	<b>1.31</b>	<b>3.84</b>	<b>12.70</b>	<b>7,663.34</b>
II. Accumulated depreciation and impairment for the year 2019-20								
Balance as at 1st April, 2020	-	4.17	1,312.08	3.57	0.28	1.54	0.51	1,322.16
Depreciation expense for the year	-	1.11	406.27	0.28	0.08	0.31	0.51	408.56
Eliminated on Disposals/discards	-	(0.09)	-	-	-	(0.00)	-	(0.09)
<b>Balance as at 31st March, 2021</b>	<b>-</b>	<b>5.19</b>	<b>1,718.35</b>	<b>3.85</b>	<b>0.36</b>	<b>1.85</b>	<b>1.02</b>	<b>1,730.63</b>
<b>Net carrying value as at 31st March, 2021 (I-II)</b>	<b>60.47</b>	<b>29.83</b>	<b>5,826.06</b>	<b>1.74</b>	<b>0.95</b>	<b>1.99</b>	<b>11.68</b>	<b>5,932.71</b>

Details of Immovable properties of which title deeds not in the name of the company:

Description of the property	Gross Carrying value (₹ crore)	Title deeds held in the name of	Share of the Group in the property (%)	Whether title deed holder is a promoter, director or relative# of promoter* / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company
Bithal Land & Building	22.28	Jalprakesh Power Ventures Limited	100%	NA	01 Sep, 2015	Title has been vested in the name of company through Scheme of arrangement approved by HP High Court. Procedural requirement for change of name of company in the Government record is in process.



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
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Notes to the financial statements as at and for the year ended 31st March, 2022

**Note 5. Capital work in progress**

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

	( ₹ Crore )
Balance as at 31st March, 2021	17.94
Balance as at 31st March, 2022	0.05

Footnote:

- 1) Amount transferred to property plant and equipment during the year ₹ 17.94 crore (for the year ended 31st March, 2021: ₹ 2.49 Crore)  
2) No project temporarily suspended as on 31st March, 2022.

Capital work in progress ageing & schedule						( ₹ crore)
As at 31st March, 2022	Amount in CWIP for a period of				Total	
	< 1 year	1-2 years	2-3 years	> 3 years		
Projects in progress	0.05	-	-	-	0.05	
Projects temporarily suspended						
<b>Total</b>	<b>0.05</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.05</b>	

Capital work in progress for projects whose completion is overdue

As at 31st March, 2022	To be completed in				Total	
	< 1 year	1-2 years	2-3 years	> 3 years		
Projects	-	-	-	-	-	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

Capital work in progress ageing & schedule

As at 31st March, 2021	Amount in CWIP for a period of				Total	
	< 1 year	1-2 years	2-3 years	> 3 years		
Projects in progress	4.97	6.60	4.41	1.96	17.94	
Projects temporarily suspended						
<b>Total</b>	<b>4.97</b>	<b>6.60</b>	<b>4.41</b>	<b>1.96</b>	<b>17.94</b>	

Capital work in progress for projects whose completion is overdue

As at 31st March, 2021	To be completed in				Total	
	< 1 year	1-2 years	2-3 years	> 3 years		
Projects	16.23		-		16.23	
<b>Total</b>	<b>16.23</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16.23</b>	



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
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Notes to the financial statements as at and for the year ended 31st March, 2022

**Note 6. Intangible assets**

( ₹ Crore )

Description of Assets	Computer Software	Total
<b>At Cost/deemed cost</b>		
<b>I. Gross Carrying Value</b>		
Balance as at 1st April, 2021	1.38	1.38
Additions	0.13	0.13
Balance as at 31st March, 2022	1.51	1.51
<b>II. Accumulated amortisation and impairment for the year 2020-21</b>		
Balance as at 1st April, 2021	0.57	0.57
Amortisation expense for the year	0.19	0.19
Balance as at 31st March, 2022	0.76	0.76
<b>Net carrying value as at 31st March, 2022 (I-II)</b>	<b>0.75</b>	<b>0.75</b>

( ₹ Crore )

Description of Assets	Computer Software	Total
<b>At Cost/deemed cost</b>		
<b>I. Gross Carrying Value</b>		
Balance as at 1st April, 2020	1.38	1.38
Disposals or classified as held for sale	-	-
Additions	-	-
Balance as at 31st March, 2021	1.38	1.38
<b>II. Accumulated amortisation and impairment for the year 2020-21</b>		
Balance as at 1st April, 2020	0.38	0.38
Amortisation expense for the year	0.19	0.19
Eliminated on disposal of assets	-	-
Balance as at 31st March, 2021	0.57	0.57
<b>Net carrying value as at 31st March, 2021 (I-II)</b>	<b>0.81</b>	<b>0.81</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
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Notes to the financial statements as at and for the year ended 31st March, 2022

**Note 7. Other financial assets**

( ₹ Crore )

Particulars	As at 31st March, 2022			As at 31st March, 2021		
	Current	Non- Current	Total	Current	Non- Current	Total
(a) Security Deposits						
- Unsecured, considered good						
- Government/Semi-Government Authorities	-	0.15	0.15	-	0.15	0.15
- Others	-	0.09	0.09	-	0.09	0.09
	-	0.24	0.24	-	0.24	0.24
(b) Revenue receivable						
- Unsecured Considered Goods	-	0.00	0.00	26.58	-	26.58
- Unbilled revenue	65.10	-	65.10	67.24	-	67.24
- Other Receivable	0.10	-	0.10	-	-	-
- Interest accrued on deposits	0.69	-	0.69	0.92	-	0.92
	65.89	-	65.89	94.74	-	94.74
(c) Bank deposits with Original maturity more than Twelve Months	-	-	-	-	-	-
(d) Other Receivable						
- Receivable from JSW Neo Energy Limited	789.33	-	789.33	-	-	-
	789.33	-	789.33	-	-	-
(e) Derivative asset						
- Foreign Currency Options	-	61.27	61.27	-	-	-
<b>Total</b>	<b>855.22</b>	<b>61.51</b>	<b>916.73</b>	<b>94.74</b>	<b>0.24</b>	<b>94.98</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
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Notes to the financial statements as at and for the year ended 31st March, 2022

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

( ₹ Crore )

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Current	Non-current	Current	Non-current
Advance Tax and tax deducted at sources (Net of provision for Tax)	-	42.71	-	36.03
	-	42.71	-	36.03





**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
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Notes to the financial statements as at and for the year ended 31st March, 2022

**Note 8. Other non-current and current assets**

( ₹ Crore )

Particulars	As at 31st March, 2022			As at 31st March, 2021		
	Current	Non- Current	Total	Current	Non- Current	Total
(a) Capital Advances	-	0.96	0.96	-	0.35	0.35
(b) Prepayments	8.25	-	8.25	7.71	0.12	7.83
(c) GST Input Tax	0.05	-	0.05	0.10	-	0.10
(d) Advances to Vendors	1.71	-	1.71	1.91	-	1.91
<b>Total</b>	<b>10.01</b>	<b>0.96</b>	<b>10.97</b>	<b>9.72</b>	<b>0.47</b>	<b>10.19</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
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Notes to the financial statements as at and for the year ended 31st March, 2022

**Note 9. Inventories**

**( ₹ Crore )**

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Stores and spares	8.02	6.40
(b) Inventory Medicine	0.11	0.12
<b>Total</b>	<b>8.13</b>	<b>6.52</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
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Notes to the financial statements as at and for the year ended 31st March, 2022

**Note 10A. Investment in equity**

( ₹ Crore )

Particulars	As at 31st March, 2022			As at 31st March, 2021		
	Current	Non- Current	Total	Current	Non- Current	Total
Investment in equity instruments *						
(i) JSW Energy (Kutehr ) Limited	-	-	-	-	454.15	454.15
<b>Total</b>	-	-	-	-	<b>454.15</b>	<b>454.15</b>

\* Total investment in Equity in JSW Energy (Kutehr) Limited of Rs. 789.33 has been transferred to JSW Neo Energy Limited during the FY 21-22.

**Note 10B. Other Investment**

( ₹ Crore )

Particulars	As at 31st March, 2022			As at 31st March, 2021		
	Current	Non- Current	Total	Current	Non- Current	Total
Investments carried at fair value through Profit and Loss						
Investment in mutual funds						
i) Aditya Birla Sunlife Liquid Fund - Growth	106.87	-	106.87	272.10	-	272.10
ii) Aditya Birla Sunlife Floating rate Fund - Growth	81.49	-	81.49	-	-	-
iii) Aditya Birla Saving Fund - Growth	55.38	-	55.38	-	-	-
iv) SBI floating DEBT fund Regular Growth	60.90	-	60.90	-	-	-
v) SBI premier Liquid Fund- Regular - Growth	245.65	-	245.65	200.12	-	200.12
vi) ICICI prudential Liquid Fund - Growth	62.43	-	62.43	-	-	-
<b>Total</b>	<b>612.72</b>	-	<b>612.72</b>	<b>472.22</b>	-	<b>472.22</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
(JSW HYDRO ENERGY LIMITED)**

Notes to the financial statements as at and for the year ended 31st March, 2022

**Note 11. Trade receivables**

( ₹ Crore )

Particulars	As at 31st March, 2022			As at 31st March, 2021		
	Current	Non- Current	Total	Current	Non- Current	Total
(i) Trade Receivables considered good - Secured	15.68	-	15.68	15.47	-	15.47
(ii) Trade Receivables considered good - Unsecured	-	-	-	2.26	-	2.26
	15.68	-	15.68	17.73	-	17.73
Unsecured, Credit impaired	-	-	-	-	-	-
Less: Loss allowance for doubtful receivables	-	-	-	-	-	-
<b>Total</b>	<b>15.68</b>	<b>-</b>	<b>15.68</b>	<b>17.73</b>	<b>-</b>	<b>17.73</b>

**Ageing of Trade Receivables**

( ₹ Crore )

As at 31st March, 2022	Undisputed Trade receivables		Disputed Trade Receivables	
	Considered good	Considered doubtful	Considered good	Considered doubtful
Outstanding for following periods from due date of payment				
Less than 6 months	0.16	-	-	-
6 months-1 year	0.20	-	-	-
1-2 years	-	-	0.20	-
2-3 years	-	-	11.61	-
More than 3 years	-	-	3.51	-
<b>Total</b>	<b>0.36</b>	<b>-</b>	<b>15.32</b>	<b>-</b>

( ₹ Crore )

As at 31st March, 2021	Undisputed Trade receivables		Disputed Trade Receivables	
	Considered good	Considered doubtful	Considered good	Considered doubtful
Outstanding for following periods from due date of payment				
Less than 6 months	2.10	-	-	-
6 months-1 year	0.20	-	0.20	-
1-2 years	0.11	-	11.61	-
2-3 years	-	-	3.51	-
More than 3 years	-	-	-	-
<b>Total</b>	<b>2.41</b>	<b>-</b>	<b>15.32</b>	<b>-</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
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Notes to the financial statements as at and for the year ended 31st March, 2022

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

( ₹ Crore )

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Cash and cash equivalents</b>		
(a) Balances with banks		
(i) With scheduled banks		
-In Current accounts	11.31	108.13
In Deposit accounts with maturity less than 3 months at inception	1.99	0.01
(b) Cash on hand	0.01	-
<b>Total</b>	<b>13.31</b>	<b>108.14</b>

**Note 12B. Bank balance other than Cash and cash equivalents**

( ₹ Crore )

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Bank balances other than above</b>		
(a) Balances with banks		
-In deposit accounts (maturity more than 3 months at Inception)	19.63	38.10
(b) Earmarked balances with banks		
-Margin money for Security	265.50	-
<b>Total</b>	<b>285.13</b>	<b>38.10</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
(JSW HYDRO ENERGY LIMITED)**

Notes to the financial statements as at and for the year ended 31st March, 2022

**Note 13. Equity share capital**

( ₹ Crore )

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	No. of shares	Amount	No. of shares	Amount
Authorised: Equity shares of ₹ 10 each with voting rights	966,000,000	966.00	966,000,000	966.00
Issued, Subscribed and Fully Paid: Equity shares of ₹ 10 each with voting rights	966,000,000	966.00	966,000,000	966.00
	<b>966,000,000</b>	<b>966.00</b>	<b>966,000,000</b>	<b>966.00</b>

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

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares		No. of Shares	
Balance as at the beginning of the year	966,000,000		966,000,000	
Issued during the year	-		-	
Balance as at the end of the year	966,000,000		966,000,000	

**b) Terms & Rights 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. However, no such preferential amount exists currently.

**c) Details of shareholding more than 5% shares in the company are set out below :**

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares		No. of Shares	
1 JSW Neo Energy Limited & its nominees	966,000,000			
2 JSW Energy Limited & its nominees			966,000,000	
	100%		100%	

**d) Shares held by promoters at the end of the year**

Name of Promoter	As at 31st March, 2022		As at 31st March, 2021	
	No. of shares	% of total shares	No. of shares	% of total shares
JSW Neo Energy Limited & its nominees	966,000,000	100%	-	-
JSW Energy Limited & its nominees	-	-	966,000,000	100%
<b>Total</b>	<b>966,000,000</b>	<b>100%</b>	<b>966,000,000</b>	<b>100%</b>





**JSW HYDRO ENERGY LIMITED****(Formerly known as Himachal Baspa Power Company Limited)**

Notes to the financial statements as at and for the year ended 31st March, 2022

**Note 14. Other Equity****( ₹ Crore )**

Particulars	As at 31st March, 2022	As at 31st March, 2021
Equity-settled employee benefits reserve	3.85	0.71
Retained earnings	868.64	315.10
Effective portion of cash flow hedge	(114.73)	-
Capital contribution by parent company	119.22	119.22
<b>Total comprehensive income</b>	<b>876.98</b>	<b>435.03</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
(JSW HYDRO ENERGY LIMITED)**

Notes to the financial statements as at and for the year ended 31st March, 2022

**Note 15. Borrowings**

( ₹ Crore )

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Non- Current</b>		
<b>Borrowings at amortised cost</b>		
Secured Borrowings:		
i) Green Bond	4,394.35	-
ii) Term loans		
From Banks	-	4,517.85
Less: Unamortised borrowing cost	55.83	25.51
	<b>4,338.52</b>	<b>4,492.34</b>
<b>Current</b>		
<b>Short Term Borrowings (Secured)</b>		
i) Green Bond	397.23	-
ii) Short Term loans		
From Banks	-	271.94
From Banks (WCTR)	-	30.00
Less: Unamortised borrowing cost	9.45	4.03
	<b>387.78</b>	<b>297.91</b>
<b>Total</b>	<b>4,726.30</b>	<b>4,790.25</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
(JSW HYDRO ENERGY LIMITED)**

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Notes to the financial statements as at and for the year ended 31st March, 2022

**Note 15A. Lease liabilities**

Particulars	As at 31st March, 2022			As at 31st March, 2021		
	Current	Non-Current	Total	Current	Non-Current	Total
Lease liabilities	0.02	4.97	4.99	0.08	4.99	5.07
<b>Total</b>	<b>0.02</b>	<b>4.97</b>	<b>4.99</b>	<b>0.08</b>	<b>4.99</b>	<b>5.07</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
(JSW HYDRO ENERGY LIMITED)**

Notes to the financial statements as at and for the year ended 31st March, 2022

**Note 16. Other financial liabilities**

( ₹ Crore )

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Non- Current</b>		
(a) Deposits received	0.01	0.01
(b) Other payable	32.04	413.85
	<b>32.05</b>	<b>413.86</b>
<b>Current</b>		
(a) Interest accrued but not due on borrowings	77.38	20.32
(b) Payable for capital supplies/services	185.54	28.09
(c) Other payable	568.23	499.72
	<b>831.15</b>	<b>548.13</b>
<b>Total</b>	<b>863.20</b>	<b>961.99</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
(JSW HYDRO ENERGY LIMITED)**

Notes to the financial statements as at and for the year ended 31st March, 2022

**Note 17. Provisions**

( ₹ Crore )

Particulars	As at 31st March, 2022			As at 31st March, 2021		
	Current	Non- Current	Total	Current	Non- Current	Total
Provision for employee benefits						
(i) Provision for gratuity	1.13	2.07	3.20	0.99	2.92	3.91
(ii) Provision for compensated absence	0.44	3.70	4.14	0.48	2.96	3.44
<b>Total</b>	<b>1.57</b>	<b>5.77</b>	<b>7.34</b>	<b>1.47</b>	<b>5.88</b>	<b>7.35</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
(JSW HYDRO ENERGY LIMITED)**

Notes to the financial statements as at and for the year ended 31st March, 2022

**Note 18. Trade payables**

( ₹ Crore )

Particulars	As at 31st March, 2022			As at 31st March, 2021		
	Current	Non- Current	Total	Current	Non- Current	Total
Trade Payables						
(a) Total outstanding dues of micro and small enterprises	1.87	-	1.87	3.26	-	3.26
(b) Total outstanding dues of creditors other than micro and small enterprises	20.35	-	20.35	18.38	-	18.38
<b>Total</b>	<b>22.22</b>	<b>-</b>	<b>22.22</b>	<b>21.64</b>	<b>-</b>	<b>21.64</b>

**Creditors Ageing**

( ₹ Crore )

As at 31st March, 2022	Undisputed		Disputed	
	MSME	Others	MSME	Others
Outstanding for following periods from due date of payment				
Less than 1 year	1.87	1.94	-	-
1-2 years	-	1.33	-	-
2-3 years	-	1.43	-	-
More than 3 years	-	1.85	-	-
Not due	-	4.99	-	-
Unbilled	-	8.81	-	-
<b>Total</b>	<b>1.87</b>	<b>20.35</b>	<b>-</b>	<b>-</b>

( ₹ Crore )

As at 31st March, 2021	Undisputed		Disputed	
	MSME	Others	MSME	Others
Outstanding for following periods from due date of payment				
Less than 1 year	3.26	6.09	-	-
1-2 years	-	2.65	-	-
2-3 years	-	0.32	-	-
More than 3 years	-	1.66	-	-
Not due	-	2.52	-	-
Unbilled	-	5.14	-	-
<b>Total</b>	<b>3.26</b>	<b>18.38</b>	<b>-</b>	<b>-</b>





**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
(JSW HYDRO ENERGY LIMITED)**

Notes to the financial statements as at and for the year ended 31st March, 2022

**Note 19. Other current liabilities**

**( ₹ Crore )**

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Current	Total	Current	Total
(a) Advance received from customers	0.46	0.46	1.04	1.04
(b) Employee recoveries and employer contributions	0.49	0.49	0.44	0.44
(c) Statutory dues	0.97	0.97	0.71	0.71
(d) Others	0.07	0.07	-	-
<b>Total</b>	<b>1.99</b>	<b>1.99</b>	<b>2.19</b>	<b>2.19</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
(JSW HYDRO ENERGY LIMITED)**

Notes to the financial statements as at and for the year ended 31st March, 2022

**Note 20. Revenue from operations**

( ₹ Crore )

Particulars	For the year Ended 31st March, 2022	For the year Ended 31st March, 2021
<b>Disaggregation of revenue from contract with customers:</b>		
(1) Sale of power (Own generation)	1,616.05	983.35
<b>Total revenue from contract with customers (A)</b>	<b>1,616.05</b>	<b>983.35</b>
(2) Other Operational Income (B)	21.44	-
	21.44	-
<b>Total (A) + (B)</b>	<b>1,637.49</b>	<b>983.35</b>

**(a) Details of revenue from contract with Customer**

Particulars	For the year Ended 31st March, 2022	For the year Ended 31st March, 2021
Total Revenue from contract with customers as above	1,616.05	983.35
Add: Rebate on prompt payment	24.36	21.44
Less: Incentive	118.20	84.40
<b>Total Revenue from contract with customers as per contracted price</b>	<b>1,522.21</b>	<b>920.39</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
(JSW HYDRO ENERGY LIMITED)**

Notes to the financial statements as at and for the year ended 31st March, 2022

**Note 21. Other income**

**( ₹ Crore )**

Particulars	For the year Ended 31st March, 2022	For the year Ended 31st March, 2021
<b>a) Interest Income earned on financial assets that are not designated as at FVTPL</b>		
i On Bank deposits	1.84	2.06
ii Other Financial Assets	17.74	3.46
<b>b) Other non-operating income</b>		
i Net Gain on sale of current investments designated as at FVTPL	21.83	12.04
ii Net Gain on disposal of property, plant and equipment	0.01	0.00
iii Net gain on foreign currency transaction	0.04	-
iv Domestic Scrap Sales	0.18	-
v Provision no longer required written back	-	18.00
vi Miscellaneous Income	1.07	2.90
<b>Total</b>	<b>42.71</b>	<b>38.46</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
(JSW HYDRO ENERGY LIMITED)**

Notes to the financial statements as at and for the year ended 31st March, 2022

**Note 22. Employee benefits expense**

**( ₹ Crore )**

Particulars	For the year Ended 31st March, 2022	For the year Ended 31st March, 2021
(a) Salaries and wages	43.39	42.39
(b) Contribution to provident and other funds	4.73	2.79
(c) Share based payment	3.14	0.27
(d) Staff welfare expenses	4.90	2.48
<b>Total</b>	<b>56.16</b>	<b>47.93</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
(JSW HYDRO ENERGY LIMITED)**

Notes to the financial statements as at and for the year ended 31st March, 2022

**Note 23. Finance costs**

( ₹ Crore )

Particulars	For the year Ended 31st March, 2022	For the year Ended 31st March, 2021
(a) Interest expense		
i Interest on foreign currency loan	178.95	-
ii Hedging charges	132.85	-
iii Interest on Term Loan	49.89	407.64
iv Interest cash credit	0.05	0.08
v Other Interest Expense	3.48	-
(b) Revaluation gain/loss on foreign currency borrowings (Net)	0.61	-
(c) Other borrowing costs	98.60	7.49
(d) Interest on lease liabilities	0.46	0.46
<b>Total</b>	<b>464.89</b>	<b>415.67</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
(JSW HYDRO ENERGY LIMITED)**

Notes to the financial statements as at and for the year ended 31st March, 2022

**Note 24. Depreciation and amortisation expense**

**( ₹ Crore )**

Particulars	For the year Ended 31st March, 2022	For the year Ended 31st March, 2021
(a) Depreciation on property, plant and equipment	401.41	408.56
(b) Amortization on Intangible assets	0.19	0.19
<b>Total</b>	<b>401.60</b>	<b>408.75</b>





**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
(JSW HYDRO ENERGY LIMITED)**

Notes to the financial statements as at and for the year ended 31st March, 2022

**Note 25. Other expenses**

( ₹ Crore )

Particulars	For the year Ended 31st March, 2022	For the year Ended 31st March, 2021
(a) Stores and spares consumed	11.62	15.62
(b) Power & Water	1.90	2.03
(c) Rent including lease rentals	2.14	2.09
(d) Repairs and maintenance	30.66	22.14
(e) Royalty	0.04	0.03
(f) Rates and taxes	1.58	0.25
(g) Insurance	15.91	16.04
(h) Net loss / (gain) on foreign currency transactions net off )	(0.00)	0.00
(i) Legal and other professional charges	4.51	4.11
(j) Travelling Expenses	1.13	0.61
(k) Donation	-	0.05
(l) Corporate Social Responsibility Expenses	2.50	3.00
(m) Open Access Charges	0.12	0.06
(n) Other General Expenses	7.28	4.65
(o) Safety and Security	1.21	1.08
(p) Branding Expenses	2.42	2.88
(q) Shared Service Charges	1.70	1.56
(r) Property ,Plant and equipment written off	0.00	0.62
<b>Total</b>	<b>84.72</b>	<b>76.82</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
(JSW HYDRO ENERGY LIMITED)**

Notes to the financial statements as at and for the year ended 31st March, 2022

**Note 26. Tax expense**

( ₹ Crore )

Particulars	For the year Ended 31st March, 2022	For the year Ended 31st March, 2021
(a) Current Tax	118.06	12.72
<b>Total</b>	<b>118.06</b>	<b>12.72</b>



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**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
**(JSW HYDRO ENERGY LIMITED)**

Notes to the financial statements as at and for the year ended 31st March, 2022

**Note no. 27 - Financial Ratios**

Sr. No.	Particulars	For the year ended 31st March, 2022			For the year ended 31st March, 2021	Variance (%)	Reason for variance over 25%
		Numerator	Denominator	31.03.2022	31.03.2021		
1	Current Ratio (In times) (Current Assets / Current Liabilities)	1,800.20	1,244.72	1.45	0.86	69%	Due to sale of long term equity investment of Rs. 789.33
2	Debt-Equity Ratio (In times) (Total Borrowings / Net Worth)	4,726.30	1,842.98	2.56	3.42	-25%	Due to changes in other Equity during the year.(Impact of Trueup order)
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 period). Finance Charges : Interest on Term Loans and Interest on Debentures	1,034.57	529.16	1.96	0.74	166%	Due to increase in profit (Impact of Trueup Order)
4	Return on Equity Ratio (%) (Net profit after tax / Average Networth)	554.75	1,622.01	34%	4.37%	682%	Due to Increase in profit (Impact of Trueup Order)
5	Inventory Turnover (no. of days) (Average Inventory / (Fuel Cost + Stores & Spares Consumed + Purchase of stock in trade)	7.32	42.28	63.19	62.08	2%	
6	Debtors Turnover (no. of days) ((Average Trade Receivables including unbilled revenue * No of days) / Revenue from operations)	92.93	1,537.49	18.49	68.40	-73%	Due to Increase in sale (Impact of Trueup Order) and decrease in average debtors.
7	Payables Turnover (no. of days) ((Average Trade payables including * No of days) / Cost of goods sold)	21.93	42.28	189.28	429.23	-56%	Due to Payment of POC which was done in 2021 by this Average Trade payable has been decreased.
8	Net Capital Turnover (In times) (Annual turnover / Shareholder's equity)	1,837.49	1,842.98	0.99	0.70	27%	Due to Increase in Sale (Impact of Trueup Order)
9	Net Profit Margin (%) (Net profit for the period / year / Total Income)	554.76	1,880.20	33%	6%	463%	Due to Increase in profit/Sale (Impact of Trueup Order)
10	Return on Capital Employed (%) (((Profit after tax plus Interest on long term loans and debentures) / Average capital employed)	916.50	6,360.28	14%	7%	92%	Due to Increase in profit/sale (Impact of Trueup Order)
11	Return on Investment (%) (Profit generated on sale of investment / Cost of investment)	21.83	612.72	4%	3%	40%	Due to increase in the cost of investment in Mutual fund and increase in return also.



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
**JSW HYDRO ENERGY LIMITED**  
**Balance Sheet as at 31st March, 2023**

( ₹ Crore )

Particulars		Note No.	As at 31st March, 2023	As at 31st March, 2022
A	<b>ASSETS</b>			
	<b>1 Non-current assets</b>			
	(a) Property, plant and equipment	4	5,165.22	5,552.83
	(b) Capital work-in-progress	5	1.80	0.05
	(c) Other intangible assets	6	0.65	0.75
	(d) Financial assets			
	(i) Loans	7	789.00	-
	(ii) Other Financial Assets	7A	721.58	61.51
	(e) Income tax assets (net)	7B	42.86	42.71
	(f) Other non-current assets	8	0.59	0.96
	<b>Total non-current assets</b>		<b>6,721.70</b>	<b>5,668.81</b>
	<b>2 Current assets</b>			
	(a) Inventories	9	8.94	8.13
	(b) Financial assets			
	(i) Investments	10	709.73	617.72
	(ii) Trade receivables	11	4.73	15.68
	(iii) Unbilled revenue		61.03	65.10
	(iv) Cash and cash equivalents	12	17.63	13.31
	(v) Bank balances other than (iii) above	12A	184.18	285.13
	(vi) Other financial assets	7A	1.82	790.12
	(c) Other current assets	8	17.34	10.01
	<b>Total current assets</b>		<b>1,012.39</b>	<b>1,800.20</b>
	<b>Total assets (1+2)</b>		<b>7,734.09</b>	<b>7,469.01</b>
B	<b>EQUITY AND LIABILITIES</b>			
	<b>1 Equity</b>			
	(a) Equity share capital	13	966.00	966.00
	(b) Other equity	14	1,342.60	876.98
	<b>Total equity</b>		<b>2,308.60</b>	<b>1,842.98</b>
	<b>2 Liabilities</b>			
	(i) Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	15	4,287.90	4,338.52
	(ii) Lease liabilities	15A	4.94	4.97
	(iii) Other financial liabilities	16	37.82	32.05
	(b) Provisions	17	3.96	5.77
	<b>Total non-current liabilities</b>		<b>4,334.62</b>	<b>4,381.31</b>
	(ii) Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	15	457.18	387.78
	(ii) Lease liabilities	15A	0.03	0.02
	(iii) Trade payables			
	(a) Total outstanding dues of micro and small enterprises	18	0.78	1.87
	(b) Total outstanding dues of creditors other than micro and small enterprises	18	21.18	20.35
	(iv) Other financial liabilities	16	602.45	831.15
	(b) Other current liabilities	19	2.37	1.39
	(c) Provisions	17	4.41	1.57
	(d) Current tax liabilities (Net)	7C	2.47	-
	<b>Total current liabilities</b>		<b>1,090.87</b>	<b>1,244.72</b>
	<b>Total liabilities</b>		<b>5,425.49</b>	<b>5,626.03</b>
	<b>Total equity and liabilities (1+2)</b>		<b>7,734.09</b>	<b>7,469.01</b>

See accompanying notes to the financial statements.

As per our attached report

For Shah Gupta &amp; Co

Chartered Accountants

Firm Registration No.: 109574W

Vipul K Choksi

Partner

M No. 37606



Place: Mumbai

Date: May 22, 2023

For and on behalf of Board of Directors



Gyan Bhadra Kumar

Whole Time Director

DIN: 03620109

Prashant Jain

Chairman

DIN: 01281621

Sanjeev Rango

Company Secretary &amp;

Chief Financial Officer

**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
**JSW HYDRO ENERGY LIMITED**  
**Statement of Profit and Loss for the Year ended 31st March, 2023**

₹ Crore, except per share data and as stated otherwise

Particulars	Note No.	For the year Ended 31st March, 2023	For the year Ended 31st March, 2022
I Revenue from operations	20	1,108.88	1,637.49
II Other income	21	47.19	42.71
III Total income (I + II)		<b>1,156.07</b>	<b>1,680.20</b>
IV Expenses			
(a) Employee benefits expense	22	74.83	56.16
(b) Finance costs	23	370.20	464.89
(c) Depreciation and amortisation expenses	24	402.17	401.60
(d) Other expenses	25	101.96	84.72
Total expenses		<b>949.16</b>	<b>1,007.37</b>
V Profit before tax		<b>206.91</b>	<b>672.83</b>
VI Tax Expense	26		
Current tax		36.17	118.06
Deferred tax		(3.83)	(123.09)
VII Deferred Tax (recoverable from)/adjustable in future tariff		<b>3.83</b>	<b>123.09</b>
XIII Profit for the year (V-VI)		<b>36.17</b>	<b>118.06</b>
IX Other comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurements of the net defined benefit plan		(0.34)	(1.48)
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.06	0.26
B (i) Items that will be reclassified to profit or loss		289.93	(114.73)
(ii) Income tax relating to items that will be reclassified to profit or loss		(72.97)	28.88
(iii) Deferred tax recoverable from / (adjustable in) future tariff		72.97	(28.88)
Other comprehensive income for the year (A + B)		<b>289.65</b>	<b>(115.95)</b>
X Total comprehensive (loss)/income for the year ( XIII + IX )		<b>460.39</b>	<b>438.82</b>

See accompanying notes to the financial statements

As per our attached report

For Shah Gupta & Co

Chartered Accountants

Firm Registration No.: 109574W

Vipul K Choksi

Partner

M No. 37606



For and on behalf of Board of Directors

Gyan Shashi Kr.

Gyan Bhadra Kumar  
Whole Time Director  
[DIN: 03620109]

Prashant Jain

Chairman  
[DIN: 01281621]

Sanjeev Kango

Company Secretary &  
Chief Financial Officer

Place: Mumbai

Date: May 22, 2023

**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
**JSW HYDRO ENERGY LIMITED**

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

**a. Equity share capital** (₹ Crore)

Balance at the 1st April, 2021	966.00
Changes in equity share capital during the FY 2021-22	-
Balance at the 31st March, 2022	966.00
Changes in equity share capital during the FY 2022-23	-
Balance at the 31st March, 2023	966.00

**b. Other equity** (₹ Crore)

Particulars	Reserves & surplus		Item of other comprehensive income	Capital Contribution by parent company	Total
	Equity-settled employee benefits reserve	Retained earnings	Effective portion of cash flow hedge reserve		
Balance as at 1st April, 2022	3.85	868.64	(114.73)	119.22	876.98
Profit for the year	-	170.74	-	-	170.74
Recognition of Share based payment	5.23	-	-	-	5.23
Other comprehensive income for the period, net of income tax	-	(6.28)	289.93	-	289.65
Transfer to retained earnings after exercise of options	(0.99)	0.99	-	-	-
Balance as at 31st March, 2023	8.09	1,040.09	175.20	119.22	1,342.60

(₹ Crore)

Particulars	Reserves & surplus		Item of other comprehensive income	Capital Contribution by parent company	Total
	Equity-settled employee benefits reserve	Retained earnings	Effective portion of cash flow hedge reserve		
Balance at 1st April, 2021	0.71	315.10	-	119.22	435.03
Profit for the year	-	554.76	-	-	554.76
Recognition of Share based payment	3.14	-	-	-	3.14
Other comprehensive income for the year, net of income tax	-	(1.22)	(114.73)	-	(115.95)
Balance as at 31st March, 2022	3.85	868.64	(114.73)	119.22	876.98

See accompanying notes to the financial statements

As per our attached report

For Shah Gupta & Co

Chartered Accountants

Firm Registration No.: 109574W

Vipul K Choksi

Partner

M No. 37606



For and on behalf of Board of Directors

Gyanbhadra K

Gyanbhadra Kumar

Whole Time Director

[DIN: 03620109]

Prashant Jain

Chairman

[DIN: 01281621]

Sanjeev Kango

Company Secretary &

Chief Financial Officer

Place: Mumbai

Date: May 22, 2023



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT****JSW HYDRO ENERGY LIMITED****Notes to Financial Statement for the year ended 31st March, 2023****Note 1. General information**

a) Karcham Wangtoo Hydro Electric Plant (1045 MW) is a run of the river plant on the river Sutlej, in the Kinnaur district of the state of Himachal Pradesh.

b) JSW Hydro Energy Limited is a public limited Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India is wholly owned subsidiary of JSW Neo Energy Limited and is a step down subsidiary of JSW Energy Limited. (In the FY 2020-21 JSW Hydro energy limited was wholly owned subsidiary of JSW energy Limited). The registered office of the Company is located at Sholtu Colony, P.O. Tapri, Dist. Kinnaur, 172104 (HP).

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

d) For detail financial disclosures and policies, refer to full set of financial statement as prepared for the Financial Year 2022-23 of JSW Hydro Energy Limited.

**Note 2.1: Statement of compliance**

a) The Financial Statements of the Company which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2023, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements") have been prepared in accordance with Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, the provisions of the Companies Act, 2013 ("the Act") to the extent notified and other accounting principles generally accepted in India.

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

**Note No. 2.2 - Recent accounting pronouncements:**

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

**(a) Ind AS 1 – Presentation of Financial Statements**

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

**(b) Ind AS 12 – Income Taxes**

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

**(c) Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

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

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



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
JSW HYDRO ENERGY LIMITED**

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

**Note 3.1: Basis of preparation of financial statements & Significant accounting policies**

a) The Company has prepared these unit-wise Financial Statements 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").

b) The Financial Statements of Karcham Wangtoo Hydro Electric Plant has been prepared for submission to various regulatory authorities.

c) These Financial Statement do not include all the information and disclosures normally included in annual financial statements. Accordingly, these statements are to be read in conjunction with annual financial statements for the year ended 31 March, 2023.

d) Unit wise Financial Statements have been prepared for submission to various regulatory authorities. Further, the Accounting Policies followed in the Financial Statements are same as compared with the annual financial statements for the year ended 31st March, 2023.

e) The Financial Statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest crore, except otherwise indicated.

**f) Current and non-current classification**

The company presents assets and liabilities in the balance sheet passed on current / non-current classification. An asset is classified as current when it satisfies any of the followings criteria:

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

All other assets are classified as non-current. A liability is classified as current when it satisfies any of the followings criteria:

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

All other liabilities are classified as non-current.

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

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

**3.2 Property, plant and equipment**

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning.

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

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

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

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



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
JSW HYDRO ENERGY LIMITED**

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

**3.3 Other Intangible assets**

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

**3.4 Depreciation and Amortisation**

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

Rate of depreciation are given below

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



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT****JSW HYDRO ENERGY LIMITED****Notes to Financial Statement for the year ended 31st March, 2023****3.5 Impairment of Tangible & Intangible Assets**

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

**3.6 Borrowing costs**

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

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

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





**KARCHAM WANGTOO HYDRO ELECTRIC PLANT****JSW HYDRO ENERGY LIMITED****Notes to Financial Statement for the year ended 31st March, 2023****3.7 Statement of cash flows**

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

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

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

**3.8 Revenue recognition**

Revenue from contracts with customers is recognised when control of the goods including power generated or services is transferred to the customer, at transaction price (net of variable consideration) i.e. at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services having regard to the terms of the contract including Power Purchase Agreements, relevant tariff regulations and the tariff orders by the regulator, as applicable. If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for satisfaction of performance obligation. The variable consideration is estimated having regard to various relevant factors including historical trend and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Compensation towards shortfall in offtake are recognised on collection or earlier when there is reasonable certainty to expect ultimate collection.

**Sale of Power**

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

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



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT****JSW HYDRO ENERGY LIMITED****Notes to Financial Statement for the year ended 31st March, 2023****Interest income**

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

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

**3.9 Foreign currency transactions**

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

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

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

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

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

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

**3.10 Employee benefits****a) Short term employee benefits:**

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





**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
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**Notes to Financial Statement for the year ended 31st March, 2023**

**b) Long term employee benefits:**

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

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

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



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
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**Notes to Financial Statement for the year ended 31st March, 2023**

**Defined contribution plans:**

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. Payments made to state-managed retirement benefit plans are accounted for as payments to defined contribution plans where the Company's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

**Defined benefit plans:**

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

The retirement benefit obligation recognised in the balance sheet represents the deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

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

**3.11 Share-based payment arrangements**

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

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



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
JSW HYDRO ENERGY LIMITED**

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

**3.12 Taxation**

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

**a) Current tax**

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

**b) Deferred tax**

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

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

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

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

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

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



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
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**Notes to Financial Statement for the year ended 31st March, 2023**

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

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

**3.13 Earnings per share**

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

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

**3.14 Provisions, contingencies and commitments**

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

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

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

A disclosure for contingent liabilities is made when there is:

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

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

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

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

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



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
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**Notes to Financial Statement for the year ended 31st March, 2023**

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

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

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

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

**3.16 Financial instruments**

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

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





**KARCHAM WANGTOO HYDRO ELECTRIC PLANT****JSW HYDRO ENERGY LIMITED****Notes to Financial Statement for the year ended 31st March, 2023****a) Investment in subsidiaries associate and joint venture:**

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

**b) Financial assets****(i) Recognition and Initial measurement:**

A financial asset is initially recognised at fair value and, for an item not at FVTPL, transaction costs that are directly

**(ii) Classification of financial assets**

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

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

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

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

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

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

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





**KARCHAM WANGTOO HYDRO ELECTRIC PLANT****JSW HYDRO ENERGY LIMITED****Notes to Financial Statement for the year ended 31st March, 2023**

Financial assets at FVTPL are measured at fair value at the end of each reporting year, with any gains and losses arising on remeasurement recognised in statement of profit and loss. The net gain or loss recognised in standalone statement of profit and loss incorporates any dividend or interest earned on the financial asset and is included in the other income line item. Dividend on financial assets at FVTPL is recognised when:

- The Company's right to receive the dividends is established;
- It is probable that the economic benefits associated with the dividends will flow to the entity;
- The dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

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

**(iii) Derecognition of financial assets:**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

**(iv) Impairment:**

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

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

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

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

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

**(vi) Effective interest method:**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter year, to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
**JSW HYDRO ENERGY LIMITED**  
**Notes to Financial Statement for the year ended 31st March, 2023**

**3.17 Financial liabilities and equity instruments**

**Classification as debt or equity**

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

**Equity instruments:**

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

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

**Financial liabilities:**

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

**Financial liabilities at FVTPL:**

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL. A financial liability is classified as held for trading if:

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

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

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

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

**(d) Derecognition of financial liabilities:**

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

**3.18 Derivative financial instruments:**

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

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

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

**3.19 Offsetting of financial instruments:**

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



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT****JSW HYDRO ENERGY LIMITED****Notes to Financial Statement for the year ended 31st March, 2023****3.20 Fair Value measurement:**

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

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

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

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

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

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

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

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

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

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

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

**3.21 Hedge accounting**

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

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

**Fair value hedges:**

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

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

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

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

**Cash flow hedges:**

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

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



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
JSW HYDRO ENERGY LIMITED**

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

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

**3.22 Leases**

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

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

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

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

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

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

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

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

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

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

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

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for creditimpaired financial assets for which interest income is calculated with reference to their A100 amortised cost (i.e. after a deduction of the loss allowance).

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





**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
JSW HYDRO ENERGY LIMITED**

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

**3.23 Service concession arrangements**

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

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

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

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

**Financial asset model:**

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

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

**Intangible asset model:**

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

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

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

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

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

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

**3.24 Segment reporting:**

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

**3.25 Exceptional Items:**

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

**3.26 Inventories**

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

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



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT****JSW HYDRO ENERGY LIMITED****Notes to Financial Statement for the year ended 31st March, 2023****3.27 Government grants**

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

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

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

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

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

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

**3.29 Business Combination**

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

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





**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
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Notes to the financial statements as at and for the year ended 31st March, 2023

Note 4. Property, plant & equipment

( ₹ Crore )

Description of Assets	Land - Freehold	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Right of Use Assets (Land)	Total
<b>At cost / deemed cost</b>								
I. Gross carrying value								
Balance as at 1st April, 2022	60.47	58.95	7,550.41	6.05	1.37	4.77	12.70	7,694.72
Additions	-	-	2.32	0.31	0.02	1.78	-	4.43
Disposals/Discard	-	-	-	-	-	(0.15)	-	(0.15)
<b>Balance as at 31st March, 2023</b>	<b>60.47</b>	<b>58.95</b>	<b>7,552.73</b>	<b>6.36</b>	<b>1.39</b>	<b>6.40</b>	<b>12.70</b>	<b>7,699.00</b>
II. Accumulated depreciation and impairment for the year 2021-22								
Balance as at 1st April, 2022	-	6.83	2,116.91	3.98	0.44	2.19	1.53	2,131.88
Depreciation expense for the year	-	1.96	398.65	0.30	0.09	0.49	0.46	401.95
Eliminated on Disposals/discards	-	-	-	-	-	(0.05)	-	(0.05)
<b>Balance as at 31st March, 2023</b>	<b>-</b>	<b>8.79</b>	<b>2,515.56</b>	<b>4.28</b>	<b>0.53</b>	<b>2.63</b>	<b>1.99</b>	<b>2,533.78</b>
<b>Net carrying value as at 31st March, 2023 (I-II)</b>	<b>60.47</b>	<b>50.16</b>	<b>5,037.17</b>	<b>2.08</b>	<b>0.86</b>	<b>3.77</b>	<b>10.71</b>	<b>5,165.22</b>

( ₹ Crore )

Description of Assets	Land - Freehold	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Right of Use Assets (Land)	Total
<b>At cost / deemed cost</b>								
I. Gross carrying value								
Balance as at 1st April, 2021	60.47	35.02	7,544.41	5.59	1.31	3.84	12.70	7,663.34
Additions	-	23.93	6.00	0.61	0.06	0.94	-	31.54
Disposals/Discard	-	-	-	(0.15)	(0.00)	(0.01)	-	(0.16)
<b>Balance as at 31st March, 2022</b>	<b>60.47</b>	<b>58.95</b>	<b>7,550.41</b>	<b>6.05</b>	<b>1.37</b>	<b>4.77</b>	<b>12.70</b>	<b>7,694.72</b>
II. Accumulated depreciation and impairment for the year 2020-21								
Balance as at 1st April, 2021	-	5.19	1,718.35	3.85	0.36	1.85	1.02	1,730.63
Depreciation expense for the year	-	1.64	398.56	0.28	0.08	0.35	0.51	401.42
Eliminated on Disposals/discards	-	-	-	(0.15)	(0.00)	(0.01)	-	(0.16)
<b>Balance as at 31st March, 2022</b>	<b>-</b>	<b>6.83</b>	<b>2,116.91</b>	<b>3.98</b>	<b>0.44</b>	<b>2.19</b>	<b>1.53</b>	<b>2,131.89</b>
<b>Net carrying value as at 31st March, 2022 (I-II)</b>	<b>60.47</b>	<b>52.12</b>	<b>5,433.50</b>	<b>2.07</b>	<b>0.93</b>	<b>2.58</b>	<b>11.17</b>	<b>5,562.83</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
JSW HYDRO ENERGY LIMITED**

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

**Note 5. Capital work in progress**

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

Balance as at 31st March, 2022	( ₹ Crore )
Balance as at 31st March, 2023	0.05
	1.80

Footnote:

- 1) Amount transferred to property plant and equipment during the year ₹ Nil crore (for the year ended 31st March, 2022: ₹ 17.94 Crore) amount transferred to Profit and Loss ₹ Nil.
- 2) No project temporarily suspended as on 31st March, 2023.

**Capital work in progress ageing & schedule**

( ₹ crore)

As at 31st March, 2023	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	1.80	-	-	-	1.80
Projects temporarily suspended					
<b>Total</b>	<b>1.80</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.80</b>

**Capital work in progress for projects whose completion is overdue**

As at 31st March, 2023	To be completed in				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Capital work in progress ageing & schedule**

As at 31st March, 2022	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	0.05	-	-	-	0.05
Projects temporarily suspended					
<b>Total</b>	<b>0.05</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.05</b>

**Capital work in progress for projects whose completion is overdue**

As at 31st March, 2022	To be completed in				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
**JSW HYDRO ENERGY LIMITED**

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

**Note 6. Intangible assets**

( ₹ Crore )

Description of Assets	Computer Software	Total
<b>At Cost/deemed cost</b>		
<b>I. Gross Carrying Value</b>		
Balance as at 1st April, 2022	1.51	1.51
Additions	0.12	0.12
Balance as at 31st March, 2023	1.63	1.63
<b>II. Accumulated amortisation and impairment for the year 2021-22</b>		
Balance as at 1st April, 2022	0.76	0.76
Amortisation expense for the year	0.22	0.22
Balance as at 31st March, 2023	0.98	0.98
<b>Net carrying value as at 31st March, 2023 (I-II)</b>	<b>0.65</b>	<b>0.65</b>

( ₹ Crore )

Description of Assets	Computer Software	Total
<b>At Cost/deemed cost</b>		
<b>I. Gross Carrying Value</b>		
Balance as at 1st April, 2021	1.38	1.38
Additions	0.13	0.13
Balance as at 31st March, 2022	1.51	1.51
<b>II. Accumulated amortisation and impairment for the year 2020-21</b>		
Balance as at 1st April, 2021	0.57	0.57
Amortisation expense for the year	0.19	0.19
Balance as at 31st March, 2022	0.76	0.76
<b>Net carrying value as at 31st March, 2022 (I-II)</b>	<b>0.75</b>	<b>0.75</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
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Notes to the financial statements as at and for the year ended 31st March, 2023

Note 7. Loan

( ₹ Crore )

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

Note 7A. Other financial assets

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Current	Non- Current	Total	Current	Non- Current	Total
(a) Security Deposits						
- Government/Semi-Government Authorities	-	0.15	0.15	-	0.15	0.15
- Others	-	0.09	0.09	-	0.09	0.09
	-	<b>0.24</b>	<b>0.24</b>	-	<b>0.24</b>	<b>0.24</b>
(c)-Other Receivable						
- Other Receivable*	0.00	-	0.00	0.10	-	0.10
- Interest accrued on deposits	3.82	-	3.82	0.69	-	0.69
- Receivable from related party	-	-	-	789.33	-	789.33
	<b>3.82</b>	-	<b>3.82</b>	<b>790.12</b>	-	<b>790.12</b>
(d) Derivative Designated as hedges						
- Foreign Currency Options	-	721.34	721.34	-	61.27	61.27
<b>Total</b>	<b>3.82</b>	<b>721.58</b>	<b>725.40</b>	<b>790.12</b>	<b>61.51</b>	<b>851.63</b>

\* Below Rs.10000/-



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

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

( ₹ Crore )

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Current	Non-current	Current	Non-current
Advance Tax and tax deducted at sources	-	42.86	-	42.71
	-	42.86	-	42.71

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

( ₹ Crore )

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Current	Non-current	Current	Non-current
Income Tax Liabilities	2.47	-	-	-
	2.47	-	-	-



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
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Notes to the financial statements as at and for the year ended 31st March, 2023

**Note 8. Other non-current and current assets**

( ₹ Crore )

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Current	Non- Current	Total	Current	Non- Current	Total
(a) Capital Advances	-	0.59	0.59	-	0.96	0.96
(b) Prepayments	10.82	-	10.82	8.25	-	8.25
(c) Balances with Government Authority	0.05	-	0.05	0.05	-	0.05
(d) Advances to Vendors	1.47	-	1.47	1.71	-	1.71
<b>Total</b>	<b>12.34</b>	<b>0.59</b>	<b>12.93</b>	<b>10.01</b>	<b>0.96</b>	<b>10.97</b>





**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
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Notes to the financial statements as at and for the year ended 31st March, 2023

**Note 9. Inventories**

( ₹ Crore )

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Stores and spares	8.81	8.02
(b) Medicines	0.13	0.11
<b>Total</b>	<b>8.94</b>	<b>8.13</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
JSW HYDRO ENERGY LIMITED**

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

**Note 10. Other Investment**

(` Crore )

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Current	Non- Current	Total	Current	Non- Current	Total
<b>Investments carried at fair value through Profit and Loss</b>						
<b>A) Investment in mutual funds (at Fair Value through Profit &amp; Loss)</b>						
i) Aditya Birla Sunlife Liquid Fund - Growth	235.60	-	235.60	106.87	-	106.87
ii) Aditya Birla Sunlife Floating rate Fund - Growth	-	-	-	81.49	-	81.49
iii) Aditya Birla Saving Fund - Growth	58.38	-	58.38	55.38	-	55.38
iv) SBI Floating DEBT Fund Regular Growth	-	-	-	60.90	-	60.90
v) SBI Premier Liquid Fund- Regular - Growth	-	-	-	245.65	-	245.65
vi) ICICI Prudential Liquid Fund - Growth	3.36	-	3.36	62.43	-	62.43
vii) Aditya Birla Sun Life Crisil IBX AAA June-23 Index Fund Reg. Growth	43.68	-	43.68	-	-	-
viii) Aditya Birla Sun Life Crisil IBX AAA Mar-24 Index Fund Reg. Growth	20.22	-	20.22	-	-	-
ix) Aditya Birla Sun Life Crisil IBX AAA June-23 Index Fund Dir. Growth	20.51	-	20.51	-	-	-
x) SBI Liquid Fund- Regular - Growth	222.68	-	222.68	-	-	-
xi) Kotak FMP Series 307 Regular Growth	30.21	-	30.21	-	-	-
xii) Mirae Assets Fixed Maturity -Series V plan-1	35.33	-	35.33	-	-	-
xiii) Mirae Assets fixed Maturity -Series V plan-2	15.06	-	15.06	-	-	-
	<b>585.03</b>	<b>-</b>	<b>685.03</b>	<b>612.72</b>	<b>-</b>	<b>612.72</b>
<b>B) Investment in Commercial Paper (at Amortised cost)</b>						
i) Investment in Commercial Paper	24.70	-	24.70	-	-	-
	<b>24.70</b>	<b>-</b>	<b>24.70</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>709.73</b>	<b>-</b>	<b>709.73</b>	<b>612.72</b>	<b>-</b>	<b>612.72</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
JSW HYDRO ENERGY LIMITED**

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

**Note 11. Trade receivables**

( ₹ Crore )

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Current	Non- Current	Total	Current	Non- Current	Total
(a) Unsecured, considered good						
(i) Trade Receivables considered good - Secured	4.73	-	4.73	15.68	-	15.68
<b>Total</b>	<b>4.73</b>	<b>-</b>	<b>4.73</b>	<b>15.68</b>	<b>-</b>	<b>15.68</b>

**Ageing of Trade Receivables**

( ₹ Crore )

As at 31st March, 2023	Undisputed Trade receivables		Disputed Trade Receivables	
	Considered good	Considered doubtful	Considered good	Considered doubtful
Outstanding for following periods from due date of payment				
Less than 6 months	-	-	-	-
6 months-1 year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	4.70	-
Within Credit Period	0.03	-	-	-
<b>Total</b>	<b>0.03</b>	<b>-</b>	<b>4.70</b>	<b>-</b>

( ₹ Crore )

As at 31st March, 2022	Undisputed Trade receivables		Disputed Trade Receivables	
	Considered good	Considered doubtful	Considered good	Considered doubtful
Outstanding for following periods from due date of payment				
Less than 6 months	-	-	-	-
6 months-1 year	0.20	-	-	-
1-2 years	-	-	0.20	-
2-3 years	-	-	11.61	-
More than 3 years	-	-	3.51	-
Within Credit Period	0.16	-	-	-
<b>Total</b>	<b>0.36</b>	<b>-</b>	<b>15.32</b>	<b>-</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
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Notes to the financial statements as at and for the year ended 31st March, 2023

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

( ₹ Crore )

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Cash and cash equivalents</b>		
(a) Balances with banks		
(i) With scheduled banks		
-In Current accounts	7.62	11.31
-In Deposit accounts with maturity less than 3 months at Inception	10.00	1.99
(b) Cash on hand	0.01	0.01
<b>Total</b>	<b>17.63</b>	<b>13.31</b>

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

( ₹ Crore )

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Bank balances other than above</b>		
(a) Balances with banks		
-In deposit accounts (maturity more than 3 months at Inception)	1.00	19.63
(b) Earmarked balances with banks		
-Margin money for Security	193.18	265.50
<b>Total</b>	<b>194.18</b>	<b>285.13</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
**JSW HYDRO ENERGY LIMITED**

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

Note 13. Equity share capital

( ₹ Crore )

Particulars		As at 31st March, 2023		As at 31st March, 2022		
		No. of shares	Amount	No. of shares	Amount	
Authorised:						
Equity shares of ₹ 10 each with voting rights		966,000,000	966.00	966,000,000	966.00	
Issued, Subscribed and Fully Paid:						
Equity shares of ₹ 10 each with voting rights		966,000,000	966.00	966,000,000	966.00	
		966,000,000	966.00	966,000,000	966.00	
a) Reconciliation of the number of shares outstanding at the beginning and end of year:						
Particulars		As at 31st March, 2023		As at 31st March, 2022		
		No. of Shares		No. of Shares		
Balance as at the beginning of the year		966,000,000		966,000,000		
Issued during the year						
Balance as at the end of the year		966,000,000		966,000,000		
b) Terms & Rights 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 a preferential amount, in proportion to the shareholding. However, no such preferential amount exists currently.						
c) Details of shareholding more than 5% shares in the company are set out below :						
Particulars		As at 31st March, 2023		As at 31st March, 2022		
		No. of Shares		No. of Shares		
1	JSW Neo Energy Limited & its nominees	966,000,000 100%		966,000,000 100%		
d) Shares held by promoters at the end of the year :						
Name of Promoters		As at 31st March, 2023		As at 31st March, 2022		
		No. of shares	% of total shares	No. of shares	% of total shares	% change during the year
1	JSW Neo Energy Limited & its nominees	966,000,000	100%	966,000,000	100%	0.00%
Total		966,000,000	100%	966,000,000	100%	0.00%



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
JSW HYDRO ENERGY LIMITED**

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

Note 14. Other Equity

( ₹ Crore )

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>A. Reserve &amp; Surplus</b>		
Retained earnings	1,040.09	868.64
<b>B. Other Reserves</b>		
Equity-settled employee benefits reserve	8.09	3.85
Effective portion of cash flow hedge	175.20	(114.73)
Capital contribution by parent company	119.22	119.22
<b>Total comprehensive income</b>	<b>1,342.60</b>	<b>876.98</b>





**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
**JSW HYDRO ENERGY LIMITED**

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

**Note 15. Borrowings**

( ₹ Crore )

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Non- Current</b>		
Borrowings at amortised cost		
Secured Borrowings:		
i) Green Bond	4,335.09	4,394.35
Less: Unamortised borrowing cost	47.19	55.83
	<b>4,287.90</b>	<b>4,338.52</b>
<b>Current</b>		
Secured Borrowings :		
i) Green Bond	430.82	397.23
ii) Short Term loans		
Working capital demand loan from Bank	35.00	
Less: Unamortised borrowing cost	8.64	9.45
	<b>457.18</b>	<b>387.78</b>
<b>Total</b>	<b>4,745.08</b>	<b>4,726.30</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
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Notes to the financial statements as at and for the year ended 31st March, 2023

**Note 15A. Lease liabilities**

( ₹ Crore )

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Current	Non-Current	Total	Current	Non-Current	Total
Lease liabilities	0.03	4.94	4.97	0.02	4.97	4.99
<b>Total</b>	<b>0.03</b>	<b>4.94</b>	<b>4.97</b>	<b>0.02</b>	<b>4.97</b>	<b>4.99</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
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Notes to the financial statements as at and for the year ended 31st March, 2023

**Note 16. Other financial liabilities**

( ₹ Crore )

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Non- Current</b>		
(a) Deposits received	0.01	0.01
(b) Other payable	37.81	32.04
	<b>37.82</b>	<b>32.05</b>
<b>Current</b>		
(a) Interest accrued but not due on borrowings	76.95	77.38
(b) Payable for capital supplies/services	334.48	185.54
(c) Other payable	191.02	568.23
	<b>602.45</b>	<b>831.15</b>
<b>Total</b>	<b>640.27</b>	<b>863.20</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
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Notes to the financial statements as at and for the year ended 31st March, 2023

**Note 17. Provisions**

( ₹ Crore )

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Current	Non- Current	Total	Current	Non- Current	Total
Provision for employee benefits						
(i) Provision for gratuity	1.86	2.72	4.58	1.13	2.07	3.20
(ii) Provision for compensated absence	2.55	1.24	3.79	0.44	3.70	4.14
<b>Total</b>	<b>4.41</b>	<b>3.96</b>	<b>8.37</b>	<b>1.57</b>	<b>5.77</b>	<b>7.34</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
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Notes to the financial statements as at and for the year ended 31st March, 2023

**Note 18. Trade payables**

( ₹ Crore )

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Current	Non- Current	Total	Current	Non- Current	Total
Trade Payables						
(a) Total outstanding dues of micro and small enterprises	0.78	-	0.78	1.87	-	1.87
(b) Total outstanding dues of creditors other than micro and small enterprises	21.18	-	21.18	20.35	-	20.35
<b>Total</b>	<b>21.96</b>	<b>-</b>	<b>21.96</b>	<b>22.22</b>	<b>-</b>	<b>22.22</b>

**Creditors Ageing**

( ₹ Crore )

As at 31st March, 2023	Undisputed		Disputed	
	MSME	Others	MSME	Others
Outstanding for following periods from due date of payment				
Less than 1 year	-	0.82	-	-
1-2 years	-	0.70	-	-
2-3 years	-	0.82	-	-
More than 3 years	-	2.66	-	-
Not due	0.78	7.80	-	-
Unbilled	-	8.38	-	-
<b>Total</b>	<b>0.78</b>	<b>21.18</b>	<b>-</b>	<b>-</b>

( ₹ Crore )

As at 31st March, 2022	Undisputed		Disputed	
	MSME	Others	MSME	Others
Outstanding for following periods from due date of payment				
Less than 1 year	-	1.94	-	-
1-2 years	-	1.33	-	-
2-3 years	-	1.43	-	-
More than 3 years	-	1.85	-	-
Not due	1.87	4.99	-	-
Unbilled	-	8.81	-	-
<b>Total</b>	<b>1.87</b>	<b>20.35</b>	<b>-</b>	<b>-</b>

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Principal amount outstanding to MSME	0.78	1.87
Principal amount due and remaining unpaid	-	-
Interest due on (2) above and the unpaid interest	-	-
Interest paid on all delayed payments under the MSMED Act.	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay other than (4) above	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
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Notes to the financial statements as at and for the year ended 31st March, 2023

**Note 19. Other current liabilities**

( ₹ Crore )

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Advance received from customers	0.73	0.46
(b) Employee and employer contributions	0.79	0.49
(c) Statutory dues	0.80	0.97
(d) Others	0.05	0.07
<b>Total</b>	<b>2.37</b>	<b>1.99</b>





**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
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Notes to the financial statements as at and for the year ended 31st March, 2023

Note 20. Revenue from operations

( ₹ Crore )

Particulars	For the year Ended 31st March, 2023	For the year Ended 31st March, 2022
<b>Disaggregation of revenue from contract with customers:</b>		
(1) Sale of power (Own generation)	1,104.93	1,616.05
<b>Total revenue from contract with customers (A)</b>	<b>1,104.93</b>	<b>1,616.05</b>
(2) Other Operating Income (B)	3.95	21.44
	<b>3.95</b>	<b>21.44</b>
<b>Total (A) + (B)</b>	<b>1,108.88</b>	<b>1,637.49</b>

Details of revenue from contracts with customers

Particulars	For the year Ended 31st March, 2023	For the year Ended 31st March, 2022
Total Revenue from contract with customers as above	1,104.93	1,616.05
Add: Rebate on prompt payment	21.48	24.36
Less: Incentive	87.22	118.20
<b>Total Revenue from contract with customers as per contracted price</b>	<b>1,039.19</b>	<b>1,522.21</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
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Notes to the financial statements as at and for the year ended 31st March, 2023

**Note 21. Other income**

( ₹ Crore )

Particulars	For the year Ended 31st March, 2023	For the year Ended 31st March, 2022
<b>a) Interest Income earned on financial assets that are not designated as at FVTPL</b>		
i On Bank deposits	12.21	1.84
ii On Loans	2.08	-
iii Other Financial Assets	1.31	17.74
<b>b) Other non-operating income</b>		
i Net Gain on sale of current investments designated as at FVTPL	28.82	21.83
ii Net Gain on disposal of property, plant and equipment	-	0.01
iii Net gain on foreign currency transaction	0.01	0.04
iv Domestic Scrap Sales	1.20	0.18
v Miscellaneous Income	1.56	1.07
<b>Total</b>	<b>47.19</b>	<b>42.71</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
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Notes to the financial statements as at and for the year ended 31st March, 2023

**Note 22. Employee benefits expense**

( ₹ Crore )

Particulars	For the year Ended 31st March, 2023	For the year Ended 31st March, 2022
(a) Salaries and wages	60.36	43.39
(b) Contribution to provident and other funds	3.96	4.73
(c) Share based payment	5.23	3.14
(d) Staff welfare expenses	5.28	4.90
<b>Total</b>	<b>74.83</b>	<b>56.16</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
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Notes to the financial statements as at and for the year ended 31st March, 2023

**Note 23. Finance costs**

( ₹ Crore )

Particulars	For the year Ended 31st March, 2023	For the year Ended 31st March, 2022
(a) Interest expense		
i Interest on Green Bond	191.85	178.95
ii Hedging charges	145.02	132.85
iii Interest on Term Loan	-	49.89
iv Interest cash credit	0.08	0.05
v Other Interest Expense	-	3.48
(b) Revaluation gain/loss on foreign currency borrowings (Net)	9.39	0.61
(c) Other borrowing costs	23.41	98.60
(d) Interest on lease liabilities	0.45	0.46
<b>Total</b>	<b>370.20</b>	<b>464.89</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
**JSW HYDRO ENERGY LIMITED**

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

**Note 24. Depreciation and amortisation expense**

( ₹ Crore )

Particulars	For the year Ended 31st March, 2023	For the year Ended 31st March, 2022
(a) Depreciation on property, plant and equipment	401.95	401.41
(b) Amortization on Intangible assets	0.22	0.19
<b>Total</b>	<b>402.17</b>	<b>401.60</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
**JSW HYDRO ENERGY LIMITED**

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

**Note 25. Other expenses**

( ₹ Crore )

Particulars	For the year Ended 31st March, 2023	For the year Ended 31st March, 2022
(a) Stores and spares consumed	9.65	11.62
(b) Power & Water	2.44	1.90
(c) Repairs and maintenance	19.43	30.66
(d) Rates and taxes	0.47	1.58
(e) Insurance	18.24	15.91
(f) Legal and other professional charges	13.22	4.51
(g) Travelling Expenses	1.85	1.13
(h) Corporate Social Responsibility Expenses	7.47	2.50
(i) Open Access Charges	0.12	0.12
(j) Other General Expenses	10.52	9.46
(k) Bad Debt Written Off	7.76	-
(l) Safety and Security	6.16	1.21
(m) Branding Expenses	2.78	2.42
(n) Shared Service Charges	1.85	1.70
(o) Property, Plant and equipment written off	0.00	0.00
<b>Total</b>	<b>101.96</b>	<b>84.72</b>





**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
**JSW HYDRO ENERGY LIMITED**

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

**Note no. 27 – Financial Ratios**

Sr. No.	Particulars	For the Period ended 31st Mar, 2023		For the year ended 31st March, 2022	Variance (%)	Reason for variance over 25%
		Numerator	Denominator	31.03.2023		
1	<b>Current Ratio (in times)</b> (Current Assets / Current Liabilities)	1,012.39	1,090.87	0.93	1.45	-36%
2	<b>Debt-Equity Ratio (in times)</b> (Non- Borrowings + Current Borrowings / Total Equity)	4,745.08	2,308.60	2.06	2.56	-20%
3	<b>Debt Service Coverage Ratio (in times)</b> (Profit before Tax, Exceptional Items, Depreciation, Finance Charges / Finance Charges + Long Term Borrowings scheduled Principal repayments (excluding prepayments + refinancing) during the year).	543.86	751.77	0.72	1.96	-63%
4	<b>Return on Equity Ratio (%)</b> (Net profit after tax / Average Networth)	170.74	2,075.79	8%	34%	-76%
5	<b>Inventory Turnover (no. of days)</b> (Average Inventory) / (Fuel Cost + Stores & Spares Consumed + Purchase of stock in trade)	8.53	29.08	107.13	63.19	70%
6	<b>Debtors Turnover (no. of days)</b> (Average Trade Receivables including unbilled revenue * No of days) / Revenue from operations)	73.32	1,108.88	24.13	18.48	31%
7	<b>Payables Turnover (no. of days)</b> (Average Trade payables including X No of days) / Cost of goods sold)	22.09	29.08	277.25	189.28	46%
8	<b>Net Capital Turnover (in times)</b> (Annual turnover / Working Capital)	1,108.88	2,308.60	0.48	0.89	-46%
9	<b>Net Profit Margin (%)</b> (Net profit for the year / Total Income)	170.74	1,156.07	15%	33%	-55%
10	<b>Return on Capital Employed (%)</b> (Earnings before Interest and Tax) / (Net Worth + Total Borrowings)	507.70	6,811.48	7%	14%	-48%
11	<b>Return on Investment (%)</b> (Profit generated on sale of investment / Cost of investment)	28.82	685.03	4.21%	4%	5%



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
**JSW HYDRO ENERGY LIMITED**

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

**Note 26. Tax expense**

( ₹ Crore )

Particulars	For the year Ended 31st March, 2023	For the year Ended 31st March, 2022
(a) Current Tax	36.17	118.06
<b>Total</b>	<b>36.17</b>	<b>118.06</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
**JSW HYDRO ENERGY LIMITED**  
**Balance Sheet as on 31st March, 2021**

( ₹ Crore )

Particulars		Note No.	As at 31st March, 2021	As at 31st March, 2020
<b>A</b>	<b>ASSETS</b>			
1	<b>Non-current assets</b>			
	(a) Property, plant and equipment	4	5,932.71	6,305.15
	(b) Capital work-in-progress	5	17.94	14.68
	(c) Other Intangible assets	6	0.81	1.00
	(d) Investments in subsidiary	10A	454.15	68.86
	(e) Financial assets			
	(i) Other financial assets	7	0.24	2.20
	(f) Income tax assets (net)	7A	36.03	34.22
	(g) Other non-current assets	8	0.47	0.20
	<b>Total non - current assets</b>		<b>6,442.35</b>	<b>6,426.31</b>
2	<b>Current assets</b>			
	(a) Inventories	9	6.52	6.33
	(b) Financial assets			
	(i) Investments	10B	472.22	203.84
	(ii) Trade receivables	11	17.73	167.72
	(iii) Cash and cash equivalents	12	108.14	0.33
	(iv) Bank balances other than (iii) above	12	38.10	29.93
	(v) Other financial assets	7	94.74	248.26
	(c) Other current assets	8	9.72	28.30
	<b>Total current assets</b>		<b>747.17</b>	<b>684.71</b>
	<b>Total Assets (1+2)</b>		<b>7,189.52</b>	<b>7,111.02</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
1	<b>Equity</b>			
	(a) Equity share capital	13	966.00	966.00
	(b) Other equity	14	435.03	374.90
	<b>Total equity</b>		<b>1,401.03</b>	<b>1,340.90</b>
	<b>Liabilities</b>			
2	<b>Non-current liabilities</b>			
	(a) Financial liabilities			
	(i) Borrowings	15	4,492.34	4,760.25
	(ii) Other financial liabilities	16	418.85	162.69
	(b) Provisions	17	5.88	3.54
	<b>Total non - current liabilities</b>		<b>4,917.07</b>	<b>4,926.48</b>
3	<b>Current liabilities</b>			
	(a) Financial liabilities			
	(i) Borrowings	15	30.00	-
	(ii) Trade payables			
	(a) Total outstanding dues of micro and small enterprises	18	3.26	0.45
	(b) Total outstanding dues of creditors other than micro and small enterprises	18	18.38	66.72
	(iii) Other financial liabilities	16	816.12	773.05
	(b) Other current liabilities	19	2.19	2.38
	(c) Provisions	17	1.47	1.04
	<b>Total current liabilities</b>		<b>871.42</b>	<b>843.64</b>
	<b>Total liabilities</b>		<b>5,788.49</b>	<b>5,770.12</b>
	<b>Total Equity and Liabilities (1+2+3)</b>		<b>7,189.52</b>	<b>7,111.02</b>

See accompanying notes to the standalone financial statements

As per our attached report of even date

For Shah Gupta &amp; Co

Chartered Accountants

Firm Registration No.: 109574W

Vipul K Choksi  
Partner  
M No. 37606



For and on behalf of Board of Directors

Gyanbhadra K. - [Signature]

Gyan Bhadra Kumar  
Whole Time Director  
[DIN: 03620109]

Prashant Jain  
Chairman  
[DIN: 01281621]

[Signature]  
Sanjeev Kango  
Company Secretary &  
Chief Financial Officer

Place: Mumbai  
Date: 24th June, 2021



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
**JSW HYDRO ENERGY LIMITED**  
**Statement of Profit and Loss for the year ended 31st March, 2021**

( ₹ Crore )

Particulars	Note No.	For the Year Ended 31st March, 2021	For the year Ended 31st March, 2020
I Revenue from operations	20	983.35	1,047.06
II Other income	21	38.46	11.34
III Total income (I + II)		1,021.81	1,058.40
IV Expenses			
(a) Employee benefits expense ✓	22	47.93	42.01
(b) Finance costs	23	415.67	507.17
(c) Depreciation and amortisation expenses	24	408.75	399.67
(d) Other expenses ✓	25	76.82	88.29
Total expenses (IV)		949.17	1,037.14
V Profit before exceptional item and tax (III-IV)		72.64	21.26
VI Exceptional items		-	-
VII Profit before tax (V - VI)		72.64	21.26
VIII Tax Expense			
Current tax		12.72	1.07
Deferred tax		(13.31)	(3.07)
IX Deferred Tax (recoverable from)/adjustable in future tariff		13.31	3.07
X Profit for the year (VII-VIII)	26	12.72	1.07
		59.92	20.19
XI Other comprehensive income		(0.07)	(0.35)
(i) Items that will not be reclassified to profit or loss			
Remeasurements of the net defined benefit plan		(0.10)	(0.42)
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.03	0.07
XII Total comprehensive (loss)/income for the year ( X + XI )		59.85	19.84

See accompanying notes to the standalone financial statements

As per our attached report of even date

For Shah Gupta &amp; Co

Chartered Accountants

Firm Registration No.: 109574W

Vipul K Choksi

Partner

M No. 37606



For and on behalf of Board of Directors

Gyanbhadra Kr.

Gyan Bhadra Kumar

Whole Time Director

[DIN: 03620109]



Prashant Jain

Chairman

[DIN: 01281621]

Sanjeev Kango

Company Secretary &  
Chief Financial Officer

Place: Mumbai

Date: 24th June, 2021

**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
(JSW HYDRO ENERGY LIMITED)**

Statement of changes in equity for the year ended 31st March, 2021

**a. Equity share capital**

( ₹ Crore )

Balance at the 1st April, 2019	1,250.05
Changes in equity share capital during the FY 2019-20	-
Balance at the 31st March, 2020	1,250.05
Changes in equity share capital during the FY 2020-21	-
Balance at the 31st March, 2021	1,250.05

**b. Other equity**

( ₹ Crore )

Particulars	Reserves & surplus			Capital Contribution by parent company	Total
	Equity-settled employee benefits reserve	Debenture redemption reserve	Retained earnings		
Balance as at 1st April, 2020	0.44	-	255.24	119.22	374.90
Profit for the year	-	-	59.92	-	59.92
Recognition of Share based payment	0.27	-	-	-	0.27
Other comprehensive income for the year, net of income tax	-	-	(0.06)	-	(0.06)
Balance as at 31st March 2021	0.71	-	315.10	119.22	435.03

( ₹ Crore )

Particulars	Reserves & surplus			Capital Contribution by parent company	Total
	Equity-settled employee benefits reserve	Debenture redemption reserve	Retained earnings		
Balance at 1st April, 2019	0.24	38.45	196.94	119.22	354.85
Profit for the year	-	-	20.19	-	20.19
Recognition of Share based payment	0.20	-	-	-	0.20
Transfer from Debenture redemption reserve	-	(38.45)	38.45	-	-
Other comprehensive income for the year, net of income tax	-	-	(0.34)	-	(0.34)
Balance as at 31st March 2020	0.44	-	255.24	119.22	374.90

See accompanying notes to the standalone financial statements

As per our attached report of even date

For Shah Gupta & Co

Chartered Accountants

Firm Registration No.: 109574W

Vipul K Choksi

Partner

M No. 37606



For and on behalf of Board of Directors

Gyan Bhadra Kumar

Whole Time Director

[DIN: 03620109]



Prashant Jain

Chairman

[DIN: 01281621]

Sanjeev Kango

Company Secretary &  
Chief Financial Officer

Place: Mumbai

Date: 24th June, 2021



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT****JSW HYDRO ENERGY LIMITED****(Formerly Known as Himachal Baspa Power Company Limited)****Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021****Note 1: General information**

- a) Karcham Wangtoo Hydro Electric Plant (1000 MW) is a run of the river plant on the river Sutlej, in the kinnaur district of the state of Himachal Pradesh.
- b) JSW Hydro Energy Limited (Formerly Known as Himachal Baspa Power Company Limited) is a public limited Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. It is 100% subsidiary of M/s JSW Energy Limited. The registered office of the Company is located at Sholtu Colony, P.O. Tapri, Dist. Kinnaur, 172104 (HP).
- c) The Company is primarily engaged in the business of generation and sale of power.
- d) For details financial disclosures and policies, refer to standalone financial statement as prepared for the Financial Year 2020-21 of JSW Hydro Energy Limited.
- e) The company has continued its operations during lockdown due to outbreak of COVID-19 as the electricity generation is considered as one of the essential services by the Government. The Company substantial generation capacities are tied up under long term power purchase agreements, which insulates revenue of the company under such contracts. The notices of applying force majeure clause under the power supply agreements from some of the customers have been appropriately responded under legal advice that the prevailing situation is outside the ambit of force majeure clause. This position is further supported by clarification from Ministry of Power that the DISCOMs will have to comply with obligation to pay fixed capacity charges as per the power purchase agreement. Based on initial assessment, the Management does not expect any medium to long-term impact on the business of the Group. The Company has evaluated the possible effects on the carrying amounts of property, plant and equipment, inventory, loans, receivables and debt covenants basis the internal and external sources of information and determined, exercising reasonable estimates and judgements, that the carrying amounts of these assets are recoverable. Having regard to above, and the company's liquidity position, there is no uncertainty in meeting financial obligations over the foreseeable future.

**Note 2.1: Statement of compliance**

- a) These standalone financial statements have been prepared in accordance with the Indian accounting standards (referred to as "Ind AS") prescribed under section 133 of the Company act, 2013 read with the Companies (India Accounting Standards) rules as amended from time to time.
- b) The standalone Financial Statements were approved for issue by the Board of Directors on 24<sup>th</sup> June, 2021

**Note 2.2 - Applicability of new Indian Accounting Standards ('Ind AS') amendments and interpretations:**

The Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2020, has notified the following major amendments, which became applicable with effect from 1st April, 2020.





**KARCHAM WANGTOO HYDRO ELECTRIC PLANT****JSW HYDRO ENERGY LIMITED****(Formerly Known as Himachal Baspa Power Company Limited)****Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021****Amendments to Ind AS 103- Business combinations**

The Company has adopted the amendments to Ind AS 103 for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1st April, 2020.

**Amendments to Ind AS 116 – Leases**

The Company has adopted the amendments to Ind AS 116 for the first time in the current year. The amendments provide practical relief, subject to certain conditions, to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to Ind AS 116. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying Ind AS 116 if the change were not a lease modification.

The adoption of this amendments has not had any impact on the disclosures or reported amounts in these financial statements.

**Amendment to Ind AS 109 and Ind AS 107 – Interest Rate Benchmark Reform**

These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms. The adoption of these amendments has not had material impact on the disclosures or reported amounts in these financial statements.

**Amendment to Ind AS 1 and Ind AS 8 – Definition of “Material”**

The Company has adopted the amendments to Ind AS 1 and Ind AS 8 for the first time in the current year. The amendments make the definition of material in Ind AS 1 easier to understand and are not intended to alter the underlying concept of materiality in Ind ASs. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in Ind AS 8 has been replaced by a reference to the definition of material in Ind AS 1. In addition, the MCA amended other Standards that contain the definition of 'material' or refer to the term 'material' to ensure consistency.



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT****JSW HYDRO ENERGY LIMITED****(Formerly Known as Himachal Baspa Power Company Limited)****Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021**

The adoption of these amendments did not have any material impact on its evaluation of materiality in relation to the consolidated financial statements.

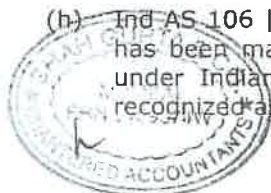
**New and revised Ind AS in issue but not yet effective:**

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

**Amendment to Ind AS:**

The Ministry of Corporate Affairs (MCA) vide Notification dated 18th June, 2021 has issued new Companies (Indian Accounting Standard) Amendment Rules, 2021. These rules are applicable with immediate effect from the date of the said notification. Major amendments notified in the notification are provided below:

- (a) Ind AS 116 | Leases – The amendment extends the benefits of the COVID 19 related rent concession that were introduced in the previous year (which allowed lessees to recognize COVID 19 related rent concessions as income rather than as lease modification) from 30th June, 2021 to 30th June, 2022.
- (b) Ind AS 109 | Financial Instruments – The amendment provides a practical expedient for assessment of contractual cash flow test, which is one of the criteria for being eligible to measure a financial asset at amortized cost, for the changes in the financial assets that may arise as a result of Interest Rate Benchmark Reform. An additional temporary exception from applying hedge accounting is also added for Interest Rate Benchmark Reform.
- (c) Ind AS 101 | Presentation of Financial Statements – The amendment substitutes the item (d) mentioned in paragraph BI as 'Classification and measurement of financial instruments'. The term 'financial asset' has been replaced with 'financial instruments'.
- (d) Ind AS 102 | Share-Based Payment – The amendments to this standard are made in reference to the Conceptual Framework of Financial Reporting under Ind AS in terms of defining the term 'Equity Instrument' which shall be applicable for the annual reporting periods beginning on or after 1st April, 2021.
- (e) Ind AS 103 | Business Combinations – The amendment substitutes the definition of 'assets' and 'liabilities' in accordance with the definition given in the framework for the Preparation and Presentation of Financial Statements in accordance with Ind AS for qualifying the recognition criteria as per acquisition method.
- (f) Ind AS 104 | Insurance Contracts – The amendment covers the insertion of certain paragraphs in the standard in order to maintain consistency with IFRS 4 and also incorporates the guidance on accounting treatment for amendments due to Interest Rate Benchmark Reform.
- (g) Ind AS 105 | Non-current assets held for sale and discontinued operations – The amendment substitutes the definition of – "fair value less costs to sell" with "fair value less costs of disposal".
- (h) Ind AS 106 | Exploration for and evaluation of mineral resources – The amendment has been made in reference to the Conceptual Framework for Financial Reporting under Indian Accounting Standards in respect of expenditures that shall not be recognized as exploration and evaluation assets.



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT****JSW HYDRO ENERGY LIMITED****(Formerly Known as Himachal Baspa Power Company Limited)****Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021**

- (i) Ind AS 107 | Financial Instruments: Recognition, Presentation and Disclosure – The amendment clarifies the certain additional disclosures to be made on account of Interest Rate Benchmark Reform like the nature and extent of risks to which the entity is exposed arising from financial instruments subject to interest rate benchmark reform; the entity's progress in completing the transition to alternative benchmark rates, and how the entity is managing the transition.
- (j) Ind AS 111 | Joint Arrangements – In order to maintain consistency with the amendments made in Ind AS 103, respective changes have been made in Ind AS 111.
- (k) Ind AS 114 | Regulatory Deferral Accounts – The amendment clarifies that an entity may only change its accounting policies for the recognition, measurement, and impairment & derecognition of regulatory deferral account balances if the change makes the financial statements more relevant to the economic decision-making needs of users and no less reliable.
- (l) Ind AS 115 | Revenue from Contracts with Customers – Certain amendments have been made in order to maintain consistency with number of paragraphs of IFRS 15.
- (m) Ind AS 8 | Accounting Policies, Changes in Accounting Estimates and Errors – In order to maintain consistency with the amendments made in Ind AS 114 and to substitute the word 'Framework' with the 'Conceptual Framework of Financial Reporting in Ind AS', respective changes have been made in the standard.
- (n) Ind AS 16 | Property, Plant and Equipment –The amendment has been made by substituting the words "Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use" with "Recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use".
- (o) Ind AS 34 | Interim Financial Reporting –The amendments to this standard are made in reference to the conceptual framework of Financial Reporting in Ind AS.
- (p) Ind AS 37 | Provisions, Contingent Liabilities and Contingent Assets – The amendment substitutes the definition of the term 'Liability' as provided in the Conceptual Framework for Financial Reporting under Indian Accounting Standards.
- (q) Ind AS 38 | Intangible Assets – The amendment substitutes the definition of the term 'Asset' as provided in the Conceptual Framework for Financial Reporting under Indian Accounting Standards.

The company is evaluating the impact of these amendments

**II. Amendment to Schedule III of the Companies Act, 2013:**

On 24th March, 2021, MCA through a notification, amended Schedule III of the Companies Act, 2013, with effect from 1st April, 2021. Key amendments relevant for the Company are:

- (a) Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- (b) Current maturities of long-term borrowings should be disclosed separately within borrowings instead of earlier disclosure requirement under Other Financial Liabilities.



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT****JSW HYDRO ENERGY LIMITED**

(Formerly Known as Himachal Baspa Power Company Limited)

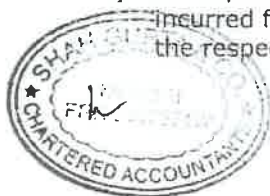
Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021

- (c) Certain additional disclosures in the statement of changes in equity due to prior period errors and restated balances at the beginning of the current reporting period.
- (d) Specified format for disclosure of shareholding of promoters.
- (e) Specified format for ageing schedule of trade receivables, trade payables, capital work-in progress and intangible asset under development.
- (f) Additional disclosures relating to Corporate Social Responsibility, undisclosed income and crypto or virtual currency.
- (g) Disclosure of specified ratios along with explanation for items included in numerator and denominator and explanation for change in any ratio is excess of 25% compared to preceding year.
- (h) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- (i) Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel and related parties and details of benami property held.

The Company is evaluating the impact of these amendments.

**Note 3: Significant accounting policies****3.1 Basis of preparation of financial statements:**

- a) In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its Financial Statements as per the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1<sup>st</sup> April, 2016. Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at 31<sup>st</sup> March, 2021, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2021, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements").
- b) General Purpose Financial Statements of Karcham Wangtoo Hydro Electric Plant has been prepared for submission to various regulatory authorities.
- c) The financial statements of the Company are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) on the accrual basis of accounting and historical cost convention except for certain material items that have been measured at fair value as required by the relevant Ind AS and explained in the ensuing policies below.
- d) The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest crore, except otherwise indicated.
- e) All expenses of the company are booked in their respective plant. The expenses incurred for the company as a whole, which are directly identifiable are allocated to the respective plant on the basis suitable for the respective transaction.





**KARCHAM WANGTOO HYDRO ELECTRIC PLANT****JSW HYDRO ENERGY LIMITED****(Formerly Known as Himachal Baspa Power Company Limited)****Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021****f) Current and non-current classification**

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

An assets is classified as current when it satisfies any of the followings criteria:

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

All other assets are classified as non-current.

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

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

All other liabilities are classified as non-current.

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

**3.2 Use of estimates & judgements**

- a) 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.
- b) 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 standalone financial statement as prepared for the Financial Year 2020-21 of JSW Hydro Energy Limited.



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- a) The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to statement of profit and loss in the period in which the costs are incurred.
- b) 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.
- c) Assets in the course of construction are capitalised in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences.
- d) Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold or Leasehold land is stated at historical cost.

**3.4 Other Intangible assets**

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

**3.5 Depreciation and Amortisation**

- a) Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values as per the provisions of Part B of Schedule II of the Companies Act, 2013 based on the useful life, rate and residual value notified for accounting purposes by CERC Tariff regulation 2014.

- b) Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end





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of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

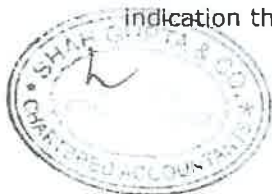
- c) Assets held under Service concession arrangement are amortised over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.
- d) Post 100% tie up of Karcham Wangtoo HEP from 1st April 2018 with state discoms, The company provided depreciation on tangible assets as per the provisions of Part B of Schedule II of the Companies Act, 2013 based on the rates, useful life and residual value notified for accounting purposes by CERC Tariff regulation 2014. Earlier company was providing depreciation based on technical evaluation of useful life and residual value as per the provision of part A of schedule II of the companies act 2013.
- e) Depreciation is being calculated annually based on straight line method and at rates specified below which are as per CERC Tariff regulation 2014. Provided that the remaining depreciable value as on 31<sup>st</sup> March of the year closing after a period of twelve years from the effective date of commercial operation of the station shall be spread over the balance useful life of the assets.

**Rate of depreciation are given below:**

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

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

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



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- c) Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.
- d) If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.
- e) 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**

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

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

**3.8 Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and demand deposits with an original maturity of three months or less 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.



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

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

Interest income

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

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

**3.10 Foreign currency transactions**

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

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

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

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

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

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



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- exchange differences on transactions entered into in order to hedge certain foreign currency risks

**3.11 Employee benefits**

The Company has following post-employment plans:

**a) Defined-benefit plan - gratuity**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of plan assets. The defined benefit obligation is calculated annually by actuaries through actuarial valuation using the projected unit credit method.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- service cost comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements
- net interest expense or income

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefit expenses in the statement of the profit & loss.

Re-measurement comprising of actuarial gains and losses arising from

- (a) Re-measurement of Actuarial (gains) / losses
- (b) Return on plan assets, excluding amount recognized in effect of asset ceiling
- (c) Re-measurement arising because of change in effect of asset ceiling are recognised in the period in which they occur directly in Other comprehensive income. Re-measurement is not reclassified to profit or loss in subsequent periods.

Ind AS 19 requires the exercise of judgment in relation to various assumptions including future pay rises, inflation and discount rates and employee and pensioner demographics. The Company determines the assumptions in conjunction with its actuaries, and believes these assumptions to be in line with best practice, but the application of different assumptions could have a significant effect on the amounts reflected in the income statement, other comprehensive income and balance sheet. There may be also interdependency between some of the assumptions.

**b) Defined-contribution plan – provident fund**

Under defined contribution plans, provident fund, the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Defined Contribution plan comprise of contributions to the employees' provident fund set up as trust or Regional Provident Fund Commissioner and certain state plans like Employees' State Insurance. The Company's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.



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

**C) Short-term and other long-term employee benefits****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.

**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.

**3.12 Share-based payment arrangements**

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

**3.13 Taxation**

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

**a) Current tax**

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

**b) Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases





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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. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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.

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

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

iii) 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.

**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 as adjusted for dividend, interest and other charges to expense or income relating to the dilutive





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potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

**3.15 Provisions, contingencies and commitments**

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

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

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

A disclosure for contingent liabilities is made when there is

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

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

Commitments 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.



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Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021**3.16 Financial instruments**

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through 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****(i) Initial recognition and measurement:**

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

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.

**(ii) 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 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):



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- 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 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.



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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 re-measurement 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**

- a) 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.
- b) 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.
- c) 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





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matrix to determine impairment loss allowance on the portfolio of trade receivables.

- d) 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.
- e) 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**

- a) 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.
- b) 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.
- c) 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



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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 an entity are recognised at the proceeds received, net of direct issue costs.

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

Financial liabilities

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

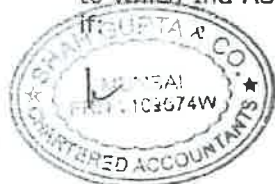
Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either 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





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

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement 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 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.



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Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021**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 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.

**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 changes 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 reclassifications and the how they are accounted for:

<b>Original Classification</b>	<b>Revised Classification</b>	<b>Accounting treatment</b>
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.



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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.
FCTOCI	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 below.

Financial assets/ financial liabilities	
Fair value hierarchy	Valuation technique(s) and key input(s)
Level 1	Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2	Valuation Techniques for which the lowest level input that is significant to the fair Value measurement is directly or indirectly observable.
Level 3	Valuation Techniques for which the lowest level input that is significant to the fair Value measurement is unobservable.

**3.18 Leases**

- a) As per requirement of Ind AS 116 company defines a lease as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration
- b) Accounting for arrangements that contains Finance lease

As per Ind AS 116 company using a single lessee accounting model which requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Lease liability is initially recognised and measured at an amount equal to the present value of minimum lease payments during the lease term. Right of use asset is recognised and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of the



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restoration costs and any initial direct costs incurred. The company has made election for leases for which the underlying asset is of low value on lease-by-lease basis.

c) The Company as lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments (discounted at the interest rate implicit in the lease or at the entity's incremental borrowing rate). For the purpose of impairment testing the recoverable amount (i.e. the higher of the fair value less cost to sale and the value in use) is determined on an individual assets basis unless the assets does not generate cash flows that are largely independent of does from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the assets belongs.

The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

The company accounts for each lease component within the contract as a lease separately from non-lease components in the contract, unless it is practically expedient to do so.

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

The company has exposure to leases which have not yet commenced contractually but to which company is committed and is making provision for rentals.

### **3.19 Service concession arrangements**

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

- a) the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; AND
- b) the grantor controls—through ownership, beneficial entitlement or otherwise—any significant residual interest in the infrastructure at the end of the term of the arrangement; AND





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- c) Is the infrastructure constructed or acquired by the operator from a third party for the purpose of the service arrangement OR is the infrastructure existing infrastructure of the grantor to which the operator is given access for the purpose of the service arrangement?

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

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

**Financial asset model:**

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

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

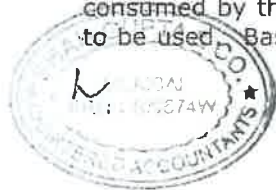
**Intangible asset model:**

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

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

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

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



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the actual usage of the specific public facility, with a maximum of the duration of the concession.

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

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

**3.20 Inventories**

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

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







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Notes to the financial statements as at and for the year ended 31st March, 2021

**Note 6. Intangible assets**

( ₹ Crore )

Description of Assets	Computer Software	Total
<b>At Cost/deemed cost</b>		
<b>I. Gross Carrying Value</b>		
Balance as at 1st April, 2020	1.38	1.38
Disposals or classified as held for sale	-	-
Additions	-	-
Balance as at 31st March, 2021	1.38	1.38
<b>II. Accumulated amortisation and impairment for the year 2020-21</b>		
Balance as at 1st April, 2020	0.38	0.38
Amortisation expense for the year	0.19	0.19
Eliminated on disposal of assets	-	-
Balance as at 31st March, 2021	0.57	0.57
<b>Net carrying value as at 31st March, 2021 (I-II)</b>	<b>0.81</b>	<b>0.81</b>

( ₹ Crore )

Description of Assets	Computer Software	Total
<b>At Cost/deemed cost</b>		
<b>I. Gross Carrying Value</b>		
Balance as at 1st April, 2019	0.99	0.99
Additions	0.39	0.39
Balance as at 31st March, 2020	1.38	1.38
<b>II. Accumulated amortisation and impairment for the year 2019-20</b>		
Balance as at 1st April, 2019	0.23	0.23
Amortisation expense for the year	0.15	0.15
Balance as at 31st March, 2020	0.38	0.38
<b>Net carrying value as at 31st March, 2020 (I-II)</b>	<b>1.00</b>	<b>1.00</b>



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Notes to the financial statements as at and for the year ended 31st March, 2021

Note 7. Other financial assets

( ₹ Crore )

Particulars	As at 31st March, 2021			As at 31st March, 2020		
	Current	Non- Current	Total	Current	Non- Current	Total
(a) Security Deposits						
- Government/Semi-Government Authorities	-	0.15	0.15	-	0.12	0.12
- Others	-	0.09	0.09	-	0.09	0.09
	-	0.24	0.24	-	0.21	0.21
(b) Revenue receivable						
- Unsecured Considered Goods	26.58	-	26.58	132.41	-	132.41
- Unbilled revenue	67.24	-	67.24	115.85	-	115.85
- Interest accrued on deposits	0.92	-	0.92	-	-	-
	94.74	-	94.74	248.26	-	248.26
(c) Other bank balances						
- Fixed deposits / Margin money for security for Entry Tax	-	-	-	-	1.99	1.99
	-	-	-	-	1.99	1.99
<b>Total</b>	<b>94.74</b>	<b>0.24</b>	<b>94.98</b>	<b>248.26</b>	<b>2.20</b>	<b>250.46</b>



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Notes to the financial statements as at and for the year ended 31st March, 2021

Note 7A. Income Tax (net)

( ₹ Crore )

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Current	Non current	Current	Non current
Advance Tax and tax deducted at sources (Net of provision for Tax)	-	36.03	-	34.22
	-	36.03	-	34.22



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Notes to the financial statements as at and for the year ended 31st March, 2021

Note 8. Other non-current and current assets

( ₹ Crore )

Particulars	As at 31st March, 2021			As at 31st March, 2020		
	Current	Non- Current	Total	Current	Non- Current	Total
(a) Capital Advances	-	0.35	0.35	-	0.01	0.01
(b) Prepayments	7.71	0.12	7.83	7.06	0.19	7.25
(c) Deposit with Government/Semi Government	-	-	-	-	-	-
(d) Entry tax receivable	-	-	-	19.18	-	19.18
(e) GST Input Tax	0.10	-	0.10	-	-	-
(f) Advances to Vendor	1.91	-	1.91	1.18	-	1.18
(g) Others	-	-	-	0.88	-	0.88
<b>Total</b>	<b>9.72</b>	<b>0.47</b>	<b>10.19</b>	<b>28.30</b>	<b>0.20</b>	<b>28.50</b>



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Notes to the financial statements as at and for the year ended 31st March, 2021

**Note 9. Inventories**

**( ₹ Crore )**

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Stores and spares	6.40	6.33
(b) Inventory Medicine	0.12	-
<b>Total</b>	<b>6.52</b>	<b>6.33</b>





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Notes to the financial statements as at and for the year ended 31st March, 2021

**Note 10A. Investment in equity**

( ₹ Crore )

Particulars	As at 31st March, 2021			As at 31st March, 2020		
	Current	Non- Current	Total	Current	Non- Current	Total
Investment in equity instruments						
(i) JSW Energy (Kutehr ) Limited	-	454.15	454.15	-	68.86	68.86
<b>Total</b>	-	<b>454.15</b>	<b>454.15</b>	-	<b>68.86</b>	<b>68.86</b>

Number of Share 45,68,15,000 as on 31st March,2021 and 7,15,34,332 shares as on 31st March,2020 of Face value of Rs. 10 each.

**Note 10B. Other Investment**

( ₹ Crore )

Particulars	As at 31st March, 2021			As at 31st March, 2020		
	Current	Non- Current	Total	Current	Non- Current	Total
Investments carried at fair value through Profit and Loss						
Investment in mutual funds						
i) Aditya Birla Sunlife Liquid Growth	272.10	-	272.10	4.25	-	4.25
ii) HDFC Liquid Fund Regular Growth	-	-	-	23.31	-	23.31
iii) SBI premier Liquid Fund- Regular plan - Growth	200.12	-	200.12	-	-	-
iv) Aditya Birla Sunlife Overnight Regular Growth	-	-	-	84.40	-	84.40
v) Kotak Overnight Fund Growth	-	-	-	34.15	-	34.15
vi) HDFC Overnight Fund	-	-	-	57.73	-	57.73
<b>Total</b>	<b>472.22</b>	<b>-</b>	<b>472.22</b>	<b>203.84</b>	<b>-</b>	<b>203.84</b>



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Notes to the financial statements as at and for the year ended 31st March, 2021

Note 11. Trade receivables

( ₹ Crore )

Particulars	As at 31st March, 2021			As at 31st March, 2020		
	Current	Non- Current	Total	Current	Non- Current	Total
(i) Trade Receivables considered good - Secured	15.47	-	15.47	94.72	-	94.72
(ii) Trade Receivables considered good - Unsecured	2.26	-	2.26	73.00	-	73.00
	<b>17.73</b>	-	<b>17.73</b>	<b>167.72</b>	-	<b>167.72</b>
Unsecured, Credit impaired	-	-	-	-	-	-
Less: Loss allowance for doubtful receivables	-	-	-	-	-	-
<b>Total</b>	<b>17.73</b>	-	<b>17.73</b>	<b>167.72</b>	-	<b>167.72</b>



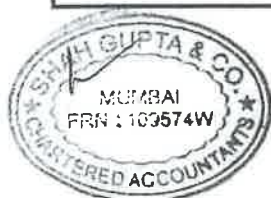
**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
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Notes to the financial statements as at and for the year ended 31st March, 2021

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

**( ₹ Crore )**

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Cash and cash equivalents</b>		
(a) Balances with banks		
-In Current accounts	108.13	0.32
(b) Cash on hand	0.01	0.01
<b>Total</b>	<b>108.14</b>	<b>0.33</b>
<b>Particulars</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
<b>Bank balances other than above</b>		
(a) Balances with banks		
-In deposit accounts (maturity more than 3 months at Inception)	38.10	-
(b) Earmarked balances with banks		
-Margin money for Security against Entry Tax	-	29.93
<b>Total</b>	<b>38.10</b>	<b>29.93</b>



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Notes to the financial statements as at and for the year ended 31st March, 2021

**Note 13. Equity share capital**

( ₹ Crore )

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of shares	Amount	No. of shares	Amount
Authorised: Equity shares of ₹ 10 each with voting rights	966,000,000	966.00	966,000,000	966.00
Issued, Subscribed and Fully Paid: Equity shares of ₹ 10 each with voting rights	966,000,000	966.00	966,000,000	966.00
	966,000,000	966.00	966,000,000	966.00
a) Reconciliation of the number of shares outstanding at the beginning and end of Year:				
Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares		No. of Shares	
Balance as at the beginning of the year	966,000,000		966,000,000	
Issued during the year	-		-	
Balance as at the end of the year	966,000,000		966,000,000	
b) Terms & Rights 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. However, no such preferential amount exists currently.				
c) Details of shareholding more than 5% shares in the company are set out below :				
Particulars	No. of Shares		No. of Shares	
1 JSW Energy Limited & its nominees	966,000,000		966,000,000	
	100%		100%	



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Notes to the financial statements as at and for the year ended 31st March, 2021

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**Note 14. Other Equity**

( ₹ Crore )

Particulars	As at 31st March, 2021	As at 31st March, 2020
Equity-settled employee benefits reserve	0.71	0.44
Retained earnings	315.10	255.24
Capital contribution by parent company	119.22	119.22
<b>Total comprehensive income</b>	<b>435.03</b>	<b>374.90</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
JSW HYDRO ENERGY LIMITED**

Notes to the financial statements as at and for the year ended 31st March, 2021

**Note 15. Borrowings**

( ₹ Crore )

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Current	Non Current	Current	Non Current
<b>Borrowings at amortised cost</b>				
Secured Borrowings:				
i) Term loans				
From Banks	271.94	4,517.85	244.74	4,789.78
	<b>271.94</b>	<b>4,517.85</b>	<b>244.74</b>	<b>4,789.78</b>
Less: Unamortised borrowing cost	4.03	25.51	4.25	29.53
Less: Current maturities of long term debt (included in note no 16)	267.91	-	240.49	-
	-	4,492.34	-	4,760.25
ii) Short Term Borrowings(WCDL) From Banks	30.00	-	-	-
<b>Total</b>	<b>30.00</b>	<b>4,492.34</b>	<b>-</b>	<b>4,760.25</b>





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Notes to the financial statements as at and for the year ended 31st March, 2021

**Note 16. Other financial liabilities**

( ₹ Crore )

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Non- Current</b>		
(a) Deposits received	0.01	0.01
(b) Lease liabilities	4.99	5.07
(c) Other payable	413.85	157.61
	<b>418.85</b>	<b>162.69</b>
<b>Current</b>		
(a) Current maturities of long-term debt	267.91	240.49
(b) Interest accrued but not due on borrowings	20.32	39.77
(c) Lease liabilities	0.08	0.06
(d) Payable for capital supplies/services	28.09	45.79
(e) Other payable	499.72	446.94
	<b>816.12</b>	<b>773.05</b>
<b>Total</b>	<b>1,234.97</b>	<b>935.74</b>



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Notes to the financial statements as at and for the year ended 31st March, 2021

**Note 17. Provisions**

**( ₹ Crore )**

Particulars	As at 31st March, 2021			As at 31st March, 2020		
	Current	Non- Current	Total	Current	Non- Current	Total
Provision for employee benefits						
(i) Provision for gratuity	0.99	2.92	3.91	0.88	1.92	2.80
(ii) Provision for compensated absence	0.48	2.96	3.44	0.16	1.62	1.78
<b>Total</b>	<b>1.47</b>	<b>5.88</b>	<b>7.35</b>	<b>1.04</b>	<b>3.54</b>	<b>4.58</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
**JSW HYDRO ENERGY LIMITED**

Notes to the financial statements as at and for the year ended 31st March, 2021

Note 18. Trade payables

( ₹ Crore )

Particulars	As at 31st March, 2021			As at 31st March, 2020		
	Current	Non- Current	Total	Current	Non- Current	Total
Trade Payables						
(a) Total outstanding dues of micro and small enterprises	3.26	-	3.26	0.45	-	0.45
(b) Total outstanding dues of creditors other than micro and small enterprises	18.38	-	18.38	66.72	-	66.72
<b>Total</b>	<b>21.64</b>	<b>-</b>	<b>21.64</b>	<b>67.17</b>	<b>-</b>	<b>67.17</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
**JSW HYDRO ENERGY LIMITED**

Notes to the financial statements as at and for the year ended 31st March, 2021

Note 19. Other current liabilities

( ₹ Crore )

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Current	Total	Current	Total
(a) Advance received from customers	1.04	1.04	-	-
(b) Employee recoveries and employer contributions	0.44	0.44	0.32	0.32
(c) Statutory dues	0.71	0.71	2.06	2.06
<b>Total</b>	<b>2.19</b>	<b>2.19</b>	<b>2.38</b>	<b>2.38</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT  
JSW HYDRO ENERGY LIMITED**

Notes to the financial statements as at and for the year ended 31st March, 2021

**Note 20. Revenue from operations**

( ₹ Crore )

Particulars	For the Year Ended 31st March, 2021	For the year Ended 31st March, 2020
<b>Disaggregation of revenue from contract with customers:</b>		
Sale of power (Own generation)	983.35	1,047.06
<b>Total</b>	<b>983.35</b>	<b>1,047.06</b>
<b>Details of revenue from contract with Customer</b>		
Particulars	For the Year Ended 31st March, 2021	For the year Ended 31st March, 2020
Total Revenue from contract with customers as above	983.35	1,047.06
Add: Rebate on prompt payment	21.44	7.17
Less: Incentive	84.40	68.38
<b>Total Revenue from contract with customers as per contracted price</b>	<b>920.39</b>	<b>985.85</b>



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Notes to the financial statements as at and for the year ended 31st March, 2021

Note 21. Other income

( ₹ Crore )

Particulars	For the Year Ended 31st March, 2021	For the year Ended 31st March, 2020
<b>a) Interest Income earned on financial assets that are not designated as at FVTPL</b>		
i On Bank deposits	2.06	2.23
ii Other Financial Assets	3.46	0.01
<b>b) Other non-operating income</b>		
i Net Gain on sale of current investments designated as at FVTPL	12.04	6.33
ii Net Gain on disposal of property, plant and equipment	0.00	0.01
iii Net gain on foreign currency transaction	-	0.00
iv Domestic Scrap Sales	-	0.01
v Sale of Carbon credit	2.09	2.07
vi Provision no longer required written back	18.00	0.15
vii Miscellaneous income	0.81	0.53
<b>Total</b>	<b>38.46</b>	<b>11.34</b>





**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
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Notes to the financial statements as at and for the year ended 31st March, 2021

**Note 22. Employee benefits expense**

( ₹ Crore )

Particulars	For the Year Ended 31st March, 2021	For the year Ended 31st March, 2020
(a) Salaries and wages	42.39	37.01
(b) Contribution to provident and other funds	2.79	2.85
(c) Share based payment	0.27	0.30
(d) Staff welfare expenses	2.48	1.85
<b>Total</b>	<b>47.93</b>	<b>42.01</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
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Notes to the financial statements as at and for the year ended 31st March, 2021

**Note 23. Finance costs**

( ₹ Crore )

Particulars	For the Year Ended 31st March, 2021	For the year Ended 31st March, 2020
(a) Interest expense		
i Interest on Debentures	-	23.18
ii Interest on Term Loan	407.64	474.89
iii Interest cash credit	0.08	0.05
(b) Unwinding of Interest on Financial liabilities carried at Amortised cost	4.12	4.12
(c) Other borrowing costs	3.37	4.47
(d) Interest on lease liabilities	0.46	0.46
<b>Total</b>	<b>415.67</b>	<b>507.17</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT****JSW HYDRO ENERGY LIMITED**

Notes to the financial statements as at and for the year ended 31st March, 2021

**Note 24. Depreciation and amortisation expense****( ₹ Crore )**

Particulars	For the Year Ended 31st March, 2021	For the year Ended 31st March, 2020
(a) Depreciation on property, plant and equipment	408.56	399.51
(b) Amortization on Intangible assets	0.19	0.16
<b>Total</b>	<b>408.75</b>	<b>399.67</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
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Notes to the financial statements as at and for the year ended 31st March, 2021

**Note 25. Other expenses**

( ₹ Crore )

Particulars	For the Year Ended 31st March, 2021	For the year Ended 31st March, 2020
(a) Stores and spares consumed	15.62	14.59
(b) Power & Water	2.03	2.53
(c) Rent including lease rentals	2.09	2.11
(d) Repairs and maintenance	22.14	29.52
(e) Royalty	0.03	0.03
(f) Rates and taxes	0.25	0.26
(g) Insurance	16.04	15.37
(h) Net loss / (gain) on foreign currency transactions net off )	0.00	(0.00)
(i) Legal and other professional charges	4.11	2.30
(j) Travelling Expenses	0.61	1.41
(k) Donation	0.05	5.00
(l) Corporate Social Responsibility Expenses	3.00	3.45
(m) Open Access Charges	0.06	0.07
(n) Other General Expenses	4.65	5.10
(o) Safety and Security	1.08	1.17
(p) Branding Expenses	2.88	3.08
(q) Shared Service Charges	1.56	2.30
(r) Property ,Plant and equipment written off	0.62	-
<b>Total</b>	<b>76.82</b>	<b>88.29</b>



**KARCHAM WANGTOO HYDRO ELECTRIC PLANT**  
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Notes to the financial statements as at and for the year ended 31st March, 2021

**Note 26. Tax expense**

( ₹ Crore )

Particulars	For the Year Ended 31st March, 2021	For the year Ended 31st March, 2020
(a) Current Tax	12.72	1.07
<b>Total</b>	<b>12.72</b>	<b>1.07</b>

