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

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Shah Gupta & Co.

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Members of JSW Hydro Energy Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **JSW Hydro Energy Limited** ("the Company"), which comprise the standalone balance sheet as at March 31, 2020, and the standalone statement of Profit and Loss (including other comprehensive income), standalone statement of cash flows and standalone statement of changes in equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

JSW Hydro Energy Limited

Responsibilities of the Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in sub-section (5) of Section 134 of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to

JSW Hydro Energy Limited

the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by sub-section (3) of Section 143 of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The standalone balance sheet, the standalone statement of profit and loss including other comprehensive income, the standalone statement of cash flow and the standalone statement of changes in equity dealt with by this report are in agreement with the books of account.

   d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

   e. On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of sub-section (2) of Section 164 of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.

   g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of sub-section (16) of Section 197 of the Act, as amended:

JSW Hydro Energy Limited

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule (11) of the Companies (Audit and Auditors) Rules, 2015, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 36 of the standalone financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **SHAH GUPTA & CO.,**
Chartered Accountants
Firm Registration No.: 109574W

Vipul K Choksi
Partner
M. No.37606
UDIN: 20037606AAAAAO6181
Place: Mumbai
Date: 19.05.2020

JSW Hydro Energy Limited

APPENDIX A TO THE INDEPENDENT AUDITORS' REPORT (Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of JSW Hydro Energy Limited of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment on the basis of available information.

(b) The Company has a program of verification to cover all the items of property, plant and equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company (except the title deeds of certain immovable properties are held in the name of the erstwhile promoter) as at the balance sheet date. In respect of immovable properties of land that have been taken on lease and disclosed as property, plant and equipment or right of use assets in the standalone financial statements, the lease agreements are in the name of the Company (except the title deeds of certain lease agreements are held in the name of the erstwhile promoter) where the Company is the lessee in the agreement.

(ii) The inventory has been physically verified by the Company at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, reporting under paragraph 3 (iii) (a), (b) and (c) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantee or security to the parties covered under section 185 of the act. Based on our audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the management, the Company has complied with the provisions of section 186 of the Act in respect of the investment made by it.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly, reporting under paragraph 3 (v) of the Order is not applicable to the Company.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148 of the Act. We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-section (1) of Section 148 of the Act and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not required to make a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us, and the records of the company examined by us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax, goods and service tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us, there are no undisputed amounts payable in respect of income tax, service tax, goods and service tax, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.

JSW Hydro Energy Limited

(b) According to the information and explanations given to us, there are no dues of sales tax, wealth tax, service tax, goods and service tax, income tax, duty of excise, duty of excise, value added tax, and cess which have not been deposited on account of any dispute except as follows:

Name of the Statute	Nature of the Dues	Amount# (Rs. in Crore)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income tax	10.77	A.Y. 2015-16	Commissioners of Income Tax (Appeals)

#Net of amounts paid under protest

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to the banks and dues to debenture-holders during the year. The Company has not taken any loans from financial institutions and government.

(ix) In our opinion and according to the information and explanations given by the management, monies raised by the company by way of debt instruments in the nature of non-convertible debentures and term loans were applied for the purposes for which they were raised. According to the information and explanations given by the management, the Company has not raised any money way of initial public offer/further public offer and hence not commented upon.

(x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the Management, we report that no material fraud by the Company and on the Company by its officer or employees has been noticed or reported during the year.

(xi) Based on the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the Management, we report that the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule (V) to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, reporting under paragraph 3 (xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, transactions during the year with the related parties were approved by the Audit Committee and are in compliance with section 177 of the Act where applicable and since the said transactions were in the ordinary course of business of the company and were at arm's length basis, the provisions of section 188 are not applicable, and the details have been disclosed in the standalone financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Company has not made any preferential allotment/private placement of shares or fully or partly convertible debentures during the year.

(xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements, in our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under paragraph 3 (xvi) of the Order is not applicable to the Company.

For **SHAH GUPTA & CO.,**
Chartered Accountants
Firm Registration No.: 109574W

Vipul K Choksi
Partner
M. No.37606
UDIN: 20037606AAAAAO6181
Place: Mumbai
Date: 19.05.2020

JSW Hydro Energy Limited

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **JSW Hydro Energy Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under sub-section (10) of Section 143 of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting with reference to these Standalone Financial Statements

A Company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and

JSW Hydro Energy Limited

dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to these standalone financial statements and such internal financial controls were operating effectively as at March 31, 2020, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SHAH GUPTA & CO.,**
Chartered Accountants
Firm Registration No.: 109574W

Vipul K Choksi
Partner
M. No.37606
UDIN: 20037606AAAAAO6181
Place: Mumbai
Date: 19.05.2020

JSW Hydro Energy Limited

JSW HYDRO ENERGY LIMITED
(Formerly known as Himachal Baspa Power Company Limited)
Standalone Balance Sheet as on 31st March, 2020

(₹ Crore)

		Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
A		ASSETS			
	1	Non-current assets			
		(a) Property, plant and equipment	4	6,342.84	6,715.10
		(b) Capital work-in-progress	5	17.97	8.16
		(c) Intangible assets	6	784.34	814.34
		(d) Financial assets			
		(i) Investments	10	68.86	-
		(ii) Other financial assets	7	219.39	225.74
		(e) Other non-current assets	8	25.53	25.44
		(f) Income tax assets		34.04	33.23
		Total non - current assets		**7,492.97**	**7,822.01**
	2	Current assets			
		(a) Inventories	9	11.46	10.98
		(b) Financial assets			
		(i) Investments	10	203.84	107.06
		(ii) Trade receivables	11	308.15	198.59
		(iii) Cash and cash equivalents	12	0.48	46.14
		(iv) Bank balances other than (iii) above	12	31.84	28.34
		(v) Other financial assets	7	5.32	-
		(c) Other current assets	8	32.94	33.82
		Total current assets		**594.03**	**424.93**
		Total Assets (1+2)		**8,087.00**	**8,246.94**
B		EQUITY AND LIABILITIES			
	1	Equity			
		(a) Equity share capital	13	1,250.05	1,250.05
		(b) Other equity	14	589.32	501.15
		Total equity		**1,839.37**	**1,751.20**
		Liabilities			
	2	Non-current liabilities			
		(a) Financial liabilities			
		(i) Borrowings	15	5,140.30	5,809.77
		(ii) Other financial liabilities	16	26.54	0.01
		(b) Provisions	17	4.68	3.23
		Total non - current liabilities		**5,171.52**	**5,813.01**
	3	Current liabilities			
		(a) Financial liabilities			
		(i) Trade payables			
		(a) Total outstanding dues of micro and small enterprises	18	0.55	0.78
		(b) Total outstanding dues of creditors other than micro and small enterprises	18	74.58	49.46
		(ii) Other financial liabilities	16	996.94	623.32
		(b) Other current liabilities	19	2.65	7.81
		(c) Provisions	17	1.39	1.36
		Total current liabilities		**1,076.11**	**682.73**
		Total Equity and Liabilities (1+2+3)		**8,087.00**	**8,246.94**

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

Place: Mumbai
Date: -19th May,2020

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

JSW HYDRO ENERGY LIMITED
(Formerly known as Himachal Baspa Power Company Limited)
Statement of Standalone 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	1,263.69	1,243.97
II	Other income	21	11.58	31.77
III	**Total income (I + II)**		**1,275.27**	**1,275.74**
IV	**Expenses**			
	(a) Employee benefits expense	22	51.43	46.20
	(b) Finance costs	23	550.00	611.66
	(c) Depreciation and amortisation expenses	24	433.89	432.32
	(d) Other expenses	25	133.15	126.88
	Total expenses (IV)		**1,168.47**	**1,217.06**
V	**Profit/(loss) before exceptional item and tax (III-IV)**		**106.80**	**58.68**
VI	Exceptional Items		-	-
VII	**Profit before tax (V - VI)**		**106.80**	**58.68**
VIII	Tax Expense			
	Current tax		18.39	14.52
	Deferred tax		(15.42)	(30.16)
IX	**Deferred Tax (recoverable)/adjustable in future tariff**		15.42	(5.09)
		26	18.39	(20.73)
X	**Profit for the year (VII-VIII)**		**88.41**	**79.41**
XI	**Other comprehensive income**		**(0.45)**	**(0.84)**
	(i) Items that will not be reclassified to profit or loss Remeasurements of the net defined benefit liabilities / (asset)		(0.55)	(1.07)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.10	0.23
XII	**Total comprehensive income for the year (X + XI)**		**87.96**	**78.57**
XIII	**Earnings per equity share of ₹ 10 each :**			
	Basic	35	0.71	0.64
	Diluted		0.71	0.64

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

For and on behalf of Board of Directors

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: 19th May, 2020

JSW HYDRO ENERGY LIMITED
(Formerly known as Himachal Baspa Power Company Limited)
Statement of Standalone Cash Flows for the year ended 31st March, 2020

(₹ Crore)

	Particulars	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
I	CASH FLOW FROM OPERATING ACTIVITIES				
	Profit before Tax		106.80		58.68
	Adjusted for:				
	Depreciation and amortisation	433.89		432.32	
	Interest Income	(2.41)		(15.65)	
	Net Gain from current Investments	(6.33)		(9.45)	
	Excess provision no longer required written back	(0.17)		(4.61)	
	Share based payment expenses	0.21		0.05	
	Finance costs	550.00		611.66	
	Other adjustment (OCI)	(0.45)		(0.84)	
			974.74		1013.47
	Operating profit before working capital changes		1081.54		1072.15
	Adjustment for:				
	(Increase) / Decrease in Trade and other receivables	(108.68)		27.66	
	Increase in Trade payables & Other Liabilities	372.69		172.97	
	Decrease in Loans & advances and other non-current assets	2.49		29.32	
	(Increase) / Decrease in Inventories	(0.48)		0.47	
			266.02		230.42
	Cash generated from operations		1347.56		1302.58
	Direct taxes paid		(19.20)		(32.89)
	NET CASH FLOW FROM OPERATING ACTIVITIES		1328.36		1269.69
II	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of property, plant & equipment including CWIP and capital advances		(41.44)		(7.17)
	Investment made in Mutual Fund		(96.78)		(20.64)
	Investment made in Equity		(68.86)		
	Interest received		1.45		14.96
	Net Gain from current investments		6.33		9.45
	NET CASH USED IN INVESTING ACTIVITIES		(199.30)		(3.40)
III	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Borrowings repaid		(642.12)		(724.65)
	Finance costs paid		(532.60)		(585.93)
	NET CASH USED IN FINANCING ACTIVITIES		(1,174.72)		(1,310.58)
	NET DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III)		(45.66)		(44.29)
	CASH AND CASH EQUIVALENTS - At the beginning of the year		46.14		90.43
	CASH AND CASH EQUIVALENTS - At the end of the year		0.48		46.14

See accompanying notes to the standalone financial statements

Note:

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

As per our attached report 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

JSW Hydro Energy Limited

Place: Mumbai
Date: 19th May, 2020

JSW HYDRO ENERGY LIMITED

(Formerly known as Himachal Baspa Power Company 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	1,250.05
Changes in equity share capital during the FY 2018-19	-
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

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	306.32	156.14	**501.15**
Profit for the year	-	-	88.41	-	**88.41**
Recognition of Share based payment	0.21	-	-	-	**0.21**
Transfer from Debenture redemption reserve	-	(38.45)	38.45	-	-
Other comprehensive income for the year, net of income tax	-	-	(0.45)	-	**(0.45)**
Total comprehensive income for the year ended 31st March'20	**0.45**	-	**432.73**	**156.14**	**589.32**

(₹ Crore)

Particulars	Reserves & surplus			Capital Contribution by parent company	Total
	Equity-settled employee benefits reserve	Debenture redemption reserve	Retained earnings		
Balance at 1st April, 2018	0.19	60.00	206.20	156.14	**422.53**
Profit for the year	-	-	79.41	-	**79.41**
Recognition of Share based payment	0.05	-	-	-	**0.05**
Transfer from Debenture redemption reserve	-	(21.55)	21.55	-	-
Other comprehensive income for the year, net of income tax	-	-	(0.84)	-	**(0.84)**
Total comprehensive income for the year ended 31st March 19	**0.24**	**38.45**	**306.32**	**156.14**	**501.15**

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

Place: Mumbai
Date: 19th May, 2020

For and on behalf of Board of Directors

Gyan Bhadra Kumar
Whole Time Director
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Chairman
[DIN: 01281621]

Sanjeev Kango
Company Secretary & Chief Financial Officer

JSW HYDRO ENERGY LIMITED

(Formerly Known as Himachal Baspa Power Company Limited)

Notes to Standalone Financial Statements for the year ended 31st March, 2020

Note 1: General information

a) 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).

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

c) 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 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 19th 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.

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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 1st April, 2016. Accordingly, the Company has prepared these Standalone Financial Statements which comprise the Standalone Balance Sheet as at 31st March, 2020, the Standalone Statement of Profit and Loss, the Standalone Statement of Cash Flows and the Standalone Statement of Changes in Equity for the year ended 31st March, 2020, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Standalone Financial Statements").

b) The Standalone 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

JSW Hydro Energy Limited JSW

that have been measured at fair value as required by the relevant Ind AS and explained in the ensuing policies below.

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

d) 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.

3.2 Use of estimates & judgements

a) The preparation of the Standalone 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 Standalone Financial Statements is made relying on these estimates.

b) The estimates and judgements used in the preparation of the Standalone 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

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periods. The critical accounting judgements and key estimates followed by the Company for preparation of Standalone 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 standalone balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold or Leasehold land is stated at historical cost.

3.4 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.

3.5 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 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 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%

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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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 realisibility 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 Standalone 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

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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.

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.

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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 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 standalone 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.

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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. 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.

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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

(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.

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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.

(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

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- 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.

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

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- 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.

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.

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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

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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-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.

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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 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

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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 in the business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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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.

For assets and liabilities that are recognised in the Standalone 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.

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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

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;

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(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.

3.20 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 Standalone financial statements for the year ended 31st March, 2020

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	77.40	8.77	33.73	7,509.95	4.39	1.21	3.67	-	7,639.12
Additions	-	-	-	0.77	0.55	0.06	0.07	34.35	35.80
Disposals/Adjustment	-	(8.77)	-	-	-	-	(0.24)	-	(9.01)
Balance as at 31st March, 2020	77.40	-	33.73	7,510.72	4.94	1.27	3.50	34.35	7,665.91
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	1.40	-	924.02
Depreciation expense for the year	-	-	1.12	397.09	0.43	0.08	0.29	1.41	400.42
Disposals/Adjustment	-	(1.23)	-	-	-	-	(0.14)	-	(1.37)
Balance as at 31st March, 2020	-	-	4.17	1,312.09	3.57	0.28	1.55	1.41	1,323.07
Net carrying value as at 31st March, 2020 (I-II)	**77.40**	-	**29.56**	**6,198.63**	**1.37**	**0.99**	**1.95**	**32.94**	**6,342.84**

(₹ 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	77.40	8.77	33.73	7,509.86	4.25	0.99	3.45	-	7,638.45
Additions	-	-	-	0.09	0.14	0.22	0.22	-	0.67
Balance as at 31st March, 2019	77.40	8.77	33.73	7,509.95	4.39	1.21	3.67	-	7,639.12
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	1.07	-	525.15
Depreciation expense for the year	-	0.29	1.13	396.52	0.53	0.07	0.33	-	398.87
Balance as at 31st March, 2019	-	1.23	3.05	915.00	3.14	0.20	1.40	-	924.02
Net carrying value as at 31st March, 2019 (I-II)	**77.40**	**7.54**	**30.68**	**6,594.95**	**1.25**	**1.01**	**2.27**	-	**6,715.10**

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

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

(₹ Crore)

Balance as at 31st March, 2019	8.16
Balance as at 31st March, 2020	17.97

Footnote:

1) Amount transferred to property plant and equipment during the year ₹ 2.34 crore (for the year ended 31st March 2019: ₹ 0.85 Crore)

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

Note 6. Intangible assets (₹ Crore)

Description of Assets	Computer Software	Service Concession Arrangement intangibles *	Total
I. Gross Carrying Value			
Balance as at 1st April, 2019	1.03	932.74	933.77
Additions	0.39	3.08	3.47
Balance as at 31st March, 2020	1.42	935.82	937.24
II. Accumulated amortisation and impairment for the year 2019-20			
Balance as at 1st April, 2019	0.26	119.17	119.43
Amortisation expense for the year	0.16	33.31	33.47
Balance as at 31st March, 2020	0.42	152.48	152.90
Net carrying value as at 31st March, 2020 (I-II)	**1.00**	**783.34**	**784.34**

(₹ Crore)

Description of Assets	Computer Software	Service Concession Arrangement intangibles *	Total
I. Gross Carrying Value			
Balance as at 1st April, 2018	0.97	931.42	932.39
Additions	0.06	1.32	1.38
Balance as at 31st March, 2019	1.03	932.74	933.77
II. Accumulated amortisation and impairment for the year 2018-19			
Balance as at 1st April, 2018	0.10	85.89	85.99
Amortisation expense for the year	0.16	33.28	33.44
Balance as at 31st March, 2019	0.26	119.17	119.43
Net carrying value as at 31st March, 2019 (I-II)	**0.77**	**813.57**	**814.34**

*Refer Note 32 (Service concession arrangement)

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Notes to the Standalone 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	-	216.80	216.80	-	221.47	221.47
(b) Security Deposits						
- Unsecured, considered good						
(i) Government/Semi-Government Authorities	-	0.49	0.49	-	0.43	0.43
(ii) Others	-	0.09	0.09	-	0.09	0.09
	-	0.58	0.58	-	0.52	0.52
c) Revenue receivable						
- Unbilled revenue	5.32	-	5.32	-	-	-
	5.32	-	5.32	-	-	-
d) Other bank balances						
-In margin money for security against entry tax	-	2.01	2.01	-	3.75	3.75
	-	2.01	2.01	-	3.75	3.75
Total	**5.32**	**219.39**	**224.71**	-	**225.74**	**225.74**

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Notes to the Standalone 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	-	0.03	0.03	0.79	-	0.79
(b) Prepayments	9.19	0.50	9.69	10.50	0.44	10.94
(c) Deposit with Government/Semi Government	-	25.00	25.00	-	25.00	25.00
(d) Entry tax receivable	19.88	-	19.88	19.88	-	19.88
(e) Advance to Vendor	2.91	-	2.91	-	-	-
(f) Others	0.96	-	0.96	2.65	-	2.65
Total	**32.94**	**25.53**	**58.47**	**33.82**	**25.44**	**59.26**

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Notes to the Standalone 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	11.46	10.98
Total	**11.46**	**10.98**

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 Standalone 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
(A)Investment in equity instruments						
JSW Energy (Kuther) Limited	-	68.86	68.86	-	-	-
Investments carried at:						
(B) Fair value through Profit and Loss						
(a) Investments in mutual funds						
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	-	-	-
Total	**203.84**	**68.86**	**272.70**	**107.06**	**-**	**107.06**

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Notes to the Standalone 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;	235.15	-	235.15	-	-	-
(ii) Trade Receivables considered good - Unsecured;	73.00	-	73.00	198.59	-	198.59
Total	**308.15**	-	**308.15**	**198.59**	-	**198.59**

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

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

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Notes to the Standalone 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
Cash and cash equivalents		
(a) Balances with banks		
(i) In Current accounts	0.47	26.51
(ii) In Deposit accounts with maturity less than 3 months at inception	-	19.60
(b) Cash on hand	0.01	0.03
Total	**0.48**	**46.14**

(₹ Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Bank balances other than above		
(i) Earmarked balances with banks		
- Margin money for Security against Entry Tax	31.84	28.34
Total	**31.84**	**28.34**

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Notes to the Standalone 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	1,250,050,000	1,250.05	1,250,050,000	1,250.05
Issued, Subscribed and Fully Paid:				
Equity shares of ₹ 10 each with voting rights	1,250,050,000	1,250.05	1,250,050,000	1,250.05
	1,250,050,000	**1,250.05**	**1,250,050,000**	**1,250.05**

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

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	1,250,050,000	1,250,050,000
Issued during the year	-	-
Balance as at the end of the year	1,250,050,000	1,250,050,000

b) 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	1,250,050,000 100%	1,250,050,000 100%

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Notes to the Standalone 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	0.45	0.24
Debenture redemption	-	38.45
Retained earnings	432.73	306.32
Capital contribution by parent company	156.14	156.14
Total comprehensive income	**589.32**	**501.15**

*As per Ind AS, waiver of interest by the company on debentures issued to it, has been considered capital contribution by parent company .

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 to used to recognise the value of equity settled share based payments provided as part of the ESOP scheme.

(3) Debenture redumption reserve

The Indian Companies Act requires companies that issue debentures to create a debenture redemption reserve from annual profit until such debenture are redeemed .Company are required to maintain 25% as a reserve of outstanding redeemable debentures.The amount credited to the debentures redemption reserve may not be utilised except to redeem debentures.During the year company has fully redeemd the debentures and the balance of debentures redemption reserve transfer to retained earning.

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Notes to the Standalone 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				
Non-convertible Debentures	-	-	-	384.50
Secured Borrowings:				
i Term loans				
From Banks	288.24	5,172.13	256.10	5,461.90
	288.24	**5,172.13**	**256.10**	**5,846.40**
Less: unamortised borrowing cost	4.79	31.83	5.04	36.63
Less: Current maturities of long term debt (included in note no 16)	283.45	-	251.06	-
Total	-	**5,140.30**	-	**5,809.77**

(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
From Banks :		
2 - 3 Years	639.93	594.98
4 - 5 Years	501.51	684.73
6 - 10 Years	834.21	985.26
Above 10 Year	3,196.48	3,196.93
Total Borrowings from Banks	**5,172.13**	**5,461.90**

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 begininning of the year(including current maturities)	6060.83	6785.48
Cash flows (repayment)/proceeds)	(642.12)	(730.46)
Non cash changes		
1 Amortised borrowings cost	5.04	5.81
Balance as at the end of the year (including current maturities)	**5,423.75**	**6,060.83**

(iii) Details of Security :

Rupee Term Loan aggregating to ₹ 5,423.75 crore (Previous Year ₹ 5,676.33 crore) 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.

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

(₹ Crore)

Note 16. Other financial liabilities

Particulars	As at 31st March, 2020	As at 31st March, 2019
Non-Current		
(a) Deposits received	0.02	0.01
(b) Lease Liabilities **	26.52	-
	26.54	**0.01**
Current		
(a) Current maturities of long-term debt*	283.45	251.06
(b) Interest accrued but not due on borrowings	43.13	25.72
(c) Lease Liabilities **	0.17	-
(d) Payable for capital project	49.39	53.68
(e) Other payable	620.80	292.86
	996.94	**623.32**
Total	**1,023.48**	**623.33**

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

** Refer Note 2.3 Applicability of new Ind AS

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Notes to the Standalone 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*	1.17	2.54	3.71	1.14	1.31	2.45
(ii) Provision for compensated absence*	0.22	2.14	2.36	0.22	1.92	2.14
Total	**1.39**	**4.68**	**6.07**	**1.36**	**3.23**	**4.59**

* Refer Note 36 (Employee benefit plans)

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Notes to the Standalone 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 *	0.55	-	0.55	0.78	-	0.78
(b) Total outstanding dues of creditors other than micro and small enterprises	74.58	-	74.58	49.46	-	49.46
Total	**75.13**	-	**75.13**	**50.24**	-	**50.24**

* Refer Note 43 (Disclosure under Micro,Small and Medium Enterprises Development Act)

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Notes to the Standalone 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	0.41	-	0.41	0.36	-	0.36
(b) Statutory dues	2.24	-	2.24	7.20	-	7.20
(c)) Advance against depreciation	-	-	-	0.25	-	0.25
Total	**2.65**	**-**	**2.65**	**7.81**	**-**	**7.81**

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Notes to the Standalone 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
	Disaggregation of revenue from contract with customers:		
(1)	Sale of power (Own generation)	1,236.00	1,217.82
	Total revenue from contract with customers (A)	**1,236.00**	**1,217.82**
(2)	Income from service concession arrangement	27.69	26.15
	Income from service concession arrangement (B)	**27.69**	**26.15**
	Total (A) + (B)	**1,263.69**	**1,243.97**

(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	1,236.00	1,217.82
Add: Rebate on prompt payment	9.79	15.77
Less: Incentive	78.21	63.71
Total Revenue from contract with customers as per contracted price	**1,167.58**	**1,169.89**

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Notes to the Standalone 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
a) Interest Income earned on financial assets that are not designated as at FVTPL		
i On Bank deposits	2.40	2.44
ii Other Financial Assets	0.01	13.21
b) Others		
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	0.17	4.45
vii Miscellaneous income	0.58	0.82
Total	**11.58**	**31.77**

* Actual figures in INR FY 2019-20 ₹ 816 FY 2018-19 ₹ 2105

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Notes to the Standalone 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	45.55	41.82
(b)	Contribution to provident and other funds *	3.63	1.75
(c)	Share based payment **	0.30	0.16
(d)	Staff welfare expenses	1.95	2.47
	Total	**51.43**	**46.20**

* Refer note 36 (Employee benefit plans) for the details of defined benefit plan and defined contribution plan of the Company.

** Refer note 37 (Employee share base payment plan)for the details of share base payment

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Notes to the Standalone 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	72.18
	ii	Interest on Term Loan	515.02	529.69
	iii	Interest cash credit	0.05	0.01
(b)	Unwinding of interest on Financial liabilities carried at Amortised cost		4.61	4.61
(c)	Other borrowing costs		4.73	5.17
(d)	Interest on lease liabilities		2.41	-
	Total		**550.00**	**611.66**

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Note 24. Depreciation and amortisation expense (₹ Crore)

Particulars	For the year Ended 31st March ,2020	For the year Ended 31st March,2019
(a) Depreciation on property, plant and equipment	400.42	398.87
(b) Amortization on Intangible assets	33.47	33.45
Total	**433.89**	**432.32**

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Notes to the Standalone 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	18.58	13.02
(b)	Power & Water	4.81	5.30
(c)	Rent including lease rentals	2.15	4.47
(d)	Repairs and maintenance	42.82	47.22
(e)	Royalty	0.04	0.09
(f)	Rates and taxes	0.44	0.36
(g)	Insurance	19.43	19.30
(h)	Net loss / (gain) on foreign currency transactions net off)**	(0.00)	0.01
(i)	Legal and other professional charges	2.63	1.90
(j)	Travelling Expenses	1.51	1.16
(k)	Donation	5.00	0.15
(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	5.38	8.22
(p)	Provision for doubtful debts	18.89	-
(q)	Safety and Security	1.24	1.31
(r)	Branding Expenses	3.72	2.42
(s)	Share Service cost	2.99	2.93
	Total	**133.15**	**126.88**

* Refer note 39 (Details of Corporate Social Responsibility (CSR) expenditure

** FY 2019-20 ₹ 2964 FY 2018-19 ₹ 64422

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

Note 26. Tax expense (₹ Crore)

Particulars	For the year Ended 31st March ,2020	For the year Ended 31st March,2019
a) Current Tax	18.39	14.52
b) Deferred Tax	-	(35.25)
Total	**18.39**	**(20.73)**

* Refer note 33 for details of Tax expenses

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Notes to Standalone Financial Statements for the year ended 31st March, 2020

Note 27. Critical accounting judgements and key sources of estimation uncertainty

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

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

Critical judgements in applying accounting policies

Service concession arrangements

The Management has assessed applicability of Appendix C of Ind AS 115: Service Concession Arrangements (revenue from contract with customer) with respect to its power plant and transmission assets portfolio. In assessing the applicability, they have exercised significant judgment in relation to the underlying ownership of the assets, terms of implementation agreements and power purchase agreements entered with the grantor, ability to determine prices, useful lives of the assets, assessment of right to guaranteed cash etc. Based on detailed evaluation, the Management has determined that arrangement in relation to the Company's Baspa power plant (300 MW) meets the criterion for recognition as service concession arrangements.

Revenue recognition

a) In case of BASPA, revenue from sale of power is accounted for on the basis of billing to Himachal Pradesh State Electricity Board Limited (HPSEBL) as per Tariff approved by Himachal Pradesh Electricity Regulatory Commission (HPERC) in accordance with the provisions of the Long Term Power Purchase Agreement (LTPPA) dated 4th June 1997, Amendment No. 1 dated 7th January 1998, executed between the Company and HPSEBL.

b) In case of KARCHAM Wangtoo, revenue from sale of power is accounted as under :

   i) The long term PPA sales are accounted on the basis of applicable CERC regulations and respective Tariff orders/ Tariff petition as filled to Central Electricity Regulatory Commission for determining the tariff of Karcham Wangtoo plant

   ii) Sale of power under Short Term through the Power Exchange is accounted for on the basis of billing to various buyers under the terms of the PPA and the Power Exchange.

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Key sources of estimation uncertainties

Impairment of property plant and equipment

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

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

Contingencies

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

Fair value measurements

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The management determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Defined benefit plans

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

Shared based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. This requires a reassessment of the estimates used at the end of each reporting period.

JSW Hydro Energy Limited

Tax

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

Evaluation of arrangements to determine whether it contains lease:

The management has critically evaluated the terms of the contract (including by obtaining independent legal advice) with respect to Karcham Wangtoo Hydro Plant to determine whether the contract is, in substance, with a customer or with multiple state electricity utility companies, and the customer is merely acting as an intermediator/facilitator. Based on such evaluation, it was concluded that the arrangement is not in the nature of lease in terms of Ind AS 116 nor as replaced Appendix "C" of Ind AS 17, "Determining whether an Arrangement contains a Lease"

Service concession arrangements:

In assessing the applicability of Appendix C to Ind AS 115: 'Service Concession Arrangements (revenue from contract with customer)', the management has exercised significant judgments in evaluating the useful lives of the assets and the terms of power purchase agreements / transmission license arrangements / other similar implementation arrangements/provisions of the Electricity Act, 2003 towards, the ability to enter into power purchase arrangements with any customer, power supply and pricing terms and and related rights beneficial entitlement in the related infrastructure, useful lives of the assets and obligation to transfer the asset at the end of arrangement etc. Based on such evaluation, the management has determined that only arrangement in respect of a Hydro power plant at Himachal Pradesh of the company meets the criterion for recognition as service concession arrangement.

Note 28. Balance Confirmation

The Company is yet to receive balance confirmations in respect to certain financial assets and liabilities. The management does not expect any material difference affecting to current year's Standalone Financial Statements due to the same.

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Note 29. Financial Instruments: Classifications and fair value measurements

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):

(₹ Crore)

As at 31st March, 2020	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets					
Financial assets carried at fair value through profit or loss (FVTPL)					
Investment in mutual fund units	203.84	203.84	-	203.84	-
Investment in Equity instruments	68.86	68.86	-	-	68.86
Financial assets carried at amortised cost					
Security deposits	0.58	0.58	-	-	0.58
Trade receivables #	308.15	308.15	-	-	-
Receivables-Service concession agreement #	216.80	216.80	-	-	-
Cash and cash equivalents and other bank balances #	34.33	34.33	-	-	-
Unbilled revenue	5.32	5.32			
	837.88	**837.88**	-	**203.84**	**69.44**
Total Financial assets	**837.88**	**837.88**	-	**203.84**	**69.44**
Financial liabilities					
Financial Liabilities carried at amortised cost					
Borrowings	5423.75	-	-	-	-
Rent and Other Deposits #	0.02	0.02	-	-	-
Trade Payables #	75.13	75.13	-	-	-
Payable for capital projects#	49.39	49.39	-	-	-
Other payable#	663.93	663.93			
Lease Liability	26.69	26.69			
	6238.91	**815.16**	-	-	-
Total Financial liabilities	**6238.91**	**816.16**	-	-	-

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Notes to Standalone Financial Statements for the year ended 31st March, 2020

(₹ Crore)

As at 31st March, 2019	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets					
Financial assets carried at fair value through profit or loss (FVTPL)					
Investment in mutual fund units	107.06	107.06	-	107.06	-
Financial assets carried at amortised cost					
Security deposits	0.52	0.52	-	-	0.52
Trade receivables #	198.59	198.59	-	-	-
Receivables-Service concession agreement #	221.47	221.47	-	-	-
Cash and cash equivalents and other bank balances #	78.23	78.23	-	-	-
	605.87	**605.87**	-	**107.06**	**0.52**
Total Financial assets	**605.87**	**605.87**	-	**107.06**	**0.52**
Financial liabilities					
Financial Liabilities carried at amortised cost					
Borrowings	6060.83	-	-	-	-
Rent and Other Deposits #	0.01	0.01	-	-	-
Trade Payables #	50.24	50.24	-	-	-
Payable for capital projects#	53.68	53.68			
Other payable#	318.58	318.58	-	-	-
	6483.34	**422.51**	-	-	-
Total Financial liabilities	**6483.34**	**422.51**	-	-	-

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

Financial risk management objectives

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

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

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enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Foreign currency risk management

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

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are **NIL**.

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

The Forward exchange contracts entered into by the Company and outstanding are **NIL**.

Interest rate risk management

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

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

Due to the pandemic of COVID-19, the company has availed the option to opt for the Moratorium on payment of interest for borrowings made from banks. The company has analysed the risk it may have from the pandemic and ensures that the company is in good standing to pay all it's dues.

Interest rate sensitivity analysis

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

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

(₹ Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Fixed rate borrowings	-	384.50
Floating rate borrowings	5423.75	5,676.33
Total borrowings	**5423.75**	**6,060.83**

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit (PBT) for the year ended 31st March, 2020 would decrease/increase by Rs. 27.92 crore (for the year ended 31st March, 2019: decrease/increase by Rs. 29.38 crore). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay

if the guarantee is called on. No amount has been recognised in the financial position as financial liabilities

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

Liquidity risk management

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

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

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(₹ Crore)

As at 31st March, 2020				
Particulars	**< 1 year**	**1-5 years**	**> 5 years**	**Total**
Non-current financial liabilities				
Long term borrowings	-	1,125.18	4,015.12	5140.30
Other long-term liabilities				
Rent and other Deposits	-	0.02	-	0.02
Lease payable	-	1.44	25.08	26.52
Total Non-Current financial Liabilities	-	1126.64	4040.20	5166.84
Current financial Liabilities				
Trade and other payables and acceptances:				
Trade payables - Other than acceptances	75.13	-	-	75.13
Other current financial liabilities:				
Current maturities of long-term debt	283.45	-	-	283.45
Payable for capital project	49.39	-	-	49.39
Other payable	620.80			620.80
Interest accrued but not due on borrowings	43.13	-	-	43.13
Lease payable	0.17			0.17
Total current financial liabilities	1072.07	-	-	1072.07
Total Financial Liabilities	**1072.07**	**1126.64**	**4040.20**	**6238.91**
Non-current Financial assets				
Long term loans and advances				
Security deposits	-	0.01	0.57	0.58
Ancillary Borrowing cost	-	-	-	-
Service concession – arrangements	-	216.45	0.35	216.80
Other advances	-	2.01	-	2.01
Investment in Equity			68.86	68.86
Total Non-current financial Assets	-	218.47	69.78	288.25
Current financial assets				
Trade receivables	308.15	-	-	308.15
Cash and cash equivalents	0.48	-	-	0.48
Bank Balances other than above	31.84	-	-	31.84
Investments in mutual fund	203.84	-	-	203.84
Other Financial Assets	5.32	-	-	5.32
Total current financial assets	549.63	-	-	549.63
Total Financial Assets	**549.63**	**218.47**	**69.78**	**837.88**

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(₹ Crore)

As at 31st March, 2019				
Particulars	**< 1 year**	**1-5 years**	**> 5 years**	**Total**
Non-current financial liabilities				
Long term borrowings	-	1262.32	4547.45	5809.77
Other long-term financial liabilities				
Rent and other Deposits	-	0.01	-	0.01
Total Non-Current financial Liabilities	-	1262.33	4547.45	5809.78
Current financial Liabilities				
Trade and other payables and acceptances:				
Trade payables - Other than acceptances	50.24	-	-	50.24
Other current financial liabilities:				
Current maturities of long-term debt	251.06	-	-	251.06
Payable for capital project	53.68	-	-	53.68
Other payable	292.86			292.86
Interest accrued but not due on borrowings	25.72	-	-	25.72
Total current financial liabilities	673.56	-	-	673.56
Total Financial Liabilities	**673.56**	**1262.33**	**4547.45**	**6483.34**
Non-current financial assets				
Long term loans and advances				
Security deposits	-	0.01	0.51	0.52
Ancillary Borrowing cost	-	-		-
Service concession – arrangements	-	221.11	0.36	221.47
Other advances	-	3.75	-	3.75
Total Non-current financial Assets	-	224.87	0.87	225.74
Current financial assets				
Trade receivables	198.59	-	-	198.59
Cash and cash equivalents	46.14	-	-	46.14
Bank Balances other than above	28.34	-	-	28.34
Investments	107.06	-	-	107.06
Total current financial assets	380.13	-	-	380.13
Total Financial Assets	**380.13**	**224.87**	**0.87**	**605.87**

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

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Power offtake risk management

With supply outpacing demand in the medium term, merchant tariffs have been under constant pressure, posing a severe challenge to the off take of merchant power. With the DISCOMS adhering to strict fiscal discipline there has been deferment of power procurement, resulting in reduced demand for power. The Company's focus is on enhancing the sale through long term PPAs and through captive route and ensuring an optimum mix of medium, short and long term arrangements. Further, the Company is tracking various opportunities for sale of power to utilities in the home states as well as others.

Note 30 Capital management

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

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

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

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

(₹ Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Debt (i)	5423.75	5,676.33
Cash and bank balances (including current investment in liquid fund) (ii)	236.16	181.54
Net debt (i-ii)	**5,187.59**	**5,494.79**
Total equity (iii)	1839.37	2,135.70
Net debt to equity ratio	**2.82**	**2.57**

(i) Debt includes long term and short term borrowings (refer note No-15)
(ii) Includes cash and cash equivalents balance in bank deposits (other than earmarked deposits) and investments in mutual fund.
(iii) Includes equity share capital and other equity.
Non-convertible debentures held by Holding company considered as quasi equity.

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Note 31. Trade receivables

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

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

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

Ageing of Trade receivable:

(₹ Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Within the credit period	203.14	147.64
1-30 days past due	22.95	16.31
31-60 days past due	25.94	1.05
61-90 days past due	10.29	-
91-180 days past due	-	-
>180 days past due	45.83	33.59
Total	**308.15**	**198.59**

Note 32. Service concession arrangement

The Company has entered into an arrangement with Himachal Pradesh State Electricity Board ("HPSEB" or "the Board") in relation to its 300 MW Baspa Hydro Power Plant ("Baspa Power Plant") to provide power supply on the following basis:

- 12% of the Baspa Power Plant capacity to be provided free of cost to Himachal Government(GoHP).
- Balance 88 % of the Baspa Power Plant capacity at the tariff which consists of capacity charges, primary energy charges, incentive of secondary energy, incentive in case plant availability is greater than 90%

The term of the arrangement is for 40 years, further extendable by 20 years. In case HPSEB grants the Company further extension of 20 years, it shall have the right to continue purchasing power from the projects on the same terms of conditions. The Board has the option to purchase the Project at the end of the term of the Agreement at the buyout price determined in terms of Schedule II to the Agreement. Clause 3(a) of Schedule II to the Agreement provides that the Board shall purchase all the assets of the Baspa Power Plant including land, buildings, civil structures,

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plant and equipment, spare parts, records and drawings except for cash and bank balances.

Based on the aforesaid tariff structure, 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.

On the acquisition date, the hydro business reclassified PP&E of ₹1,366.56 crore and advance against depreciation of ₹236.23 crore at the existing carrying value to the financial asset of ₹199.58 crore and intangible asset of ₹930.75 crore. In respect of capital expenditure incurred during financial year 2015-2016, the hydro business has derecognized the PP&E and recognized financial assets and intangible assets in line with the accounting policy on SCA.

The depreciation of ₹28.92 crore on PP&E under previous GAAP has been reversed as the financial assets and intangible assets are recognized under Ind AS. Further the amortization of ₹19.39 crore on intangible assets have been provided and the financial assets are carried at amortised cost by accretion of interest income of ₹13.50 crore at effective interest rate and reversal of revenue from sale of power of ₹48.89 crore during the year ended 31st March, 2016.Fair value of service concession receivable under other financial assets is of Rs.236.96 crore as on 31st March,2020.

Note 33. Tax expenses

(₹ Crore)

Particulars	**For the year ended 31st March,2020**	**For the year ended 31st March,2019**
(1) Current Tax	18.39	14.75
(2) Deferred tax	(45.72)	(53.57)
(3) MAT credit entitlement availment	30.30	22.96
(4) Deferred tax (recoverable)/adjustable in future tariff	15.42	(4.64)
	18.39	**(20.50)**

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

(₹ Crore)

Particulars	For the year ended 31st March,2020	For the year ended 31st March,2019
Profit before tax (excluding share of gain/(loss) of an associate or joint venture)	**106.80**	**58.67**
Enacted tax rate	34.94%	34.94%
Computed expected tax expenses	37.32	20.50
Tax effect due to tax holiday	(48.06)	(42.75)
Expenses not deductible in determining taxable profits	4.51	6.76
Deferred tax / tax credit recognised from earlier year	-	(35.25)
Effect of taxes (recoverable)/payable in future tariff	15.42	30.61
Impact due to reduced rate of tax during the year	15.32	-
Impact due to reduced rate of tax on opening	(6.22)	-
Other-Tax at lower rate	-	(0.38)
Others	0.10	-
Tax expenses for the year	**18.39**	**(20.50)**

Deferred tax assets / (liabilities)

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

(₹ crore)

	Particulars	As at 31st March,2019	Recognised / (reversed) through profit or loss/ OCI / equity	As at 31st March,2020
	Property plant & equipment	(25.34)	50.76	25.42
	Borrowings	3.00	(11.01)	(8.01)
	MAT credit	32.88	(30.30)	2.58
	Recoverable / (payable) in future tariff	(10.51)	(15.42)	(25.93)
	Other	(0.04)	5.98	5.95
	Total	**0.00**	**0.00**	**0.00**

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(₹ crore)

	Particulars	As at 31st March,2018	Recognised / (reversed) through profit or loss/ OCI / equity	As at 31st March,2019
	Property plant & equipment	(78.20)	52.86	(25.34)
	Borrowings	2.74	0.26	3.00
	MAT credit	55.83	(22.95)	32.88
	Recoverable / (payable) in future tariff	(15.66)	5.15	(10.51)
	Other	0.04	(0.08)	(0.04)
	Total	**(35.25)**	**35.25**	**0.00**

Note 34. Operating segment

The Chairman of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators, however the Company is primarily engaged in only one segment viz., "Generation and Sale of power" and that most of the operations are in India. Hence the Company has single reportable Segments as per Indian Accounting Standard 108 "Operating Segments".

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

Customer contributing more than 10% of revenue

(₹ Crore)

Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
PTC India Limited	1035.24	1049.16
Himachal Pradesh State Electricity Board	216.63	172.28
Total	**1251.87**	**1221.44**

Note 35. Earnings per share

Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
Profit for the year (` crore) - (A)	88.41	79.41
Weighted average number of equity shares for basic & diluted EPS - (B)	1,25,00,50,000	1,25,00,50,000
Earnings Per Share – Basic and Diluted (`) - (A/B)	0.71	0.64
Nominal value of an equity share (`)	10	10

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Note 36. Employee benefit Plans:

Defined benefits plans:-

(a) Defined contribution plans – Provident fund:

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

As per Ind AS 19 on "Employee Benefits", employer established provident fund trusts are treated as defined benefit plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. According to the defined benefit obligation of interest rate guarantee on exempted provident fund in respect of employees of the Company as at 31 March 2019 is 8.55% and hence no provision is required to be provided for in the books of accounts towards the guarantee given for notified interest rates.

Company's contribution to provident fund recognised in the Statement of profit and loss of ₹ 2.23 crore (for the year 31st March 2019: ₹ 1.75 Crore) (included in note No.22)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Discount rate:	6.84%	7.79%
Rate of return on assets:	8.49%	8.64%
Guaranteed rate of return	8.50%	8.65%

(b) Defined benefits plans - Gratuity:

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

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

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

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

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31st March, 2019 by M/S K A Pandit, Consultants & Actuaries. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

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

(₹ Crore)

Defined benefit obligation as at 1st April, 2018	**3.03**
Interest cost	0.23
Current service cost	0.42
Benefits paid	(0.35)
Actuarial (Gains)/Loss	1.02
Defined benefit obligation as at 31 March, 2019	**4.35**
Interest cost	0.33
Current service cost	0.52
Benefits paid	(0.46)
Actuarial (Gains)/Loss	0.52
Defined benefit obligation as at 31 March, 2020	**5.27**

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Changes in the defined benefit obligation and fair value of plan assets as at 31st March, 2020

(₹ Crore)

Particulars		Defined Benefit Obligation	Fair Value of Plan assets	(Benefit)/ Liability
Gratuity cost charged to profit or loss	**Opening Balance as on 1st April, 2019**	**4.35**	**1.90**	**2.45**
	Current Service cost	0.52	-	0.52
	Net interest expense /(Income)	0.33	0.15	0.19
	Liability Transferred in/Acquisitions			
	(Liability Transferred out/Divestments)			
	Sub-total included in profit or loss	**0.86**	**0.15**	**0.71**
Re-measurement gains / (losses) in other comprehensive income	Benefits paid	(0.46)	(0.46)	-
	Return on plan assets (excluding amounts included in net interest expense)		(0.03)	0.03
	Actuarial changes arising from changes in demographic assumptions		-	
	Actuarial changes arising from changes in financial/Demographic assumptions	0.40	-	0.40
	Experience adjustments	0.12	-	0.12
	Sub-total included in OCI	**0.52**	**(0.03)**	**0.55**
	Contributions by employer	-	-	-
	Closing Balance as on 31st March, 2020	**5.27**	**1.56**	**3.71**

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Changes in the defined benefit obligation and fair value of plan assets as at 31st March, 2019

(₹ Crore)

Particulars		Defined Benefit Obligation	Fair Value of Plan assets	(Benefit)/ Liability
Gratuity cost charged to profit or loss	**Opening Balance as on 1st April, 2018**	**3.03**	**2.11**	**0.92**
	Current Service cost	0.42	-	0.42
	Net interest expense	0.23	0.16	0.07
	Liability Transferred in/Acquisitions	0.04		0.04
	(Liability Transferred out/Divestments)	(0.07)		(0.07)
	Sub-total included in profit or loss	**0.62**	**0.16**	**0.46**
Re-measurement gains / (losses) in other comprehensive income	Benefits paid	(0.35)	(0.35)	-
	Return on plan assets (excluding amounts included in net interest expense)		(0.02)	0.02
	Actuarial changes arising from changes in demographic assumptions		-	
	Actuarial changes arising from changes in financial assumptions	0.03	-	0.03
	Experience adjustments	1.02	-	1.02
	Sub-total included in OCI	**1.05**	**(0.02)**	**1.07**
	Contributions by employer	-	-	-
	Closing Balance as on 31st March, 2019	**4.35**	**1.90**	**2.45**

The actual return on plan assets (including interest income) was ₹ 0.12 Crore (previous year ₹0.14 crore)

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

Particulars	**As at 31st March, 2020**	**As at 31st March, 2019**
Insurer Managed Funds	100%	100%

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

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

Particulars	As at 31st March, 2020	As at 31st March, 2019
Discount rate:	6.84%	7.69%
Future salary increases:	6%	6%
Rate of Employee Turnover	3%	2%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

Sensitivity Analysis:

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

Particulars	As at 31st March, 2020	As at 31st March, 2019
Delta Effect of +1% Change in Rate of Discounting	(0.40)	(0.35)
Delta Effect of -1% Change in Rate of Discounting	0.46	0.40
Delta Effect of +1% Change in Rate of Salary Increase	0.46	0.40
Delta Effect of -1% Change in Rate of Salary Increase	(0.41)	(0.36)
Delta Effect of +1% Change in Rate of Employee Turnover	0.02	0.05
Delta Effect of -1% Change in Rate of Employee Turnover	(0.03)	(0.05)

The following are the maturity analysis of projected benefit obligations:

(₹ Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Within the next 12 months (next annual reporting period)	0.40	0.28
Between 2 and 5 years	1.51	1.35
Between 5 and 10 years	2.22	1.90
Above 10 years	6.24	6.41
Total expected payments	**10.37**	**9.94**

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

The company expects to contribute ₹ 1.17 crore (previous year ₹ 1.14 crore) to its gratuity plan for the next year. The weighted average duration of the defined benefit plan is 10 years (previous year 10 year)

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Compensated Absences

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

Note 37. Employee share based payment plan:

i) JSWEL EMPLOYEES STOCK OWNERSHIP PLAN – 2016

a) The Company has the share option plan schemes for permanent employees of the Company in the identified grades of employees for respective plans / schemes including any director except promoter or independent directors, nominee directors and non-executive directors or a director who either himself or through relatives or through anybody directly or indirectly holds more than 10% of the outstanding equity shares of the parent Company.

b) The award value shall be determined as percentage of Total Fixed Pay. The grant shall be at such price as may be determined by the ESOP Committee and shall be specified in the Grant letter. The option shall not be transferable and can be exercised only by the employees of the Company.

c) The number of options to be granted to each eligible employees is determined by dividing the Award Value (amount equivalent to percentage of Annual Fix Pay) by the Fair Value of option provided. The Fair Value of option on the date of each grant is determined by using Black Scholes model.

The following table illustrates the number movements in share option during the year:

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

Particulars	As at 31st March, 2020	As at 31st March, 2019
Outstanding at 1 April	73211	73211
Granted during the year	-	-
Exercised During the Year	-	-
Expired during the year	-	-
Outstanding at 31st March,	73211	73211
Exercisable at 31st March	73211	73211

JSW Hydro Energy Limited

ESOP 2016 (Grant Date: 1ST Nov , 2018)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Outstanding at 1 April	219428	-
Granted during the year	-	219428
Exercised During the Year	-	-
Expired during the year	-	-
Outstanding at 31st March,	219428	219428
Exercisable at 31st March	219428	219428

The Method of settlement for above grants are as below:

Particulars	*Grant date*	
	20th May, 2017	1st Nov,2018
Vesting period	3/4 years	3/4 years
Method of settlement	Equity	Equity
Exercise price₹	51.80	51.96
Fair value₹	28.88	37.99
Dividend Yield(%)	20%	20%
Expected Volatility(%)	44.50% / 45.16%	42.57% / 43.53%
Risk free Interest rate (%)	6.90%/6.98%	7.78%/7.84%
Expected Life of Share options (years)	5/6 Years	5/6 Years
Weighted Average exercise price₹	51.80	51.96

Pricing formula	Exercise Price determined at ₹ 51.80 per share was at a discount of 20% to the closing market price of parent Company's share i.e. ₹ 64.75 at the close of 19th May,2017 at exchange having highest trading volume.	Exercise Price determined at ₹ 51.96 per share was at a discount of 20% to the closing market price of parent Company's share i.e. ₹ 64.95 at the close of 31st Oct,2018 at exchange having highest trading volume.
Expected option Life	The expected option life is assumed to be mid-way between the option vesting and expiry. Since the vesting period and contractual term of each tranche is different, the expected life of each tranche will be different. The expected option life is calculated as (year to vesting Contractual Option item) / 2.	
Expected volatility	Volatility was calculated using standard deviation	

JSW Hydro Energy Limited

	of daily change in stock price. The historical period considered for volatility match the expected life of the option.
How Expected volatility was determined ,including an explanation of the extent to which expected volatility was based on historical volatility: and	The followings factors have been considered: (a) Share price (b) Exercise price (c) Historical volatility (d) Expected option life (e) Dividend Yield
Whether and how any other features of the option grant were incorporated in to the measurement of fair value ,such as market condition.	
Model used	Black-Scholes Method

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

Note 38. Lease

The Company, as a lessee, has entered into leases on certain immovable properties (Project lands, Office and Guest house) that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

Under Ind AS 116 company has recognised a lease liability reflecting future lease payments and a 'right-of-use asset' for all lease contracts except for certain short-term leases and leases of low-value assets. Hence Company has recognised ROU assets of ₹ 34.35 Cr by creating lease liability of ₹ 26.82 Cr & ₹ 7.53 Cr by transfer from lease assets already existing in books of company under PPE as on 01/04/2019.

The lease rentals as expensed in Profit and Loss account for the financial year 2019-20, in respect of Leases of Low-value assets is ₹ 0.04 Cr.

The actual cash flow in respect of Lease rentals as paid by the company in respect of the following Leases are stated as below

Particulars	**For the year ended 31st March 2020**
Financial Lease	2.95
Leases of Low-value assets	0.04

The amount for Financial Lease of ₹ 2.95Cr include ₹ 1.55 Cr as expenses pertaining to previous year

The amount for leases of low value assets of ₹ 0.04 was ₹ Nil in the previous year

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The future cash outflows as projected, to which the company is potentially exposed, that are not reflected in the measurement of lease liabilities in respect of leases which have not yet commenced contractually but to which company is committed is ₹ 12.33 Cr

Note 39. Details of Corporate Social Responsibility (CSR) Expenditure:

(₹ Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Amount required to be spent as per Section 135 of the Act	3.45	4.09
Amount spend during the year on:		
(i) Construction / acquisition of an asset	1.04	1.81
(ii) On purpose other than (i) above	2.41	2.28
Total	**3.45**	**4.09**

Note 40. Commitments

(₹ Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Estimated amount of Capital contracts remaining to be executed to the extent not provided for (net of advances)	14.50	21.33
Total	14.50	21.33

Note 41. Contingent liabilities

(₹ Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Claims against the Company not acknowledged as debt (recoverable from others)*	127.84	127.84
(b)Other claims not acknowledged as debt	0.07	0.07
c) Income tax Demand for AY 2016-17	34.72	34.72
Total	162.63	162.63

* Himachal Pradesh State Electricity Board Limited (HPSEBL) has raised a claim on the Jaiprakash Power Ventures Limited (JPVL) vide its letter dated 6.11.2012 towards expenditure incurred for survey & investigation work of Baspa II HEP (300 MW) amounting to Rs. 127.84 crore. Pursuant to this an application was moved before the Hon'ble High Court to restrain the respondent Board (HPSEBL) from recovering the claimed amount from the energy bills of petitioner company. The Hon'ble court has accepted the plea and directed the Company to deposit ₹25 crores as security, which the company has complied with and disclosed under Long term loans and advances. Any future claims raised on this account are fully secured against the specific indemnity issued by Jaiprakash Power Ventures Limited (JPVL) in favour of the company.

The Company's pending litigations comprise mainly claims against the Company, property disputes, proceedings pending with Government Authorities. The Company

JSW Hydro Energy Limited

has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its Standalone Financial Statements. The Company does not reasonably expect the outcome of these proceedings to have a material impact on its Standalone Financial Statements.

Note 42. Related party disclosure

A)	**List of Related Parties**
	Related parties with whom the Company has entered into transactions during the year:
I	**Holding Company**
1	JSW Energy Ltd.
II	**Subsidiary**
	JSW Energy (Kutehr) Limited
III	**Enterprises over which key management personnel and relatives of such personnel exercise significant influence**
1	JSW Steel Limited
2	Jindal Education Trust (Jindal Vidya Mandir and Jaypee Pvt ITI)
3	JSW IP Holdings Private Limited
4	JSW Global Business Solutions Limited
5	JSW Foundation
IV	**Follow Subsidiaries**
1	JSW Power Trading Company Ltd.
2	JSW Energy (Barmer) Limited
V	**Enterprise overwchich KMP and Relative of such personnel (of Holding Company) exercises significate influence**
1	JSW Reality Infrastructure Pvt Ltd
VI	**Key Managerial Personnel**
1	Mr. Prashant Jain – Chairman
2	Mr. Jyoti Kumar Agarwal – Non Executive Director
3	Mr. Gyan Bhadra Kumar - Whole Time Director
4	Mr. Sanjeev Kango - Chief Financial Officer
5	Mr. Sanjeev Kango - Company Secretary (From 01st Nov,19)
6	Ms. Vrushali Karnik - Company Secretary (Up to 31st Oct,19)
7	Ms. Sheila Sangwan - Woman & Independent Director
8	Mr. Rakesh Nath- Independent Director
9	Ms. Shailaja Chandra - Independent Director
10	Mr. Nirmal Kumar Jain - Non Executive Director
11	Ms. Seema Jajodia- Woman Director
12	Mr. Sharad Mahendra – Non Executive Director

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JSW HYDRO ENERGY LIMITED
(Formerly Known as Himachal Baspa Power Company Limited)
Notes to Standalone Financial Statements for the year ended 31st March, 2020

(₹ crore)

B	Transaction during the year	Current Year	Previous Year
1	Sale of power /Material		
	JSW Power Trading Company Limited	1.34	3.29
2	Sale of Assets		
	JSW Energy (Kutehr) limited	0.11	-
3	Interest on Debentures		
	JSW Energy Limited	23.18	72.18
4	Service Received		
	JSW Global Business Solutions Limited	2.99	2.93
5	Purchase of Fuel / Goods		
	JSW Steel Limited	1.64	1.00
	JSW Energy (Barmer) Limited	-	0.01
6	Advertisement/Sponsorship/Branding expense		
	JSW IP Holdings Private Limited	3.72	2.42
7	Reimbursement received from / (paid to) {net}:		
	JSW Energy Limited	(3.83)	(3.56)
	JSW Steel Limited	(1.42)	(1.33)
	JSW Power Trading Company Limited	(0.02)	(0.02)
	JSW Global Business Solutions Limited	-	(0.04)
	Jindal Education Trust (Jindal Vidya Mandir and Jaypee Pvt ITI)	(0.79)	(0.80)
	JSW Reality Infrastructure Pvt Ltd	(0.00)	-
8	Donation/CSR Expenses		
	Jankalyan Electoral Trust	5.00	-
	JSW Foundation	1.17	0.19
9	Redemption of 13% non-convertible debentures:		
	JSW Energy Limited	384.50	415.50
10	Investment Equity Share Capital		
	JSW Energy Limited (Purchase of equity investment in JSW Energy (Kutehr) Limited	26.34	-
	JSW Energy (Kutehr) Limited	42.52	-

JSW Hydro Energy Limited

JSW HYDRO ENERGY LIMITED
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Notes to Standalone Financial Statements for the year ended 31st March, 2020

(₹ crore)

C	Closing Balances	As at 31st March, 2020	As at 31st March, 2019
1	Trade (Payables) / Receivables		
	JSW Energy Limited	(1.70)	(5.13)
	JSW Steel Limited	(0.32)	(0.06)
	JSW Power Trading Company Limited	-	(0.00)
	JSW Global Business Solutions Limited	-	(0.25)
2	Deposit With		
	JSW IP Holdings Private Limited	0.07	0.07
3	Non-Convertible Debentures		
	JSW Energy Limited	-	384.50
4	Equity Share Capital		
	JSW Energy Limited	1,250.05	1,250.05
5	Loan and Advances		
	JSW IP Holdings Private Limited	0.02	0.26
6	Other receivable		
	JSW Energy (Kutehr) limited	0.11	-
7	Equity Share Capital		
	JSW Energy (Kutehr) limited	68.86	-

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

(₹ crore)

Sl No	Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
1	Short term benefits	1.74	0.90
2	Post -Employment benefits	0.05	0.03
3	Sitting fees	0.13	0.14

Note:

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

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

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

JSW Hydro Energy Limited

iv) Terms and conditions of sales and purchases: the sales and purchases transactions among the related parties are in the ordinary course of business based on normal commercial terms, conditions, market rates and memorandum of understanding signed with the related parties. For the year ended 31st March, 2019 & 31st March,2020, the Company has not recorded any loss allowances for transactions between the related parties.

Note 43. Disclosure under Micro, Small and Medium Enterprises Development Act

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

(₹ crore)

Sl. No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
1	Principal amount outstanding to MSME*	0.55	0.78
2	Principal amount due and remaining unpaid	-	-
3	Interest due on (2) above and the unpaid interest	-	-
4	Interest paid on all delayed payments under the MSMED Act.	-	-
5	Payment made beyond the appointed day during the year	-	-
6	Interest due and payable for the period of delay other than (4) above	-	-
7	Interest accrued and remaining unpaid	-	-
8	Amount of further interest remaining due and payable in succeeding years	-	-

*Amounts unpaid to MSM vendors on account of retention money have not been considered for the purpose of interest calculation.

Note 44. Remuneration to Auditors (excluding GST)

(₹ crore)

	Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
1	Audit Fees	0.36	0.35
2	Tax Audit Fees	0.06	0.05
3	Certification Fees	0.01	0.01
4	Reimbursement of Expenses	0.01	0.01
	Total	**0.44**	**0.42**

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Notes to Standalone Financial Statements for the year ended 31st March, 2020

Note 45. Investment in Equity

During the Quarter ended 31st December 2019, the company has purchased 100% equity of JSW Energy (Kutehr) Limited from the parent Company, JSW Energy Limited for a consideration of Rs. 26.34 Cr. Company has further acquired Equity of Rs 42.52 Cr in form of right issue. Hence total Equity investment of Rs 68.86 Cr made during FY 2019-20

For and on behalf of the Board of Directors

Gyanbhadr Kr.

Gyan Bhadra Kumar
Whole Time Director
[DIN:03620109]

Prashant Jain
Chairman
[DIN: 01281621]

Sanjeev Kango
Company Secretary &
Chief Financial officer

JSW Hydro Energy Limited
JSW

38, Bombay Mutual Building,
2nd Floor, Dr. D. N. Road, Fort,
Mumbai - 400 001.

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Web : www.shahgupta.com

Shah Gupta & Co.
Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of JSW Hydro Energy Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **JSW Hydro Energy Limited** ("the Company"), which comprise the balance sheet as at March 31, 2021, and the statement of Profit and Loss including the statement of other comprehensive income, the cash flows statement and the statement of changes in equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in sub-section (5) of Section 134 of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by sub-section (3) of Section 143 of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The standalone balance sheet, the standalone statement of profit and loss including other comprehensive income, the standalone statement of cash flow and the standalone statement of changes in equity dealt with by this report are in agreement with the books of account.

   d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

   e. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of sub-section (2) of Section 164 of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.

   g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of sub-section (16) of Section 197 of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule (11) of the Companies (Audit and Auditors) Rules, 2015, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 39 of the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **SHAH GUPTA & CO.,**
Chartered Accountants
Firm Registration No.: 109574W

SHAH GUPTA & CO. MUMBAI FRN : 109574W CHARTERED ACCOUNTANTS

Vipul K Choksi
M. No. 37606
UDIN: 21037606AAAABV2115
Place: Mumbai
Date: June 24, 2021

JSW Hydro Energy Limited

APPENDIX A TO THE INDEPENDENT AUDITORS' REPORT

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment on the basis of available information.

(b) The Company has a program of verification to cover all the items of property, plant and equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company (except the title deeds of certain immovable properties are held in the name of the erstwhile promoter) as at the balance sheet date. In respect of immovable properties of land that have been taken on lease and disclosed as property, plant and equipment or right of use assets in the standalone financial statements, the lease agreements are in the name of the Company (except the title deeds of certain lease agreements are held in the name of the erstwhile promoter) where the Company is the lessee in the agreement.

(ii) The inventory has been physically verified by the Company at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, reporting under paragraph 3 (iii) (a), (b) and (c) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantee or security to the parties covered under section 185 of the act. Based on our audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the management, the Company has complied with the provisions of section 186 of the Act in respect of the investment made by it.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly, reporting under paragraph 3 (v) of the Order is not applicable to the Company.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148 of the Act. We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-section (1) of Section 148 of the Act and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not required to make a detailed examination of.the cost records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us, and the records of the company examined by us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax, goods and service tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us, there are no undisputed amounts payable in respect of income tax, service tax, goods and service tax, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.

JSW Hydro Energy Limited

(b) According to the information and explanations given to us, there are no dues of sales tax, wealth tax, service tax, goods and service tax, income tax, duty of excise, duty of excise, value added tax, and cess which have not been deposited on account of any dispute except as follows:

Name of the Statute	Nature of the Dues	Amount# (Rs. in Crore)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income tax	10.77	A.Y. 2016-17	Commissioners of Income Tax (Appeals)

#Net of amounts paid under protest

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to the banks during the year. The Company has not taken any loans from financial institutions or by way of issue of debentures.

(ix) In our opinion and according to the information and explanations given by the management, monies raised by the company by way of term loans were applied for the purposes for which they were raised. According to the information and explanations given by the management, the Company has not raised any money way of initial public offer/further public offer (including debt instruments) and hence not commented upon.

(x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the Management, we report that no material fraud by the Company and on the Company by its officer or employees has been noticed or reported during the year.

(xi) Based on the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the Management, we report that the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule (V) to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, reporting under paragraph 3 (xii) of the Order is not applicable to the Company.

(xiii) The Company is unlisted, accordingly, compliance with section 177 of the Act were not applicable to the Company. Transactions entered by the Company with related parties are in the ordinary course of business of the company and were at arm's length basis, hence, the provisions of section 188 are not applicable. The details of such transactions have been disclosed in the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Company has not made any preferential allotment/private placement of shares or fully or partly convertible debentures during the year.

(xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements, in our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under paragraph 3 (xvi) of the Order is not applicable to the Company.

For **SHAH GUPTA & CO.,**
Chartered Accountants
Firm Registration No.: 109574W

Vipul K Choksi
M. No. 37606
UDIN: 21037606AAAABV2115
Place: Mumbai
Date: June 24, 2021

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **JSW Hydro Energy Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under sub-section (10) of Section 143 of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting with reference to these Standalone Financial Statements

A Company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to these standalone financial statements and such internal financial controls were operating effectively as at March 31, 2021, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SHAH GUPTA & CO.,**
Chartered Accountants
Firm Registration No.: 109574W

Vipul K Choksi
M. No. 37606
UDIN: 21037606AAAABV2115
Place: Mumbai
Date: June 24, 2021

JSW HYDRO ENERGY LIMITED
(Formerly known as Himachal Baspa Power Company Limited)
Standalone Balance Sheet as on 31st March, 2021

(₹ Crore)

		Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
A		ASSETS			
	1	Non-current assets			
		(a) Property, plant and equipment	4	5,969.48	6,342.84
		(b) Capital work-in-progress	5	23.03	17.97
		(c) Other Intangible assets	6	747.57	784.34
		(d) Investments in subsidiary	10A	454.15	68.86
		(e) Financial assets			
		(i) Other financial assets	7	120.45	173.94
		(f) Income tax assets (net)	7A	36.52	34.04
		(g) Other non-current assets	8	25.77	25.53
		Total non - current assets		7,376.97	7,447.52
	2	Current assets			
		(a) Inventories	9	11.66	11.46
		(b) Financial assets			
		(i) Investments	10B	472.22	203.84
		(ii) Trade receivables	11	51.26	183.97
		(iii) Cash and cash equivalents	12	109.94	0.48
		(iv) Bank balances other than (iii) above	12	40.14	31.84
		(v) Other financial assets	7	128.01	174.95
		(c) Other current assets	8	12.70	32.94
		Total current assets		825.93	639.48
		Total Assets (1+2)		8,202.90	8,087.00
B		EQUITY AND LIABILITIES			
	1	Equity			
		(a) Equity share capital	13	1,250.05	1,250.05
		(b) Other equity	14	738.51	589.32
		Total equity		1,988.56	1,839.37
		Liabilities			
	2	Non-current liabilities			
		(a) Financial liabilities			
		(i) Borrowings	15	4,838.08	5,140.30
		(ii) Other financial liabilities	16	452.22	194.80
		(b) Provisions	17	6.98	4.68
		Total non - current liabilities		5,297.28	5,339.78
	3	Current liabilities			
		(a) Financial liabilities			
		(i) Borrowings	15	30.00	-
		(ii) Trade payables			
		(a) Total outstanding dues of micro and small enterprises	18	3.41	0.55
		(b) Total outstanding dues of creditors other than micro and small enterprises	18	22.46	74.58
		(iii) Other financial liabilities	16	857.06	828.68
		(b) Other current liabilities	19	2.39	2.65
		(c) Provisions	17	1.74	1.39
		Total current liabilities		917.06	907.85
		Total liabilities		6,214.34	6,247.63
		Total Equity and Liabilities (1+2+3)		8,202.90	8,087.00

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

Place: Mumbai
Date: 24th June, 2021

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

JSW HYDRO ENERGY LIMITED
(Formerly known as Himachal Baspa Power Company Limited)
Standalone 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	1,222.62	1,263.69
II	Other income	21	38.85	11.58
III	**Total income (I + II)**		**1,261.47**	**1,275.27**
IV	**Expenses**			
	(a) Employee benefits expense	22	54.58	51.43
	(b) Finance costs	23	451.36	550.00
	(c) Depreciation and amortisation expenses	24	442.91	433.89
	(d) Other expenses	25	104.40	133.15
	Total expenses (IV)		1,053.25	1,168.47
V	**Profit before exceptional item and tax (III-IV)**		**208.22**	**106.80**
VI	Exceptional items		-	-
VII	**Profit before tax (V - VI)**		**208.22**	**106.80**
VIII	Tax Expense	26		
	Current tax		59.22	18.39
	Deferred tax		(38.14)	(15.42)
IX	**Deferred Tax (recoverable from)/adjustable in future tariff**		38.14	15.42
			59.22	18.39
X	**Profit for the year (VII-VIII-IX)**		**149.00**	**88.41**
XI	**Other comprehensive income**		(0.08)	(0.45)
	(i) Items that will not be reclassified to profit or loss Remeasurements of the net defined benefit plan		(0.12)	(0.55)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.04	0.10
XII	**Total comprehensive (loss)/income for the year (X + XI)**		**148.92**	**87.96**
XIII	**Earnings per equity share of ₹ 10 each :**	35		
	Basic ₹		1.19	0.71
	Diluted ₹		1.19	0.71

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

SHAH GUPTA & CO. MUMBAI FRN: 109574W CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 24th June,2021

For and on behalf of Board of Directors

Gyan Bhadra Kr

Gyan Bhadra Kumar
Whole Time Director
[DIN: 03620109]

Prashant Jain
Chairman
[DIN: 01281621]

Sanjeev Kango
Company Secretary &
Chief Financial Officer

JSW Hydro Energy Limited

JSW HYDRO ENERGY LIMITED

(Formerly known as Himachal Baspa Power Company Limited)

Standalone 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	**0.45**	-	**432.73**	**156.14**	**589.32**
Profit for the year	-	-	149.00	-	149.00
Recognition of Share based payment	0.27	-	-	-	0.27
Other comprehensive income for the year, net of income tax	-	-	(0.08)	-	(0.08)
Balance as at 31st March 2021	**0.72**	-	**581.65**	**156.14**	**738.51**

(₹ 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**	**306.32**	**156.14**	**501.15**
Profit for the year	-	-	88.41	-	88.41
Recognition of Share based payment	0.21	-	-	-	0.21
Transfer from Debenture redemption reserve	-	(38.45)	38.45	-	-
Other comprehensive income for the year, net of income tax	-	-	(0.45)	-	(0.45)
Balance as at 31st March 2020	**0.45**	-	**432.73**	**156.14**	**589.32**

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

SHAH GUPTA & CO. MUMBAI FRN: 109574W CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 24th June,2021

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

JSW Hydro Energy Limited

JSW HYDRO ENERGY LIMITED
(Formerly known as Himachal Baspa Power Company Limited)
Standalone Statement of Cash Flows for the Year ended 31st March, 2021

(₹ Crore)

	Particulars	For the year ended 31st March, 2021		For the year ended 31st March, 2020	
I	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit before Tax		208.22		106.80
	Adjusted for:				
	Depreciation and amortisation expense	442.91		433.89	
	Interest income earned on financial assets that are not designated as at FVTPL	(5.64)		(2.41)	
	Net Gain from current investments	(12.04)		(6.33)	
	Excess provision no longer required written back	(18.00)		(0.17)	
	(Gain) / Loss on sale / discard of property, plant and equipment	(0.05)		-	
	Share based payments	0.27		0.21	
	Finance costs	451.36		550.00	
	Property ,Plant and equipment written off	5.11		-	
			863.92		975.19
	Operating profit before working capital changes		1,072.14		1,081.99
	Adjustment for movement in working capital :				
	Decrease / (Increase) in Trade and other receivables	152.95		15.51	
	Increase / (Decrease) in Trade payables & Other Liabilities	260.87		375.20	
	Decrease / (Increase) in Current & non-current assets	102.99		(119.94)	
	Decrease / (Increase) in Inventories	(0.20)		(0.48)	
			516.61		270.29
	Cash generated from operations		1588.75		1352.28
	Direct taxes paid		(61.69)		(19.20)
	NET CASH GENERATED FROM OPERATING ACTIVITIES		1,527.06		1,333.08
II	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of property, plant & equipment including CWIP and capital advances		(42.91)		(41.44)
	Investment made in Equity share capital of subsidiary		(385.28)		(68.86)
	Bank deposits not considered as cash and cash equivalent		(6.30)		(1.76)
	Interest received		5.64		1.45
	Net Gain from current investments		12.04		6.33
	NET CASH USED IN INVESTING ACTIVITIES		(416.81)		(104.28)
III	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Borrowings taken / repaid		(258.24)		(642.12)
	Payment of Lease liabilities		(1.44)		(2.96)
	Finance costs paid		(472.73)		(532.60)
	NET CASH USED IN FINANCING ACTIVITIES		(732.41)		(1,177.68)
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (I+II+III)		377.84		51.12
	CASH AND CASH EQUIVALENTS - At the beginning of the year		204.32		153.20
	CASH AND CASH EQUIVALENTS - At the end of year		582.16		204.32
	1) Balances with Banks		109.92		0.47
	2) Cash on hand		0.02		0.01
	3) Investments in mutual funds		472.22		203.84
	Total		582.16		204.32

See accompanying notes to the standalone financial statements

Note:

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

As per our attached report 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

JSW HYDRO ENERGY LIMITED

(Formerly Known as Himachal Baspa Power Company Limited)

Notes to Standalone Financial Statements for the year ended 31st March, 2021

Note 1: General information

a) 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).

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

c) 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 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 24th 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.

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.

SHAH GUPTA & CO. CHARTERED ACCOUNTANTS

JSW Hydro Energy Limited

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.

The adoption of these amendments has not had any impact on the disclosures or reported amounts in these financial statements.

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 conditios, 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 Comapny 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.

The adoption of these amendments did not have any material impact on its evaluation of materiality in relation to the consolidated financial statements.

SHAH GUPTA & CO. CHARTERED ACCOUNTANTS

JSW Hydro Energy Limited

New and revised Ind ASs 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.

JSW HYDRO ENERGY LIMITED
(Formerly Known as Himachal Baspa Power Company Limited)
Notes to Standalone Financial Statements for the year ended 31st 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.

(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 1st April, 2016. Accordingly, the Company has prepared these Standalone Financial Statements which comprise the Standalone Balance Sheet as at 31st March, 2021, the Standalone Statement of Profit and Loss, the Standalone Statement of Cash Flows and the Standalone Statement of Changes in Equity for the year ended 31st March, 2021, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Standalone Financial Statements").

b) The Standalone 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.

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

d) 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.

3.2 Use of estimates & judgements

a) The preparation of the Standalone 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 Standalone Financial Statements is made relying on these estimates.

b) The estimates and judgements used in the preparation of the Standalone 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 Standalone 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,

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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 standalone 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.

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.

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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.

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.

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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.

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Interest or Surcharge on delayed payments on overdue trade receivables is recognised when significant certainty as to measurability or realisibility 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 Standalone 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

3.11 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.

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 standalone 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 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. 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

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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) 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.

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.

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

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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.

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 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.

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- 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.

JSW Hydro Energy Limited

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:

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.

JSW Hydro Energy Limited

For assets and liabilities that are recognised in the Standalone 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

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

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.

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Notes to Standalone Financial Statements for the year ended 31st March, 2021

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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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, 2020	77.40	-	33.73	7,510.72	4.94	1.27	3.50	34.35	7,665.91
Additions	-	-	1.99	33.69	0.65	0.04	0.36	-	36.73
Disposals/Discard	-	-	(0.71)	-	-	-	(0.01)	-	(0.72)
Balance as at 31st March, 2021	77.40	-	35.01	7,544.41	5.59	1.31	3.85	34.35	7,701.92
II. Accumulated depreciation and impairment for the year 2020-21									
Balance as at 1st April, 2020	-	-	4.17	1,312.09	3.57	0.28	1.55	1.41	1,323.07
Depreciation expense for the year	-	-	1.11	406.27	0.28	0.08	0.31	1.41	409.46
Eliminated on Disposals/discards	-	-	(0.09)	-	-	-	(0.00)	-	(0.09)
Balance as at 31st March, 2021	-	-	5.19	1,718.36	3.85	0.36	1.86	2.82	1,732.45
Net carrying value as at 31st March, 2021 (I-II)	**77.40**	**-**	**29.82**	**5,826.05**	**1.74**	**0.95**	**1.99**	**31.53**	**5,969.48**

(₹ 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	77.40	8.77	33.73	7,509.95	4.39	1.21	3.67	-	7,639.12
Balance as at 1st April, 2019	-	-	-	0.77	0.55	0.06	0.07	34.35	35.80
Disposals/Discard	-	(8.77)	-	-	-	-	(0.24)	-	(9.01)
Balance as at 31st March, 2020	77.40	-	33.73	7,510.72	4.94	1.27	3.50	34.35	7,665.91
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	1.40	-	924.02
Depreciation expense for the year	-	-	1.12	397.09	0.43	0.08	0.29	1.41	400.42
Eliminated on Disposals/discards	-	(1.23)	-	-	-	-	(0.14)	-	(1.37)
Balance as at 31st March, 2020	-	-	4.17	1,312.09	3.57	0.28	1.55	1.41	1,323.07
Net carrying value as at 31st March, 2020 (I-II)	**77.40**	**-**	**29.56**	**6,198.63**	**1.37**	**0.99**	**1.95**	**32.94**	**6,342.84**

Note:

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

b) The right-of-use assets related to land refer to Note 36

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, 2020	17.97
Balance as at 31st March, 2021	23.03

Footnote:

1) Amount transferred to property plant and equipment during the year ₹ 2.67 crore (for the year ended 31st March, 2020: ₹ 2.34 Crore)

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Notes to the Standalone financial statements as at and for the year ended 31st March, 2021

Note 6. Intangible assets

(₹ Crore)

Description of Assets	Computer Software	Service Concession Arrangement Intangibles	Total
At Cost/deemed cost			
I. Gross Carrying Value			
Balance as at 1st April, 2020	1.42	935.82	937.24
Disposals or classified as held for sale	-	(5.07)	(5.07)
Additions	-	1.20	1.20
Balance as at 31st March, 2021	1.42	931.95	933.37
II. Accumulated amortisation and impairment for the year 2020-21			
Balance as at 1st April, 2020	0.42	152.48	152.90
Amortisation expense for the year	0.19	33.26	33.45
Eliminated on disposal of assets	-	(0.55)	(0.55)
Balance as at 31st March, 2021	0.61	185.19	185.80
Net carrying value as at 31st March, 2021 (I-II)	**0.81**	**746.76**	**747.57**

(₹ Crore)

Description of Assets	Computer Software	Service Concession Arrangement Intangibles	Total
At Cost/deemed cost			
I. Gross Carrying Value			
Balance as at 1st April, 2019	1.03	932.74	933.77
Additions	0.39	3.08	3.47
Balance as at 31st March, 2020	1.42	935.82	937.24
II. Accumulated amortisation and impairment for the year 2019-20			
Balance as at 1st April, 2019	0.26	119.17	119.43
Amortisation expense for the year	0.16	33.31	33.47
Balance as at 31st March, 2020	0.42	152.48	152.90
Net carrying value as at 31st March, 2020 (I-II)	**1.00**	**783.34**	**784.34**

Refer Note 31 for Service concession arrangement

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Notes to the Standalone 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) Service concession receivable*	51.53	119.83	171.36	45.45	171.35	216.80
(b) Security Deposits						
-Government/Semi-Government Authorities	-	0.52	0.52	-	0.49	0.49
-Others	-	0.08	0.08	-	0.09	0.09
	-	0.60	0.60	-	0.58	0.58
(c) Revenue receivable						
- Unbilled revenue	75.51	-	75.51	129.50	-	129.50
- Interest accrued on deposits	0.97	-	0.97	-	-	-
	76.48	-	76.48	129.50	-	129.50
(d) Other bank balances						
-Bank deposits with Original maturity more than Twelve Months	-	0.02	0.02	-	-	-
-Fixed deposits / Margin money for security for Entry Tax	-	-	-	-	2.01	2.01
	-	0.02	0.02	-	2.01	2.01
Total	**128.01**	**120.45**	**248.46**	**174.95**	**173.94**	**348.89**

*Refer Note 31

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Notes to the Standalone 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)	-	36.52	-	34.04
	-	36.52	-	34.04

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Notes to the Standalone 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	-	0.43	0.43	-	0.03	0.03
(b) Prepayments	10.05	0.34	10.39	9.19	0.50	9.69
(c) Deposit with Government/Semi Government*	-	25.00	25.00	-	25.00	25.00
(d) Entry tax receivable	-	-	-	19.88	-	19.88
(e) GST Input Tax	0.10	-	0.10	-	-	-
(f) Advances to Vendor	2.55	-	2.55	2.91	-	2.91
(g) Others	-	-	-	0.96	-	0.96
Total	12.70	25.77	38.47	32.94	25.53	58.47

*Refer Note 39

SHAH GUPTA & CO. MUMBAI FRN : 109574W CHARTERED ACCOUNTANTS

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Note 9. Inventories

(₹ Crore)

Particulars		As at 31st March, 2021	As at 31st March, 2020
(a)	Stores and spares	11.54	11.46
(b)	Others	0.12	-
Total		**11.66**	**11.46**

Cost of inventories recognised as expense

Particulars		As at 31st March, 2021	As at 31st March, 2020
(a)	Stores and spares	20.83	18.58
(b)	Others	0.49	-
Total		**21.32**	**18.58**

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 Standalone 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
Total	-	**454.15**	**454.15**	-	**68.86**	**68.86**

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
Total	**472.22**	-	**472.22**	**203.84**	-	**203.84**

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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	48.99	-	48.99	156.59	-	156.59
(ii) Trade Receivables considered good - Unsecured	2.27	-	2.27	27.38	-	27.38
	51.26	-	**51.26**	**183.97**	-	**183.97**
Unsecured, Credit impaired	-	-	-	-	-	-
Less: Loss allowance for doubtful receivables	-	-	-	-	-	-
Total	**51.26**	-	**51.26**	**183.97**	-	**183.97**

The credit period allowed to customers is 60 days in Karcham plant and 30 days in Baspa plant. Current applicable interest rate is 15% and 15.90% per annum respectively for Karcham and Baspa plants as per their respective agreements.

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

Refer Note 30 for credit terms, ageing analysis and other relevant details related to trade receivables.

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Notes to the Standalone 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
Cash and cash equivalents		
(a) Balances with banks		
-In Current accounts	109.92	0.47
(b) Cash on hand	0.02	0.01
Total	**109.94**	**0.48**
Particulars	**As at 31st March, 2021**	**As at 31st March, 2020**
Bank balances other than above		
(a) Balances with banks		
-In deposit accounts (maturity more than 3 months at Inception)	40.14	-
(b) Earmarked balances with banks		
-Margin money for Security against Entry Tax	-	31.84
Total	**40.14**	**31.84**

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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	1,250,050,000	1,250.05	1,250,050,000	1,250.05
Issued, Subscribed and Fully Paid:				
Equity shares of ₹ 10 each with voting rights	1,250,050,000	1,250.05	1,250,050,000	1,250.05
	1,250,050,000	**1,250.05**	**1,250,050,000**	**1,250.05**

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	1,250,050,000	1,250,050,000
Issued during the year	-	-
Balance as at the end of the period	1,250,050,000	1,250,050,000

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	1,250,050,000	1,250,050,000
		100%	100%

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Notes to the Standalone financial statements as at and for the year ended 31st March, 2021

Note 14. Other Equity

(₹ Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Equity-settled employee benefits reserve	0.72	0.45
Retained earnings	581.65	432.73
Capital contribution by parent company	156.14	156.14
Total comprehensive income	**738.51**	**589.32**

Notes:

(1) 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 used to recognise the value of equity settled share based payments provided as part of the ESOP scheme.

(2) Retained earnings

Retained earnings comprises balance of accumulated (undistributed) profit and loss at each year end.

(3) Capital contribution by parent company

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

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Note 15. Borrowings (₹ Crore)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Current	Non-Current	Current	Non-Current
Borrowings at amortised cost				
Secured Borrowings:				
i) Term loans				
From Banks *	306.74	4,865.40	288.24	5,172.13
	306.74	**4,865.40**	**288.24**	**5,172.13**
Less: Unamortised borrowing cost	4.52	27.32	4.79	31.83
Less:Current maturities of long term debt (included in note no 16)	302.22	-	283.45	-
	-	4,838.08	-	5,140.30
ii) Short Term Borrowings(WCDL)** From Banks	30.00	-	-	-
Total	**30.00**	**4,838.08**	**-**	**5,140.30**

(i) Term of Repayment of Rupee Term Loans :

Particulars	As at 31st March, 2021	As at 31st March, 2020
From Banks :		
> 1 Year	306.74	288.24
2 - 3 Years	684.73	639.93
4 - 5 Years	309.39	501.51
6 - 10 Years	3,871.28	834.20
Above 10 Year	-	3,196.48
Unamortised upfront fees on borrowings	(31.84)	(36.62)
Current maturities of long-term debt	(302.22)	(283.45)
Total Borrowings from Banks	**4,838.08**	**5,140.30**

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

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balance as at the begininning of the year(including current maturities)	5423.75	6060.83
Cash flows (repayment)/proceeds	(258.24)	(642.12)
Non cash changes		
Amortised borrowings cost	4.79	5.04
Balance as at the end of the year (including current maturities)	**5,170.30**	**5,423.75**

(ii) Details of Security :

Rupee term loan aggregating to ₹ 4,789.78 (Previous Year : ₹ 5,034.52) are secured on a pari passu basis by first ranking charge by way of legal mortgage on immovable property and first ranking charge by way of hypothecation of movable assets of Karcham-Wangtoo HEP (both present and future) situated at Kinnaur Dist., Himachal Pradesh.

Rupee term loan aggregating to ₹ 382.35 (Previous Year : ₹ 425.85) are secured on a pari passu basis by first charge on immovable and movable assets of Baspa II HEP (both present and future) project of the Company situated at Kinnaur Dist., Himachal Pradesh.

* The Company opted to avail moratorium for term loans on payment of all installments (principal and interest component) falling due between 1st March, 2020 to 31st May, 2020, from respective banks on account of Covid 19 under the RBI guidelines, and accordingly, principal and interest accrued as on 31st March, 2020 was paid during the year ended 31st March, 2021.

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

** Short term loan (WCDL) aggregating to Rs.30.00 crore is secured by way of pari-passu first ranking charge on all movable and immovable assets of the company.

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Note 16. Other financial liabilities (₹ Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Non- Current		
(a) Deposits received	0.02	0.02
(b) Lease liabilities **	26.25	26.52
(c) Other payable	425.95	168.26
	452.22	**194.80**
Current		
(a) Current maturities of long-term debt*	302.22	283.45
(b) Interest accrued but not due on borrowings	21.76	43.13
(c) Lease liabilities **	0.28	0.17
(d) Payable for capital supplies/services	33.08	49.39
(e) Other payable	499.72	452.54
	857.06	**828.68**
Total	**1,309.28**	**1,023.49**

Reconcilitaion of the lease liabilities:

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening Lease liabilities as per Indas 116	**26.69**	**26.82**
Add: Interest Expense on Lease liabilities	2.40	2.41
Less: Cash Outflow	2.56	2.53
Balance as at the end of the Year	**26.53**	**26.69**

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

** Refer Note 36

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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*	1.17	3.47	4.64	1.17	2.54	3.71
(ii) Provision for compensated absence*	0.57	3.51	4.08	0.22	2.14	2.36
Total	**1.74**	**6.98**	**8.72**	**1.39**	**4.68**	**6.07**

* Refer Note No 34 (Employee benefit plans)

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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 **	3.41	-	3.41	0.55	-	0.55
(b) Total outstanding dues of creditors other than micro and small enterprises	22.46	-	22.46	74.58	-	74.58
Total	**25.87**	-	**25.87**	**75.13**	-	**75.13**

*Trade payables are normally settled within 30 days.

** Refer Note 41 (Disclosure under Micro,Small and Medium Enterprises Development Act)

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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	0.52	0.52	0.41	0.41
(c) Statutory dues	0.83	0.83	2.24	2.24
Total	**2.39**	**2.39**	**2.65**	**2.65**

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Note 20. Revenue from operations (₹ Crore)

	Particulars	For the Year Ended 31st March, 2021	For the year Ended 31st March, 2020
	Disaggregation of revenue from contract with customers:		
(1)	Sale of power (Own generation)	1,197.83	1,236.00
	Total revenue from contract with customers (A)	**1,197.83**	**1,236.00**
(2)	Income from service concession arrangement	24.79	27.69
	Income from service concession arrangement (B)	**24.79**	**27.69**
	Total (A) + (B)	**1,222.62**	**1,263.69**

(a) Details of revenue from contract with Customer

Particulars	For the Year Ended 31st March, 2021	For the year Ended 31st March, 2020
Total Revenue from contract with customers as above*	1,197.83	1,236.00
Add: Rebate on prompt payment	21.44	9.79
Less: Incentive	94.23	78.21
Total Revenue from contract with customers as per contracted price	**1,125.04**	**1,167.58**

*The Company primarily generates revenue from contracts with customers for supply of power generated from power plants from allocating the capacity of the plant under the long term power purchase agreements.
Revenue from capacity charges (other than from contracts classified as lease and service concession arrangements) under the long term power supply agreements is recognised over a period of time as the capacity of the plant is made available under the terms of the contracts.Electricity charges are recognised on supply of power under such power supply agreements. Revenue from sale of power on merchant basis is recognised when power is supplied to the customers.

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

Particulars	For the Year Ended 31st March, 2021	For the year Ended 31st March, 2020
Opening Balance	-	-
Less: Revenue recognised during the year from balance at the beginning of the year	-	-
Add: Advance received during the year not recognized as revenue	1.04	-
Closing Balance	1.04	-

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Note 21. Other income (₹ Crore)

Particulars	For the Year Ended 31st March, 2021	For the year Ended 31st March, 2020
a) Interest Income earned on financial assets that are not designated as at FVTPL		
i On Bank deposits	2.18	2.40
ii Other Financial Assets	3.46	0.01
b) Other non-operating income		
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	0.05	0.01
iii Net gain on foreign currency transaction *	-	0.00
iv Domestic Scrap Sales	0.17	0.01
v Sale of Carbon credit	2.09	2.07
vi Provision no longer required written back	18.00	0.17
vii Miscellaneous income	0.86	0.58
Total	**38.85**	**11.58**

* Less than 50,000

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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	48.28	45.55
(b)	Contribution to provident and other funds *	3.31	3.63
(c)	Share based payment **	0.27	0.30
(d)	Staff welfare expenses	2.72	1.95
	Total	**54.58**	**51.43**

* Refer note 34 (Employee benefit plans) for the details of defined benefit plan and defined contribution plan of the Company.

** Refer note 35 (Employee share base payment plan)for the details of share base payment

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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	440.80	515.02
	iii Interest on cash credit	0.08	0.05
(b)	Unwinding of interest on Financial liabilities carried at Amortised cost	4.61	4.61
(c)	Other borrowing costs	3.47	4.73
(d)	Interest on lease liabilities	2.40	2.41
	Total	**451.36**	**550.00**

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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	409.46	400.42
(b)	Amortization on Intangible assets	33.45	33.47
	Total	**442.91**	**433.89**

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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	20.83	18.58
(b)	Power & Water	4.54	4.81
(c)	Rent including lease rentals	2.06	2.15
(d)	Repairs and maintenance	30.83	42.82
(e)	Royalty	0.06	0.04
(f)	Rates and taxes	0.44	0.44
(g)	Insurance	20.57	19.43
(h)	Net loss / (gain) on foreign currency transactions net off) **	0.00	(0.00)
(i)	Legal and other professional charges	4.47	2.63
(j)	Travelling Expenses	0.65	1.51
(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	4.90	5.38
(o)	Provision for doubtful debts	-	18.89
(p)	Safety and Security	1.21	1.24
(q)	Branding Expenses	3.60	3.72
(r)	Shared Service Charges	2.02	2.99
(s)	Property ,Plant and equipment written off	5.11	-
	Total	**104.40**	**133.15**

* Refer note 37 (Details of Corporate Social Responsibility (CSR) expenditure
** Less than 50,000

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Note 26. Tax expense

(₹ Crore)

Particulars	For the Year Ended 31st March, 2021	For the year Ended 31st March, 2020
Current Tax	59.22	18.39
Deferred tax	(40.72)	(45.72)
Minimum Alternate Tax (MAT) credit availed	2.58	30.30
Deferred tax (recoverable)/adjustable in future tariff	38.14	15.42
Total	**59.22**	**18.39**

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

(₹ Crore)

Particulars	For the Year Ended 31st March, 2021	For the year Ended 31st March, 2020
Profit before tax	208.22	106.80
Enacted tax rate	34.944%	34.944%
Expected tax expense at statutory tax rate	72.76	37.32
Tax effect due to tax holiday	(68.26)	(48.06)
Effect due to non deductible expenses	1.09	4.51
Deferred tax / tax credit recognised from earlier year	(0.63)	-
Effect of taxes (recoverable)/payable in future tariff	38.14	15.42
Impact due to reduced rate of tax during the year	15.82	15.32
Impact due to reduced rate of tax on opening	-	(6.22)
Others	0.27	0.10
OCI Tax	0.04	-
Tax expenses for the year	**59.22**	**18.39**

Deferred tax assets / (liabilities)

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

(₹ Crore)

Particulars	As at 31st March,2020	Recognised / (reversed) through profit or loss/ OCI / equity	As at 31st March,2021
Property plant & equipment	25.42	52.25	77.67
MAT credit	2.58	(2.58)	-
Recoverable / (payable) in future tariff	(25.93)	(38.14)	(64.07)
Others	(2.07)	(11.53)	(13.60)
Total	-	-	-

(₹ Crore)

Particulars	As at 31st March,2019	Recognised / (reversed) through profit or loss/ OCI / equity	As at 31st March,2020
Property plant & equipment	(25.34)	50.76	25.42
MAT credit	32.88	(30.30)	2.58
Recoverable / (payable) in future tariff	(10.51)	(15.42)	(25.93)
Others	2.97	(5.04)	(2.07)
Total	-	-	-

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Note 27. Critical accounting judgements and key sources of estimation uncertainty

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

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

Critical judgements in applying accounting policies

Service concession arrangements

The Management has assessed applicability of Appendix C of Ind AS 115: Service Concession Arrangements (revenue from contract with customer) with respect to its power plant and transmission assets portfolio. In assessing the applicability, they have exercised significant judgment in relation to the underlying ownership of the assets, terms of implementation agreements and power purchase agreements entered with the grantor, ability to determine prices, useful lives of the assets, assessment of right to guaranteed cash etc. Based on detailed evaluation, the Management has determined that arrangement in relation to the Company's Baspa power plant (300 MW) meets the criterion for recognition as service concession arrangements.

Revenue recognition

a) In case of BASPA, revenue from sale of power is accounted for on the basis of billing to Himachal Pradesh State Electricity Board Limited (HPSEBL) as per Tariff approved by Himachal Pradesh Electricity Regulatory Commission (HPERC) in accordance with the provisions of the Long Term Power Purchase Agreement (LTPPA) dated 4th June,1997, Amendment No. 1 dated 7th January,1998, executed between the Company and HPSEBL.

b) In case of KARCHAM Wangtoo, revenue from sale of power is accounted as under:

   i) The long term PPA sales are accounted on the basis of applicable CERC regulations and respective Tariff orders/ Tariff petition as filled with Central Electricity Regulatory Commission for determining the tariff of Karcham Wangtoo plant

   ii) Sale of power under Short Term through the Power Exchange is accounted for on the basis of billing as per the agreed rate.

Evaluation of arrangements to determine whether it contains lease arrangements:

The management has critically evaluated the terms of the contract (including by obtaining independent legal advice) with respect to Karcham Wangtoo Hydro Plant to determine whether the contract is, in substance, with a customer or with multiple state electricity utility companies, and the customer is merely acting as an intermediator/facilitator. Based on such evaluation, it was concluded that the arrangement is not in the nature of lease in terms of Ind AS 116.

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Key sources of estimation uncertainties

Impairment of property plant and equipment

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

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

Provisions and contingent liabilities

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

Fair value measurements

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

Defined benefit plans

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

Tax

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

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Note 28. Financial Instruments:

a) Financial Instruments by category

(₹ Crore)

As at 31st March, 2021	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets					
Financial assets carried at fair value through profit or loss (FVTPL)					
Investment in mutual fund units	472.22	472.22	-	472.22	-
Financial assets carried at amortised cost					
Security deposits	0.60	0.60	-	-	0.60
Trade receivables #	51.26	51.26	-	-	-
Receivables-Service concession agreement	171.36	185.50	-	-	185.50
Cash and cash equivalents and other bank balances #	150.10	150.10	-	-	-
Unbilled revenue	75.51	75.51	-	-	-
Interest Receivable	0.97	0.97	-	-	-
Total Financial assets	**922.02**	**936.16**	**-**	**472.22**	**186.10**
Financial liabilities					
Financial Liabilities carried at amortised cost					
Borrowings	5,140.30	-	-	-	5,140.30
Short term Borrowings (WCDL)	30.00	-	-	-	30.00
Rent and Other Deposits #	0.02	0.02	-	-	-
Trade Payables #	25.87	25.87	-	-	-
Payable for capital projects#	33.08	33.08	-	-	-
Other payable#	925.67	925.67			
Lease Liability	26.53	26.53			26.53
Interest accrured but bot due on borrowings	21.76	21.76			-
Total Financial liabilities	**6,203.23**	**1,032.93**	**-**	**-**	**5,196.83**

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(₹ Crore)

As at 31st March, 2020	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets					
Financial assets carried at fair value through profit or loss (FVTPL)					
Investment in mutual fund units	203.84	203.84	-	203.84	-
Financial assets carried at amortised cost					
Security deposits	0.58	0.58	-	-	0.58
Trade receivables #	308.15	308.15	-	-	-
Receivables-Service concession agreement	216.80	236.96	-	-	236.96
Cash and cash equivalents and other bank balances #	34.33	34.33	-	-	-
Unbilled Revenue	5.32	5.32			
Total Financial assets	**769.02**	**789.18**	**-**	**203.84**	**237.54**
Financial liabilities					
Financial Liabilities carried at amortised cost					
Borrowings	5423.75	-	-	-	5,423.75
Rent and Other Deposits #	0.02	0.02	-	-	-
Trade Payables #	75.13	75.13	-	-	-
Payable for capital projects#	49.39	49.39	-	-	-
Other payable#	663.93	663.93	-	-	-
Lease Liabilities	26.69	26.69			26.69
Total Financial liabilities	**6,238.91**	**815.16**	**-**	**-**	**5,450.44**

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

ii)Fair Value Hierarchy:

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

(a) recognised and measured at fair value and

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

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

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Financial assets and liabilities measured at fair value

The carrying amount of investment in unquoted equity instrument measured at fair value (which are not disclosed below) is considered to be the same as it's fair values.

Particulars	As at s1st Marc,2021	As at 31st March,2020	Level	Valuation Technique
Financial assets				
Investment in mutual fund units	472.22	203.84	2	Cost is considered as per NAV as on 31st March,2021/31st March,2020

Fair value of financial assets and liabilities measured at amortised cost

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

Particulars	As at s1st March,2021		As at 31st March,2020		Level	Valuation Technique
	Carrying Value	Fair Value	Carrying Value	Fair Value		
Financial assets						
Service Concession receivable	171.36	185.50	216.80	236.96	3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
Security deposits	0.60	0.60	0.58	0.58	3	
	171.96	**186.10**	**217.38**	**237.54**		
Financial Liabilities						
Borrowings (Long Term)	5140.30	5140.30	5,423.75	5,423.75	3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
Lease Liability	26.53	26.53	26.69	26.69	3	
	5,166.83	**5,166.83**	**5,450.44**	**5,450.44**		

Financial risk management objectives

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

The Company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous

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basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Foreign currency risk management

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

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are **NIL**.

Interest rate risk management

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

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

Interest rate sensitivity analysis

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

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

(₹ Crore)

As at March,2021	Net Balance	Unamortised Transaction Cost	Gross Balance
Floating rate borrowings	5170.30	31.84	5202.14
Total	**5170.30**	**31.84**	**5202.14**

(₹ Crore)

As at March,2020	Net Balance	Unamortised Transaction Cost	Gross Balance
Floating rate borrowings	5423.75	36.62	5460.37
Total	**5423.75**	**36.62**	**5460.37**

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit (PBT) for the year ended 31st March, 2021 would decrease/increase by ₹ 26.38 crore (for the year ended 31st March, 2020:

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decrease/increase by ₹ 27.92 crore). This is mainly attributable to the Company's exposure to interest rates on its floating rate borrowings.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay

if the guarantee is called on. No amount has been recognised in the financial position as financial liabilities

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

Liquidity risk management

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

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

(₹ Crore)

As at 31st March, 2021				
Particulars	**< 1 year**	**1-5 years**	**> 5 years**	**Total**
Non-current financial liabilities				
Long term borrowings	-	1,171.95	3,666.13	4,838.08
Other long-term liabilities				
Rent and other Deposits	-	0.02	-	0.02
Lease payable	-	1.65	24.60	26.25
Other Payable	-	425.95	-	425.95
Total Non-Current financial Liabilities	-	**1,599.57**	**3,690.73**	**5,290.30**
Current financial Liabilities				
Trade and other payables and acceptances:				
Trade payables - Other than acceptances	25.87	-	-	25.87
Other current financial liabilities:				
Current maturities of long-term debt	302.22	-	-	302.22
Short Term Borrowings(WCDL)	30.00	-	-	30.00
Payable for capital project	33.08	-	-	33.08
Other payable	499.72	-	-	499.72
Interest accrued but not due on borrowings	21.76	-	-	21.76
Lease payable	0.28	-	-	0.28
Total current financial liabilities	**912.93**	-	-	**912.93**
Total Financial Liabilities	**912.93**	**1,599.57**	**3,690.73**	**6,203.23**
Non-current Financial assets				
Long term loans and advances				
Security deposits	-	0.01	0.59	0.60
Ancillary Borrowing cost	-	-	-	-
Service concession – arrangements	-	119.48	0.35	119.83
Other advances	-	0.02	-	0.02
Total Non-current financial Assets	-	**119.51**	**0.94**	**120.45**
Current financial assets				
Trade receivables	51.26	-	-	51.26
Cash and cash equivalents	109.94	-	-	109.94
Bank Balances other than above	40.14	-	-	40.14
Service concession – arrangements	51.53	-	-	51.53
Investments in mutual fund	472.22	-	-	472.22
Unbilled revenue	75.51	-	-	75.51
Interest Receivable	0.97	-	-	0.97
Total current financial assets	**801.57**	-	-	**801.57**
Total Financial Assets	**801.57**	**119.51**	**0.94**	**922.02**

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(₹ Crore)

As at 31st March, 2020				
Particulars	**< 1 year**	**1-5 years**	**> 5 years**	**Total**
Non-current financial liabilities				
Long term borrowings	-	1,125.18	4,015.12	5,140.30
Other long-term financial liabilities				
Rent and other Deposits	-	0.02	-	0.02
Lease payable	-	1.44	25.08	26.52
Other payable	-	168.26	-	168.26
Total Non-Current financial Liabilities	-	1,294.90	4,040.20	5,335.10
Current financial Liabilities				
Trade and other payables and acceptances:				
Trade payables - Other than acceptances	75.13	-	-	75.13
Other current financial liabilities:				
Current maturities of long-term debt	283.45	-	-	283.45
Payable for capital project	49.39	-	-	49.39
Other payable	452.54	-	-	452.54
Interest accrued but not due on borrowings	43.13	-	-	43.13
Lease Payable	0.17	-	-	0.17
Total current financial liabilities	903.81	-	-	903.81
Total Financial Liabilities	**903.81**	**1,294.90**	**4,040.20**	**6,238.91**
Non-current financial assets				
Long term loans and advances				
Security deposits	-	0.01	0.57	0.58
Ancillary Borrowing cost	-	-		-
Service concession–arrangements	-	171.00	0.35	171.35
Other advances	-	2.01	-	2.01
Total Non-current financial Assets	-	173.02	0.92	173.94
Current financial assets				
Trade receivables	308.15	-	-	308.15
Cash and cash equivalents	0.48	-	-	0.48
Bank Balances other than above	31.84	-	-	31.84
Investments	203.84	-	-	203.84
Service concession–arrangements	45.45	-	-	45.45
Other Financial Assets	5.32	-	-	5.32
Total current financial assets	595.08	173.02	0.92	595.08
Total Financial Assets	**595.08**	**173.02**	**0.92**	**769.02**

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

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Note 29 Capital management

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

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

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

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

(₹ Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Debt (i)	5,170.30	5,423.75
Cash and bank balances (including current investment in liquid fund) (ii)	582.16	204.32
Net debt (i-ii)	**4,588.14**	**5,219.43**
Total equity (iii)	1,988.56	1,839.37
Net debt to equity ratio	**2.31**	**2.84**

(i) Debt includes long term and short term borrowings (refer note No-15)
(ii) Includes cash and cash equivalents balance in bank deposits (other than earmarked deposits) and investments in mutual fund.
(iii) Includes equity share capital and other equity.

Note 30. Credit Risk

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

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

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

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Ageing of Trade receivable:*

(₹ Crore)

Particulars	**As at 31st March, 2021**	**As at 31st March, 2020**
Within the credit period	89.16	203.14
1-30 days past due	0.24	22.95
31-60 days past due	15.04	25.94
61-90 days past due	1.39	10.29
91-180 days past due	0.65	-
>180 days past due	20.28	45.83
Total	**126.76**	**308.15**

*Above mentioned Customer's balance Includes unbilled revenue of ₹.75.51 Crore (Previous year ₹ 129.50 Crore.)

Note 31. Service concession arrangement

(a) Description of the concession arrangement:

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

(b) Significant terms of the concession arrangement:

Term	Particulars
Period of arrangement	40 years from date of commissioning of the power plant and extendable for 20 years at the option of the Government
Commissioning of the power plant	June 8, 2003
Tariff	Approved by Himachal Pradesh Electricity Regulatory Commission (HPERC) having regard to the tariff entitlement under the PPA
Option to purchase	After the expiry of the agreement period, the Government has the option to purchase all the assets and works of the power plant, at mutually agreed terms.
Free power	12 % free power of the electricity generated is to supplied to the Government

(c) Obligation for overhaul:

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

(d) Renewal /Termination options:

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

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

(₹ Crore)

Particulars	As at 31st March,2021	As at 31st March,2020
Intangible asset - Rights under service concession receivable (refer note 6)	747.57	784.34
Financial asset – Receivable under service concession arrangement (refer note 7)	171.36	216.8

Note 32. Operating segment

The Chairman of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators, however the Company is primarily engaged in only one segment viz., "Generation and Sale of power" and that most of the operations are in India. Hence the Company has single reportable Segments as per Indian Accounting Standard 108 "Operating Segments".

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

Customer contributing more than 10% of revenue

Revenue from operations includes revenue aggregating to ₹1,210.18 crore (previous year : ₹1,251.87 crore) from two (previous year :two) major customers having more than 10% of total revenue from operations of the Company.

Note 33. Earnings per share

Particulars	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
Profit for the year (₹ crore) - (A)	149.00	88.41
Weighted average number of equity shares for basic & diluted EPS - (B)	1,25,00,50,000	1,25,00,50,000
Earnings Per Share (₹ crore) – Basic and Diluted (C) - (A/B)	1.19	0.71
Nominal value of an equity share (₹ crore)	10	10

Note 34. Employee benefit Plans:

(a) Defined contribution plans – Provident fund:

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

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The Company's contribution to provident fund recognized in Standalone Statement of Profit and Loss of ₹ 2.22 crore (Previous year ₹ 2.23 crore) (Included in note 17)

(b) National pension scheme:

The company's contribution to National Pension Scheme (NPS) recognized in Standalone statement of profit and loss of ₹ 0.15 crore (Year ended 31st March, 2020 : ₹ 0.13 crore) (Included in Note 22)

(c) Defined benefits plans - Gratuity:

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

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

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to market yields at the end of the reporting period on government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities and debt instruments.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.
Asset Liability matching risk	The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.
Mortality risk	Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.
Concentration risk	Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

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

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

	(₹ Crore)
Defined benefit obligation as at 1st April, 2019	**4.35**
Interest cost	0.33
Current service cost	0.52
Benefits paid	(0.46)
Actuarial (Gains)/Loss	0.52
Defined benefit obligation as at 31 March, 2020	**5.27**
Interest cost	0.36
Current service cost	0.58
Liabilities Transferred In / Acquisition	0.22
Liabilities Transferred out / Divestment	(0.25)
Benefits paid	(0.33)
Actuarial (Gains)/Loss	(0.03)
Defined benefit obligation as at 31 March, 2021	**5.82**

Changes in the defined benefit obligation and fair value of plan assets as at 31st March, 2021

(₹ Crore)

Particulars		Defined Benefit Obligation	Fair Value of Plan assets	(Benefit)/ Liability
Gratuity cost charged to profit or loss	**Opening Balance as on 1st April, 2020**	**5.27**	**1.56**	**3.71**
	Current Service cost	0. 58	-	0.58
	Net interest expense /(Income)	0.36	0.10	0.26
	Liability Transferred in/Acquisitions	0.22		0.22
	(Liability Transferred out/Divestments)	(0.25)		(0.25)
	Sub-total included in profit or loss	**0.91**	**0.10**	**0.81**
Re-measurement gains / (losses) in other comprehensive income	Benefits paid	(0.33)	(0.33)	-
	Return on plan assets (excluding amounts included in net interest expense)		(0.15)	0.15
	Actuarial changes arising from changes in financial/Demographic assumptions	0.18	-	0.18
	Experience adjustments	(0.21)	-	(0.21)
	Sub-total included in OCI	**(0.03)**	**(0.15)**	**0.12**
	Contributions by employer	-	-	-
	Closing Balance as on 31st March, 2021	**5.82**	**1.18**	**4.64**

Changes in the defined benefit obligation and fair value of plan assets as at 31st March, 2020

(₹ Crore)

Particulars		**Defined Benefit Obligation**	**Fair Value of Plan assets**	**(Benefit)/ Liability**
Gratuity cost charged to profit or loss	**Opening Balance as on 1st April, 2019**	**4.35**	**1.90**	**2.45**
	Current Service cost	0.52	-	0.52
	Net interest expense	0.33	0.15	0.19
	Sub-total included in profit or loss	**0.86**	**0.15**	**0.71**
Re-measurement gains / (losses) in other comprehensive income	Benefits paid	(0.46)	(0.46)	-
	Return on plan assets (excluding amounts included in net interest expense)		(0.03)	0.03
	Actuarial changes arising from changes in financial assumptions	0.40	-	0.40
	Experience adjustments	0.12	-	0.12
	Sub-total included in OCI	**0.52**	**(0.03)**	**0.55**
	Contributions by employer	-	-	-
	Closing Balance as on 31st March, 2020	**5.27**	**1.56**	**3.71**

The actual return on plan assets (including interest income) was ₹ (0.04) Crore (previous year ₹0.12 crore)

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

Particulars	**As at 31st March, 2021**	**As at 31st March, 2020**
Insurer Managed Funds	100%	100%

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

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

Particulars	**As at 31st March, 2021**	**As at 31st March, 2020**
Discount rate:	6.44%	6.84%
Future salary increases:	6%	6%
Rate of Employee Turnover	3%	3%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

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Sensitivity Analysis:

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

Particulars	As at 31st March, 2021	As at 31st March, 2020
Delta Effect of +1% Change in Rate of Discounting	(0.44)	(0.40)
Delta Effect of -1% Change in Rate of Discounting	0.51	0.46
Delta Effect of +1% Change in Rate of Salary Increase	0.51	0.46
Delta Effect of -1% Change in Rate of Salary Increase	(0.45)	(0.41)
Delta Effect of +1% Change in Rate of Employee Turnover	0.01	0.02
Delta Effect of -1% Change in Rate of Employee Turnover	(0.01)	(0.03)

The following are the maturity analysis of projected benefit obligations:

(₹ Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Within the next 12 months (next annual reporting period)	0.64	0.40
Between 2 and 5 years	1.34	1.51
Between 5 and 10 years	2.47	2.22
Above 10 years	6.46	6.24
Total expected payments	**10.91**	**10.37**

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

he company expects to contribute ₹ 1.51 crore (previous year ₹ 1.17 crore) to its gratuity plan for the next year. The weighted average duration of the defined benefit plan is 12 years (previous year 12 year)

Compensated Absences

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

Social Security Code

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

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Note 35. Employee share based payment plan:

i) JSWEL EMPLOYEES STOCK OWNERSHIP PLAN – 2016 (Grant Date: 19th May, 2017)

a) The Company has the share option plan schemes for permanent employees of the Company in the identified grades of employees for respective plans / schemes including any director except promoter or independent directors, nominee directors and non-executive directors or a director who either himself or through relatives or through anybody directly or indirectly holds more than 10% of the outstanding equity shares of the parent Company.

b) The award value shall be determined as percentage of Total Fixed Pay. The grant shall be at such price as may be determined by the ESOP Committee and shall be specified in the Grant letter. The option shall not be transferable and can be exercised only by the employees of the Company.

c) The number of options to be granted to each eligible employees is determined by dividing the Award Value (amount equivalent to percentage of Annual Fix Pay) by the Fair Value of option provided. The Fair Value of option on the date of each grant is determined by using Black Scholes model.

The following table illustrates the number movements in share option during the year:

ESOP 2016 (Grant Date: 19th May, 2017)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Outstanding at 1st April	73,211	73,211
Granted during the year	-	-
Exercised During the Year	36,606	-
Expired during the year	-	-
Outstanding at 31st March	36,606	73,211
Exercisable at 31st March	36,606	73,211

ESOP 2016 (Grant Date: 1ST Nov , 2018)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Outstanding at 1st April	2,19,428	2,19,428
Granted during the year	-	-
Exercised During the Year	-	-
Expired during the year	-	-
Outstanding at 31st March	2,19,428	2,19,428
Exercisable at 31st March	2,19,428	2,19,428

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The Method of settlement for above grants are as below:

Particulars	***Grant date***	
	19th May, 2017	**1st Nov,2018**
Vesting period	3/4 years	3/4 years
Method of settlement	Equity	Equity
Exercise price₹	51.80	51.96
Fair value₹	28.88	37.99
Dividend Yield(%)	20%	20%
Expected Volatility(%)	44.50% / 45.16%	42.57% / 43.53%
Risk free Interest rate (%)	6.90%/6.98%	7.78%/7.84%
Expected Life of Share options (years)	5/6 Years	5/6 Years
Weighted Average exercise price₹	51.80	51.96

Pricing formula	Exercise Price determined at ₹ 51.80 per share was at a discount of 20% to the closing market price of parent Company's share i.e. ₹ 64.75 at the close of 18th May, 2017 at exchange having highest trading volume.	Exercise Price determined at ₹ 51.96 per share was at a discount of 20% to the closing market price of parent Company's share i.e. ₹ 64.95 at the close of 31st Oct, 2018 at exchange having highest trading volume.
Expected option Life	The expected option life is assumed to be mid-way between the option vesting and expiry. Since the vesting period and contractual term of each tranche is different, the expected life of each tranche will be different. The expected option life is calculated as (year to vesting Contractual Option item) / 2.	
Expected volatility	Volatility was calculated using standard deviation of daily change in stock price. The historical period considered for volatility match the expected life of the option.	
How Expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility: and	The followings factors have been considered: (a) Share price (b) Exercise price (c) Historical volatility (d) Expected option life (e) Dividend Yield	
Whether and how any other features of the option grant were incorporated in to the measurement of fair value, such as market condition.		
Model used	Black-Scholes Method	

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The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

Note 36. Operating Lease

For the Financial Year 2020-21

Particulars	For the year Ended 31st March,2021
Depreciation	1.41
Interest expenses on lease liabilities	2.40

Particulars	Future lease rentals	Interest	Present Value
Within one year	2.66	2.38	0.28
After one year but not more than five years	13.16	11.51	1.65
More than five years	48.78	24.18	24.60
Total	**64.60**	**38.07**	**26.53**

For the Financial Year 2019-20:-

(₹ Crore)

Particulars	For the year Ended 31st March,2020
Depreciation	1.41
Interest expenses on lease liabilities	2.40

Particulars	Future lease rentals	Interest	Present Value
Within one year	2.57	2.40	0.17
After one year but not more than five years	13.09	11.65	1.44
More than five years	51.50	26.42	25.08
Total			**26.69**

Note 37. Details of Corporate Social Responsibility (CSR) Expenditure:

(₹ Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Amount required to be spent as per Section 135 of the Act	3.00	3.45
Amount spent during the year on:		
(i) Construction / acquisition of an asset	1.21	1.04
(ii) On purpose other than (i) above	1.79	2.41
Total	**3.00**	**3.45**

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Note 38. Commitments

(₹ Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Estimated amount of Capital contracts remaining to be executed to the extent not provided for (net of advances)	7.98	14.50
Total	7.98	14.50

Note 39. Contingent liabilities

(₹ Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Claims against the Company not acknowledged as debt *	127.84	127.84
(b)Other claims not acknowledged as debt	0.07	0.07
(c) Income tax Demand for AY 2016-17	34.72	34.72
Total	162.63	162.63

*Himachal Pradesh State Electricity Board Limited (HPSEBL) has made a claim against JPVL, as seen in its letter dated November 6, 2012, for expenditures incurred for a survey and investigation work in connection with the Baspa II Project amounting to Rs 127.84 Crore the company has filed an application with the High Court of Himachal Pradesh to restrain HPSEBL from recovering the claimed amount from the energy bills of the company. The court has accepted the plea and directed the Company to deposit Rs.25.00 Crore as security deposit. Accordingly, the company has deposited Rs. 25.00 Crore with HPSEBL. (Refer Note 8)

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Note 40. Related party disclosure

A)	**List of Related Parties**
	Related parties with whom the Company has entered into transactions during the year:
I	**Holding Company**
1	JSW Energy Limited
II	**Subsidiary**
	JSW Energy (Kutehr) Limited
III	**Fellow Subsidiaries**
1	JSW Power Trading Company Limited
IV	**Key Managerial Personnel**
1	Mr. Prashant Jain – Chairman
2	Mr.Pritesh Vinay - Non Executive Director (From 16th Sep,20)
3	Mr.Sunil Goyal - Independent Director (From 25th March,21)
4	Mr. Jyoti Kumar Agarwal – Non Executive Director (Upto 15th Sep,20)
5	Mr. Gyan Bhadra Kumar - Whole Time Director
6	Mr. Sanjeev Kango - Chief Financial Officer
7	Mr. Sanjeev Kango - Company Secretary
8	Ms. Sheila Sangwan-Woman & Independent Director (Upto 07th Sep,20)
9	Mr. Rakesh Nath- Independent Director (Upto 07th Sep,20)
10	Mr. Nirmal Kumar Jain - Non Executive Director (Upto 20th May,20)
11	Ms. Seema Jajodia- Woman Director
12	Mr. Sharad Mahendra – Non Executive Director (Upto 9th June,20)
V	**Other related parties with whom the company has entered into transactions during the year**
1	JSW Steel Limited
2	Jindal Education Trust (Jindal Vidya Mandir and Jaypee Pvt ITI)
3	JSW IP Holdings Private Limited
4	JSW Global Business Solutions Limited
5	JSW Foundation
6	JSW Reality Infrastructure Private Limited
7	JSW Paints Limited
8	Jankalyan Electoral Trust

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(₹ crore)

B	Transaction during the year	Current Year	Previous Year
1	**Sale of power /Material**		
	JSW Power Trading Company Limited	-	1.34
2	**Sale of Assets**		
	JSW Energy (Kutehr) limited	-	0.11
3	**Interest on Debentures**		
	JSW Energy Limited	-	23.18
4	**Service Received**		
	JSW Global Business Solutions Limited	2.02	2.99
5	**Purchase of Fuel / Goods**		
	JSW Steel Limited	-	1.64
	JSW Paints Limited	0.03	-
6	**Advertisement/Sponsorship/Branding expense**		
	JSW IP Holdings Private Limited	3.60	3.72
7	**Reimbursement received from / (paid to) {net}:**		
	JSW Energy Limited	(4.43)	(3.83)
	JSW Steel Limited	(1.44)	(1.42)
	JSW Power Trading Company Limited	(0.02)	(0.02)
	Jindal Education Trust (Jindal Vidya Mandir and Jaypee Private ITI)	(0.58)	(0.79)
	JSW Reality Infrastructure Private Limited	-	(0.00)
8	**Donation/CSR Expenses**		
	Jankalyan Electoral Trust	-	5.00
	JSW Foundation	3.00	1.17
9	**Redemption of 13% non-convertible debentures:**		
	JSW Energy Limited	-	384.50
10	**Investment Equity Share Capital**		
	JSW Energy Limited (Purchase of equity investment in JSW Energy (Kutehr) Limited	-	26.34
	JSW Energy (Kutehr) Limited	385.28	42.52
11	**Debt Service Reserve Account Guarantee**		
	JSW Energy Limited	(14.46)	-

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Notes to Standalone Financial Statements for the year ended 31st March, 2021

(₹ crore)

C	Closing Balances	As at 31st March, 2021	As at 31st March, 2020
1	**Trade (Payables) / Receivables**		
	JSW Energy Limited	(0.17)	(1.70)
	JSW Steel Limited	(0.09)	(0.32)
	JSW IP Holdings Private Limited	(0.33)	-
2	**Deposit With**		
	JSW IP Holdings Private Limited	0.07	0.07
3	**Equity Share Capital**		
	JSW Energy Limited	1,250.05	1,250.05
4	**Loan and Advances**		
	JSW IP Holdings Private Limited	-	0.02
	JSW Global Business Solutions Limited	0.07	
5	**Other receivable**		
	JSW Energy (Kutehr) Limited	-	0.11
6	**Equity Share Capital**		
	JSW Energy (Kutehr) Limited	454.15	68.86

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

(₹ crore)

Sl No	Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
1	Short term benefits	1.76	1.74
2	Post –Employment benefits	0.05	0.05
3	Sitting fees	0.04	0.13

Note:

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

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

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

iv) Terms and conditions of sales and purchases: the sales and purchases transactions among the related parties are in the ordinary course of business based on normal commercial terms, conditions, market rates and memorandum of understanding signed with the related parties. For the year ended 31st March, 2020 & 31st March, 2021, the Company has not recorded any loss allowances for transactions between the related parties.

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JSW Hydro Energy Limited

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Notes to Standalone Financial Statements for the year ended 31st March, 2021

Note 41. Disclosure under Micro, Small and Medium Enterprises Development Act

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

(₹ crore)

Sl. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
1	Principal amount outstanding to MSME*	3.41	0.55
2	Principal amount due and remaining unpaid	-	-
3	Interest due on (2) above and the unpaid interest	-	-
4	Interest paid on all delayed payments under the MSMED Act.	-	-
5	Payment made beyond the appointed day during the year	-	-
6	Interest due and payable for the period of delay other than (4) above	-	-
7	Interest accrued and remaining unpaid	-	-
8	Amount of further interest remaining due and payable in succeeding years	-	-

*Amounts unpaid to MSM vendors on account of retention money have not been considered for the purpose of interest calculation.

Note 42. Remuneration to Auditors (excluding GST)

(₹ crore)

	Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
1	Services as statutory auditors (including quarterly limited reviews)	0.39	0.36
2	Tax Audit Fees	0.06	0.06
3	Certification Fees	0.01	0.01
4	Reimbursement of out of pocket Expenses	0.01	0.01
	Total	**0.47**	**0.44**

SHAH GUPTA & CO. CHARTERED ACCOUNTANTS

JSW Hydro Energy Limited

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Notes to Standalone Financial Statements for the year ended 31st March, 2021

Note 43. Project Status

The Group has awarded all the major works of 240 MW hydro power project at Kutehr, Himachal Pradesh ("the project") and the work is in progress. The carrying amounts related to the project as at 31st March, 2021 comprise property, plant and equipment of ₹ 13.00 crore, capital work in progress of ₹ 378.51 crore and capital advance of ₹ 138.29 crore.

For and on behalf of Board of Directors

Gyanbhadr K

Gyan Bhadra Kumar
Whole Time Director
[DIN:03620109]

Prashant Jain
Chairman
[DIN: 01281621]

Sanjeev Kango
Company Secretary &
Chief Financial officer

Shah Gupta & Co.
Chartered Accountants

38, Bombay Mutual Building,
2nd Floor, Dr. D N Road, Fort,
Mumbai – 400 001

Tel: +91(22) 4085 1000
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Email contact@shahgupta.com
Web: www.shahgupta.com

INDEPENDENT AUDITORS' REPORT

To the Members of JSW Hydro Energy Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **JSW Hydro Energy Limited** ("the Company"), which comprise the balance sheet as at March 31, 2022, and the statement of Profit and Loss including the statement of other comprehensive income, the cash flows statement and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in sub-section (5) of Section 134 of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by sub-section (3) of Section 143 of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The balance sheet, the statement of profit and loss including other comprehensive income, the statement of cash flow and the statement of changes in equity dealt with by this report are in agreement with the books of account.

   d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

   e. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of sub-section (2) of Section 164 of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.

   g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of sub-section (16) of Section 197 of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule (11) of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 40 of the financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall,

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; or

- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(b) The Management has represented that, to the best of its knowledge and belief, no funds (which are either material either individually or in aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall,

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

- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate on the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub-cluse (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared and paid divided during the year.

For **SHAH GUPTA & CO.,**
Chartered Accountants
Firm Registration No.: 109574W

SHAH GUPTA & CO. MUMBAI FRN: 109574W CHARTERED ACCOUNTANTS

Vipul K Choksi
M. No. 37606
UDIN: 22037606AJGEQW6282
Place: Mumbai
Date: May 02, 2022

JSW Hydro Energy Limited

APPENDIX A TO THE INDEPENDENT AUDITORS' REPORT

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment on the basis of available information.

(B) According to the information and explanations given to us and the records of the Company examined by us, The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Company has a program of verification to cover all the items of property, plant and equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company, except for the following:

Description of property	Gross carrying value (Rs. In Crore)	Held in the name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of the Company*
Bithal Land & Building	22.28	Jaiprakash Power Ventures Limited	No	From 01.09.2015	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.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated during the year or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory by Management, as compared to book records were not material and have been appropriately dealt with in the books of account.

(b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.

(iii) (a) The Company has made investments in one company, not granted secured/ unsecured loans/advances in nature of loans, to companies, firms, Limited Liability Partnerships, other parties, or stood guarantee, or provided security to companies, firms, Limited Liability Partnerships, other parties.

(b) The terms and conditions of the investment made are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) The Company has not given loans/advances in nature of loan. Accordingly, reporting under paragraph 3 (iii) (c) of the Order is not applicable to the Company.

(d) The Company has not given loans/advances in nature of loan. Accordingly, reporting under paragraph 3 (iii) (d) of the Order is not applicable to the Company.

(e) The Company has not given loans/advances in nature of loan. Accordingly, reporting under paragraph 3 (iii) (e) of the Order is not applicable to the Company.

(f) There were no loans/advances in nature of loans which were granted during the year to promoters/related parties.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, or provided guarantees under section 185 of the Act. The Company has complied with the provisions of Sections 186 of the Act in respect of the investments made.

(v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Section 73 to Section 76 of the Act and the Rules framed there under to the extent notified.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148 of the Act. We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-section (1) of Section 148 of the Act and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not required to make a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us, and the records of the company examined by us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax, goods and service tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us, there are no undisputed amounts payable in respect of income tax, service tax, goods and service tax, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of sales tax, wealth tax, service tax, goods and service tax, income tax, duty of excise, duty of excise, value added tax, and cess which have not been deposited on account of any dispute except as follows:

Name of the Statute	Nature of the Dues	Amount* (Rs. in Crore)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income tax	10.77	A.Y. 2016-17	Commissioners of Income Tax (Appeals)

*Net of amounts paid under protest

(viii) According to the information and explanations given to us and the records of the Company examined by us, there is no income surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) (a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, the money raised by way of the term loans in the previous year have been applied by the Company during the year for the purpose for which it was raised.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the Financial Statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

JSW Hydro Energy Limited

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3 (x) (a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, reporting under paragraph 3 (x) (b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under sub-clause (12) of Section 143 of the Act, in Form ADT-4, was not required to be filed. Accordingly, reporting under clause 3 (xi) (b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

(xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3 (xiii) of the Order is not applicable to the Company.

(xiv) (a) The internal audit of the Company is covered under the group internal audit pursuant to which an internal audit is carried out every year. In our opinion, the Company's internal audit system is commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with Directors or persons connected with him. Accordingly, reporting under paragraph 3 (xv) of the Order is not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3 (xvi) (a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3 (xvi) (b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3 (xvi) (c) of the Order is not applicable to the Company.

(d) We have been informed by the management that as per the definition of Group under Core Investment Companies (Reserve Bank) Directions 2016, there is one Core Investment Company (CIC) which is registered and three CICs which are not required to be registered with the Reserve Bank of India, forming part of the promoter group.

(xvii) The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.

JSW Hydro Energy Limited

(xviii) There has been no resignation of the statutory auditors during the year and accordingly, reporting under clause (xviii) is not applicable to the Company.

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

(xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of Order is not applicable for the year.

(b) There are no unspent amounts towards Corporate Social Responsibility (CSR) on ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(b) of Order is not applicable for the year.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **SHAH GUPTA & CO.,**
Chartered Accountants
Firm Registration No.: 109574W

Vipul K Choksi
M. No. 37606
UDIN: 22037606AJGEQW6282
Place: Mumbai
Date: May 02, 2022

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **JSW Hydro Energy Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under sub-section (10) of Section 143 of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting with reference to these Financial Statements

A Company's internal financial control over financial reporting with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to these financial statements and such internal financial controls were operating effectively as at March 31, 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SHAH GUPTA & CO.,**
Chartered Accountants
Firm Registration No.: 109574W

SHAH GUPTA & CO. MUMBAI FRN : 109574W CHARTERED ACCOUNTANTS

Vipul K Choksi
M. No. 37606
UDIN: 22037606AJGEQW6282
Place: Mumbai
Date: Date: May 02, 2022

JSW Hydro Energy Limited

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		ASSETS			
	1	Non-current assets			
		(a) Property, plant and equipment	4	5,598.73	5,969.48
		(b) Capital work-in-progress	5	1.05	23.03
		(c) Other intangible assets	6	714.19	747.57
		(d) Investments in subsidiary	10A		454.15
		(e) Financial assets			
		(i) Other financial assets	7	128.15	120.45
		(f) Income tax assets (net)	7A	65.11	36.52
		(g) Other non-current assets	8	1.05	25.77
		Total non - current assets		6,508.28	7,376.97
	2	Current assets			
		(a) Inventories	9	13.03	11.66
		(b) Financial assets			
		(i) Investments	10B	612.72	472.22
		(ii) Trade receivables	11	69.28	51.26
		(iii) Cash and cash equivalents	12A	13.93	109.94
		(iv) Bank balances other than (iii) above	12B	290.13	40.14
		(v) Other financial assets	7	926.50	128.01
		(c) Other current assets	8	12.93	12.70
		Total current assets		1,938.52	825.93
		Total assets (1+2)		8,446.80	8,202.90
B		EQUITY AND LIABILITIES			
	1	Equity			
		(a) Equity share capital	13	1,250.05	1,250.05
		(b) Other equity	14	1,279.12	738.51
		Total equity		2,529.17	1,988.56
		Liabilities			
	2	Non-current liabilities			
		(a) Financial liabilities			
		(i) Borrowings	15	4,682.95	4,838.08
		(ii) Lease liabilities	15A	26.01	26.25
		(iii) Other financial liabilities	16	70.05	425.97
		(b) Provisions	17	6.84	6.98
		Total non - current liabilities		4,785.85	5,297.28
	3	Current liabilties			
		(a) Financial liabilities			
		(i) Borrowings	15	418.56	332.22
		(ii) Lease liabilities	15A	0.24	0.28
		(iii) Trade payables			
		(a) Total outstanding dues of micro and small enterprises	18	2.88	3.41
		(b) Total outstanding dues of creditors other than micro and small enterprises	18	23.58	22.46
		(iv) Other financial liabilities	16	682.48	554.56
		(b) Other current liabilities	19	2.18	2.39
		(c) Provisions	17	1.86	1.74
		Total current liabilities		1,131.78	917.06
		Total liabilities		5,917.63	6,214.34
		Total equity and liabilities (1+2+3)		8,446.80	8,202.90

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

SHAH GUPTA & CO. MUMBAI FRN : 109574W CHARTERED ACCOUNTANTS

For and on behalf of Board of Directors

Gyan Bhadra Kumar
Whole Time Director
[DIN: 03620109]

Prashant Jain
Chairman
[DIN: 01281621]

JSW Hydro Energy Limited

Sanjeev Kango
Company Secretary & Chief Financial Officer

Place: Mumbai
Date: 03 May 2022

JSW HYDRO ENERGY LIMITED

Statement of Profit and Loss for the Year ended 31st March, 2022

₹ Crore, except per share data and as stated otherwise

	Particulars	Note No.	For the year Ended 31st March, 2022	For the year Ended 31st March, 2021
I	Revenue from operations	20	1,856.31	1,222.62
II	Other income	21	56.08	38.85
III	**Total Income (I + II)**		**1,912.39**	**1,261.47**
IV	**Expenses**			
	(a) Employee benefits expense	22	62.91	54.58
	(b) Finance costs	23	502.01	451.36
	(c) Depreciation and amortisation expenses	24	435.77	442.91
	(d) Other expenses	25	107.91	104.40
	Total expenses		**1,108.60**	**1,053.25**
V	**Profit before exceptional item and tax (III-IV)**		**803.79**	**208.22**
VI	Exceptional items		-	-
VII	**Profit before tax (V - VI)**		**803.79**	**208.22**
VIII	Tax Expense	26		
	Current tax		141.05	59.22
	Deferred tax		(147.02)	(38.14)
IX	**Deferred Tax (recoverable from)/adjustable in future tariff**		147.02	38.14
			141.05	59.22
X	**Profit for the year (VII-VIII)**		**662.74**	**149.00**
XI	**Other comprehensive income**		**(125.27)**	**(0.08)**
	A (i) Items that will not be reclassified to profit or loss			
	Remeasurements of the net defined benefit plan		(1.75)	(0.12)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.31	0.04
	B (i) Items that will be reclassified to profit or loss		(123.83)	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		31.17	-
	(iii) Deffered tax recoverable from / (adjustable in) future tariff		(31.17)	-
XII	**Total comprehensive (loss)/income for the year (X + XI)**		**537.47**	**148.92**
XIII	**Earnings per equity share of ₹ 10 each :**	34		
	Basic ₹		5.30	1.19
	Diluted ₹		5.30	1.19

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

SHAH GUPTA & CO. MUMBAI FRN : 109574W CHARTERED ACCOUNTANTS

For and on behalf of Board of Directors

Gyan Bhadra Kumar
Whole Time Director
[DIN: 03620109]

Prashant Jain
Chairman
[DIN: 01281621]

JSW Hydro Energy Limited

Sanjeev Kango
Company Secretary &
Chief Financial Officer

Place: Mumbai
Date: 02 May,2022

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	1,250.05
Changes in equity share capital during the FY 2020-21	
Balance at the 31st March, 2021	1,250.05
Changes in equity share capital during the FY 2021-22	
Balance at the 31st March, 2022	1,250.05

b. Other equity (₹ Crore)

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

(₹ 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, 2020	0.45	432.73	-	156.14	589.32
Profit for the year	-	149.00	-	-	149.00
Recognition of Share based payment	0.27	-	-	-	0.27
Other comprehensive income for the year, net of income tax	-	(0.08)	-	-	(0.08)
Balance as at 31st March 2021	**0.72**	**581.65**	-	**156.14**	**738.51**

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

Place: Mumbai
Date: 02 May,2022

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

JSW HYDRO ENERGY LIMITED

Statement of Cash Flows for the year ended 31st March, 2022

(₹ Crore)

	Particulars	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
I	CASH FLOW FROM OPERATING ACTIVITIES				
	Profit before Tax		803.79		208.22
	Adjusted for:				
	Depreciation and amortisation expense	435.77		442.91	
	Interest income earned on financial assets that are not designated as at FVTPL	(31.70)		(5.64)	
	Net Gain from current investments	(21.83)		(12.04)	
	Excess provision no longer required written back	-		(18.00)	
	(Gain) / Loss on sale / discard of property, plant and equipment	(0.05)		(0.05)	
	Share based payments	3.14		0.27	
	Finance costs	502.01		451.36	
	Property ,Plant and equipment written off	1.07		5.11	
			888.41		863.92
	Operating profit before working capital changes		1,692.20		1,072.14
	Adjustment for movement in working capital :				
	Decrease / (Increase) in Trade and other receivables	(18.26)		152.95	
	Increase / (Decrease) in Trade payables & Other Liabilities	(288.69)		260.87	
	Decrease / (Increase) in Current & non-current assets	(742.87)		102.99	
	Decrease / (Increase) in Inventories	(1.37)		(0.20)	
			(1,051.19)		516.61
	Cash generated from operations		641.01		1,588.75
	Direct taxes paid		(169.64)		(61.69)
	NET CASH GENERATED FROM OPERATING ACTIVITIES		471.37		1,527.06
II	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of property, plant & equipment including CWIP and capital advances		(10.70)		(42.91)
	Investment made in Mutual Fund		(142.39)		-
	Investment made in Equity share capital of subsidiary		454.15		(385.28)
	Bank deposits other than cash and cash equivalent		(249.97)		(6.30)
	Interest received		31.70		5.64
	Net Gain from current investments		21.83		12.04
	NET CASH USED IN INVESTING ACTIVITIES		104.62		(416.81)
III	CASH FLOW FROM FINANCING ACTIVITIES				
	Borrowings Taken / (Repaid)		(297.21)		(258.24)
	Payment of Lease liabilities		(0.50)		(1.44)
	Finance costs paid		(376.18)		(472.73)
	NET CASH USED IN FINANCING ACTIVITIES		(673.89)		(732.41)
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (I+II+III)		(97.90)		377.84
	CASH AND CASH EQUIVALENTS - At the beginning of the Year		582.16		204.32
	CASH AND CASH EQUIVALENTS - At the end of Year		484.26		582.16
	1) Balances with Banks		13.92		109.92
	2) Cash on hand		0.01		0.02
	3) Investments in mutual funds		470.33		472.22
	Total		484.26		582.16

See accompanying notes to the financial statements

Note:

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

As per our attached report
For Shah Gupta & Co
Chartered Accountants
Firm Registration No.: 109574W

Vipul K Choksi
Partner
M No. 37606

SHAH GUPTA & CO. MUMBAI FRN : 109574W CHARTERED ACCOUNTANTS

JSW Hydro Energy Limited

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

JSW HYDRO ENERGY LIMITED

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

Note 1: General information

a) JSW Hydro Energy Limited is a public limited Company domiciled in India and is incorporated under the provisions of the Companies Act 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 subsidary of JSW energy Limited).The registered office of the Company is located at Sholtu Colony, P.O. Tapri, Dist. Kinnaur, 172104 (HP).

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

c) 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's 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 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 Financial Statements were approved for issue by the Board of Directors on 2nd May, 2022

Note No. 2.1 - 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.

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) 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 1st April, 2016. Accordingly, the Company has prepared these 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 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.

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

d) 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.

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.

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

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.

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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 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 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.

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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 realisibility 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.

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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.

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.

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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.

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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.

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.

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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.

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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 the basis of the relative fair values of those parts.

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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 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.

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.

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.

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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.

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.

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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.

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.

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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.

3.20 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, 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
I. Gross carrying value								
Balance as at 1st April, 2021	77.40	35.01	7,544.41	5.59	1.31	3.85	34.35	7,701.92
Additions	-	23.93	6.01	0.62	0.06	0.94	-	31.56
Disposals/Discard	-	-	-	(0.15)	(0.00)	(0.01)	-	(0.16)
Balance as at 31st March, 2022	77.40	58.94	7,550.42	6.06	1.37	4.78	34.35	7,733.32
II. Accumulated depreciation and impairment for the year 2020-21								
Balance as at 1st April, 2021	-	5.19	1,718.36	3.85	0.36	1.87	2.82	1,732.45
Depreciation expense for the year	-	1.64	398.54	0.28	0.08	0.35	1.41	402.30
Eliminated on Disposals/discards	-	-	-	(0.15)	(0.00)	(0.01)	-	(0.16)
Balance as at 31st March, 2022	-	6.83	2,116.90	3.98	0.44	2.21	4.23	2,134.59
Net carrying value as at 31st March, 2022 (I-II)	**77.40**	**52.11**	**5,433.52**	**2.08**	**0.93**	**2.57**	**30.12**	**5,598.73**

(₹ 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	77.40	33.73	7,510.72	4.94	1.27	3.50	34.35	7,665.91
Additions	-	1.99	33.69	0.65	0.04	0.36	-	36.73
Disposals/Discard	-	(0.71)	-	-	-	(0.01)	-	(0.72)
Balance as at 31st March, 2021	77.40	35.01	7,544.41	5.59	1.31	3.85	34.35	7,701.92
II. Accumulated depreciation and impairment for the year 2019-20								
Balance as at 1st April, 2020	-	4.17	1,312.09	3.57	0.28	1.55	1.41	1,323.07
Depreciation expense for the year	-	1.11	406.27	0.28	0.08	0.31	1.41	409.46
Eliminated on Disposals/discards	-	(0.09)	-	-	-	(0.00)	-	(0.09)
Balance as at 31st March, 2021	-	5.19	1,718.36	3.85	0.36	1.86	2.82	1,732.45
Net carrying value as at 31st March, 2021 (I-II)	**77.40**	**29.82**	**5,826.05**	**1.74**	**0.95**	**1.99**	**31.53**	**5,969.48**

Note:

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

b) The right-of-use assets related to land refer to Note 37

Details of immovable properties 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	Jaiprakash Power Ventures Limited2	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 Governement record is in process.

JSW HYDRO ENERGY LIMITED

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	23.03
Balance as at 31st March, 2022	1.05

Footnote:

1) Amount transferred to property plant and equipment during the year ₹ 23.03 crore (for the year ended 31st March, 2021: ₹ 2.67 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	1.05	-	-	-	1.05
Total	**1.05**	-	-	-	**1.05**

Capital work in progress for projects whose compeletion is overdue

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

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	6.76	9.90	4.41	1.96	23.03
Total	**6.76**	**9.90**	**4.41**	**1.96**	**23.03**

Capital work in progress for projects whose compeletion is overdue

As at 31st March, 2021	To be completed in				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects	21.32		-		21.32
Total	**21.32**	-	-	-	**21.32**

JSW HYDRO ENERGY LIMITED

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

(₹ Crore)

Description of Assets	Computer Software	Service Concession Arrangement Intangibles	Total
At Cost/deemed cost			
I. Gross Carrying Value			
Balance as at 1st April, 2020	1.42	935.82	937.24
Disposals or classified as held for sale	-	(5.07)	(5.07)
Additions	-	1.20	1.20
Balance as at 31st March, 2021	1.42	931.95	933.37
II. Accumulated amortisation and impairment for the year 2020-21			
Balance as at 1st April, 2020	0.42	152.48	152.90
Amortisation expense for the year	0.19	33.26	33.45
Eliminated on disposal of assets	-	(0.55)	(0.55)
Balance as at 31st March, 2021	0.61	185.19	185.80
Net carrying value as at 31st March, 2021 (I-II)	**0.81**	**746.76**	**747.57**

*Refer Note 32 for Service concession arrangement

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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) Service concession receivable*	58.42	61.41	119.83	51.53	119.83	171.36
(b) Security Deposits						
- Unsecured, considered good						
-Government/Semi-Government Authorities	-	0.52	0.52	-	0.52	0.52
-Others	-	0.09	0.09	-	0.08	0.08
	-	0.61	0.61	-	**0.60**	**0.60**
(c) Revenue receivable						
- Unbilled revenue	77.87	-	77.87	75.51	-	75.51
-Other Receivable	0.10	-	0.10	-	-	-
- Interest accrued on deposits	0.78	-	0.78	0.97	-	0.97
	78.75	-	**78.75**	**76.48**	-	**76.48**
(d) Bank deposits with Original maturity more than Twelve Months	-	-	-	-	0.02	0.02
	-	-	-	-	0.02	0.02
(e) Other Receivable						
-Receivable from JSW Neo Energy Limited	789.33	-	789.33	-	-	-
	789.33	-	789.33	-	-	-
(f) Derivative Designated as hedges						
-Foreign Currency Options	-	66.13	66.13	-	-	-
Total	**926.50**	**128.15**	**1,054.65**	**128.01**	**120.45**	**248.46**

*Refer Note 32

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JSW Hydro Energy Limited JSW

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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)	-	65.11	-	36.52
	-	**65.11**	**-**	**36.52**

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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	-	0.43	0.43
(b) Prepayments	10.59	0.09	10.68	10.05	0.34	10.39
(c) Deposit with Government/Semi Government*	-	-	-	-	25.00	25.00
(d) Balances with Governement Authority	0.05	-	0.05	0.10	-	0.10
(e) Advances to Vendors	2.29	-	2.29	2.55	-	2.55
Total	**12.93**	**1.05**	**13.98**	**12.70**	**25.77**	**38.47**

*Refer Note 40

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JSW Hydro Energy Limited

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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	12.92	11.54
(b)	Inventory Medicine	0.11	0.12
	Total	**13.03**	**11.66**

Cost of inventories recognised as expense

Particulars		As at 31st March, 2022	As at 31st March, 2021
(a)	Stores and spares	17.19	20.83
(b)	Others	0.68	0.49
	Total	17.87	21.32

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 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
Total	-	-	-	-	**454.15**	**454.15**

*** During the year ended 31st March 2022, the carrying value of investment of Rs. 789.33 crore in JSW Energy (Kutehr) Limited, a wholly owned subsidiary of the Company, has been transferred, at cost, to JSW Neo Energy Limited, a fellow subsidiary.**

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 Liqied Fund - Growth	62.43	-	62.43	-	-	-
Total	**612.72**	-	**612.72**	**472.22**	-	**472.22**

**Rs. 142.39 Crore of investments has been earmarked towards a True Up Reserve account as on 31st March,22

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MUMBAI
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JSW Hydro Energy Limited

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	69.28	-	69.28	48.99	-	48.99
(ii) Trade Receivables considered good - Unsecured	-	-	-	2.27	-	2.27
	69.28	-	69.28	51.26	-	51.26
Total	**69.28**	-	**69.28**	**51.26**	-	**51.26**

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	26.89	-	-	-
6 months-1 year	8.33	-		-
1-2 years	14.86	-	1.91	-
2-3 years	-	-	11.61	-
More than 3 years	-	-	5.68	-
Total	**50.08**	-	**19.20**	-

(₹ 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	30.97	-	-	-
6 months-1 year	0.98	-	1.91	-
1-2 years	0.11	-	11.61	-
2-3 years	-	-	4.56	-
More than3 years	-	-	1.12	-
Total	**32.06**	-	**19.20**	-

The Credit period allowed to customers is 60 days in Karcham plant and 30 days in Baspa Plant and Interest rate is 15% and 15.15%(SBI PLR @ 12.15%+3%) Karcham & Baspa respectively per annum as per term of agreement.

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

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

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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
Cash and cash equivalents		
(a) Balances with banks		
(i) With scheduled banks		
-In Current accounts	11.93	109.92
In Deposit accounts with maturity less than 3 months at inception	1.99	-
(b) Cash on hand	0.01	0.02
Total	**13.93**	**109.94**

Note 12B. Bank balance other than Cash and cash equivalents (₹ Crore)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Bank balances other than above		
(a) Balances with banks		
-In deposit accounts (maturity more than 3 months at Inception)	19.63	40.14
(b) Earmarked balances with banks		
-Margin money for Security	270.50	-
Total	**290.13**	**40.14**

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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	1,250,050,000	1,250.05	1,250,050,000	1,250.05
Issued, Subscribed and Fully Paid:				
Equity shares of ₹ 10 each with voting rights	1,250,050,000	1,250.05	1,250,050,000	1,250.05
	1,250,050,000	**1,250.05**	**1,250,050,000**	**1,250.05**

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	1,250,050,000	1,250,050,000
Issued during the year	-	-
Balance as at the end of the year	1,250,050,000	1,250,050,000

b) 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	1,250,050,000	-
2	JSW Energy Limited & its nominees	-	1,250,050,000
		100%	100%

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

	Name of Promoters	As at 31st March, 2022		As at 31st March, 2021	
		No. of shares	% of total shares	No. of shares	% of total shares
1	JSW Neo Energy Limited & its nominees	1,250,050,000	100%	-	-
2	JSW Energy Limited & its nominees	-	-	1,250,050,000	100%
	Total	**1,250,050,000**	**100%**	**1,250,050,000**	**100%**

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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	3.86	0.72
Retained earnings	1,242.95	581.65
Effective portion of cash flow hedge	(123.83)	-
Capital contribution by parent company	156.14	156.14
Total comprehensive income	**1,279.12**	**738.51**

Notes:

(1) Retained earning

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

(2) Equity -settled employee benefit reserve

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

3) Effective portion of cash flow hedge

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

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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
Non- Current		
Borrowings at amortised cost		
Secured Borrowings:		
i) Green Bond	4,743.21	-
ii) Term loans		
From Banks	-	4,865.40
Less: Unamortised borrowing cost	60.26	27.32
	4,682.95	**4,838.08**
Current		
Secured Borrowings :		
i) Green Bond	428.76	-
ii) Short Term loans		
From Banks	-	306.74
From Banks (WCTR)	-	30.00
Less: Unamortised borrowing cost	10.20	4.52
	418.56	**332.22**
Total	**5,101.51**	**5,170.30**

Reconciliation of the borrowings outstanding at the beginning and end of the year: (₹ Crore)

Particulars	**As at 31st March, 2022**	**As at 31st March, 2021**
I. Non-current borrowings (including current maturities of long-term debt)		
Balance as at the beginning of the year	**5,140.30**	**5,423.75**
Cash flows (repayment)/proceeds	(189.97)	(288.24)
Non- Cash Changes:		
Foreign Exchange Movement	189.81	-
Amortised borrowings cost	(38.63)	4.79
Balance as at the end of the year	**5,101.51**	**5,140.30**
Balance as at the beginning of the year	**30.00**	-
Cash Flows (repayment)/ proceeds	(30.00)	30.00
Balance as at the end of the year	-	**30.00**

Details of Security :

Green Bond at the year ended 31st March, 2022
Green Bond aggregating to ₹ 4,791.58 outstanding as on 31st March, 2022 are secured by pledgeing of 51% share of the company and with negative lein for balance 49% and also on a pari passu basis by first ranking charge by way of legal mortgage on immovable property and first ranking charge by way of hypothecation of movable assets of Karcham-Wangtoo HEP (both present and future) situated at Kinnaur Dist., Himachal Pradesh.
Green Bond aggregating to ₹ 380.40 outstanding as on 31st March, 2022 are secured by pledging of 51% share of the company and with negative lein for balance 49% and also on a pari passu basis by first charge on immovable and movable assets of Baspa II HEP (both present and future) project of the Company situated at Kinnaur Dist., Himachal Pradesh.
Term Loan at the year ended 31st March, 2021
Rupee term loan aggregating to ₹ 4,789.78 as on 31st March, 2021 are secured on a pari passu basis by first ranking charge by way of legal mortgage on immovable property and first ranking charge by way of hypothecation of movable assets of Karcham-Wangtoo HEP (both present and future) situated at Kinnaur Dist., Himachal Pradesh.
Rupee term loan aggregating to ₹ 382.36 outstanding as on 31st March, 2021 are secured on a pari passu basis by first charge on immovable and movable assets of Baspa II HEP (both present and future) project of the Company situated at Kinnaur Dist., Himachal Pradesh.
Short term loan (WCDL) aggregating to Rs.30.00 crore outstanding as on 31st March, 2021 is secured by way of pari-passu first ranking charge on all movable and immovable assets of the company.

Issuance of Green Bond :

The Company has raised ₹ 5,162.87 crore [US$ 707 million] on 18th May, 2021, by issuing of US$ denominated senior secured "Green Bonds" (also referred as the notes) pursuant to Rule 144A of the U.S. Securities Act, 1933, as amended, and applicable Indian regulations, for the repayment of its existing green project related rupee denominated indebtedness. The notes are listed on the Singapore Exchange Securities Trading Limited (SGX-ST).
During the financial year 2021-22 the Company has prepaid its existing project related rupee-denominated loans

JSW HYDRO ENERGY LIMITED

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

Note 15A. Lease liabilities

(₹ Crore)

Particulars	As at 31st March, 2022			As at 31st March, 2021		
	Current	Non-Current	Total	Current	Non-Current	Total
Lease liabilities*	0.24	26.01	26.25	0.28	26.25	26.53
Total	0.24	26.01	26.25	0.28	26.25	26.53

***Refer to Note no. 37**

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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
Non- Current		
(a) Deposits received	0.02	0.02
(b) Other payable	70.03	425.95
	70.05	**425.97**
Current		
(a) Interest accrued but not due on borrowings	78.82	21.76
(b) Payable for capital supplies/services	35.43	33.08
(c) Other payable	568.23	499.72
	682.48	**554.56**
Total	**752.53**	**980.53**

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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	1.34	2.45	3.79	1.17	3.47	4.64
(ii) Provision for compensated absence	0.52	4.39	4.91	0.57	3.51	4.08
Total	**1.86**	**6.84**	**8.70**	**1.74**	**6.98**	**8.72**

* Refer Note No 35 (Employee benefit plans)

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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	2.88	-	2.88	3.41	-	3.41
(b) Total outstanding dues of creditors other than micro and small enterprises	23.58	-	23.58	22.46	-	22.46
Total	**26.46**	-	**26.46**	**25.87**	-	**25.87**

Creditors Ageing

(₹ Crore)

As at 31st March, 2022	Undisputed		Disputed	
	MSME	Others	MSME	Others
Outstanding for following periods from due date of payment				
Less than1 year	2.88	2.35	-	-
1-2 years	-	1.59	-	-
2-3 years	-	1.58	-	-
More than3 years	-	1.87	-	-
Not due		6.40	-	-
Unbilled		9.79	-	-
Total	**2.88**	**23.58**	-	-

(₹ 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	3.41	6.87	-	-
1-2 years	-	2.91	-	-
2-3 years	-	0.35	-	-
More than3 years	-	1.68	-	-
Not due	-	3.67	-	-
Unbilled	-	6.98	-	-
Total	**3.41**	**22.46**	-	-

-Trade payables are normally settled within 30 days.

-Refer Note 42 (Disclosure under Micro,Small and Medium Enterprises Development Act)

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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
(a) Advance received from customers	0.46	1.04
(b) Employee recoveries and employer contributions	0.58	0.52
(c) Statutory dues	1.07	0.83
(d) Others	0.07	-
Total	**2.18**	**2.39**

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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
	Disaggregation of revenue from contract with customers:		
(1)	Sale of power (Own generation)	1,812.35	1,197.83
	Total revenue from contract with customers (A)	**1,812.35**	**1,197.83**
(2)	Income from service concession arrangement	18.71	24.79
	Income from service concession arrangement (B)	**18.71**	**24.79**
(3)	Other Operating Income (C)	25.25	-
	Total (A) + (B) + (C)	1,856.31	1,222.62

Impact of Trueup & tariff Order dated 17th March,2022:

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

Details of revenue from conracts with customers

Particulars	For the year Ended 31st March, 2022	For the year Ended 31st March, 2021
Total Revenue from contract with customers as above*	1,812.35	1,197.83
Add: Rebate on prompt payment	24.36	21.44
Less: Incentive	118.20	94.23
Total Revenue from contract with customers as per contracted price	**1,718.51**	**1,125.04**

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

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

	For the year Ended 31st March, 2022	For the year Ended 31st March, 2021
Opening Balance	1.04	-
Less: Revenue recognised during the year from balance at the beginning of the year	1.04	-
Add: Advance received during the year not recognized as revenue	0.46	1.04
Closing Balance	0.46	1.04

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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
a) Interest Income earned on financial assets that are not designated as at FVTPL		
i On Bank deposits	1.98	2.18
ii Other Financial Assets	29.71	3.46
b) Other non-operating income		
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	0.05	0.05
iii Net gain on foreign currency transaction	0.04	-
iv Domestic Scrap Sales	1.35	0.17
v Provision no longer required written back	-	18.00
vi Miscellaneous income	1.12	2.95
Total	**56.08**	**38.85**

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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	49.38	48.28
(b) Contribution to provident and other funds*	4.78	3.31
(c) Share based payment **	3.14	0.27
(d) Staff welfare expenses	5.61	2.72
Total	**62.91**	**54.58**

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

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

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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	193.16	-
	ii Hedging charges	143.40	-
	iii Interest on Term Loan	54.83	440.80
	iv Interest cash credit	0.04	0.08
	v Other Interest Expense	3.48	-
(b)	Revaluation gain/loss on foreign currency borrowings (Net)	0.66	-
(c)	Other borrowing costs*	104.06	8.08
(d)	Interest on lease liabilities	2.38	2.40
	Total	**502.01**	**451.36**

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

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	402.30	409.46
(b)	Amortization on Intangible assets	33.47	33.45
Total		**435.77**	**442.91**

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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	17.19	20.83
(b) Power & Water	3.64	4.54
(c) Rent including lease rentals	2.08	2.06
(d) Repairs and maintenance	39.11	30.83
(e) Royalty	0.10	0.06
(f) Rates and taxes	1.80	0.44
(g) Insurance	20.31	20.57
(h) Net loss / (gain) on foreign currency transactions net off) **	-	0.00
(i) Legal and other professional charges	4.66	4.47
(j) Travelling Expenses	1.16	0.65
(k) Donation	-	0.05
(l) Corporate Social Responsibility Expenses*	2.50	3.00
(m) Open Access Charges	0.13	0.06
(n) Other General Expenses	7.56	4.90
(o) Safety and Security	1.36	1.21
(p) Branding Expenses	3.03	3.60
(q) Shared Service Charges	2.21	2.02
(r) Property ,Plant and equipment written off	1.07	5.11
Total	**107.91**	**104.40**

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

** Less than Rs. 10,000

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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	141.05	59.22
Total	**141.05**	**59.22**

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

Particulars	For the year Ended 31st March, 2022	For the year Ended 31st March, 2021
Profit before tax	803.79	208.22
Enacted tax rate	34.94%	34.944%
Expected tax expense at statutory tax rate	280.87	72.76
Tax effect due to tax holiday	(258.11)	(68.26)
Effect due to non deductible expenses	2.25	1.09
Deferred tax / tax credit recognised from earlier year	-	(0.63)
Effect of taxes (recoverable)/payable in future tariff	147.02	38.14
Impact due to reduced rate of tax during the year	(31.29)	15.82
Others	-	0.27
OCI Tax	0.31	0.04
Tax expenses for the year	**141.05**	**59.22**

Deferred tax assets / (liabilities)

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

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

Particulars	As at 31st March,2020	Recognised / (reversed) through profit or loss/ OCI / equity	As at 31st March,2021
Property plant & equipment	25.42	52.25	77.67
MAT credit	2.58	(2.58)	-
Recoverable / (payable) in future tariff	(25.93)	(38.14)	(64.07)
Others	(2.07)	(11.53)	(13.60)
Total	-	-	-

SHAH GUPTA & CO. MUMBAI CHARTERED ACCOUNTANTS

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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)	1,938.52	1,131.78	1.71	0.90	90%	Increase in current asset (mainly incease in Other financial asset,Other Bank Balance and current Investment)
2	**Debt-Equity Ratio (in times)** (Total Borrowings / Net Worth)	5,101.52	2,529.17	2.02	2.60	-22%	Due to incease in other equity
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 perod). Finance Charges : Interest on Term Loans and Interest on Debentures	1,195.22	572.13	2.09	0.89	135%	Due to Increase in profit and lower finance cost and lower repayment of borrowings
4	**Return on Equity Ratio (%)** (Net profit after tax / Average Networth)	662.74	2,258.86	29%	7.78%	277%	Due to Increase in profit
5	**Inventory Turnover (no. of days)** (Average Inventory / (Fuel Cost + Stores & Spares Consumed + Purchase of stock in trade)	12.35	56.30	80.05	81.70	-2%	
6	**Debtors Turnover (no. of days)** ((Average Trade Receivables including unbilled revenue * No of days) / Revenue from operations)	137.01	1,856.31	26.94	65.71	-59%	Due to Increase in sale and decrease in average debtors.
7	**Payables Turnover (no. of days)** ((Average Trade payables including * No of days) / Cost of goods sold)	26.17	56.30	169.66	356.88	-52%	Due to decrease in average trade payebles
8	**Net Capital Turnover (in times)** (Annual turnover / Shareholder's equity)	1,856.31	2,529.17	0.73	0.61	19%	Due to Increase in Turnover
9	**Net Profit Margin (%)** (Net profit for the period / year / Total Income)	662.74	1,912.39	35%	12%	193%	Due to Increase in profit
10	**Return on Capital Employed (%)** ((Profit after tax plus Interest on long term loans and debentures) / Average capital employed)	1,054.17	7,394.77	14%	8%	74%	Due to Increase in profit
11	**Return on Investment (%)** (Profit generated on sale of Investment / Cost of investment)	21.83	612.72	4%	3%	40%	Due to higher return

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

Note 28. Critical accounting judgements and key sources of estimation uncertainty

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

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

Critical judgements in applying accounting policies

Service concession arrangements

The Management has assessed applicability of Appendix C of Ind AS 115: Service Concession Arrangements (revenue from contract with customer) with respect to its power plant and transmission assets portfolio. In assessing the applicability, they have exercised significant judgment in relation to the underlying ownership of the assets, terms of implementation agreements and power purchase agreements entered with the grantor, ability to determine prices, useful lives of the assets, assessment of right to guaranteed cash etc. Based on detailed evaluation, the Management has determined that arrangement in relation to the Company's Baspa power plant (300 MW) meets the criterion for recognition as service concession arrangements.

Revenue recognition

a) In case of BASPA, revenue from sale of power is accounted for on the basis of billing to Himachal Pradesh State Electricity Board Limited (HPSEBL) as per Tariff approved by Himachal Pradesh Electricity Regulatory Commission (HPERC) in accordance with the provisions of the Long Term Power Purchase Agreement (LTPPA) dated 4th June,1997, Amendment No. 1 dated 7th January,1998, executed between the Company and HPSEBL.

b) In case of KARCHAM Wangtoo, revenue from sale of power is accounted as under:

i) The long term PPA sales are accounted on the basis of applicable CERC regulations and respective Tariff orders/ Tariff petition as filled with Central Electricity Regulatory Commission for determining the tariff of Karcham Wangtoo plant.

ii) Sale of power under Short Term through the Power Exchange is accounted for on the basis of billing as per the agreed rate.

iii) The Central Electricity Authority ("CEA") has approved uprating of Karcham Wangtoo Hydro Electric Power Plant ("the Project") from 1,000 MW to 1,045 MW with review of operational parameters and performance for at least two monsoon seasons and then to 1,091 MW subject to concurrence by the CEA.

Evaluation of arrangements to determine whether it contains lease arrangements:

The management has critically evaluated the terms of the contract (including by obtaining independent legal advice) with respect to Karcham Wangtoo Hydro Plant to determine whether the contract is, in substance, with a customer or with multiple state electricity utility companies, and the customer is merely acting as an intermediator/facilitator. Based on such evaluation, it was concluded that the arrangement is not in the nature of lease in terms of Ind AS 116.

JSW HYDRO ENERGY LIMITED

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

Key sources of estimation uncertainties

Impairment of property plant and equipment

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

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

Provisions and contingent liabilities

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

Fair value measurements

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

Defined benefit plans

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

Tax

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

Onerous contract:

While ascertaining the unavoidable costs of meeting the obligations under a power purchase contract, the Management has exercised significant judgement in arriving at plant load factor, components of incremental unavoidable cost of executing the contract and it's escalations.

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

Note 29. Financial Instruments:

a) Financial Instruments by category

(₹ Crore)

As at 31st March, 2022	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets					
Financial assets carried at fair value through profit or loss (FVTPL)					
Investment in mutual fund units	612.72	612.72	-	612.72	-
Financial assets carried at amortised cost					
Security deposits	0.61	0.61	-	-	0.61
Trade receivables #	69.28	69.28	-	-	-
Receivables-Service concession agreement	119.83	129.43	-	-	129.43
Cash and cash equivalents and other bank balances #	304.06	304.06	-	-	-
Unbilled revenue	77.87	77.87	-	-	-
Interest Receivable	0.78	0.78	-	-	-
Other Receivable	0.10	0.10	-	-	-
Receivable from JSW Neo Energy Limited	789.33	789.33	-	-	-
Foreign Currency Options	66.13	66.13	-	66.13	-
Total Financial assets	**2,040.71**	**2,050.31**	**-**	**678.85**	**130.04**
Financial liabilities					
Financial Liabilities carried at amortised cost					
Green Bonds	5,101.51	-	-	-	5,101.51
Short term Borrowings (WCDL)	-	-	-	-	-
Rent and Other Deposits #	0.02	0.02	-	-	-
Trade Payables #	26.46	26.46	-	-	-
Payable for capital projects#	35.43	35.43	-	-	-
Other payable#	638.27	638.27	-	-	-
Lease Liability	26.25	26.25	-	-	26.25
Interest accrured but bot due on borrowings	78.82	78.82	-	-	-
Total Financial liabilities	**5,906.76**	**805.25**	**-**	**-**	**5,127.76**

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

(₹ Crore)

As at 31st March, 2021	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets					
Financial assets carried at fair value through profit or loss (FVTPL)					
Investment in mutual fund units	472.22	472.22	-	472.22	-
Financial assets carried at amortised cost					
Security deposits	0.60	0.60	-	-	0.60
Trade receivables #	51.26	51.26	-	-	-
Receivables-Service concession agreement	171.36	185.50	-	-	185.50
Cash and cash equivalents and other bank balances #	150.10	150.10	-	-	-
Unbilled Revenue	75.51	75.51	-	-	-
Interest Receivable	0.97	0.97	-	-	-
Total Financial assets	**922.02**	**936.16**	**-**	**472.22**	**186.10**
Financial liabilities					
Financial Liabilities carried at amortised cost					
Borrowings	5,140.30	-	-	-	5,140.30
Short term Borrowings (WCDL)	30.00	-	-	-	30.00
Rent and Other Deposits #	0.02	0.02	-	-	-
Trade Payables #	25.87	25.87	-	-	-
Payable for capital projects#	33.08	33.08	-	-	-
Other payable#	925.67	925.67	-	-	-
Lease Liabilities	26.53	26.53	-	-	26.53
Interest accrured but bot due on borrowings	21.76	21.76	-	-	-
Total Financial liabilities	**6,203.23**	**1,032.93**	**-**	**-**	**5,196.83**

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

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ii) Fair Value Hierarchy:

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are
(a) recognised and measured at fair value and
(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

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

Financial assets and liabilities measured at fair value

The carrying amount of investment in unquoted equity instrument measured at fair value (which are not disclosed below) is considered to be the same as it's fair values.

Particulars	As at 31st March,2022	As at 31st March,2021	Level	Valuation Technique
Financial assets				
Foreign Currency Options	66.13	-	2	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).
Investment in mutual fund units	612.72	472.22	2	Cost is considered as per NAV as on 31st March,2022 /31st March,2021

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Fair value of financial assets and liabilities measured at amortised cost

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

Particulars	As at 31st March,2022		As at 31st March,2021		Level	Valuation Technique
	Carrying Value	Fair Value	Carrying Value	Fair Value		
Financial assets						
Service Concession receivable	119.83	129.43	171.36	185.50	3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
Security deposits	0.61	0.61	0.60	0.60	3	
Total	**120.44**	**130.04**	**171.96**	**186.10**		
Financial Liabilities						
Borrowings (Long Term)	5,101.51	5,101.51	5,140.30	5,140.30	3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
Lease Liability	26.25	26.25	26.53	26.53	3	
Total	**5,127.76**	**5,127.76**	**5,166.83**	**5,166.83**		

Financial risk management objectives

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

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

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Foreign currency risk management

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

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

Particulars	As at 31st March 2022	As at 31st March 2021
No. of Contracts	4	-
Type of Contracts	Call Spread	-
Equivalent to USD in millions	122.81	-
Average exchange rate (1USD=Rupees)	75.81	-
Nominal Value (Rs. In Crore.)	931.02	-
Fair Value MTM asset/(liabilities) (Rs. In crore)	16.48	-

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

Movement in Cash flow hedge: **(₹ Crore)**

Particulars	As at 31 March 2022	As at 31 March 2022
Opening Balance	-	-
FX recognised in other comprehensive income	(123.83)	-
Hedge ineffectiveness recognised in P&L	-	-
Amount reclassified to P&L during the year	-	-
Closing Balance	(123.83)	-

Note: Company's foreign currency denominated monetary assets and monetary liabilities at the end of the previous financial year 2020-21 are nil.

Interest rate risk management

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

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

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

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. During the financial year 2021-22 the entire borrowings has been converted from the floating Interest rate to fixed rate of interest hence there is no floating rate liabilities has been incurred during the year.

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

(₹ Crore)

As at March,2022	Net Balance	Unamortised Transaction Cost	Gross Balance
Fixed rate borrowings	5,101.51	70.46	5,171.97
Total	**5,101.51**	**70.46**	**5,171.97**

(₹ Crore)

As at March,2021	Net Balance	Unamortised Transaction Cost	Gross Balance
Floating rate borrowings	5,170.30	31.84	5,202.14
Total	**5,170.30**	**31.84**	**5,202.14**

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored.

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

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

Liquidity risk management

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

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

(₹ Crore)

As at 31st March, 2022 Particulars	< 1 year	1-5 years	> 5 years	Total
Non-current financial liabilities				
Long term borrowings	-	1,359.72	3,323.23	4,682.95
Other long-term liabilities				-
Rent and other Deposits	-	0.02	-	0.02
Lease payable	-	1.94	24.07	26.01
Other Payable	-	70.03	-	70.03
Total Non-Current financial Liabilities	-	**1,431.71**	**3,347.30**	**4,779.01**
Current financial Liabilities				
Trade and other payables and acceptances:				
Trade payables - Other than acceptances	5.23	21.23	-	26.46
Other current financial liabilities:				
Short Term Borrowings	418.56	-	-	418.56
Short Term Borrowings(WCDL)	-	-	-	-
Payable for capital project	35.43	-	-	35.43
Other payable	568.24	-	-	568.24
Interest accrued but not due on borrowings	78.82	-	-	78.82
Lease payable	0.24	-	-	0.24
Total current financial liabilities	**1,106.52**	**21.23**	-	**1,127.75**
Total Financial Liabilities	**1,106.52**	**1,452.94**	**3,347.30**	**5,906.76**
Non-current Financial assets				
Long term loans and advances				
Security deposits	-	0.01	0.60	0.61
Ancillary Borrowing cost	-	-	-	-
Service concession – arrangements	-	61.07	0.34	61.41
Other advances	-	-	-	-
Total Non-current financial Assets	-	**61.08**	**0.94**	**62.02**
Current financial assets				
Trade receivables	69.28	-	-	69.28
Cash and cash equivalents	13.93	-	-	13.93
Bank Balances other than above	290.13	-	-	290.13
Service concession – arrangements	58.42	-	-	58.42
Investments in mutual fund	612.72	-	-	612.72
Unbilled revenue	77.87	-	-	77.87
Other Receivable	0.10	-	-	0.10
Receivable from JSW Neo Energy Limited	789.33	-	-	789.33
Foreign Currency Options	66.13	-	-	66.13
Interest Receivable	0.78	-	-	0.78
Total current financial assets	**1,978.69**	-	-	**1,978.69**
Total Financial Assets	**1,978.69**	**61.08**	**0.94**	**2,040.71**

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(₹ Crore)

As at 31st March, 2021				
Particulars	**< 1 year**	**1-5 years**	**> 5 years**	**Total**
Non-current financial liabilities				
Long term borrowings	-	1,171.95	3,666.13	4,838.08
Other long-term financial liabilities				
Rent and other Deposits	-	0.02	-	0.02
Lease payable	-	1.65	24.60	26.25
Other payable	-	425.95	-	425.95
Total Non-Current financial Liabilities	-	**1,599.57**	**3,690.73**	**5,290.30**
Current financial Liabilities				
Trade and other payables and acceptances:				
Trade payables - Other than acceptances	25.87	-	-	25.87
Other current financial liabilities:				
Current maturities of long-term debt	302.22	-	-	302.22
Short Term Borrowings (WCDL)	30.00	-	-	30.00
Payable for capital project	33.08	-	-	33.08
Other payable	499.72	-	-	499.72
Interest accrued but not due on borrowings	21.76	-	-	21.76
Lease Payable	0.28	-	-	0.28
Total current financial liabilities	**912.93**	**-**	**-**	**912.93**
Total Financial Liabilities	**912.93**	**1,599.57**	**3,690.73**	**6,203.23**
Non-current financial assets				
Long term loans and advances				
Security deposits	-	0.01	0.59	0.60
Ancillary Borrowing cost	-	-	-	-
Service concession-arrangements	-	119.48	0.35	119.83
Other advances	-	0.02	-	0.02
Total Non-current financial Assets	**-**	**119.51**	**0.94**	**120.45**
Current financial assets				
Trade receivables	51.26	-	-	51.26
Cash and cash equivalents	109.94	-	-	109.94
Bank Balances other than above	40.14	-	-	40.14
Investments in mutual fund	472.22	-	-	472.22
Service concession-arrangements	51.53	-	-	51.53
Unbilled revenue	75.51	-	-	75.51
Interest Receivable	0.97	-	-	0.97
Total current financial assets	**801.57**	**-**	**-**	**801.57**
Total Financial Assets	**801.57**	**119.51**	**0.94**	**922.02**

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

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Note 30 Capital management

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

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

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

Gearing ratio

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

(₹ Crore)

Particulars	**As at 31st March,2022**	**As at 31st March,2021**
Debt (i)	5,101.51	5,170.30
Cash and bank balances (including current investment in liquid fund) (ii)	503.89	582.16
Net debt (i-ii)	**4,597.62**	**4,588.14**
Total equity (iii)	2,529.17	1,988.56
Net debt to equity ratio	**1.82**	**2.31**

(i) Debt includes long term and short term borrowings (refer note No-15)

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

(iii) Includes equity share capital and other equity.

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

Note 31. Credit Risk

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

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

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

Ageing of Trade receivable:*

(₹ Crore)

Particulars	As at 31st March,2022	As at 31st March,2021
Within the credit period	86.98	89.16
1-30 days past due	17.78	0.24
31-60 days past due	-	15.04
61-90 days past due	-	1.39
91-180 days past due		0.65
>180 days past due	42.39	20.28
Total	**147.15**	**126.76**

*Above mentioned Customer's balance Includes unbilled revenue of ₹ 77.87 Crore (Previous year ₹ 75.51 Crore.)

Customer contributing more than 10% of revenue

Revenue from operations includes revenue aggregating to ₹1,798.43 crore (previous year : ₹1,210.18 crore) from two (previous year :two) major customers having more than 10% of total revenue from operations of the Company.

Note 32. Service concession arrangement

(a) Description of the concession arrangement:

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

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(b) Significant terms of the concession arrangement:

Term	Particulars
Period of arrangement	40 years from date of commissioning of the power plant and extendable for 20 years at the option of the
Commissioning of the Power plant	June 8, 2003
Tariff	Approved by Himachal Pradesh Electricity Regulatory Commission (HPERC) having regard to the tariff entitlement under the PPA
Option to purchase	After the expiry of the agreement period, the Government has the option to purchase all the assets and works of the power plant, at mutually agreed terms.
Free power	12 % free power of the electricity generated is to supplied to the Government

(c) Obligation for overhaul:

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

(d) Renewal /Termination options:

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

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

(₹ Crore)

Particulars	As at 31st March,2022	As at 31st March,2021
Intangible asset - Rights under service concession receivable (refer note 6)	713.44	746.76
Financial asset – Receivable under service concession arrangement (refer note 7)	119.83	171.36

Note 33. Operating segment

The Chairman of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators, however the Company is primarily engaged in only one segment viz., "Generation and Sale of power" and that most of the operations are in India. Hence the Company has single reportable Segments as per Indian Accounting Standard 108 "Operating Segments".

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

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Note 34. Earnings per share

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
Profit for the year (₹ crore) - (A)	662.74	149.00
Weighted average number of equity shares for basic & diluted EPS - (B)	1,250,050,000	1,250,050,000
Earnings Per Share (₹ crore) – Basic and Diluted (C) - (A/B)	5.30	1.19
Nominal value of an equity share (₹ crore)	10	10

Note 35. Employee benefit Plans:

(a) Defined contribution plans – Provident fund:

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

The Company's contribution to provident fund recognized in Statement of Profit and Loss of ₹ 2.01 crore (Previous year ₹ 2.22 crore) (Included in note 22)

(b) National pension scheme:

The company's contribution to National Pension Scheme (NPS) recognized in statement of profit and loss of ₹ 0.13 crore (Year ended 31st March, 2021 : ₹ 0.15 crore) (Included in Note 22)

(c) Defined benefits plans - Gratuity:

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

(d) Compensated absences plan

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

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to market yields at the end of the reporting period on government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities and debt instruments.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.
Asset Liability matching risk	The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.
Mortality risk	Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.
Concentration risk	Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

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

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31st March, 2022 by M/S K A Pandit, Consultants & Actuaries. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

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

(₹ Crore)

Defined benefit obligation as at 1st April, 2020	**5.27**
Interest cost	0.36
Current service cost	0.58
Liabilities Transferred In / Acquisition	0.22
Liabilities Transferred out / Divestment	(0.25)
Benefits paid	(0.33)
Actuarial (Gains)/Loss	(0.03)
Defined benefit obligation as at 31 March, 2021	**5.82**
Interest cost	0.38
Current service cost	0.59
Liabilities Transferred In / Acquisition	0.24
Liabilities Transferred out / Divestment	(0.24)
Benefits paid	(0.72)
Actuarial (Gains)/Loss	1.73
Defined benefit obligation as at 31 March, 2022	**7.80**

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

(₹ Crore)

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

Changes in the defined benefit obligation and fair value of plan assets as at 31st March, 2021

(₹ Crore)

Particulars		Defined Benefit Obligation	Fair Value of Plan assets	(Benefit)/ Liability
	Opening Balance as on 1st April, 2020	**5.27**	**1.56**	**3.71**
Gratuity cost charged to profit or loss	Current Service cost	0.58	-	0.58
	Net interest expense /(Income)	0.36	0.10	0.26
	Liability Transferred in/Acquisitions	0.22	-	0.22
	(Liability Transferred out/Divestments)	(0.25)	-	(0.25)
	Sub-total included in profit or loss	**0.91**	**0.10**	**0.81**
Re-measurement gains / (losses) in other comprehensive income	Benefits paid	(0.33)	(0.33)	-
	Return on plan assets (excluding amounts included in net interest expense)	-	(0.15)	0.15
	Actuarial changes arising from changes in financial assumptions	0.18	-	0.18
	Experience adjustments	(0.21)	-	(0.21)
	Sub-total included in OCI	(0.03)	(0.15)	0.12
	Contributions by employer	-	-	
	Closing Balance as on 31st March, 2021	**5.82**	**1.18**	**4.64**

The actual return on plan assets (including interest income) was ₹ (0.05) Crore (previous year ₹0.04 crore)

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

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

Particulars	As at 31st March, 2022	As at 31st March, 2021
Insurer Managed Funds	100%	100%

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

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

Particulars	As at 31st March, 2022	As at 31st March, 2021
Discount rate:	6.96%	6.44%
Future salary increases:	8%	6%
Rate of Employee Turnover	4%	3%
Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)

Sensitivity Analysis:

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

Particulars	As at 31st March, 2022	As at 31st March, 2021
Delta Effect of +1% Change in Rate of Discounting	(0.58)	(0.44)
Delta Effect of -1% Change in Rate of Discounting	0.66	0.51
Delta Effect of +1% Change in Rate of Salary Increase	0.65	0.51
Delta Effect of -1% Change in Rate of Salary Increase	(0.58)	(0.45)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.05)	0.01
Delta Effect of -1% Change in Rate of Employee Turnover	0.05	(0.01)

The following are the maturity analysis of projected benefit obligations:

(₹ Crore)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Within the next 12 months (next annual reporting period)	0.61	0.64
Between 2 and 5 years	2.18	1.34
Between 5 and 10 years	3.47	2.47
Above 10 years	8.88	6.46
Total expected payments	**15.14**	**10.91**

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

The company expects to contribute ₹ 1.34 crore (previous year ₹ 1.17 crore) to its gratuity plan for the next year. The weighted average duration of the defined benefit plan is 10 years (previous year 12 year)

Compensated Absences

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

Social Security Code

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

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Note 36. Employee share based payment plan:

JSWEL Employees Stock Ownership Plan – 2016 (ESOP 2016)

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

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

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

JSWEL Employees Stock Ownership Plan – 2021 (ESOP 2021)

The company has offered equity options under ESOP 2021 to the permanent employees, including whole-time director, of the Company and of its subsidiaries who has been working in India or outside India, in the grades of (i) L16 and above, and (ii) select employees in the grade L-11 to L-15 based on last 3 (three) years performance; and in each case, as may be determined based on the eligibility criteria, or any other employee as may be determined by the compensation committee from time to time, except any employee who is a promoter or belongs to the promoter company or a director who either by himself or through his relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company and Independent directors, Nominee Directors and Non-Executive Directors.
The grant is determined after having regard to various factors and criteria specified in ESOP 2021. The exercise price is ₹10 or any other price as may be determined by the Compensation Committee. The option shall not be transferable and can be exercised only by the employees of the company.

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

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

The company has offered equity options under ESOP Samruddhi 2021 to the permanent employees, including whole-time director, of the Company and of its subsidiaries who has been working in India or outside India, in the grades of L-01 to L-15 (excluding employees covered under ESOP 20-21) , except any employee who is a promoter or belongs to the promoter company or a director who either by himself or through his relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company and Independent directors, Nominee Directors and Non-Executive Directors.
The grant is determined after having regard to various factors and criteria specified in ESOP Samruddhi 2021. The exercise price is ₹10 or any other price as may be determined by the Compensation Committee. The option shall not be transferable and can be exercised only by the employees of the comapny.

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

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

Particulars	As at 31st March, 2022	As at 31st March, 2021
Outstanding at 1st April	-	82,145
Granted during the year	-	-
Exercised During the Year	-	46,084
Expired during the year	-	36,061
Outstanding at 31st March	-	-
Exercisable at 31st March	-	-

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

Particulars	As at 31st March, 2022	As at 31st March, 2021
Outstanding at 1st April	36,606	73,211
Granted during the year	-	-
Exercised During the Year	36,606	36,605
Expired during the year	-	-
Outstanding at 31st March	-	36,606
Exercisable at 31st March	-	36,606

ESOP 2016 (Grant Date: 1ST Nov , 2018)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Outstanding at 1st April	219,428	219,428
Granted during the year	-	
Exercised During the Year	95,679	
Expired during the year	-	-
Outstanding at 31st March	123,749	219,428
Exercisable at 31st March	123,749	219,428

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

Particulars	As at 31st March, 2022	As at 31st March, 2021
Outstanding at 1st April	-	-
Granted during the year	69,100	-
Exercised During the Year	-	-
Expired during the year	-	-
Outstanding at 31st March	69,100	-
Exercisable at 31st March		-

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

Particulars	As at 31st March, 2022	As at 31st March, 2021
Outstanding at 1st April	-	-
Granted during the year	504,250	-
Options Lapsed as at 31.03.2022	20,950	-
Exercised During the Year	-	-
Expired during the year	-	-
Outstanding at 31st March	483,300	-
Exercisable at 31st March		-

The Method of settlement for above grants are as below:

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

Pricing formula:

Book close date	2rd May, 2016	19th May, 2017	31st Oct, 2018	6th Aug, 2021	6th Aug, 2021
Closing market Price (₹)	67.1	64.75	64.95	246.17	246.17
Exercise price (₹)	53.68	51.8	51.96	10	10
Discount (%)	20%	20%	20%		
Expected option Life		The expected option life is assumed to be mid-way between the option vesting and expiry. Since the vesting period and contractual term of each tranche is different, the expected life for each tranche will be different. The Expected option life is calculated as (Year to Vesting + Contractual Option term) /2.			
Expected volatility		Volatility was calculated using standard deviation of daily change in stock price. The historical period considered for volatility match the expected life of the option.			
Whether and how any other features of the option grant were incorporated in to the measurement of fair value, such as market condition.		The following factors have been considered: (a) Share price (b) Exercise prices (c) Historical volatility (d) Expected option life (e) Dividend Yield			
Model used		Black-Scholes Method			

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

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

Note 37. Operating Lease

For the Financial Year 2021-22

(₹ Crore)

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

(₹ Crore)

Particular	Future lease rentals	Interest	Present Value
Within one year	2.60	2.35	0.25
After one year but not more than five years	13.29	11.36	1.93
More than five years	46.05	21.98	24.07
Total	**61.94**	**35.69**	**26.25**

For the Financial Year 2020-21

(₹ Crore)

Particulars	For the year Ended 31st March,2021
Depreciation	1.41
Interest expenses on lease liabilities	2.40

(₹ Crore)

Particulars	Future lease rentals	Interest	Present Value
Within one year	2.66	2.38	0.28
After one year but not more than five years	13.16	11.51	1.65
More than five years	48.78	24.18	24.60
Total	**64.60**	**38.07**	**26.53**

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

Reconcilitaion of the lease liabilities:

(₹ Crore)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening Lease liabilities as on 1st April,2021 as per Indas 116	**26.53**	26.69
Add: Interest Expense on Lease liabilities	2.38	2.40
Less: Cash Outflow/Lease Rent	2.66	2.56
Balance as at the end of the Year	26.25	26.53

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

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

(₹ Crore)

Particulars	As at 31st March, 2022	As at 31st March, 2021
1.) Amount required to be spent by the company during the year	2.50	3.00
2.) Amount spent during the year on:		
(i) Construction / acquisition of an asset	0.51	1.21
(ii) On purpose other than (i) above	1.99	1.79
3.) Shortfall at the end of the year	-	-
4.) Total of previous years shortfall	-	-
5.) Reason for shortfall	NA	NA
6.) Nature of CSR activities	COVID 19 Support & rehabilitation program, Educational infrastructure & systems strengthening, Enhance Skills & rural livelihoods through nurturing of supportive ecosytems & innovations, General community infrastructure support & welfare initiatives, Integrated water resources management, Nurture women entrepreneurship & employability, Nurturing aquatic & terrestrial ecosystems for better environment & reduced emissions, Promotion & preservation of art, culture & heritage, Public health infrastructure, capacity building & support programs, Sports promotion & institution building, Waste management & sanitation initiatives, Project Management Cost	
7.) Amount unspent, if any;	-	-
8.) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	-	-
9.) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	-	-

Note 39. Commitments

(₹ Crore)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Estimated amount of Capital contracts remaining to be executed to the extent not provided for (net of advances)	4.56	7.98
Total	**4.56**	**7.98**

Note 40. Contingent liabilities

(₹ Crore)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Claims against the Company not acknowledged as debt *	139.83	127.84
(b) Other claims not acknowledged as debt	0.07	0.07
(c) Income tax Demand for AY 2016-17	34.72	34.72
Total	**174.62**	**162.63**

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

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

Note 41. Related party disclosure

A)	List of Related Parties
I	**Holding Company**
1	JSW Energy Limited (till 15th March,22)
2	JSW Neo Energy Limited (From 15th March,22)
II	**Subsidiary**
1	JSW Energy (Kutehr) Limited (till 14th March,22)
III	**Fellow Subsidiaries**
1	JSW Power Trading Company Limited
IV	**Key Managerial Personnel**
1	Mr. Prashant Jain – Chairman
2	Mr.Pritesh Vinay - Non Executive Director (from 16th September, 2020)
3	Mr.Sunil Goyal - Independent Director (from 25th March, 2021)
4	Mr. Gyan Bhadra Kumar - Whole Time Director
5	Mr. Sanjeev Kango - Chief Financial Officer
6	Mr. Sanjeev Kango - Company Secretary
7	Ms. Seema Jajodia- Woman Director
8	Mr. Jyoto Kumar Agarwal - Non Executive Director (Upto 15th September, 2020)
9	Ms. Sheila Sangwan - Woman & Independent Director (Upto 07th September, 2020)
10	Mr. Rakesh Nath - Independent Director (Upto 07th September, 2020)
11	Mr. Nirmal Kumar Jain - Non Executive Director (Upto 20th May, 2020)
12	Mr. Sharad Mahendra - Non Executive Director (Upto 09th June, 2020)
V	**Other related parties with whom the company has entered into transactions during the year**
1	JSW Steel Limited
2	Jindal Education Trust (Jindal Vidya Mandir)
3	Jindal Education Trust (Jaypee Pvt ITI)
4	JSW IP Holdings Private Limited
5	JSW Global Business Solutions Limited
6	JSW Foundation
7	JSW Paints Limited

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

(₹ crore)

B	Transaction during the year	Current Year	Previous Year
1	**Sale of power /Material**		
	JSW Power Trading Company Limited	7.93	-
2	**Service Received**		
	JSW Global Business Solutions Limited	2.21	2.02
3	**Purchase of Goods**		
	JSW Steel Limited	0.13	-
	JSW Paints Limited	0.01	0.03
4	**Branding expense**		
	JSW IP Holdings Private Limited	3.03	3.60
5	**Reimbursement received from / (paid to) {net}:**		
	JSW Energy Limited	(6.26)	(4.43)
	JSW Steel Limited	(1.51)	(1.44)
	JSW Power Trading Company Limited	(0.01)	(0.02)
	Jindal Education Trust (Jindal Vidya Mandir)	(0.25)	(0.39)
	Jindal Education Trust (Jaypee Private ITI)	(0.21)	(0.19)
6	**Donation/CSR Expenses**		
	JSW Foundation	2.50	3.00
7	**Sale of Equity Investment**		
	JSW Neo Energy Limited	789.33	-
8	**Investment Equity Share Capital**		
	JSW Energy (Kutehr) Limited	335.19	385.28
9	**Debt Service Reserve Account Guarantee**		
	JSW Energy Limited	(161.60)	(14.46)

(₹ crore)

C	Closing Balances	As at 31st March, 2022	As at 31st March, 2021
1	**Trade (Payables) / Receivables**		
	JSW Energy Limited	(0.16)	(0.17)
	JSW Steel Limited	(0.72)	(0.09)
	JSW IP Holdings Private Limited	-	(0.33)
2	**Deposit With**		
	JSW IP Holdings Private Limited	0.07	0.07
3	**Equity Share Capital**		
	JSW Energy Limited	-	1,250.05
	JSW Neo Energy Limited	1,250.05	-
4	**Loan and Advances**		
	JSW Global Business Solutions Limited	-	0.07
5	**Equity Share Capital**		
	JSW Energy (Kutehr) Limited	-	454.15
6	**Other Receivable**		
	JSW Neo Energy Limited	789.33	-

JSW Hydro Energy Limited

JSW HYDRO ENERGY LIMITED

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

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

(₹ crore)

Sl No	Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
1	Short term benefits	2.38	1.76
2	Post –Employment benefits	0.05	0.05
3	Sitting fees	0.06	0.04

Note:

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

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

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

iv) Terms and conditions of sales and purchases: the sales and purchases transactions among the related parties are in the ordinary course of business based on normal commercial terms, conditions, market rates and memorandum of understanding signed with the related parties. For the year ended 31st March, 2021 & 31st March, 2022, the Company has not recorded any loss allowances for transactions between the related parties.

SHAM GUPTA & CO. MUMBAI FRN 103057W CHARTERED ACCOUNTANTS

JSW Hydro Energy Limited

JSW HYDRO ENERGY LIMITED

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

Note 42. Disclosure under Micro, Small and Medium Enterprises Development Act

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

(₹ crore)

Sl. No.	Particulars	As at 31st March, 2022	As at 31st March, 2021
1	Principal amount outstanding to MSME*	2.88	3.41
2	Principal amount due and remaining unpaid	-	-
3	Interest due on (2) above and the unpaid interest	-	-
4	Interest paid on all delayed payments under the MSMED Act.	-	-
5	Payment made beyond the appointed day during the year	-	-
6	Interest due and payable for the period of delay other than (4) above	-	-
7	Interest accrued and remaining unpaid	-	-
8	Amount of further interest remaining due and payable in succeeding years	-	-

*Amounts unpaid to MSM vendors on account of retention money have not been considered for the purpose of interest calculation.

Note 43. Remuneration to Auditors (excluding GST)

(₹ crore)

Sl. No.	Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
1	Services as statutory auditors (including quarterly limited reviews)	0.38	0.38
2	Tax Audit Fees	0.06	0.06
3	Certification Fees	0.04	0.01
4	Reimbursement of out of pocket Expenses	0.01	0.01
	Total	**0.49**	**0.46**

SHAH GUPTA & CO. CHARTERED ACCOUNTANTS

JSW Hydro Energy Limited

Note no. 44 - Other statutory information

i) [illegible]

ii) [illegible]

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

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

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

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

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

   (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

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

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

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

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

ix) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017

x) The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

Note no. 45 - Previous years figures have been regrouped/reclassifieds wherever necessary.

For and on behalf of Board of Directors

Gyanbhadra Kr

Gyan Bhadra Kumar
Whole Time Director
[DIN:03620109]

Prashant Jain
Chairman
[DIN: 01281621]

JSW Hydro Energy Limited

Sanjeev Kango
Company Secretary &
Chief Financial Officer

JSW HYDRO ENERGY LIMITED

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

Note no. 44 - Other statutory information:

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

ii) The Company have immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) whose title deeds are not held in the name of the company (Refer Note No 4).

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

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

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

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

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

  (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

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

  (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

  (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

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

ix) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

x) The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

Note no. 45 - Previous years figures have been regrouped/reclassifieds wherever necessary.

For and on behalf of Board of Directors

Gyanbhadra Kr

Gyan Bhadra Kumar
Whole Time Director
[DIN:03620109]

Prashant Jain
Chairman
[DIN: 01281621]

JSW Hydro Energy Limited

Sanjeev Kango
Company Secretary &
Chief Financial Officer

38, Bombay Mutual Building, 2nd Floor, Dr. D. N. Road, Fort, Mumbai - 400 001.

Tel : +91(22) 2262 2000/2262 3000
Email : contact@shahgupta.com
Web : www.shahgupta.com

Shah Gupta & Co.
Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of JSW Hydro Energy Limited

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

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

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

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

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

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

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

The Company's Management and Board of Directors are responsible for the matters stated in sub-section (5) of Section 134 of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and financial performance including other comprehensive income, change in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for

JSW Hydro Energy Limited

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

JSW Hydro Energy Limited

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by sub-section (3) of Section 143 of the Act, we report that:

   a. We have sought and obtained all the Information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The balance sheet, the statement of profit and loss (including the statement of other comprehensive income), the cash flow statement and statement of changes in equity dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

   e. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of sub-section (2) of Section 164 of the Act.

   f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   g. The remuneration paid / provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule (11) of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the Impact of pending litigations on its financial position in its financial statements – Refer Note 40 of the financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall,

JSW Hydro Energy Limited

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(b) The Management has represented that, to the best of its knowledge and belief, no funds (which are either material either individually or in aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall,

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficlarles.

(c) Based on the audit procedures that have been considered reasonable and appropriate on the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub-cluse (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared and paid dividend during the year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For **SHAH GUPTA & CO.,**
Chartered Accountants
Firm Registration No.: 109574W

Vipul K Choksi
Partner
M. No.37606
Unique Document Identification Number (UDIN) for this document is 23037606BGYDYN9236
Place: Mumbai
Date: May 22, 2023

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) According to the information and explanations given to us and the records of the Company examined by us, the Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Company has a program of verification to cover all the items of property, plant and equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies have been noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company, except the following:

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

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated during the year or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by the Management is appropriate. The discrepancies noticed on physical verification of inventory by the Management, as compared to book records were not material and have been appropriately dealt with in the books of account. No discrepancies of 10% or more in aggregate for each class of inventory were noticed in respect of such physical verification.

(b) The Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements including clarifications provided by the banks, the quarterly returns / statements along with subsequent revisions filed by the Company with the banks are in agreement with the books of account of the Company.

(iii) (a) During the year, the Company has granted unsecured loans, details of which are given below:

(Rs. in crores)

Particulars	Loans
A. Aggregate amount granted during the year	
- Related party	789.00
B. Balance outstanding as at balance sheet date in respect of above cases	
- Related party	789.00

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

(b) During the year, the terms and conditions of the grant of all loans to are not prejudicial to the Company's interest. The Company has not provided guarantees or security or granted advances in the nature of loans to companies, firms, limited liability partnerships or any other parties.

(c) The Company has granted loans during the year to companies where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular. The Company has not granted advances in the nature of loans to companies, firms, limited liability partnerships or any other parties.

(d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

(e) There were no loans / advances in nature of loans which were granted to same parties and which fell due during the year and were renewed/extended. Further, no fresh loans were granted to any party to settle the overdue loans/advances in nature of loan.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, limited liability partnerships or any other parties. Accordingly, reporting under paragraph 3 (iii) (f) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, or provided guarantees under section 185 of the Act. The Company has complied with the provisions of Sections 186 of the Act in respect of the Loans granted during the year.

(v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Section 73 to Section 76 of the Act and the Rules framed there under to the extent notified.

(vi) The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act for any of the products by the Company. Accordingly, reporting under paragraph 3 (vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us, and the records of the company examined by us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax, goods and service tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us, there are no undisputed amounts payable in respect of income tax, service tax, goods and service tax, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of sales tax, wealth tax, service tax, goods and service tax, income tax, duty of excise, duty of excise, value added tax, and cess which have not been deposited on account of any dispute except as follows:

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

#Net of amounts paid under protest

viii) According to the information and explanations given to us and the records of the Company examined by us, there is no income surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans during the year. Accordingly, reporting under paragraph 3 (ix) (c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the Financial Statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not have any subsidiaries, associates or joint ventures. Accordingly, the question of our commenting on whether the Company taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures does not arise.

(f) The Company does not have any subsidiaries, associates or joint ventures. Accordingly, the question of our commenting on whether the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies does not arise.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3 (x) (a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, reporting under paragraph 3 (x) (b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under sub-clause (12) of Section 143 of the Act, in Form ADT-4, was not required to be filed. Accordingly, reporting under clause 3 (xi) (b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, reporting under clause 3 (xi) (c) of the Order is not applicable to the Company.

(xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3 (xii) of the Order is not applicable to the Company.

(xiii) The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3 (xiii) of the Order is not applicable to the Company.

(xiv) (a) The internal audit of the Company is covered under the group internal audit pursuant to which an internal audit is carried out every year. In our opinion, the Company's internal audit system is commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the year under audit have been considered by us.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with Directors or persons connected with him. Accordingly, reporting under paragraph 3 (xv) of the Order is not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3 (xvi) (a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3 (xvi) (b) of the Order is not applicable to the Company

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3 (xvi) (c) of the Order is not applicable to the Company.

(d) We have been informed by the management that as per the definition of Group under Core Investment Companies (Reserve Bank) Directions 2016, there is one Core Investment Company (CIC) which is registered and three CICs which are not required to be registered with the Reserve Bank of India, forming part of the promoter group.

JSW Hydro Energy Limited

(xvii) The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly, reporting under clause (xviii) is not applicable to the Company

(xix) According to the information and explanations given to us and on the basis of the financial ratios (Also refer Notes 27 to the Financial Statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

(xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3 (xx) (a) of Order is not applicable to the Company.

(b) There are no unspent amounts towards Corporate Social Responsibility (CSR) on ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause 3 (xx) (b) of Order is not applicable to the Company.

(xxi) The reporting under clause 3 (xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **SHAH GUPTA & CO.,**
Chartered Accountants
Firm Registration No. 109574W

Vipul K Choksi
Partner
M. No.37606
Unique Document Identification Number (UDIN) for this document is 23037606BGYDYN9236
Place: Mumbai
Date: May 22, 2023

SHAH GUPTA & CO. MUMBAI FRN: 109574W CHARTERED ACCOUNTANTS

JSW Hydro Energy Limited

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under sub-section (10) of Section 143 of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

A Company's internal financial control over financial reporting with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements

JSW Hydro Energy Limited

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

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these financial statements to future year are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to these financial statements and such internal financial controls were operating effectively as at March 31, 2023, based on the internal financial controls with reference to these financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SHAH GUPTA & CO.,**
Chartered Accountants
Firm Registration No.: 109574W

Vipul K Choksi
Partner
M. No.37606
Unique Document Identification Number (UDIN) for this document is 23037606BGYDYN9236
Place: Mumbai
Date: May 22, 2023

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

(₹ Crore)

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

See accompanying notes to the financial statements

As per our attached report
For Shah Gupta & Co
Chartered Accountants
Firm Registration No.: 109574W

For and on behalf of Board of Directors

SHAH GUPTA & CO. MUMBAI FRN : 109574W CHARTERED ACCOUNTANTS

JSW Hydro Energy Limited

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 : 22nd May, 2023

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

₹ Crore,except per share data and as stated otherwise

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

See accompanying notes to the financial statements

As per our attached report
For Shah Gupta & Co
Chartered Accountants
Firm Registration No.: 109574W

Vipul K Choksi
Partner
M No. 37606

SHAH GUPTA & CO. MUMBAI FRN : 109574W CHARTERED ACCOUNTANTS

For and on behalf of Board of Directors

Gyan Bhadra Kumar
Whole Time Director
[DIN: 03620109]

JSW Hydro Energy Limited

Prashant Jain
Chairman
[DIN: 01281621]

Sanjeev Kango
Company Secretary & Chief Financial Officer

Place:Mumbai
Date : 22nd May, 2023

JSW HYDRO ENERGY LIMITED

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

a. Equity share capital (₹ Crore)

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

b. Other equity (₹ Crore)

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

(₹ Crore)

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

See accompanying notes to the financial statements

As per our attached report
For Shah Gupta & Co
Chartered Accountants
Firm Registration No.: 109574W

SHAH GUPTA & CO. MUMBAI FRN : 109574W CHARTERED ACCOUNTANTS

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]

JSW Hydro Energy Limited

Prashant Jain
Chairman
[DIN: 01281621]

Sanjeev Kango
Company Secretary &
Chief Financial Officer

Place:Mumbai
Date : 22nd May, 2023

JSW HYDRO ENERGY LIMITED

Statement of Cash Flows for the year ended 31st March, 2023

(₹ Crore)

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

See accompanying notes to the financial statements

Note:

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

As per our attached report
For Shah Gupta & Co
Chartered Accountants
Firm Registration No.: 109574W

SHAH GUPTA & CO. MUMBAI FRN : 109574W CHARTERED ACCOUNTANTS

Vipul K Choksi
Partner
M No. 37606

For and on behalf of Board of Directors

JSW Hydro Energy Limited

Gyan Bhadra Kumar
Whole Time Director
[DIN: 03620109]

Prashant Jain
Chairman
[DIN: 01281621]

Sanjeev Kango
Company Secretary &
Chief Financial Officer

Place:Mumbai
Date : 22nd May, 2023

JSW HYDRO ENERGY LIMITED

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

Note 1: General information

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

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

Note 2.1: Statement of compliance

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

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

Note No. 2.2 - Recent accounting pronouncements:

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

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

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

(b) **Ind AS 12 – Income Taxes**

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

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

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

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

JSW Hydro Energy Limited

JSW HYDRO ENERGY LIMITED

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

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

3.1 Basis of preparation of financial statements:

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

Current and non-current classification:

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

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

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

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

All other liabilities are classified as non-current.

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

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

3.2 Property, plant and equipment

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

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

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

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

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

JSW Hydro Energy Limited

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

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%

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3.5 Impairment of Tangible & Intengible Assets

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

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

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

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

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

3.6 Borrowing costs

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

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

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

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

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

3.7 Statement of cash flows

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

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

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

3.8 Revenue recognition

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

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

Sale of Power

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

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

Interest income

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

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

3.9 Foreign currency transactions

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

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

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

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

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

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

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

3.10 Employee benefits

a) Short term employee benefits:

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

b) Long term employee benefits:

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

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C) Retirement benefit costs and termination benefits:

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

Defined contribution plans:

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

Defined benefit plans:

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

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

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

3.11 Share-based payment arrangements

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

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

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

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

3.12 Taxation

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

a) Current tax

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

b) Deferred tax

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

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

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

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

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

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

c) Current and deferred tax for the year

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

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

3.13 Earnings per share

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

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

3.14 Provisions, contingencies and commitments

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

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

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

A disclosure for contingent liabilities is made when there is:

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

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

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) the amount of the obligation cannot be measured with sufficient reliability.

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

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:
(a) estimated amount of contracts remaining to be executed on capital account and not provided for;
(b) uncalled liability on shares and other investments partly paid;
(c) funding related commitment to associate and joint venture companies; and
(d) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.
Commitments include the amount of purchase orders (net of advances) issued to parties for completion of assets.

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

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

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3.15 Non-current assets held for sale:

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

3.16 Financial instruments

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

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

a) Investment in subsidiaries associate and joint venture:

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

b) Financial assets

(i) Recognition and Initial measurement:

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

(iii) Classification of financial assets

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

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

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

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

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

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

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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.

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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 profittaking; 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.

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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.

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Cash flow hedges:

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

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

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

3.22 Leases

(a) The Company as lessee:

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

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

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

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

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

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

(b) The Company as lessor:

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

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

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

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

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

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

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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 seperate 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.

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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 in 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.

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

(₹ Crore)

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

Note:

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

b) The right-of-use assets related to land refer to Note 37

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

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

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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

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

Footnote:

1) Amount transferred to property plant and equipment during the year ₹ Nil crore (for the year ended 31st March, 2022: ₹ 23.03 Crore), amount transferred to Profit and Loss ₹ Nil

2) No project temporarily suspended as on 31st March, 2023.

Capital work in progress ageing & schedule (₹ crore)

As at 31st March, 2023	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	4.65	1.05	-	-	5.70
Total	**4.65**	**1.05**	-	-	**5.70**

Capital work in progress ageing & schedule

As at 31st March, 2022	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	1.05	-	-	-	1.05
Total	**1.05**	-	-	-	**1.05**

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

Note 6. Other Intangible assets (₹ Crore)

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

(₹ Crore)

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

*Refer Note 32 for Service concession arrangement intangibles

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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	-	-	-
Total	-	**789.00**	**789.00**	-	-	-

*Refer Note No. 41

Details of Loan

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

Movement in loss allowance - loans

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

Note 7A. Other financial assets

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

* Less than Rs. 10,000

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

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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 [(Net of provision for Tax as at 31st March, 2023 Rs. 327.19 crore, as at 31st March, 2022 Rs. 327.19 crore)]	-	65.30	-	65.11
	-	**65.30**	**-**	**65.11**

Note 7C. Current tax liabilities (net)

(₹ Crore)

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

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

Note 8. Other assets (₹ Crore)

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

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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	12.97	12.92
(b)	Medicines	0.13	0.11
	Total	**13.10**	**13.03**

Cost of inventories recognised as an expense

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

Basis of valuation: Refer note 3.26 (Inventories)

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

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

Note 10. Investment

(₹ Crore)

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Current	Non- Current	Total	Current	Non- Current	Total
Investments:						
A)Investment in mutual funds(at Fair Value through Profit & Loss)**						
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	-	-	-
	685.03	-	685.03	**612.72**	-	**612.72**
B)Investment in Commercial Paper (at Amortised cost)						
i) Investment in Commercial Paper	24.70	-	24.70	-	-	-
	24.70	-	**24.70**	-	-	-
Total	**709.73**	-	**709.73**	**612.72**	-	**612.72**

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

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

Note 11. Trade receivables (₹ Crore)

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Current	Non- Current	Total	Current	Non- Current	Total
(i) Trade Receivables considered good - Secured	64.58	-	64.58	69.28	-	69.28
Total	**64.58**	**-**	**64.58**	**69.28**	**-**	**69.28**

Ageing of Trade Receivables (₹ Crore)

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

(₹ Crore)

As at 31st March, 2022	Undisputed Trade receivables		Disputed Trade Receivables	
	Considered good	Considered doubtful	Considered good	Considered doubtful
Outstanding for following periods from due date of payment				
Less than 6 months	-	-	-	-
6 months-1 year	8.33	-		-
1-2 years	14.86	-	1.91	-
2-3 years	-	-	11.61	-
More than3 years	-	-	5.68	-
Within credit period	26.89	-	-	-
Total	**50.08**	**-**	**19.20**	**-**

- The Credit period allowed to customers is 60 days in Karcham plant and 30 days in Baspa Plant and Interest rate is on overdue receivables is generally levied at 15% and 15.30%(SBI PLR @ 12.30%+3%) Karcham & Baspa respectively per annum as per terms of agreement.
- Refer Note 15 for trade receivables hypothecated as security for borrowings.
- Refer Note 31 (Trade receivable) for credit terms, ageing analysis and other relevant details related to trade receivables.
- The Company does not have history of defaults in trade receivables. Loss allowance is estimated for disputed receivables based on assessment of each case by obtaining legal advice, where considered necessary.
- Trade receivables include Rs. 8.58 crore (as at 31st March, 2022 Rs. 19.20 crore) withheld / unpaid by the customers because of tariff related disputes which are pending adjudication. The Company has, based on legal advice, and subsequent actions by the regulators in certain cases, assessed that there is a reasonable certainty about recoverability of these receivables and no provision is required. Having regard to the said assessment and based on the expected timing of realisation of these balances, the Company has classified the receivables as current.

JSW Hydro Energy Limited

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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
Cash and cash equivalents		
(a) Balances with banks		
(i) With scheduled banks		
-In Current accounts	8.92	11.93
-In Deposit accounts with maturity less than 3 months at Inception	10.00	1.99
(b) Cash on hand	0.01	0.01
Total	**18.93**	**13.93**

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

(₹ Crore)

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

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

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

Note 13. Equity share capital (₹ Crore)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of ₹ 10 each with voting rights	1,250,050,000	1,250.05	1,250,050,000	1,250.05
Issued, Subscribed and Fully Paid:				
Equity shares of ₹ 10 each with voting rights	1,250,050,000	1,250.05	1,250,050,000	1,250.05
	1,250,050,000	**1,250.05**	**1,250,050,000**	**1,250.05**

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	1,250,050,000	1,250,050,000
Issued during the year	-	-
Balance as at the end of the year	1,250,050,000	1,250,050,000

b) 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, 2023	As at 31st March, 2022
		No. of Shares	No. of Shares
1	JSW Neo Energy Limited & its nominees	1,250,050,000	1,250,050,000
		100%	100%

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

	Name of Promoters	As at 31st March, 2023		As at 31st March, 2022		% change during the year
		No. of shares	% of total shares	No. of shares	% of total shares	
1	JSW Neo Energy Limited & its nominees	1,250,050,000	100%	1,250,050,000	100%	0.00%
	Total	**1,250,050,000**	**100%**	**1,250,050,000**	**100%**	**0.00%**

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
A. Reserve & Surplus		
- Retained earnings	1,517.66	1,242.95
B. Other Reserves		
- Equity-settled employee benefits reserve	8.10	3.86
- Effective portion of cash flow hedge	189.12	(123.83)
- Capital contribution by ultimate parent company	156.14	156.14
Total comprehensive income	**1,871.02**	**1,279.12**

Notes:

(1) Retained earning

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

(2) Equity -settled employee benefit reserve

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

3) Effective portion of cash flow hedge

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

4) Capital contribution by ultimate parent company

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

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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
Non- Current		
Borrowings at amortised cost		
Secured Borrowings:		
i) Green Bond	4,679.25	4,743.21
Less: Unamortised borrowing cost	50.94	60.26
	4,628.31	**4,682.95**
Current		
Secured Borrowings :		
i) Green Bond	465.02	428.76
ii) Short Term loans		
Working capital demand loan from Bank	35.00	-
Less: Unamortised borrowing cost	9.32	10.20
	490.70	**418.56**
Total	**5,119.01**	**5,101.51**

Note:

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

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

(₹ Crore)

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

Disclosure as per para 44A of IND AS 7

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

JSW Hydro Energy Limited

Details of Security :

USD Green Bond

Terms of repayment	Security	As at 31st March, 2023	
		Current	Non-Current
USD 46.02 million @ 4.125% Senior Secured Notes due in May 2031	• First ranking pari-pasu mortgage over the leasehold and freehold land of the Baspa II Project. • First ranking pari passu charge over the Project Accounts, all movable assets (tangible & intangible) and current assets of the Baspa II project, all revenues from the Projects including book debts and operating cash flows, both present and future and the rights, title and interest of the project under the PPAs and clearances pertaining to the Projects of Subsidiary's Baspa II HEP (both present and future) project of the Group situated at Kinnaur Dist., Himachal Pradesh. • First ranking pari passu pledge over 51% of equity shares of the Issuer held by JSW Energy Limited and other shareholders and a negative pledge over the remaining 49%. of equity shares of the Issuer held by JSW Energy Limited and other shareholders.	**34.20**	**344.16**
USD 579.68 million @ 4.125% Senior Secured Notes due in May 2031	• First ranking pari-pasu mortgage over the leasehold and freehold land of the Karcham II Project. • First ranking pari passu charge over the Project Accounts, all movable assets (tangible & intangible) and current assets of the Karcham II project, all revenues from the Projects including book debts and operating cash flows, both present and future and the rights, title and interest of the project under the PPAs and clearances pertaining to the Projects of Subsidiary's Karcham II HEP (both present and future) project of the Group situated at Kinnaur Dist., Himachal Pradesh. • First ranking pari passu pledge over 51% of equity shares of the Issuer held by JSW Energy Limited and other shareholders and a negative pledge over the remaining 49%. of equity shares of the Issuer held by JSW Energy Limited and other shareholders.	**430.82**	**4,335.09**
Total Secured Borrowings		**465.02**	**4,679.25**
Unamortised upfront fees on borrowings		**(9.32)**	**(50.94)**
Total secured borrowings measured at amortised cost		**455.70**	**4628.31**

JSW Hydro Energy Limited

USD Green Bond

Terms of repayment	Security	As at 31st March, 2022	
		Current	Non-Current
USD 50.18 million @ 4.125% Senior Secured Notes due in May 2031	• First ranking pari-pasu mortgage over the leasehold and freehold land of the Baspa II Project. • First ranking pari passu charge over the Project Accounts, all movable assets (tangible & intangible) and current assets of the Baspa II project, all revenues from the Projects including book debts and operating cash flows, both present and future and the rights, title and interest of the project under the PPAs and clearances pertaining to the Projects of Subsidiary's Baspa II HEP (both present and future) project of the Group situated at Kinnaur Dist., Himachal Pradesh. • First ranking pari passu pledge over 51% of equity shares of the Issuer held by JSW Energy Limited and other shareholders and a negative pledge over the remaining 49% of equity shares of the Issuer held by JSW Energy Limited and other shareholders.	**31.54**	**348.86**
USD 632.08 million @ 4.125% Senior Secured Notes due in May 2031	• First ranking pari-pasu mortgage over the leasehold and freehold land of the Karcham II Project. • First ranking pari passu charge over the Project Accounts, all movable assets (tangible & intangible) and current assets of the Karcham II project, all revenues from the Projects including book debts and operating cash flows, both present and future and the rights, title and interest of the project under the PPAs and clearances pertaining to the Projects of Subsidiary's Karcham II HEP (both present and future) project of the Group situated at Kinnaur Dist., Himachal Pradesh. • First ranking pari passu pledge over 51% of equity shares of the Issuer held by JSW Energy Limited and other shareholders and a negative pledge over the remaining 49% of equity shares of the Issuer held by JSW Energy Limited and other shareholders.	**397.23**	**4,394.35**
Total Secured Borrowings		**428.76**	**4,743.21**
Unamortised upfront fees on borrowings		**(10.20)**	**(60.26)**
Total secured borrowings measured at amortised cost		**418.56**	**4682.95**

Short term loan (WCTL) aggregating to Rs.35.00 crore outstanding as on 31st March, 2023 is secured by way of pari-passu first ranking charge on all movable and immovable assets of the company.
Green Bond at the year ended 31st March, 2023
Green Bond aggregating to ₹ 4,710.08 outstanding as on 31st March, 2023 are secured by pledgeing of 51% share of the company and with negative lein for balance 49% and also on a pari passu basis by first ranking charge by way of legal mortgage on immovable property and first ranking charge by way of hypothecation of movable assets of Karcham-Wangtoo HEP (both present and future) situated at Kinnaur Dist., Himachal Pradesh.
Green Bond aggregating to ₹ 373.93 outstanding as on 31st March, 2023 are secured by pledging of 51% share of the company and with negative lein for balance 49% and also on a pari passu basis by first charge on immovable and movable assets of Baspa II HEP (both present and future) project of the Company situated at Kinnaur Dist., Himachal Pradesh.

Issuance of Green Bond :
The Company has raised ₹ 5,162.87 crore [US$ 707 million] on 18th May, 2021, by issuing of US$ denominated senior secured "Green Bonds" (also referred as the notes) pursuant to Rule 144A of the U.S. Securities Act, 1933, as amended, and applicable Indian regulations, for the repayment of its existing green project related rupee-denominated indebtedness. The notes are listed on the Singapore Exchange Securities Trading Limited (SGX-ST). During the financial year 2021-22 the company has prepaid its existing project related rupee-denominated loans.

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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	0.27	25.74	26.01	0.24	26.01	26.25
Total	**0.27**	**25.74**	**26.01**	**0.24**	**26.01**	**26.25**

***Refer to Note no. 37**

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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
Non- Current		
(a) Deposits received	0.02	0.02
(b) Other payable	76.71	70.03
	76.73	**70.05**
Current		
(a) Interest accrued but not due on borrowings	78.40	78.82
(b) Payable for capital supplies/services	33.99	35.43
(c) Other payable	191.02	568.23
	303.41	**682.48**
Total	**380.14**	**752.53**

JSW HYDRO ENERGY LIMITED

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

Note 17. Provisions (₹ Crore)

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

* Refer Note No 35 (Employee benefit plans)

JSW HYDRO ENERGY LIMITED

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

Note 18. Trade payables

(₹ Crore)

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

Creditors Ageing

(₹ Crore)

As at 31st March, 2023	Undisputed		Disputed	
	MSME	Others	MSME	Others
Outstanding for following periods from due date of payment				
Less than1 year	-	1.36	-	-
1-2 years	-	1.08	-	-
2-3 years	-	0.96	-	-
More than3 years	-	2.80	-	-
Not due	1.66	9.41	-	-
Unbilled	-	9.42	-	-
Total	**1.66**	**25.03**	-	-

(₹ Crore)

As at 31st March, 2022	Undisputed		Disputed	
	MSME	Others	MSME	Others
Outstanding for following periods from due date of payment				
Less than 1 year	-	2.35	-	-
1-2 years	-	1.59	-	-
2-3 years	-	1.58	-	-
More than3 years	-	1.87	-	-
Not due	2.88	6.40	-	-
Unbilled	-	9.79	-	-
Total	**2.88**	**23.58**	-	-

-Trade payables are normally settled within 30 days.
-Refer Note 41 (Closing balance of Trade payable pertaining to related parties)

Disclosure related to Micro and Small Enterprises :

(₹ Crore)

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

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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	0.90	0.58
(c) Statutory dues	0.91	1.07
(d) Others	0.05	0.07
Total	**2.59**	**2.18**

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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
	Disaggregation of revenue from contract with customers:		
(1)	Sale of power (Own generation)	1,311.24	1,812.35
	Total revenue from contract with customers (A)	**1,311.24**	**1,812.35**
(2)	Income from service concession arrangement	11.82	18.71
	Income from service concession arrangement (B)	**11.82**	**18.71**
(3)	Other Operating Income	5.17	25.25
	Other Operating Income (C)	**5.17**	**25.25**
	Total (A) + (B) + (C)	**1,328.23**	**1,856.31**

Karcham Wangtoo hydro plant tariff determination for control period FY2014 to FY2024:
During the year ended 31st March, 2022 the Company has recognised revenue of Rs 665.35 crore by writing back truing up payable pursuant to an order of Central Electricity Regulatory Commission for truing up the tariff for the control period FY 2014-19 and for determination of tariff for the control period FY 2019-24 for Karcham Wangtoo hydro plant.

Details of revenue from contracts with customers

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

*The Company primarily generates revenue from contracts with customers for supply of power generated from power plants including from allocating the capacity of the plant under the long term power purchase agreements and under short term contract (merchant basis).
Revenue from capacity charges (other than from contracts classified as lease and service concession arrangements) under the long term power supply agreements is recognised over a period of time as the capacity of the plant is made available under the terms of the contracts.Electricity charges are recognised on supply of power under such power supply agreements. Revenue from sale of power on merchant basis is recognised when power is supplied to the customers.

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

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

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

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

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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	67.24	49.38
(b) Contribution to provident and other funds	4.83	4.78
(c) Share based payment	5.23	3.14
(d) Staff welfare expenses	6.17	5.61
Total	**83.46**	**62.91**

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

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

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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	207.08	193.16
	ii	Hedging charges	156.53	143.40
	iii	Interest on Term Loan	-	54.83
	iv	Interest cash credit	0.09	0.04
	v	Other Interest Expense	-	3.48
(b)		Revaluation gain/loss on foreign currency borrowings (Net)	10.13	0.66
(c)		Other borrowing costs*	25.26	104.06
(d)		Interest on lease liabilities	2.35	2.38
		Total	**401.44**	**502.01**

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

JSW Hydro Energy Limited

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

Note 24. Depreciation and amortisation expense

(₹ Crore)

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

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

Note 25. Other expenses

(₹ Crore)

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

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

** Less than Rs. 10,000

SJW Hydro Energy Limited

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

Note 26. Tax expense

(₹ Crore)

Particulars	For the year Ended 31st March, 2023	For the year Ended 31st March, 2022
(a) Current Tax	58.02	141.05
Total	**58.02**	**141.05**

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

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

Deferred tax assets / (liabilities)

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

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

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

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

Note no. 27 - Financial Ratios

Sr. No.	Particulars	For the year ended 31st March, 2023			For the year ended 31st March, 2022	Variance (%)	Reason for variance over 25%
		Numerator	Denominator	31.03.2023			
1	**Current Ratio (in times)** (Current Assets / Current Liabilities)	**1,165.64**	**831.46**	1.40	1.71	-18%	Decrease was primarily on account of decrease in current assets (mainly decrease in other financial assets).
2	**Debt-Equity Ratio (in times)** ((Non- Borrowings + Current Borrowings) / Total Equity))	**5,119.01**	**3,121.07**	1.64	2.02	-19%	
3	**Debt Service Coverage Ratio (in times)** (Profit before Tax, Exceptional Items, Depreciation, Finance Charges / Finance Charges + Long Term Borrowings scheduled Principal repayments (excluding prepayments + refinancing) during the year).	**695.77**	**811.46**	0.86	2.09	-59%	Decrease was primarily on account of decrease in profit before tax
4	**Return on Equity Ratio (%)** (Net profit after tax / Average Net Worth)	**274.04**	**2,825.12**	10%	29.00%	-67%	Decrease was primarily on account of decrease in profit after tax
5	**Inventory Turnover (no. of days)** (Average Inventory) / (Fuel Cost + Stores & Spares Consumed + Purchase of stock in trade)	**13.07**	**41.85**	114	80	42%	Increase was due to increase in average inventory
6	**Debtors Turnover (no. of days)** (Average Trade Receivables including unbilled revenue X No of days) / Revenue from operations	**145.86**	**1,328.23**	40	27	49%	Increase was primarily on account of decrease in turnover
7	**Payables Turnover (no. of days)** (Average Trade payables including X No of days) / Cost of goods sold	**26.58**	**41.85**	232	170	37%	Increase was primarily on account of decrease in Cost of Goods Sold
8	**Net Capital Turnover (in times)** (Annual turnover / Working Capital)	**1,328.23**	**3,121.07**	0.43	0.73	-42%	Decrease was primarily on account of increase in working capital
9	**Net Profit Margin (%)** (Net profit for the year / Total Income)	**274.04**	**1,328.23**	21%	36%	-42%	Lower profit margin attributable to decrease in proft ater tax and decrease in total Income
10	**Return on Capital Employed (%)** (Earnings before Interest and Tax) / (Net Worth + Total Borrowings)	**905.28**	**7,935.38**	11%	20%	-42%	Decrease was primarily on account of decrease in net profit before tax
11	**Return on Investment (%)** (Profit generated on sale of investment / Cost of investment)	**28.82**	**685.03**	4.21%	4.00%	5%	

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

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

In applying the Company's accounting policies, which are described in note 3, the directors are required to make judgements that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

A) Key sources of estimation uncertainty:

i) Provisions and Contingencies:

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

ii) Fair value measurements:

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

iii) Income Taxes:

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

iv) Defined benefit plans:

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

B) Critical accounting judgements in applying accouting policy:

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

i) Tariff related disputes with customers:

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

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

Note 29. Financial Instruments:

a) Financial Instruments by category

(₹ Crore)

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

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

(₹ Crore)

As at 31st March, 2022	FVTPL	FVTOCI	Amortised Cost	Total
Financial assets				
Investment in mutual fund units	612.72	-	-	612.72
Security deposits	-	-	0.61	0.61
Trade receivables #	-	-	69.28	69.28
Receivables-Service concession agreement	-	-	119.83	119.83
Cash and cash equivalents and other bank balances #	-	-	304.06	304.06
Unbilled Revenue	-	-	77.87	77.87
Interest Receivable	-	-	0.78	0.78
Other Receivable	-	-	0.10	0.10
Receivable from JSW Neo Energy Limited	-	-	789.33	789.33
Foreign Currency Options	-	-	66.13	66.13
Total Financial assets	**612.72**	**-**	**1427.99**	**2040.71**
Financial liabilities				
Green Bonds	-	-	5,101.51	5,101.51
Short term Borrowings (WCDL)	-	-	-	-
Rent and Other Deposits #	-	-	0.02	0.02
Trade Payables #	-	-	26.46	26.46
Payable for capital projects#	-	-	35.43	35.43
Other payable#	-	-	638.26	638.26
Lease Liabilities	-	-	26.25	26.25
Interest accrured but bot due on borrowings	-	-	78.82	78.82
Total Financial liabilities	**-**	**-**	**5,906.75**	**5,906.75**

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

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

ii) Fair Value Hierarchy:

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

(a) recognised and measured at fair value and

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

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

Financial assets and liabilities measured at fair value :

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

Fair value of financial assets and liabilities measured at amortised cost

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

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

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

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

Financial risk management objectives

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

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

Foreign currency risk management

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

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

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

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

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

Currency exposure as at 31st March, 2023

Particulars	USD Million	INR Crores	TOTAL
Financial liabilities			
Borrowings	625.70	5,084.01	5,084.01
Other financial liabilities	-	-	-
Total Financial liabilities	**625.70**	**5,084.01**	**5,084.01**

Currency exposure as at 31st March, 2022

Particulars	USD Million	INR Crores	TOTAL
Financial liabilities			
Borrowings	682.26	5,101.51	5,101.51
Other financial liabilities	-	-	-
Total Financial liabilities	**682.26**	**5,101.51**	**5,101.51**

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

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

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

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

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

Movement in Cash flow hedge: (₹ Crore)

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

Interest rate risk management

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

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

Interest rate sensitivity analysis

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

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

(₹ Crore)

As at March,2023	Net Balance	Unamortised Transaction Cost	Gross Balance
Fixed rate borrowings	5,084.01	60.26	5,144.27
Total	**5,084.01**	**60.26**	**5,144.27**

(₹ Crore)

As at March,2022	Net Balance	Unamortised Transaction Cost	Gross Balance
Fixed rate borrowings	5,101.51	70.46	5,171.97
Total	**5,101.51**	**70.46**	**5,171.97**

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

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored.

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

(refer Note 31 for additional details)

Loans and investment in debt securities:

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

Cash and cash equivalents, derivatives and financial guarantees:

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

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on. No amount has been recognised in the financial position as financial liabilities. (Refer note 41)

Liquidity risk management

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

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

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

As at 31st March, 2023 (₹ Crore)

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

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

As at 31st March, 2022 (₹ Crore)

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

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

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

Note 30 Capital management

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

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

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

Gearing ratio

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

(₹ Crore)

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

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

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

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

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

Note 31. Ageing of Trade receivable:*

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

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

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

(₹ Crore)

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

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

Customer contributing more than 10% of revenue

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

Note 32. Service concession arrangement

(a) Description of the concession arrangement:

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

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

(b) Significant terms of the concession arrangement:

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

(c) Obligation for overhaul:

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

(d) Renewal /Termination options:

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

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

(₹ Crore)

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

Note 33. Operating segment / Segment Reporting

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

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

Revenue from operation

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Within India	1,328.23	1,856.31
Outside India	-	-
Total		

Non-current operating assets

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

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

Note 34. Earnings per share

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

Note 35. Employee benefit Plans:

(a) Defined contribution plans – Provident fund:

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

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

(b) National pension scheme:

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

(c) Defined benefits plans - Gratuity:

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

(d) Compensated absences plan

During the year ended 31st March, 2023, the compensated absence plans were revised as detailed below:
1. Priviledged Leave (PL) - Unutilised PL balance at the end of the calendar year (31st December) shall be encashed at the revailing basic pay and no carry forward is allowed.
2. Contingency Leave (CoL) - The existing casual leave and sick leave were clubbed together and shall be called as CoL. The annual credit of a contingency leave shall be 14 days for plant locations and 8 days for Corporate and other locations. Maximum accumulation of 30 days is allowed and can not be encashed.

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

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to market yields at the end of the reporting period on government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities and debt instruments.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.
Asset Liability matching risk	The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.
Mortality risk	Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.
Concentration risk	Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31st March, 2023 by M/S K A Pandit, Consultants & Actuaries. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

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

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

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

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

(₹ Crore)

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

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

(₹ Crore)

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

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

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

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

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

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

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

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

Category of Assets

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

Sensitivity Analysis:

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

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

The following are the maturity analysis of projected benefit obligations:

(₹ Crore)

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

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

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

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

Compensated Absences

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

Social Security Code

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

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

Note 36. Employee share based payment plan:

JSWEL Employees Stock Ownership Plan – 2016 (ESOP 2016)

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

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

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

JSWEL Employees Stock Ownership Plan – 2021 (ESOP 2021)

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

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

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

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

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

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

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

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

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

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

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

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

ESOP 2016 (Grant Date: 1st Nov, 2018)

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

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

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

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

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

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

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

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

The Method of settlement for above grants are as below:

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

Pricing formula:

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

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

Note 37. Lease Liabilities

For the Financial Year 2022-23

(₹ Crore)

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

For the Financial Year 2021-22

(₹ Crore)

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

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

(₹ Crore)

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

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

Reconcilitaion of the lease liabilities: (₹ Crore)

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

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

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

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
1.) Amount required to be spent by the company during the year	7.47	2.50
2.) Amount spent during the year on:		
(i) Construction / acquisition of an asset	7.47	2.50
(ii) On purpose other than (i) above	-	-
3.) Shortfall at the end of the year	-	-
4.) Total of previous years shortfall	-	-
5.) Reason for shortfall	-	-
6.) Nature of CSR activities	• COVID 19 Support & rehabilitation program, • Educational infrastructure & systems strengthening, • Enhance Skills & rural livelihoods through nurturing of supportive ecosytems & innovations, • General community infrastructure support & welfare initiatives, • Integrated water resources management, • Nurture women entrepreneurship & employability, • Nurturing aquatic & terrestrial ecosystems for better environment & reduced emissions, • Promotion & preservation of art, culture & heritage, • Public health infrastructure, capacity building & support programs, • Sports promotion & institution building, • Waste management & sanitation initiatives, • Project Management Cost	
7.) Amount unspent, if any;	-	-
8.) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	Donation paid to JSW Foundation, related party in relation to CSR Expenditure	
9.) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	-	-

Note 39. Commitments

(₹ Crore)

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

Note 40. Contingent liabilities

(₹ Crore)

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

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

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

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

Note 41. Related party disclosure

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

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

(₹ crore)

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

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

(₹ crore)

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

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

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

(₹ crore)

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

Note:

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

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

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

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

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

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

v) Transactions are inclusive of Taxes

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

vii) Purchase of goods are at arm length price.

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

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

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

c) Amount advanced - 789.00 crores

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

Note 42. Remuneration to Auditors (excluding GST)

(₹ crore)

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

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

Note no. 43 - Other statutory information:

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

ii) The Company have immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) whose title deeds are held in the name of the company (except as disclosed under Note No 4).

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

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

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

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

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

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

ix) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

x) The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

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

For and on behalf of Board of Directors

Gyanbhadr Kr.

Gyan Bhadra Kumar
Whole Time Director
[DIN:03620109]

Prashant Jain
Chairman
[DIN: 01281621]

Sanjeev Kango
Company Secretary &
Chief Financial Officer

Shah Gupta & Co.
Chartered Accountants

38, Bombay Mutual Building,
2nd Floor, Dr. D N Road, Fort,
Mumbai – 400 001

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Fax: +91(22) 4085 1015
Email contact@shahgupta.com
Web: www.shahgupta.com

Independent Auditors' Report

To the Members of JSW Hydro Energy Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **JSW Hydro Energy Limited** ("the Company"), which comprise the balance sheet as at March 31, 2024, and the statement of Profit and Loss including the statement of other comprehensive income, the cash flows statement and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act"), as amended, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

The Company's Management and Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Annual Report but does not include the financial statements and our auditor's report thereon.

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

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

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

Responsibilities of the Management for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in sub-section (5) of Section 134 of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and

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completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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2. As required by sub-section (3) of Section 143 of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in paragraph (i) (vi) below on reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014, as amended.

   c. The balance sheet, the statement of profit and loss including other comprehensive income, the statement of cash flow and the statement of changes in equity dealt with by this report are in agreement with the books of account.

   d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

   e. On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024 from being appointed as a director in terms of sub-section (2) of Section 164 of the Act.

   f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.

   g. In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.

   h. The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above and paragraph (i) (vi) below on reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014, as amended.

   i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule (11) of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 29 to the financial statements.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

      (b) The Management has represented that, to the best of its knowledge and belief, no funds (which are either material either individually or in aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate

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Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures that have been considered reasonable and appropriate on the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub-cluse (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared and paid dividend during the year.

vi. As more fully described in note 44 to the financial statements, based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same was operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for direct changes to data in the underlying database. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with in respect of the accounting software.

For **SHAH GUPTA & CO.,**
Chartered Accountants
Firm Registration No.: 109574W

SHAH GUPTA & CO. MUMBAI FRN : 109574W CHARTERED ACCOUNTANTS

Parth P Patel
M. No. 172670
UDIN: 24172670BKBIYD6307
Place: Mumbai
Date: May 06, 2024

JSW Hydro Energy Limited

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of JSW Hydro Energy Limited of even date

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right-of-use assets.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Company has a program of verification to cover all the items of property, plant and equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies have been noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in note 4 to the financial statements included in property, plant and equipment are held in the name of the Company, except the following:

Description of property	Net carrying value (Rs. In Crore)	Held in the name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of the Company*
Bithal Land & Building	22.24	Jaiprakash Power Ventures Limited	No	From 01.09.2015	Title has been vested in the name of the company through Scheme of arrangement approved by HP High Court. Procedural requirement for change of name of the company in the Government record is in process.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory by the Management, as compared to book records were not material and have been appropriately dealt with in the books of account. No discrepancies of 10% or more in aggregate for each class of inventory were noticed in respect of such physical verification.

(b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.

(iii) (a) During the year, the Company has granted unsecured loans, details of which are given below:

(Rs. in crores)

Particulars	Loans
A. Aggregate amount granted during the year	
- Related party	354.00
B. Balance outstanding as at balance sheet date in respect of above cases	
- Related party	1,143.00

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

(b) During the year, the terms and conditions of the grant of all loans to the parties are not prejudicial to the Company's interest. The Company has not provided guarantees or security or granted advances in the nature of loans to companies, firms, limited liability partnerships or any other parties.

(c) The Company has granted loans during the year to companies where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular. The Company has not granted advances in the nature of loans to companies, firms, limited liability partnerships or any other parties.

(d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

(e) There were no loans / advances in nature of loans which were granted to same parties and which fell due during the year and were renewed/extended. Further, no fresh loans were granted to any party to settle the overdue loans/advances in nature of loan.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, limited liability partnerships or any other parties. Accordingly, reporting under clause 3 (iii) (f) of the Order is not applicable to the Company.

(iv) The Company has not granted any loans or provided guarantees under section 185 of the Act. The Company has complied with the provisions of Sections 186 of the Act in respect of the Loans granted during the year.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, reporting under clause 3 (v) of the Order is not applicable to the Company.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148 of the Act. We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-section (1) of Section 148 of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We are, however, not required to make a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) The Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax, goods and service tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us, there are no undisputed amounts payable in respect of income tax, service tax, goods and service tax, cess and other material statutory dues which were outstanding, at the year end, for a year of more than six months from the date they became payable.

(b) There are no dues of sales tax, wealth tax, service tax, goods and service tax, income tax, duty of excise, duty of excise, value added tax, and cess which have not been deposited on account of any dispute.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, reporting under clause 3 (viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender.

(b) The Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not obtained any term loans during the year. Accordingly, reporting under clause 3 (ix) (c) of the Order is not applicable to the Company.

(d) No funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not have any subsidiaries, associates or joint ventures. Accordingly, the question of our commenting on whether the Company taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures does not arise.

(f) The Company does not have any subsidiaries, associates or joint ventures. Accordingly, the question of our commenting on whether the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies does not arise.

SHAH GUPTA & CO. MUMBAI FRN: 109574W CHARTERED ACCOUNTANTS

JSW Hydro Energy Limited

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3 (x) (a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, reporting under clause 3 (x) (b) of the Order is not applicable to the Company.

(xi) (a) No material fraud by the Company or on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Act has been filed by cost auditor/secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) No whistle-blower complaints have been received during the year by the Company.

(xii) The Company is not a Nidhi company as per the provisions of the Act. Therefore, the requirement to report on clause 3 (xii) (a), (b) and (c) of the Order are not applicable to the Company.

(xiii) The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3 (xiii) of the Order is not applicable to the Company.

(xiv) (a) The internal audit of the Company is covered under the group internal audit pursuant to which an internal audit is carried out every year. In our opinion, the Company's internal audit system is commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the year under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with Directors or persons connected with him. Accordingly, reporting under clause 3 (xv) of the Order is not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3 (xvi) (a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3 (xvi) (b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3 (xvi) (c) of the Order is not applicable to the Company.

(d) We have been informed by the management that as per the definition of Group under Core Investment Companies (Reserve Bank) Directions 2016, there is one Core Investment Company (CIC) which is registered and four CICs which are not required to be registered with the Reserve Bank of India, forming part of the promoter group.

(xvii) The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause (xviii) is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in Note 27 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a year of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a year of one year from the balance sheet date will get discharged by the Company as and when they fall due.

(xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3 (xx) (a) of Order is not applicable to the Company.

(b) There are no unspent amounts towards Corporate Social Responsibility (CSR) on ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause 3 (xx) (b) of Order is not applicable to the Company.

(xxi) The reporting under clause 3 (xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said paragraph has been included in this report.

For **SHAH GUPTA & CO.,**
Chartered Accountants
Firm Registration No.: 109574W

SHAH GUPTA & CO.
MUMBAI
FRN : 109574W
CHARTERED ACCOUNTANTS

Parth P **Patel**
M. No. 172670
UDIN: 24172670BKBIYD6307
Place: Mumbai
Date: May 06, 2024

JSW Hydro Energy Limited

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **JSW Hydro Energy Limited** ("the Company") as of March 31, 2024, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under sub-section (10) of Section 143 of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting with reference to these Financial Statements

A Company's internal financial control over financial reporting with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to these financial statements and such internal financial controls were operating effectively as at March 31, 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SHAH GUPTA & CO.,**
Chartered Accountants
Firm Registration No.: 109574W

SHAH GUPTA & CO. MUMBAI FRN : 109574W CHARTERED ACCOUNTANTS

Parth P Patel
M. No. 172670
UDIN: 24172670BKBIYD6307
Place: Mumbai
Date: May 06, 2024

JSW Hydro Energy Limited

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
A		ASSETS			
	1	Non-current assets			
		(a) Property, plant and equipment	4	4,805.22	5,200.21
		(b) Capital work-in-progress	5	12.85	5.70
		(c) Other Intangible assets	6	649.18	681.66
		(d) Financial assets			
		(i) Loans	7	1,143.16	789.00
		(ii) Other Financial Assets	7A	678.69	779.57
		(iii) Trade receivables	11	8.58	-
		(e) Income tax assets (net)	7B	70.96	65.30
		(f) Other non-current assets	8	2.80	0.76
				7,371.44	7,522.20
	2	Current assets			
		(a) Inventories	9	13.31	13.10
		(b) Financial assets			
		(i) Investments	10	516.55	709.73
		(ii) Trade receivables	11	22.14	64.58
		(iii) Unbilled revenue		103.37	79.88
		(iv) Cash and cash equivalents	12	87.97	18.93
		(v) Bank balances other than (iv) above	12A	236.98	199.32
		(vi) Other financial assets	7A	5.35	65.05
		(c) Other current assets	8	31.82	15.05
				1,017.49	1,165.64
		Total assets (1+2)		8,388.93	8,687.84
B		EQUITY AND LIABILITIES			
	1	Equity			
		(a) Equity share capital	13	1,250.05	1,250.05
		(b) Other equity	14	2,195.44	1,871.02
				3,445.49	3,121.07
	2	Liabilities			
		(i) Non-current liabilities			
		(a) Financial liabilities			
		(i) Borrowings	15	4,304.76	4,628.31
		(ii) Lease liabilities	15A	25.45	25.74
		(iii) Other financial liabilities	16	58.81	76.73
		(b) Provisions	17	7.03	4.53
				4,396.05	4,735.31
		(ii) Current liabilities			
		(a) Financial liabilities			
		(i) Borrowings	15	389.40	490.70
		(ii) Lease liabilities	15A	0.29	0.27
		(iii) Trade payables			
		(a) Total outstanding dues of micro and small enterprises	18	1.84	1.66
		(b) Total outstanding dues of creditors other than micro and small enterprises	18	46.10	25.03
		(iv) Other financial liabilities	16	99.76	303.41
		(b) Other current liabilities	19	4.53	2.59
		(c) Provisions	17	5.47	5.05
		(d) Current tax liabilities (Net)	7C	-	2.75
				547.39	831.46
		Total liabilities		4,943.44	5,566.77
		Total equity and liabilities (1+2)		8,388.93	8,687.84

See accompanying notes to the financial statements

As per our attached report
For Shah Gupta & Co
Chartered Accountants
Firm Registration No.: 109574W

SHAH GUPTA & CO. MUMBAI FRN : 109574W CHARTERED ACCOUNTANTS

Parth P Patel
Partner
M No. 172670

Place: Mumbai
Date : 6th May, 2024

For and on behalf of Board of Directors

Gyan Bhadra Kumar
Whole Time Director
[DIN: 03620109]

Sharad Mahendra
Chairman
[DIN: 02100401]

JSW Hydro Energy Limited

Sanjeev Kango
Company Secretary &
Chief Financial Officer

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	1,370.03	1,328.23
II	Other income	21	149.44	47.50
III	**Total income (I + II)**		**1,519.47**	**1,375.73**
IV	**Expenses**			
	(a) Employee benefits expense	22	95.78	83.46
	(b) Finance costs	23	357.83	401.44
	(c) Depreciation and amortisation expense	24	436.87	436.35
	(d) Other expenses	25	120.05	122.42
	Total expenses		**1,010.53**	**1,043.67**
V	**Profit before tax**		**508.94**	**332.06**
VI	Tax Expense	26		
	Current tax		88.92	58.02
	Deferred tax		(80.65)	(6.16)
VII	**Deferred Tax adjustable in future tariff**		80.65	6.16
			88.92	**58.02**
VIII	**Profit for the year (V-VI-VII)**		**420.02**	**274.04**
IX	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	Remeasurements of the net defined benefit plan		(0.58)	(0.39)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.10	0.07
	B (i) Items that will be reclassified to profit or loss		(99.94)	312.95
	(ii) Income tax relating to items that will be reclassified to profit or loss		25.15	(78.76)
	(iii) Deffered tax adjustable in future tariff		(25.15)	78.76
	Other comprehensive income/(loss) for the year (A + B)		**(100.42)**	**312.63**
X	**Total comprehensive income for the year (VIII + IX)**		**319.60**	**586.67**
XI	**Earnings per equity share of (₹) 10 each**	35		
	Basic ₹		3.36	2.19
	Diluted ₹		3.36	2.19

See accompanying notes to the financial statements

As per our attached report
For Shah Gupta & Co
Chartered Accountants
Firm Registration No.: 109574W

SHAH GUPTA & CO. MUMBAI FRN : 109574W CHARTERED ACCOUNTANTS

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]

JSW Hydro Energy Limited

Sanjeev Kango
Company Secretary &
Chief Financial Officer

Place:Mumbai
Date : 6th May, 2024

JSW HYDRO ENERGY LIMITED

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

a. Equity share capital (₹ Crore)

Particulars & No. of shares

Balance at the 1st April, 2022	1,250.05
Changes in equity share capital during FY 2022-23	-
Balance at the 31st March, 2023	1,250.05
Changes in equity share capital during FY 2023-24	-
Balance at the 31st March, 2024	1,250.05

b. Other equity (₹ Crore)

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

(₹ Crore)

Particulars	Reserves & surplus		Item of other comprehensive income	Capital Contribution by parent company	Total
	Equity-settled employee benefits reserve	Retained earnings	Effective portion of cash flow hedge		
Balance as at 1st April, 2023	8.10	1,517.66	189.12	156.14	1,871.02
Profit for the year	-	420.02	-	-	420.02
Recognition of Share based payment	4.82	-	-	-	4.82
Other comprehensive income for the year, net of income tax	-	(0.48)	(99.94)	-	(100.42)
Balance as at 31st March, 2024	12.92	1,937.20	89.18	156.14	2,195.44

See accompanying notes to the financial statements

As per our attached report
For Shah Gupta & Co
Chartered Accountants
Firm Registration No.: 109574W

SHAH GUPTA & CO. MUMBAI FRN : 109574W CHARTERED ACCOUNTANTS

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]

JSW Hydro Energy Limited

Sanjeev Kango
Company Secretary &
Chief Financial Officer

Place:Mumbai
Date : 6th May, 2024

JSW HYDRO ENERGY LIMITED

Statement of Cash Flows for the year ended 31st March, 2024

(₹ Crore)

	Particulars	For the year ended 31st March, 2024		For the year ended 31st March, 2023	
I	CASH FLOW FROM OPERATING ACTIVITIES				
	Profit before tax		508.94		332.06
	Adjusted for:				
	Depreciation and amortisation expense	436.87		436.35	
	Interest income earned on financial assets that are not designated as at FVTPL	(98.15)		(13.77)	
	Net Gain from current investments designated as FVTPL	(36.68)		(28.82)	
	Excess provision no longer required written back	(183.21)		-	
	(Gain) / Loss on sale / discard of property, plant and equipment	(0.01)		0.00	
	Share based payment expenses	4.82		5.23	
	Finance costs	357.83		401.44	
	Unrealised foreign exchange (gain) / Loss (net)	(8.35)		-	
			473.12		800.42
	Operating profit before working capital changes		982.06		1,132.48
	Adjustment for movement in working capital :				
	(Increase) / Decrease In Trade receivables and Unbilled revenue	10.37		2.58	
	Increase / (Decrease) in Trade payables & Other Liabilities	(156.72)		382.26	
	(Increase) / Decrease in Current & non-current assets	231.61		(648.69)	
	(Increase) / Decrease in Inventories	(0.21)		(0.06)	
			85.05		(263.91)
	Cash generated from operations		1067.11		868.58
	Income taxes paid (net)		(81.11)		(55.45)
	NET CASH GENERATED FROM OPERATING ACTIVITIES		986.00		813.12
II	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of property, plant & equipment (including Capital Work in progress and capital advances)		(17.91)		(9.95)
	Consideration received for sale of equity in subsidiary		-		789.33
	Loan given to related party		(354.16)		(789.00)
	Investment made in earmarked mutual fund		-		142.39
	Bank deposits not considered as cash and cash equivalent		(40.95)		90.81
	Interest received		93.78		13.77
	Sale of current investments (net)		25.20		28.82
	NET CASH GENERATED/(USED) IN INVESTING ACTIVITIES		(294.04)		266.18
III	CASH FLOW FROM FINANCING ACTIVITIES				
	Repayment of non-current borrowings		(423.56)		(407.28)
	Repayment of current-borrowings (net)		(35.00)		(5.47)
	Payment of lease liabilities		(0.50)		(0.50)
	Finance costs paid		(357.04)		(421.65)
	NET CASH USED IN FINANCING ACTIVITIES		(816.10)		(834.90)
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (I+II+III)		(124.14)		244.40
	CASH AND CASH EQUIVALENTS - At the beginning of the year		728.66		484.26
	CASH AND CASH EQUIVALENTS - At the end of the year		604.52		728.66
	Cash and cash equivalents comprise of:				
	1) Balances with Banks (refer note 12)				
	-In Current accounts		58.96		8.92
	-In Deposit accounts with maturity less than 3 months at inception		29.00		10.00
	2) Cash on hand		0.01		0.01
	3) Investments in mutual funds (refer note 10)		516.55		709.73
	Total		604.52		728.66

See accompanying notes to the financial statements

Note:

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

As per our attached report
For Shah Gupta & Co
Chartered Accountants
Firm Registration No.: 109574W

SHAH GUPTA & CO. MUMBAI FRN : 109574W CHARTERED ACCOUNTANTS

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]

JSW Hydro Energy Limited

Sanjeev Kango
Company Secretary &
Chief Financial Officer

Place: Mumbai
Date : 6th May, 2024

JSW HYDRO ENERGY LIMITED

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

Note 1: General information

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.

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.

SHAH GUPTA & CO. MUMBAI FRN : 109574W CHARTERED ACCOUNTANTS

JSW Hydro Energy Limited

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:

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 permittedby Schedule III to the Companies Act, 2013.

Current and non-current classification:

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

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

All other assets are classified as non-current.

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

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

All other liabilities are classified as non-current.

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

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

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.

SHAH GUPTA & CO. MUMBAI FRN : 109574W CHARTERED ACCOUNTANTS

JSW Hydro Energy Limited JSW

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%

Rights under Service Concession are amortised upto the term of Power purchase agreement (PPA).

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.

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3.5 Impairment of tangible & intengible 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.

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.

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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 customers.

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.

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 realisibility exists.

3.9 Foreign currency transactions

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

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

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

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

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

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

3.10 Employee benefits

a) Short term employee benefits:

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

b) Long term employee benefits:

Liabilities recognised in respect of longterm employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date. The liabilities for 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.

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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.

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3.12 Taxation

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

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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.

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.

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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.

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-byinstrument 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.

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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.

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.

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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 profittaking; 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.

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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.

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.

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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.

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.

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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:

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. 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.

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

(₹ Crore)

Particulars	Land - Freehold	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Right of Use Assets (Land)	Total
At cost / deemed cost								
I. Gross carrying value								
Balance as at 1st April, 2023	77.40	58.94	7,552.74	6.37	1.39	6.41	34.35	7,737.60
Additions	-	4.52	2.66	0.41	0.05	0.69	-	8.33
Disposals/Discard	-	-	-	(0.02)	(0.00)	(0.13)	-	(0.15)
Balance as at 31st March, 2024	**77.40**	**63.46**	**7,555.40**	**6.76**	**1.44**	**6.97**	**34.35**	**7,745.78**
II. Accumulated depreciation and impairment								
Balance as at 1st April, 2023	-	8.79	2,515.55	4.28	0.53	2.65	5.59	2,537.39
Depreciation expense for the year	-	2.08	398.82	0.37	0.09	0.58	1.36	403.30
Eliminated on disposals/discards	-	-	-	(0.02)	(0.00)	(0.11)	-	(0.13)
Balance as at 31st March, 2024	-	**10.87**	**2,914.37**	**4.63**	**0.62**	**3.12**	**6.95**	**2,940.56**
Net carrying value as at 31st March, 2024 (I-II)	**77.40**	**52.59**	**4,641.03**	**2.13**	**0.82**	**3.85**	**27.40**	**4,805.22**

Note:

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

b) The right-of-use assets related to land refer to Note 38

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

Description of the Property	Net Carrying value (₹ crore)	Title deeds held in the name of	Share of the Group in the property (%)	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company
Bithal Land & Building	22.24	Jaiprakash Power Ventures Limited	100%	NA	1st Sept., 2015	Title has been vested in the name of company through Scheme of arrangement approved by HP High Court. Procedural requirement for change of name of company in the Governement record is in process.

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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	5.70
Balance as at 31st March, 2024	12.85

Footnote:

1) Amount transferred to property plant and equipment during the year ₹ 4.08 crore (for the year ended 31st March, 2023: ₹ Nil Crore), amount transferred to Profit and Loss ₹ Nil

2) No project temporarily suspended as on 31st March, 2024.

3) Refer Note 15 for the details in respect of certain property, plant and equipment hypothecated / mortgaged as security against borrowings.

4) There are no cost overrun / timeline delayed in any of the project.

Capital work in progress ageing & schedule (₹ crore)

As at 31st March, 2023	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	4.65	1.05	-	-	5.70
Total	**4.65**	**1.05**	-	-	**5.70**

Capital work in progress ageing & schedule (₹ crore)

As at 31st March, 2024	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	11.23	1.62	-	-	12.85
Total	**11.23**	**1.62**	-	-	**12.85**

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

Note 6. Other Intangible assets (₹ Crore)

Particulars	Computer Software	Rights under Service Concession Arrangement*	Total
At Cost/deemed cost			
I. Gross Carrying Value			
Balance as at 1st April, 2022	1.56	931.68	933.24
Disposals	-	-	-
Additions	0.12	0.85	0.97
Balance as at 31st March,2023	1.68	932.53	934.21
At Cost/deemed cost			
I. Gross Carrying Value			
Balance as at 1st April, 2023	1.68	932.53	934.21
Disposals	-	(0.07)	(0.07)
Additions	0.19	0.90	1.09
Balance as at 31st March, 2024	1.87	933.36	935.23
II. Accumulated amortisation and impairment for the year 2022-23			
Balance as at 1st April, 2022	0.81	218.24	219.05
Amortisation expense for the year	0.22	33.28	33.50
Eliminated on disposal of assets	-	-	-
Balance as at 31st March, 2023	1.03	251.52	252.55
II. Accumulated amortisation and impairment for the year 2023-24			
Balance as at 1st April, 2023	1.03	251.52	252.55
Amortisation expense for the year	0.26	33.31	33.57
Eliminated on disposal of assets	-	(0.07)	(0.07)
Balance as at 31st March, 2024	1.29	284.76	286.05
Net carrying value as at 31st March, 2023 (I-II)	0.65	681.01	681.66
Net carrying value as at 31st March, 2024 (I-II)	**0.58**	**648.60**	**649.18**

1) *Refer Note 33 for Service concession arrangement details.

2) Refer Note 15 for the details in respect of certain Intangible Assets hypothecated / mortgaged as security against borrowings.

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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
Total	-	**1,143.16**	**1,143.16**	-	**789.00**	**789.00**

*Refer Note No. 40

Details of Loan

Name of party	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%

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) Service concession receivable	0.00	0.36	0.36	61.05	0.36	61.41
	0.00	**0.36**	**0.36**	**61.05**	**0.36**	**61.41**
(b) Security deposits						
- Unsecured, considered good						
-Government/Semi-Government Authorities	-	0.52	0.52	-	0.52	0.52
-Others	-	0.09	0.09	-	0.09	0.09
	-	**0.61**	**0.61**	-	**0.61**	**0.61**
(c) Other receivable						
-Other receivable	1.24	-	1.24	0.00	-	0.00
- Interest receivables	4.11	-	4.11	4.00	-	4.00
	5.35	-	**5.35**	**4.00**	-	**4.00**
d) Other bank balances						
-Margin money for security	-	3.30	3.30	-	-	-
(against the guarantee for transmission charges)						
	-	**3.30**	**3.30**	-	-	-
(e) Derivative designated as hedges						
(refer note 31)						
-Foreign currency options	-	674.42	674.42	-	778.60	778.60
	-	**674.42**	**674.42**	-	**778.60**	**778.60**
Total	**5.35**	**678.69**	**684.04**	**65.05**	**779.57**	**844.62**

-Foreign Currency Options is net off value derived from Hedge effectiveness testing. It is the difference derived from Derivative assets value of Rs. 686.47 crs and Derivative liability value of Rs. 12.05 crs.

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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 [(Net of provision for tax as at 31st March, 2024 Rs. 385.21 crore, as at 31st March, 2023 Rs. 327.19 crore)]	-	70.96	-	65.30
	-	**70.96**	**-**	**65.30**

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 [(Net of advance tax & tax deducted at source as at 31st March, 2024 Nil, as at 31st March, 2023 Rs. 55.20 crore)]	-	-	2.75	-
	-	**-**	**2.75**	**-**

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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	-	1.95	1.95	-	0.59	0.59
(b) Prepayments	16.60	0.85	17.45	13.40	0.17	13.57
(c) Balances with Governement Authority	1.93	-	1.93	0.05	-	0.05
(d) Advances to Vendors	13.29	-	13.29	1.60	-	1.60
Total	**31.82**	**2.80**	**34.62**	**15.05**	**0.76**	**15.81**

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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	13.19	12.97
(b)	Medicines	0.12	0.13
	Total	**13.31**	**13.10**

Footnotes:

Cost of inventories recognised as an expense

	Particulars	As at 31st March, 2024	As at 31st March, 2023
(a)	Stores and spares	13.22	14.30
(b)	Medicines	0.38	0.42
	Total	**13.60**	**14.72**

Basis of valuation: Refer note 3.25 (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, 2024

Note 10. Investments

(₹ Crore)

Particulars	As at 31st March, 2024			As at 31st March, 2023		
	Current	Non- Current	Total	Current	Non- Current	Total
Unquoted Investments:						
A)Investment in mutual funds (at Fair Value through Profit & Loss)						
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-Qtlr-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	-	-	-
	516.55	-	**516.55**	**685.03**	-	**685.03**
B)Investment in commercial paper (at Amortised cost)						
i) Investment in commercial paper	-	-	-	24.70	-	24.70
	-	-	-	**24.70**	-	**24.70**
Total	**516.55**	-	**516.55**	**709.73**	-	**709.73**

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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 Secured, considered good	22.14	8.58	30.72	64.58	-	64.58
Total	**22.14**	**8.58**	**30.72**	**64.58**	-	**64.58**

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	9.21	-	-	-
6 months-1 year	0.42	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	8.58	-
Within credit period	12.51	-	-	-
Total	**22.14**	-	**8.58**	-

(₹ Crore)

As at 31st March, 2023	Undisputed Trade receivables		Disputed Trade Receivables	
	Considered good	Considered doubtful	Considered good	Considered doubtful
Outstanding for following periods from due date of payment				
Less than 6 months	-	-	-	-
6 months-1 year	0.91	-	-	-
1-2 years	25.91	-	-	-
2-3 years	14.86	-	1.71	-
More than3 years	-	-	6.87	-
Within credit period	14.32	-	-	-
Total	**56.00**	-	**8.58**	-

- The Credit period allowed to customers is 60 days in Karcham plant and 30 days in Baspa Plant and Interest rate is on overdue receivables is generally levied at 15% and 17.85%(SBI PLR @14.85%+3%) Karcham & Baspa respectively per annum as per terms of agreement.
- Refer Note 15 for trade receivables hypothecated as security for borrowings.
- The Company does not have history of defaults in trade receivables. Loss allowance is estimated for disputed receivables based on assessment of each case by obtaining legal advice, where considered necessary.
- Trade receivables include Rs. 8.58 crore (as at 31st March, 2023 Rs.8.58 crore) withheld / unpaid by the customers because of tariff related disputes which are pending adjudication. The Company has, based on internal legal advice, and subsequent actions by the regulators in certain cases, assessed that there is a reasonable certainty about recoverability of these receivables and no provision is required. Having regard to the said assessment and based on the expected timing of realisation of these balances, the Company has classified the receivables as current.
- Trade receivables are net off amount refundable to benefeciaries.

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

Note 12. Cash and cash equivalents (₹ Crore)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Balances with banks		
-In Current accounts	58.96	8.92
In Deposit accounts (maturity less than 3 months at inception)	29.00	10.00
(b) Cash on hand	0.01	0.01
Total	**87.97**	**18.93**

Note 12A. Bank balances other than cash and cash equivalents (₹ Crore)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Balances with banks		
-In deposit accounts (maturity more than 3 months at Inception)	61.84	1.00
(b) Earmarked balances with banks		
-Margin money for security (against the guarantees)	175.14	198.32
Total	**236.98**	**199.32**

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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	1,25,00,50,000	1,250.05	1,25,00,50,000	1,250.05
Issued, Subscribed and Fully Paid:				
Equity shares of ₹ 10 each with voting rights	1,25,00,50,000	1,250.05	1,25,00,50,000	1,250.05
	1,25,00,50,000	**1,250.05**	**1,25,00,50,000**	**1,250.05**

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	1,25,00,50,000	1,25,00,50,000
Issued during the year	-	-
Balance as at the end of the year	1,25,00,50,000	1,25,00,50,000

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
JSW Neo Energy Limited & its nominees	1,25,00,50,000 100%	1,25,00,50,000 100%

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

Particulars	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	
JSW Neo Energy Limited & its nominees	1,25,00,50,000	100%	1,25,00,50,000	100%	0.00%
Total	**1,25,00,50,000**	**100%**	**1,25,00,50,000**	**100%**	0.00%

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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
A. Reserve & Surplus		
- Retained earnings	1,937.20	1,517.66
B. Other reserves		
- Equity-settled employee benefits reserve	12.92	8.10
- Capital contribution by ultimate parent company	156.14	156.14
C. Other comprehensive income		
- Effective portion of cash flow hedge	89.18	189.12
	2,195.44	**1,871.02**

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 JSW Energy Limited (JSWEL) share have been granted to each employee and senior management. The share based payment reserve to used to recognise the value of equity settled share based payments provided as part of the ESOP scheme.

3) Effective portion of cash flow hedge

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

4) Capital contribution by ultimate parent company

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

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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
Non- Current		
Borrowings at amortised cost		
Secured Borrowings:		
i) Green Bond	4,347.22	4,679.25
Less: Unamortised borrowing cost	42.46	50.94
	4,304.76	**4,628.31**
Current		
Secured Borrowings :		
i) Green Bond	397.88	465.02
ii) Short Term loans		
Working capital demand loan from Bank	-	35.00
Less: Unamortised borrowing cost	8.48	9.32
	389.40	**490.70**
Total	**4,694.16**	**5,119.01**

Note:

The rate of interest for Secured Notes (Green Bond) is @4.125% (during the previous year ended march, 23 - @4.125%)

Reconciliation of the borrowings outstanding at the beginning and end of the year: (₹ Crore)

Particulars	As at 31st March, 2024	As at 31st March, 2023
I. Non-current borrowings (including current maturities of long-term debt)		
Balance as at the begininning of the year	**5,084.01**	**5,101.51**
Cash flows (repayment)/proceeds	(467.40)	(447.75)
Non- Cash Changes:		
Foreign Exchange Movement	68.23	420.05
Amortised borrowings cost	9.32	10.20
Balance as at the end of the year	**4,694.16**	**5,084.01**
II. Current borrowings		
Balance as at the begininning of the year	**35.00**	-
Cash Flows (repayment)/ proceeds	(35.00)	35.00
Balance as at the end of the year	-	**35.00**

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Details of Security :

USD Green Bond

Terms of repayment	Security	As at 31st March, 2024	
		Current	Non-Current
USD 41.86 million @ 4.125% Senior secured notes repayable in half yearly instalments till May 2031	• First ranking pari-pasu mortgage over the leasehold and freehold land of the Baspa II Project. • First ranking pari passu charge over the Project Accounts, all movable assets (tangible & intangible) and current assets of the Baspa II project, all revenues from the Projects including book debts and operating cash flows, both present and future and the rights, title and interest of the project under the PPAs and clearances pertaining to the Project Baspa II HEP (both present and future) project of the Group situated at Kinnaur Dist., Himachal Pradesh. • First ranking pari passu pledge over 51% of equity shares of the Issuer held by JSW Energy Limited and other shareholders and a negative pledge over the remaining 49%. of equity shares of the Issuer held by JSW Energy Limited and other shareholders.	29.26	319.74
USD 527.28 million @ 4.125% Senior secured notes repayable in half yearly instalments till May 2031	• First ranking pari-pasu mortgage over the leasehold and freehold land of the Karcham II Project. • First ranking pari passu charge over the Project Accounts, all movable assets (tangible & intangible) and current assets of the Karcham II project, all revenues from the Projects including book debts and operating cash flows, both present and future and the rights, title and interest of the project under the PPAs and clearances pertaining to the Project Karcham II HEP (both present and future) project of the Group situated at Kinnaur Dist., Himachal Pradesh. • First ranking pari passu pledge over 51% of equity shares of the Issuer held by JSW Energy Limited and other shareholders and a negative pledge over the remaining 49%. of equity shares of the Issuer held by JSW Energy Limited and other shareholders.	368.62	4,027.48
Total secured borrowings		397.88	4,347.22
Unamortised upfront fees on borrowings		(8.48)	(42.46)
Total secured borrowings measured at amortised cost		389.40	4304.76

SHAH GUPTA & CO. MUMBAI FRN 109574W CHARTERED ACCOUNTANTS

JSW Hydro Energy Limited

USD Green Bond

Terms of repayment	Security	As at 31st March, 2023	
		Current	Non-Current
USD 46.02 million @ 4.125% Senior secured repayable in half yearly instalments till May 2031	• First ranking pari-pasu mortgage over the leasehold and freehold land of the Baspa II Project. • First ranking pari passu charge over the Project Accounts, all movable assets (tangible & intangible) and current assets of the Baspa II project, all revenues from the Projects including book debts and operating cash flows, both present and future and the rights, title and interest of the project under the PPAs and clearances pertaining to the Project Baspa II HEP (both present and future) project of the Group situated at Kinnaur Dist., Himachal Pradesh. • First ranking pari passu pledge over 51% of equity shares of the Issuer held by JSW Energy Limited and other shareholders and a negative pledge over the remaining 49%. of equity shares of the Issuer held by JSW Energy Limited and other shareholders.	34.20	344.16
USD 579.68 million @ 4.125% Senior secured notesrepayable in half yearly instalments till May 2031	• First ranking pari-pasu mortgage over the leasehold and freehold land of the Karcham II Project. • First ranking pari passu charge over the Project Accounts, all movable assets (tangible & intangible) and current assets of the Karcham II project, all revenues from the Projects including book debts and operating cash flows, both present and future and the rights, title and interest of the project under the PPAs and clearances pertaining to the Project Karcham II HEP (both present and future) project of the Group situated at Kinnaur Dist., Himachal Pradesh. • First ranking pari passu pledge over 51% of equity shares of the Issuer held by JSW Energy Limited and other shareholders and a negative pledge over the remaining 49%. of equity shares of the Issuer held by JSW Energy Limited and other shareholders.	430.82	4,335.09
Total secured Borrowings		465.02	4,679.25
Unamortised upfront fees on borrowings		(9.32)	(50.94)
Total secured borrowings measured at amortised cost		455.70	4628.31

Short term loan (WCTL) aggregating to Rs.35.00 crore outstanding as on 31st March, 2023 is secured by way of pari-passu first ranking charge on all movable and immovable assets of the company has been repaid during the FY23-24.
Green Bond at the year ended 31st March, 2024
Green Bond aggregating to ₹ 4,348.89 outstanding as on 31st March, 2024 are secured by pledgeing of 51% share of the company and with negative lein for balance 49% and also on a pari passu basis by first ranking charge by way of legal mortgage on immovable property and first ranking charge by way of hypothecation of movable assets of Karcham-Wangtoo HEP (both present and future) situated at Kinnaur Dist., Himachal Pradesh.
Green Bond aggregating to ₹ 345.26 outstanding as on 31st March, 2024 are secured by pledging of 51% share of the company and with negative lein for balance 49% and also on a pari passu basis by first charge on immovable and movable assets of Baspa II HEP (both present and future) project of the Company situated at Kinnaur Dist., Himachal Pradesh.

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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	0.29	25.45	25.74	0.27	25.74	26.01
Total	**0.29**	**25.45**	**25.74**	**0.27**	**25.74**	**26.01**

***Refer to Note no. 38**

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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
Non- Current		
(a) Deposits received	0.02	0.02
(b) Derivative instruments (refer Note 31)		
- Foreign currency Forward contracts	0.78	-
(c) Other payables	58.01	76.71
	58.81	**76.73**
Current		
(a) Interest accrued but not due on borrowings	72.31	78.40
(b) Other liabilities		
- Payable for capital supplies/services	26.95	33.99
- Other payables	0.50	191.02
	99.76	**303.41**
Total	**158.57**	**380.14**

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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	2.32	5.02	7.34	2.13	3.11	5.24
(ii) Provision for compensated absence	3.15	2.01	5.16	2.92	1.42	4.34
Total	**5.47**	**7.03**	**12.50**	**5.05**	**4.53**	**9.58**

* Refer Note No 36 (Employee benefit plans)

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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	1.84	-	1.84	1.66	-	1.66
(b) Total outstanding dues of creditors other than micro and small enterprises	46.10	-	46.10	25.03	-	25.03
Total	**47.94**	**-**	**47.94**	**26.69**	**-**	**26.69**

Creditors Ageing

(₹ Crore)

As at 31st March, 2024	Undisputed		Disputed	
	MSME	Others	MSME	Others
Outstanding for following periods from due date of payment				
Less than1 year	-	1.70	-	-
1-2 years	-	0.54	-	-
2-3 years	-	0.27	-	-
More than3 years	-	2.01	-	-
Not due	1.84	28.15	-	-
Unbilled	-	13.43	-	-
Total	**1.84**	**46.10**	-	-

(₹ Crore)

As at 31st March, 2023	Undisputed		Disputed	
	MSME	Others	MSME	Others
Outstanding for following periods from due date of payment				
Less than 1 year	-	1.36	-	-
1-2 years	-	1.08	-	-
2-3 years	-	0.96	-	-
More than3 years	-	2.80	-	-
Not due	1.66	9.41	-	-
Unbilled	-	9.42	-	-
Total	**1.66**	**25.03**	-	-

-Trade payables are normally settled within 30 days.
-Refer Note 40 (Closing balance of Trade payable pertaining to related parties)

Disclosure related to Micro and Small Enterprises :

(₹ Crore)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Current	Non-current	Current	Non-current
Principal amount outstanding to MSME	1.84	-	1.66	-
Principal amount due and remaining unpaid	-	-	-	-
Interest due on 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	-	-	-	-

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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	4.43	1.80
(c) Others	0.08	0.05
Total	**4.53**	**2.59**

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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
	Disaggregation of revenue from contract with customers:		
(1)	Sale of power (Own generation)	1,365.79	1,311.24
	Total revenue from contract with customers (A)	**1,365.79**	**1,311.24**
(2)	Income from service concession arrangement	4.30	11.82
	Income from service concession arrangement (B)	**4.30**	**11.82**
(3)	Other Operating Income	(0.06)	5.17
	Other Operating Income (C)	**(0.06)**	**5.17**
	Total (A) + (B) + (C)	**1,370.03**	**1,328.23**

The revenue is accounted as per tariff regulation and tariff order.

(a) 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*	1,365.79	1,311.24
Add: Rebate on prompt payment	19.16	23.37
Less: Incentive	72.68	97.05
Total Revenue from contract with customers as per contracted price	**1,312.27**	**1,237.56**

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

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

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

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

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Opening Balance	**0.73**	**0.46**
Less: Revenue recognised during the year from balance at the beginning of the year	0.73	0.46
Add: Advance received during the year not recognized as revenue	0.02	0.73
Closing Balance	**0.02**	**0.73**

(c) Credit terms

The Credit period allowed to customers is 60 days in Karcham plant and 30 days in Baspa Plant. Thereafter, delayed payment charges is recoverable from the customers at the rates prescribed under the respective Power Purchase Agreement / Tariff Regulations on the outstanding balance.

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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
a) Interest Income earned on financial assets that are not designated as at FVTPL			
i	On bank deposits	17.62	12.47
ii	On loans	80.53	2.08
iii	Other financial assets	2.93	1.31
b) Other non-operating income			
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	0.05	-
iii	Net gain on foreign currency transaction	0.00	0.01
iv	Domestic scrap sales	0.30	1.20
v	Provision no longer required written back	9.15	-
vi	Miscellaneous income	2.18	1.61
Total		**149.44**	**47.50**

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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	78.22	67.24
(b) Contribution to provident and other funds	5.81	4.83
(c) Share based payment	4.82	5.23
(d) Staff welfare expenses	6.93	6.16
Total	**95.78**	**83.46**

* Refer note 36 (Employee benefit plans) for the details of defined benefit plan and defined contribution plan of the Company.

** Refer note 37 (Employee share base payment plan)for the details of share base payment

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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	189.08	207.08
	ii Hedging charges	149.79	156.53
	iii Interest cash credit	0.06	0.09
	iv Other Interest expense	0.00	-
(b)	Revaluation gain/loss on foreign currency borrowings (Net)	6.68	10.13
(c)	Other borrowing costs	9.89	25.26
(d)	Interest on lease liabilities	2.33	2.35
	Total	**357.83**	**401.44**

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JSW

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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	403.30	402.85
(b)	Amortization on intangible assets	33.57	33.50
	Total	**436.87**	**436.35**

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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	13.22	14.30
(b) Power & water	4.32	3.75
(c) Rent including lease rentals	2.06	-
(d) Repairs and maintenance	27.89	27.55
(e) Rates and taxes	0.70	0.59
(f) Insurance	29.09	22.75
(g) Legal and other professional charges	9.89	13.61
(h) Travelling expenses	6.39	10.48
(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	3.08	2.11
(m) Bad debt written Off	-	7.76
(n) Safety and Security	6.26	6.17
(o) Branding expenses	3.55	3.36
(p) Shared service charges	3.42	2.40
(q) Property ,plant and equipment written off**	0.00	0.00
Total	**120.05**	**122.42**

* Refer note 39 (Details of Corporate Social Responsibility (CSR) expenditure

** Less than Rs. 50,000

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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	88.92	58.02
Total	**88.92**	**58.02**

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

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Profit before tax	508.94	332.06
Enacted tax rate	34.944%	34.944%
Expected tax expense at statutory tax rate	177.84	116.04
Tax effect due to tax holiday	(175.15)	(105.11)
Effect due to non deductible expenses	1.12	2.61
Effect of taxes (recoverable)/payable in future tariff	80.65	6.16
Impact due to reduced rate of tax during the year	9.44	36.51
Impact due to reduced rate of tax on opening	(4.88)	1.88
Tax expenses thereon - Other comprehensive income (OCI)	(0.10)	(0.07)
Tax expenses for the year	**88.92**	**58.02**

Deferred tax assets / (liabilities)

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

Particulars	As at 31st March, 2023	Recognised / (reversed) through profit or loss/ OCI / equity	As at 31st March,2024
Property plant & equipment	157.24	50.66	207.90
Borrowings	1.13	(13.95)	(12.82)
MAT credit	55.18	28.73	83.91
OCI	(47.60)	25.15	(22.44)
Recoverable / (payable) in future tariff	(169.65)	(105.80)	(275.45)
Others	3.69	15.21	18.91
Total	-	-	-

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

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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
		Numerator	Denominator	31.03.2024			
1	**Current Ratio (in times)** (Current Assets / Current Liabilities)	1,017.49	547.39	1.86	1.40	33%	Increase was primarily on account of decrease in current liability (mainly decrease in other financial liabilities).
2	**Debt-Equity Ratio (in times)** ((Non- Borrowings + Current Borrowings) / Total Equity))	4,694.16	3,445.49	1.36	1.64	-(17%)	
3	**Debt Service Coverage Ratio (in times)** (Profit before Tax, Exceptional Items, Depreciation, Finance Charges / Finance Charges + Long Term Borrowings scheduled Principal repayments (excluding prepayments + refinancing) during the year).	847.87	806.34	1.05	0.86	23%	Increase in PBT & decrease in Finance charges in current year
4	**Return on Equity Ratio (%)** (Net profit after tax / Average Net Worth)	420.02	3,283.28	13%	10.00%	28%	increase was primarily on account of increase in profit after tax
5	**Inventory Turnover (no. of days)** (Average Inventory) / (Fuel Cost + Stores & Spares Consumed + Purchase of stock in trade)	13.20	41.11	117	114	3%	
6	**Debtors Turnover (no. of days)** (Average Trade Receivables Including unbilled revenue X No of days) / Revenue from operations	139.89	1,370.03	37	40	-(7%)	
7	**Payables Turnover (no. of days)** (Average Trade payables including acceptances X No of days) / Cost of goods sold	37.32	41.11	331	232	43%	Increase was primarily on account of increase in closing payables.
8	**Net Capital Turnover (in times)** (Annual turnover / Working Capital)	1,370.03	3,445.49	0.40	0.43	-(7%)	
9	**Net Profit Margin (%)** (Net profit for the year / Total Income)	420.02	1,370.03	31%	21%	49%	Higher profit margin attributable to increase in proft after tax.
10	**Return on Capital Employed (%)** (Earnings before Interest and Tax) / (Net Worth + Total Borrowings)	1,039.34	8,189.87	13%	11%	11%	
11	**Return on Investment (%)** (Profit generated on sale of investment / Cost of investment)	36.68	516.55	7.10%	4.21%	69%	Higher income received on sale of Investments with low cost of Investments.

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

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

In applying the Company's accounting policies, which are described in note 3, the directors are required to make judgements that have a significant impact on the amounts recognized and to make estimates and assumptions about the 'carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

A) Key sources of estimation uncertainty:

i) Provisions and contingencies:

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

ii) Fair value measurements:

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

iii) Income taxes:

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

iv) Defined benefit plans:

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

B) Critical accounting judgements in applying accouting policy:

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

Evaluation of contracts to determine whether it contains lease arrangements:

The management has critically evaluated the terms of the contract (including by obtaining independent legal advice) with respect to Karcham Hydro Plant to determine whether the contract is, in substance, with a customer or with multiple state electricity utility companies, and the customer is merely acting as an intermediator/ facilitator, i.e. an agent. Based on such evaluation, it was concluded that the arrangement, in substance, is not in the nature of lease in terms of Ind AS 116, Leases.

i) Tariff related disputes with customers:

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

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Note 29. Contingent liabilities

(₹ Crore)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Claims against the Company not acknowledged as debt *	139.83	139.83
(b) Other claims not acknowledged as debt	0.07	0.07
(c) Income tax Demand for AY 2016-17	34.72	34.72
(d) Water Cess **	184.49	6.65
Total	**359.11**	**181.27**

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

** Government of Himachal Pradesh (GOHP) has introduced water cess on consumption of water for generation of Hydropower through Himachal Pradesh Water Cess on Hydro Power Generation Ordinance passed by Government of Himachal Pradesh ("GoHP") on 15th February, 2023 ("Ordinance") and through Jal Shakti Vibhag Notification bearing No. JSV-B (A)3-1/2022, dated 16th February 2023 ("Notification"). Therefore, water cess @Rs.0.30 per cubic metre of water consumption shall be levied in terms of the Notification. The imposed cess to be recoverable as a change in law from DISCOMs.
However, Hon'ble Himachal Pradesh High Court vide its Judgement dated 05.03.2024 declared the provisions of the Hydropower Electricity Generation Act, 2023 & Rules framed thereunder are ultra vires and beyond Legislative Competence of the State. Accordingly quashed & set aside the said act and rules framed thereunder.
GoHP has filed Special Leave Petition (SLP) against the aforesaid Judgement of Himachal Pradesh High Court before Hon'ble Supreme Court.

Note 30. Commitments

(₹ Crore)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Estimated amount of Capital contracts remaining to be executed to the extent not provided for (net of advances)	19.20	1.52
Total	**19.20**	**1.52**

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

Note 31. Financial Instruments:

a) Financial Instruments by category

(₹ Crore)

As at 31st March, 2024	FVTPL	FVTOCI	Amortised Cost	Total
Financial assets				
Investment in mutual fund units	516.55	-	-	516.55
Security deposits	-	-	0.61	0.61
Trade receivables #	-	-	30.72	30.72
Receivables-Service concession agreement	-	-	0.36	0.36
Cash and cash equivalents and other bank balances #	-	-	324.94	324.94
Unbilled revenue	-	-	103.37	103.37
Interest Receivable	-	-	4.11	4.11
Other Receivable	-	-	1.24	1.24
Loan given to JSW Energy Limited	-	-	1,143.16	1,143.16
Foreign Currency Options	-	-	674.42	674.42
Total Financial assets	**516.55**	**-**	**2,282.93**	**2,799.48**
Financial liabilities				
Green Bonds	-	-	4,694.16	4,694.16
Working capital demand loan from Bank	-	-	-	-
Rent and Other Deposits #	-	-	0.02	0.02
Trade Payables #	-	-	47.94	47.94
Payable for capital projects#	-	-	26.95	26.95
Other payable#	-	-	58.51	58.51
Lease Liability	-	-	25.74	25.74
Interest accrured but not due on borrowings	-	-	72.31	72.31
Total Financial liabilities	**-**	**-**	**4,925.63**	**4,925.63**

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

(₹ Crore)

As at 31st March, 2023	FVTPL	FVTOCI	Amortised Cost	Total
Financial assets				
Investment in mutual fund units	685.03	-	-	685.03
Investment in Commercial Paper	-	-	24.70	24.70
Security deposits	-	-	0.61	0.61
Trade receivables #	-	-	64.58	64.58
Receivables-Service concession agreement	-	-	61.41	61.41
Cash and cash equivalents and other bank balances #	-	-	218.25	218.25
Unbilled Revenue	-	-	79.88	79.88
Interest Receivable	-	-	4.00	4.00
Other Receivable	-	-	0.00	0.00
Loan given to JSW Energy Limited	-	-	789.00	789.00
Foreign Currency Options	-	-	778.60	778.60
Total Financial assets	**685.03**	**-**	**2021.03**	**2706.06**
Financial liabilities				
Green Bonds	-	-	5,084.01	5,084.01
Working capital demand loan from Bank	-	-	35.00	35.00
Rent and Other Deposits #	-	-	0.02	0.02
Trade Payables #	-	-	26.69	26.69
Payable for capital projects#	-	-	33.99	33.99
Other payable#	-	-	267.73	267.73
Lease Liability	-	-	26.01	26.01
Interest accrured but bot due on borrowings	-	-	78.40	78.40
Total Financial liabilities	**-**	**-**	**5,551.85**	**5,551.85**

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

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

ii) Fair Value Hierarchy:

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

(a) recognised and measured at fair value and

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

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

Financial assets and liabilities measured at fair value :

Particulars	As at 31st March, 2024		As at 31st March, 2023		Level	Valuation techniques and key inputs
Financial assets	Carrying value	Fair value	Carrying value	Fair value		
Foreign Currency Options	674.42	674.42	778.60	778.60	2	The fair value of foreign currency option is determined using foreign exchange rates at the balance sheet date
Investment in mutual fund units	516.55	516.55	685.03	685.03	2	The mutual funds are valued using the closing NAV
Total	**1,190.97**	**1,190.97**	**1,463.63**	**1,463.63**		
Financial liabilities						
Foreign currency Forward contracts	0.78	0.78	-	-	2	The fair value of foreign currency option is determined using foreign exchange rates at the balance sheet date.
Total	**0.78**	**0.78**	**-**	**-**		

Fair value of financial assets and liabilities measured at amortised cost

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

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

Particulars	As at 31st March,2024		As at 31st March,2023		Level	Valuation Technique
	Carrying Value	Fair Value	Carrying Value	Fair Value		
Financial assets						
Security deposits	0.61	0.61	0.61	0.61	3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
Loan given to related party	1,143.16	1,143.16	789.00	789.00	3	Loan given to related party has been considered at amortised cost.
Receivables-Service concession agreement	0.36	0.39	61.41	66.34	3	Service concession agreement has been considered at amortised cost.
Total	**1,144.13**	**1,144.16**	**851.02**	**855.95**		
Financial Liabilities						
Lease Liability	25.74	23.67	26.01	23.92	3	Valuation techniques for which the lowest level input is significant to the fair value measurement is unobservable.
Borrowings (includes Current & Non-current)	4,694.16	3,934.59	5,084.01	4,188.21	3	The borrowings are valued using the NPV
Total	**4,719.90**	**3,958.26**	**5,110.02**	**4,212.13**		

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

Risk Management Strategies

1. Financial risk management objectives

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

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

a. Foreign currency risk management

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

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

In order to hedge exchange rate risk, the Company has a policy to hedge cash flows up to a specific tenure using forward exchange contracts, options and other non-derivative financial instruments like long-term foreign currency borrowings and acceptances. At any point in time, the Company hedges its estimated foreign currency exposure.

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

The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The Company continues to believe that there is no impact on effectiveness of its hedges.

The carrying amounts of the Company's monetary assets and monetary liabilities at the end of the reporting year are as follows:

Currency exposure as at 31st March, 2024

Particulars	TOTAL
Financial assets:	
Foreign currency options (USD)	674.42
Total Financial Assets	**674.42**
Financial liabilities:	
Borrowings (USD)	4,694.16
Foreign currency forwards (USD)	0.78
Total Financial liabilities	**4,694.94**

Currency exposure as at 31st March, 2023

Particulars	TOTAL
Financial assets:	
Foreign currency options (USD)	778.60
Total Financial Assets	**778.60**
Financial liabilities	
Borrowings	5,084.01
Foreign currency forwards (USD)	-
Total Financial liabilities	**5,084.01**

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

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

Particulars	As at 31st March, 2024	As at 31st March, 2023
No. of Contracts	4	4
Type of Contracts	Call Spread	Call Spread
Equivalent to USD in millions	709.47	791.18
Closing exchange rate (1USD=Rupees)	83.37	82.22
Nominal Value (Rs. In Crore.)	5,915.11	6,504.85
Fair Value MTM asset/(liabilities) (Rs. In crore)	231.17	201.04

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

Particulars	As at 31st March, 2024	As at 31st March, 2023
No. of Contracts	2	
Type of Contracts	Forward	-
Equivalent to USD in millions	42.73	-
Closing exchange rate (1USD=Rupees)	83.37	
Nominal Value (Rs. In Crore.)	356.28	-
Fair Value MTM asset/(liabilities) (Rs. In crore)	0.78	-

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

JSW HYDRO ENERGY LIMITED

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

Movement in Cash flow hedge: (₹ Crore)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Opening Balance	189.12	(123.83)
FX recognised in other comprehensive income	(99.94)	312.95
Closing Balance	**89.18**	**189.12**

b. Interest rate risk management

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

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

Interest rate sensitivity analysis

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

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

(₹ Crore)

As at March,2024	Net Balance	Unamortised Transaction Cost	Gross Balance
Fixed rate borrowings	-	50.94	50.94
Total	-	**50.94**	**50.94**

(₹ Crore)

As at March,2023	Net Balance	Unamortised Transaction Cost	Gross Balance
Fixed rate borrowings	5,084.01	60.26	5,144.27
Total	**5,084.01**	**60.26**	**5,144.27**

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

c. Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored.

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

Customer contributing more than 10% of revenue

Revenue from operations includes revenue aggregating to ₹1,326.48 crore (previous year : ₹1,257.96 crore) from two (previous year :two) major customers having more than 10% of total revenue from operations of the Company.

Loans and investment in debt securities:

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

Cash and cash equivalents, derivatives and financial guarantees:

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

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on. No amount has been recognised in the financial position as financial liabilities. (Refer note 41)

d. Liquidity risk management

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

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

As at 31st March, 2024 (₹ Crore)

Particulars	< 1 year	1-5 years	> 5 years	Total
Non-current financial liabilities				
Long term borrowings	-	1,135.84	3,168.92	4,304.76
Other long-term liabilities				
Rent and other Deposits	-	0.02	-	0.02
Foreign Currency Forward	-	0.78	-	0.78
Lease payable	0.29	2.60	22.85	25.74
Other Payable	-	58.01	-	58.01
Total Non-Current financial Liabilities	**0.29**	**1,197.25**	**3,191.77**	**4,389.31**
Current financial Liabilities				
Trade and other payables and acceptances:				
Trade payables - Other than acceptances	45.11	2.82	-	47.93
Other current financial liabilities:				
Short Term Borrowings	389.40	-	-	389.40
Working capital demand loan from Bank	-	-	-	-
Payable for capital project	26.95	-	-	26.95
Other payable	0.50	-	-	0.50
Interest accrued but not due on borrowings	72.31	-	-	72.31
Lease payable	0.29	-	-	0.29
Total current financial liabilities	**534.56**	**2.82**	-	**537.38**
Total Financial Liabilities	**534.85**	**1,200.08**	**3,191.77**	**4,926.69**

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

As at 31st March, 2023 (₹ Crore)

Particulars	< 1 year	1-5 years	> 5 years	Total
Total Non-Current financial Liabilities	-	**1,327.15**	**3,403.63**	**4,730.78**
Current financial Liabilities				
Trade and other payables and acceptances:				
Trade payables - Other than acceptances	21.84	4.85	-	26.69
Other current financial liabilities:				
Short Term Borrowings	455.70	-	-	455.70
Working capital demand loan from Bank	35.00	-	-	35.00
Payable for capital project	33.99	-	-	33.99
Other payable	191.02	-	-	191.02
Interest accrued but not due on borrowings	78.40	-	-	78.40
Lease Payable	0.27	-	-	0.27
Total current financial liabilities	**816.22**	**4.85**	-	**821.07**
Total Financial Liabilities	**816.22**	**1,332.00**	**3,403.63**	**5,551.85**

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

As at 31st March, 2024 (₹ Crore)

Particulars	< 1 year	1-5 years	> 5 years	Total
Future Interest on Borrowings	172.06	725.32	133.28	1,030.66

As at 31st March, 2023 (₹ Crore)

Particulars	< 1 year	1-5 years	> 5 years	Total
Future Interest on Borrowings	189.08	769.76	260.89	1,219.74

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

Note 32 Capital management

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

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

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

Gearing ratio

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

(₹ Crore)

Particulars	**As at 31st March ,2024**	**As at 31st March ,2023**
Debt (i)	4,694.16	5,119.01
Cash on hand	0.01	0.01
Cash and bank balances (including current investment in liquid fund) (ii)	666.35	729.66
Net debt (i-ii)	**4,027.80**	**4,389.35**
Total equity (iii)	3,445.49	3,121.07
Net debt to equity ratio	**1.17**	**1.41**

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

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

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

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

Note 33. Service concession arrangement

(a) Description of the concession arrangement:

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

(b) Significant terms of the concession arrangement:

Term	Particulars
Period of arrangement	40 years from date of commissioning of the power plant and extendable for 20 years at the option of the Government
Commissioning of the Power plant	8th June, 2003
Tariff	Determined by HPERC in terms of HPERC (Terms and Conditions for Determination of Hydro Generation Supply Tariffs) Regulation 2011, along with its subsequent ammendments, having regard to the Tariff entitlement under PPA.
Option to purchase	After the expiry of the agreement period, the Government has the option to purchase all the assets and works of the power plant, at mutually agreed terms.
Free power	12 % upto Sept' 24 and 18% thereafter free power of the electricity generated is to supplied to the Government

(c) Obligation for overhaul:

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

(d) Renewal /Termination options:

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

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

(₹ Crore)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Intangible asset - Rights under service concession receivable (refer note 6)	681.01	681.01
Financial asset – Receivable under service concession arrangement (refer note 7A)	0.36	61.41

Note 34. Operating segment / Segment Reporting

The information regarding the revenue from sale of power to customers (single reportable Segment) has been disclosed below:

Revenue from operation

(₹ Crore)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Within India	1,370.03	1,328.23
Outside India	-	-
Total	1,370.03	1,328.23

Non-current operating assets

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

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

Note 35. Earnings per share

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Profit attributable to equity holders of the Company (₹ crore) - (A)	420.02	274.04
Weighted average number of equity shares for basic & diluted EPS - (B)	1,25,00,50,000	1,25,00,50,000
Earnings Per Share (₹ crore) – Basic and Diluted (C) - (A/B)	3.36	2.19
Nominal value of an equity share (₹ crore)	10	10

Note 36. Employee benefit Plans:

Defined contribution plans:

Retirement Benefits in the form of Provident Fund and National Pension Scheme which are defined contribution schemes are charged to the consolidated statement of profit and loss for the period in which the contributions to the respective funds accrue as per relevant rules / statutes.

(a) Provident fund:

The Company's contribution to provident fund recognized in Statement of Profit and Loss of ₹ 3.85 crore (Previous year ₹ 3.48 crore) (Included in note 22)

(b) National pension scheme:

The company's contribution to National Pension Scheme (NPS) recognized in statement of profit and loss of ₹ 0.44 crore (Year ended 31st March, 2023 : ₹ 0.30 crore) (Included in Note 22)

(c) Defined benefits plans - Gratuity:

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

(d) Compensated absences plan

During the year ended 31st March, 2023, the compensated absence plans were revised as detailed below:
1. Priviledged Leave (PL) - Unutilised PL balance at the end of the calendar year (31st December) shall be encashed at the revailing basic pay and no carry forward is allowed.
2. Contingency Leave (CoL) - The existing casual leave and sick leave were clubbed together and shall be called as CoL. The annual credit of a contingency leave shall be 14 days for plant locations and 8 days for Corporate and other locations. Maximum accumulation of 30 days is allowed and can not be encashed.

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

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to market yields at the end of the reporting period on government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities and debt instruments.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.
Asset Liability matching risk	The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.
Mortality risk	Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.
Concentration risk	Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31st March, 2024 by M/S K A Pandit, Consultants & Actuaries. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

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

Gratuity

Changes in the defined benefit obligation and fair value of plan assets as at 31st March, 2024

(₹ Crore)

Particulars		Defined Benefit Obligation	Fair Value of Plan assets	(Benefit)/ Liability
Gratuity cost charged to profit or loss	**Opening Balance as on 1st April, 2023**	**9.44**	**3.83**	**5.24**
	Current Service cost	1.13		1.13
	Net interest expense /(Income)	0.67	0.29	0.38
	Liability Transferred in/Acquisitions	0.05		0.05
	(Liability Transferred out/Divestments)	(0.05)		(0.05)
	Sub-total included in profit or loss	**1.80**	**0.29**	**1.51**
Re-measurement gains / (losses) in other comprehensive income	Benefits paid	(0.39)	(0.39)	-
	Return on plan assets (excluding amounts included in net interest expense)	-	(0.03)	0.03
	Actuarial changes arising from changes in demographic assumptions	(0.12)	-	(0.12)
	Actuarial changes arising from changes in financial assumptions	0.38	-	0.38
	Experience adjustments	0.30		0.30
	Sub-total included in OCI	**0.18**	**(0.03)**	**0.59**
	Contributions by employer	-	-	-
	Closing Balance as on 31st March, 2024	**11.03**	**3.70**	**7.34**

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

(₹ Crore)

Particulars		Defined Benefit Obligation	Fair Value of Plan assets	(Benefit)/ Liability
Gratuity cost charged to profit or loss	**Opening Balance as on 1st April, 2022**	**7.80**	**4.00**	**3.79**
	Current Service cost	0.77		0.77
	Net interest expense /(Income)	0.54	0.28	0.26
	Liability Transferred in/Acquisitions	2.30	-	2.30
	(Liability Transferred out/Divestments)	(2.28)	-	(2.28)
	Sub-total included in profit or loss	**1.33**	**0.28**	**1.05**
Re-measurement gains / (losses) in other comprehensive income	Benefits paid	(0.50)	(0.50)	-
	Return on plan assets (excluding amounts included in net interest expense)	-	0.05	(0.05)
	Actuarial changes arising from changes in demographic assumptions	-	-	-
	Actuarial changes arising from changes in financial assumptions	(0.37)	-	(0.37)
	Experience adjustments	0.81	-	0.81
	Sub-total included in OCI	**0.81**	**0.05**	**0.39**
	Contributions by employer	-	-	-
	Closing Balance as on 31st March, 2023	**9.44**	**3.83**	**5.24**

The actual return on plan assets (including interest income) was ₹ 0.26 Crore (previous year ₹0.33 crore)

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

Particulars	As at 31st March, 2024	As at 31st March, 2023
Insurer Managed Funds	100%	100%

In the absence of detailed information regarding plan assets which is funded with insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been been disclosed.

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Notes to Financial Statement for the year ended 31st March, 2024

The principal assumptions used in determining gratuity for the Company's plans are shown below:

Particulars	**As at 31st March, 2024**	**As at 31st March, 2023**
Discount rate:	7.21%	7.44%
Future salary increases:	8.30%	8.00%
Rate of Employee Turnover	6.50%	4.40%
Expected return on plan assets	7.21%	6.96%
Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14) (Urban)	Indian Assured Lives Mortality (2012-14) (Urban)

Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discounted rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period. While holding all other assumptions constant. There was no change in methods & assumptions used in preparing sensitivity analysis from prior years.

Defined Benefit Obligation on Current Assumptions

Particulars	**As at 31st March, 2024**	**As at 31st March, 2023**
Delta Effect of +1% Change in Rate of Discounting	(0.69)	(0.65)
Delta Effect of -1% Change in Rate of Discounting	0.78	0.74
Delta Effect of +1% Change in Rate of Salary Increase	0.76	0.73
Delta Effect of -1% Change in Rate of Salary Increase	(0.69)	(0.65)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.08)	(0.04)
Delta Effect of -1% Change in Rate of Employee Turnover	0.08	0.05

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that change in assumption would occur in isolation of the another as some of the assumptions may be co-related.

The following are the maturity analysis of projected benefit obligations:

(₹ Crore)

Particulars	**As at 31st March, 2024**	**As at 31st March, 2023**
Within the next 12 months (next annual reporting period)	0.92	0.64
Between 2 and 5 years	4.30	2.93
Between 6 and 10 years	5.08	4.41
Above 10 years	9.46	10.11
Total expected payments	**19.75**	**18.09**

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Notes to Financial Statement for the year ended 31st March, 2024

Each year an assets-liability-matching study is performed in which the consequences of the strategic investment policies are analysed in term of risk and return profiles.

The company expects to contribute ₹ 2.32 crore (previous year ₹ 2.13 crore) to its gratuity plan for the next year. The weighted average duration of the defined benefit plan is 8 years (previous year 9 years)

Compensated Absences

The Company has a policy on compensated absences with provisions of accumulation of contingency leave and encashment for priviledged leave by the employees during employment or on separation from the Company due to death, retirement or resignation. The expected cost of contingency leave is determined by actuarial valuation performed by an independent actuary at the balance sheet date using projected unit credit method.

Code on Social Security, 2020

The Code on Social Security, 2020 ('the Code') received presidential assent on 28th September, 2020. However, the date on which the Code will come into effect has not yet been notified. The Company will assess the impact of the Code on its books of account in the period(s) in which the provisions of the Code becomes effective.

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Notes to Financial Statement for the year ended 31st March, 2024

Note 37. Employee share based payment plan:

JSWEL Employees Stock Ownership Plan – 2016 (ESOP 2016)

The company has offered equity options under ESOP 2016 to the permanent employees of the Company who has been working in India or outside India, including whole-time director, in the identified grades of L16 and above except any employee who is a promoter or belongs to the promoter company or a director who either by himself or through his relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the JSWEL and Independent directors, Nominee Directors and Non-Executive Directors.

The grant is determined after having regard to various factors and criteria specified in ESOP 2016. The exercise price is at a discount of 20% to the closing market price on the previous trading day of the grant date at the Exchange having highest trading volume or any other price as may be determined by the Compensation Committee but at least equal to the face value of the shares. The option shall not be transferable and can be exercised only by the employees of the company.

Vesting of the options granted under the ESOP 2016 shall be at least one year from the date of Grant. 50% of the granted options would vest on the date following 3 years from the date of respective grant and the remaining 50% on the date following 4 years from the date of respective grant.

JSWEL Employees Stock Ownership Plan – 2021 (ESOP 2021)

The company has offered equity options under ESOP 2021 to the permanent employees, including whole-time director, of the Company who has been working in India or outside India, in the grades of (i) L16 and above, and (ii) select employees in the grade L-11 to L-15 based on last 3 (three) years performance; and in each case, as may be determined based on the eligibility criteria, or any other employee as may be determined by the compensation committee of ultimate holding company (JSW Energy Limited) from time to time, except any employee who is a promoter or belongs to the promoter company or a director who either by himself or through his relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company and Independent directors, Nominee Directors and Non-Executive Directors.

The grant is determined after having regard to various factors and criteria specified in ESOP 2021. The exercise price is ₹10 or any other price as may be determined by the Compensation Committee. The option shall not be transferable and can be exercised only by the employees of the company.

Vesting of the options granted under the ESOP 2021 shall be at least one year from the date of Grant. 25% of the granted options would vest on the date following 1 year from the date of respective grant, 25% of the granted options would vest on the date following 2 years from the date of respective grant and the remaining 50% on the date following 4 years from the date of respective grant.

JSWEL Employees Stock Ownership Plan – Samruddhi 2021 (ESOP Samruddhi 2021)

The company has offered equity options under ESOP Samruddhi 2021 to the permanent employees, including whole-time director, of the Company who has been working in India or outside India, in the grades of L-01 to L-15 (excluding employees covered under ESOP 20-21) , except any employee who is a promoter or belongs to the promoter company or a director who either by himself or through his relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company and Independent directors, Nominee Directors and Non-Executive Directors.

The grant is determined after having regard to various factors and criteria specified in ESOP Samruddhi 2021. The exercise price is ₹10 or any other price as may be determined by the Compensation Committee of ultimate holding company (JSW Energy Limited). The option shall not be transferable and can be exercised only by the employees of the comapny.

Vesting of the options granted under the ESOP Samruddhi 2021 shall be at least one year from the date of Grant. 25% of the granted options would vest on the date following 2 years from the date of respective grant, 25% of the granted options would vest on the date following 3 years from the date of respective grant and the remaining 50% on the date following 3 years from the date of respective grant.

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ESOP 2016 (Grant Date: 1st Nov, 2018)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Outstanding at 1st April	-	1,23,749
Granted during the year	-	-
Exercised During the Year	-	1,23,749
Expired during the year	-	-
Outstanding at 31st March	-	-
Exercisable at 31st March	-	-

ESOP 2021 (Grant Date: 7th Aug, 2021)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Outstanding at 1st April	65,151	69,100
Granted during the year	-	-
Exercised During the Year	19,114	3,949
Expired during the year	3,949	-
Outstanding at 31st March	42,088	65,151
Exercisable at 31st March		

ESOP Samruddhi 2021 (Grant Date: 7th Aug, 2021)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Outstanding at 1st April	5,02,750	5,04,250.00
Granted during the year	-	-
Options Lapsed as at 31.03.2022	-	1,500.00
Exercised During the Year	1,03,765	-
Expired during the year	713	-
Outstanding at 31st March	3,98,272	5,02,750
Exercisable at 31st March		

ESOP 2021 (Grant Date: 7th Aug, 2022)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Outstanding at 1st April	71,700	-
Granted during the year	-	71,700
Exercised During the Year	14,325	-
Expired during the year	-	-
Outstanding at 31st March	57,375	71,700
Exercisable at 31st March		

ESOP 2021 (Grant Date: 7th Aug, 2023)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Outstanding at 1st April	-	-
Granted during the year	61,700	-
Options Lapsed as at 31.03.2022	-	-
Exercised During the Year	-	-
Expired during the year	-	-
Outstanding at 31st March	61,700	-
Exercisable at 31st March		

ESOP Samruddhi 2023 (Grant Date: 7th Aug, 2023)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Outstanding at 1st April	-	-
Granted during the year	54,900	71,700.00
Options Lapsed as at 31.03.2022	-	-
Exercised During the Year	-	-
Expired during the year	-	-
Outstanding at 31st March	54,900	71,700.00
Exercisable at 31st March		

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Notes to Financial Statement for the year ended 31st March, 2024

The Method of settlement for above grants are as below:

Particulars	*Grant date*						
	ESOP 2016		*ESOP 2021*			ESOP 2021 Samrudhi	
Grant Date	*20th May, 2017*	1st Nov, 2018	7th Aug, 2021	7th Aug, 2022	7th Aug, 2023	7th Aug, 2021	7th Aug, 2023
Vesting period	3/4 years	3/4 years	1/2/3 years	1/2/3 years	1/2/3 years	2/3/4 Year	2/3/4 Year
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Exercise price₹	51.80	51.96	10	10	10	10	10
Fair value₹	28.88	37.99	229.88	250.5	275.31	228.5	275.31
Dividend Yield(%)	20%	20%	20%	20%	0.69%	20%	20%
Expected Volatility(%)	44.50% / 45.16%	42.57% / 43.53%	42.53% / 42.22% / 40.85%	47.51% / 44.43% / 43.44%	51.64%/49.26%/46.10%	42.22% / 40.85% / 42.45%	51.64%/49.26%/46.10%
Risk free Interest rate (%)	6.90%/ 6.98%	7.78%/ 7.84%	5.02% / 5.44% / 5.78%	6.73% / 6.90% / 7.01%	7.01%/7.05%/7.07%	5.44% / 5.78% / 6.06%	7.01%/7.05%/7.07%
Expected Life of Share options (years)	5/6 Years	5/6 Years	3/4/5 years	3/4/5 years	3/4/5 years	4/5/6 years	3/4/5 years
Weighted Average exercise price₹	51.8	51.96	10.00	10.00	10.00	10.00	10.00

Pricing formula:

Book close date	19th May, 2017	31st Oct, 2018	6th Aug, 2021	6th Aug, 2022	6th Aug, 2023	6th Aug, 2021	6th Aug, 2023
Closing market Price (₹)	64.75	64.95	246.17	266.35	291.16	246.17	291.16
Exercise price (₹)	51.80	51.96	10.00	10.00	10.00	10.00	10.00
Discount (%)	20%	20%	-	-	-	-	-
Expected option Life	The expected option life is assumed to be mid-way between the option vesting and expiry. Since the vesting period and contractual term of each tranche is different, the expected life for each tranche will be different. The Expected option life is calculated as (Year to Vesting + Contractual Option term) /2.						
Expected volatility	Volatility was calculated using standard deviation of daily change in stock price. The historical period considered for volatility match the expected life of the option.						
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	The following factors have been considered: (a) Share price (b) Exercise prices (c) Historical volatility (d) Expected option life (e) Dividend Yield						
Whether and how any other features of the option grant were incorporated in to the measurement of fair value, such as market condition.							
Model used	Black-Scholes Method						
The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.							

Weighted average remaining contractual life will be after expected life of options and Weighted average share price after Weighted average excercise price

Scheme	ESOP 2021			Samruddhi	
	07-Aug-21	07-Aug-22	07-Aug-23	07-Aug-23	07-Aug-21
Weighted average remaining contractual life (in months)	44	56	68	56	80
Weighted average share price for options exercised (₹)	375.03	375.03	-	-	375.03

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Notes to Financial Statement for the year ended 31st March, 2024

Note 38. Lease Liabilities

For the Financial Year 2023-24

(₹ Crore)

Particulars	For the year Ended 31st March,2024
Depreciation	1.36
Interest expenses on lease liabilities	2.33

For the Financial Year 2022-23

(₹ Crore)

Particulars	For the year Ended 31st March,2023
Depreciation	1.36
Interest expenses on lease liabilities	2.35

Future minimum rentals payable under non-cancellable operating leases as follows:

(₹ Crore)

Particular	As at 31st March, 2024	As at 31st March,2023
Within one year	2.60	2.60
After one year but not more than five years	13.55	13.43
More than five years	40.59	43.32
Total	**56.75**	**59.34**

The agreements are executed on non-cancellable basis for a period of 3-40 years, which are renewable on expiry with mutual consent.

Reconcilitaion of the lease liabilities: (₹ Crore)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Opening Lease liabilities as per Indas 116	**26.01**	**26.25**
Add: Interest Expense on Lease liabilities	2.33	2.35
Less: Cash Outflow/Lease Rent	0.50	0.50
Less: Provision made in the books	2.11	2.09
Balance as at the end of the Year	**25.74**	**26.01**

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JSW Hydro Energy Limited

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Notes to Financial Statement for the year ended 31st March, 2024

Note 39. Details of Corporate Social Responsibility (CSR) Expenditure:

(₹ Crore)

Particulars	As at 31st March, 2024	As at 31st March, 2023
1.) Amount required to be spent by the company during the year	9.00	7.47
2.) Amount spent during the year on:		
(i) Construction / acquisition of an asset	-	-
(ii) On purpose other than (i) above	9.00	7.47
3.) Shortfall at the end of the year	-	-
4.) Total of previous years shortfall	-	-
5.) Reason for shortfall	-	-
6.) Nature of CSR activities	• COVID 19 Support & rehabilitation program, • Educational infrastructure & systems strengthening, • Enhance Skills & rural livelihoods through nurturing of supportive ecosytems & innovations, • General community infrastructure support & welfare initiatives, • Integrated water resources management, • Nurture women entrepreneurship & employability • Nurturing aquatic & terrestrial ecosystems for better environment & reduced emissions, • Promotion & preservation of art, culture & heritage, • Public health infrastructure, capacity building & support programs • Sports promotion & institution building, • Waste management & sanitation initiatives, • Project Management Cost	
7.) Amount unspent, if any;	-	-
8.) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	Donation paid to JSW Foundation, related party in relation to CSR Expenditure	
9.) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	-	-

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Notes to Financial Statement for the year ended 31st March, 2024

Note 40. Related party disclosure

A)	**List of Related Parties**
I	**Ultimate Holding Company**
1	JSW Energy Limited
II	**Holding Company**
1	JSW Neo Energy Limited
III	**Fellow Subsidiaries**
1	JSW Power Trading Company Limited
2	JSW Energy PSP Two Limited
3	JSW Energy (Kutehr) Limited
IV	**Key Managerial Personnel**
1	Mr. Sharad Mahendra – Chairman (w.e.f. 1st February, 2024)
2	Mr. Prashant Jain (upto 31st January, 2024)
3	Mr.Pritesh Vinay -Director
4	Mr.Sunil Goyal - Independent Director
5	Mr. Gyan Bhadra Kumar - Whole Time Director
6	Mr. Sanjeev Kango - Chief Financial Officer & Company Secretary
7	Ms. Seema Jindal- Woman Director / Independent Director
V	**Other related parties with whom the company has entered into transactions during the year**
1	JSW Steel Limited
2	Jindal Education Trust (Jindal Vidya Mandir)
3	Jindal Education Trust (Jaypee Pvt ITI)
4	JSW IP Holdings Private Limited
5	JSW Global Business Solutions Limited
6	JSW Foundation

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Notes to Financial Statement for the year ended 31st March, 2024

(₹ crore)

B	Transaction during the year	Relationship	For the year ended 31st March, 2024	For the year ended 31st March, 2023
1	**Sale of power /Material/Other to:**			
	JSW Power Trading Company Limited	Fellow Subsidiaries	42.08	48.14
	JSW Energy (Kutehr) Limited	Fellow Subsidiaries	-	0.15
	JSW Energy PSP Two Limited	Fellow Subsidiaries	*0.00	-
2	**Service Received from:**			
	JSW Global Business Solutions Limited	Others	3.42	2.40
3	**Purchase of Goods**			
	JSW Steel Limited	Others	1.23	0.62
4	**Branding expense**			
	JSW IP Holdings Private Limited	Others	3.55	3.36
5	**Reimbursement received from / (paid to) {net}:**			
	JSW Energy Limited	Ultimate Holding Company	(9.69)	(9.47)
	JSW Steel Limited	Others	(1.55)	(0.88)
	JSW Power Trading Company Limited	Fellow Subsidiaries	(0.01)	(0.01)
	Jindal Education Trust (Jindal Vidya Mandir)	Others	(0.48)	(0.13)
	Jindal Education Trust (Jaypee Private ITI)	Others	(0.25)	(0.23)
	JSW Foundation	Others	0.07	0.08
6	**Donation for CSR Expenses**			
	JSW Foundation	Others	9.00	7.47
7	**Loan Given to:**			
	JSW Energy Limited	Ultimate Holding Company	354.16	789.00
8	**Interest Income on Loan:**			
	JSW Energy Limited	Ultimate Holding Company	80.53	2.08

* Less than Rs. 50,000/-

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JSW Hydro Energy Limited

JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2024

(₹ crore)

C	Closing Balances	Relationship	As at 31st March, 2024	As at 31st March, 2023
1	**Trade Receivables**			
	JSW Energy Limited	Ultimate Holding Company	-	0.01
	JSW Steel Limited	Others	-	0.08
	JSW Foundation	Others	-	0.07
	JSW Global Business Solutions Limited	Others	-	0.00
	JSW Energy PSP Two Limited	Fellow Subsidiaries	*0.00	-
2	**Trade Payables**			
	JSW Energy Limited	Ultimate Holding Company	2.84	-
	JSW Global Business Solutions Limited	Others	0.36	
	JSW Steel Limited	Others	0.71	-
3	**Deposit With**			
	JSW IP Holdings Private Limited	Others	-	0.07
4	**Equity Share Capital**			
	JSW Neo Energy Limited	Holding Company	1,250.05	1,250.05
5	**Loan Given**			
	JSW Energy Limited	Ultimate Holding Company	1,143.16	789.00

* Less than Rs. 50,000/-

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Notes to Financial Statement for the year ended 31st March, 2024

D. The Remuneration to Key Managerial Personnel during the year:

(₹ crore)

Sl No	Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
1	Short term benefits	2.54	1.95
2	Post –Employment benefits	0.08	0.07
3	Sitting fees	0.05	0.04

Note:

The above figures does not include provisions for gratuity, group mediclaim, group personal accident and compensated absences as the same is determined at the company level and is not possible to determine for select individuals.

The Company has accrued Rs. 0.41 crore (previous year Rs. 1.70 crore) in respect of employee stock options granted to Whole Time Director and CFO/Company Secretary. The same has not been considered as managerial remuneration of the current year as defined under section 2 (78) of the Companies act 2013 as the options have not been exercised.

i) No amounts in respect of related parties have been written off / written back during the year, nor has any provision been made for doubtful debts / receivables during the year, except as discussed above

ii) Related party relationships have been identified by the management and relied upon by the Auditors

iii) Related party transactions have been disclosed on basis of value of transactions in terms of the respective contracts.

iv) Terms and conditions of sales and purchases: the sales and purchases transactions among the related parties are in the ordinary course of business based on normal commercial terms, conditions, market rates and memorandum of understanding signed with the related parties. For the year ended 31st March, 2023 & 31st March, 2024, the Company has not recorded any loss allowances for transactions between the related parties.

v) Transactions are inclusive of Taxes

vi) Transactions are disclosed based on relationship as on the date of transaction.

vii) Purchase of goods are at arm length price.

viii) During the FY 2022-23 company has entered into an agreement with the ultimate holding company for advancing a Loan of Rs 800 crore (Rupees Eight Hundred Crore), vide agreement dated 20th March, 2023. In continuation of the said agreement, during the FY 2023-24 company has entered into an ammendment agreement with the ultimate holding company for advancing the Loan from Rs. 800 crore to Rs 1200 crore (Rupees Twelve Hundred Crore), vide agreement dated 27th June, 2023.

Loan terms are as under:

a) Tenure - 3 years from the date of first disbursement of the respective tranche.

b) Lending Rate - 8.03% plus 25 bps p.a. i.e. 8.28% payable quarterly.

c) Total amount advanced - 1,143.16 crores

d) The total amount of Rs. 1,143.16 crores loan has been repaid in full on 18.04.2024.

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JSW Hydro Energy Limited

JSW HYDRO ENERGY LIMITED

Notes to Financial Statement for the year ended 31st March, 2024

Note 41. Remuneration to Auditors (excluding GST)

(₹ crore)

Sl. No.	Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
1	Services as statutory auditors (including quarterly limited reviews)	0.43	0.41
2	Other services	0.08	0.07
3	Reimbursement of out of pocket Expenses	0.01	0
	Total	**0.52**	**0.49**

SHAH GUPTA & CO. MUMBAI FRN: 109574W CHARTERED ACCOUNTANTS

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Notes to Financial Statement for the year ended 31st March, 2024

Note no. 42 - Other statutory information:

i) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

ii) The Company have immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) whose title deeds are held in the name of the company (except as disclosed under Note No 4).

iii) The Company does not have any transactions with struck off companies.

iv) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

v) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

vi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

viii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

ix) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

x) The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

Note no. 43 - Other information:

i) As per the Implementation Agreement of Karcham Wangtoo HEP, free power to the home state is 12% for initial 12 years and 18% for remaining 28 years. The PPA with PTC India Limited was drawn up in the same lines for passing though the financial implications. However, in the March 2022 True-up order CERC had capped the free power to 13% including 1% for Local Area Development Fund (LADF). In order to buy peace and to continue our good relationship with the Government of Himachal Pradesh (GoHP) since 30.09.23, 18% free power is being provided under protest. The Company has filed a writ petition (CWP No. 7667 of 2023) for seeking a direction against the State of Himachal Pradesh and Director of Energy of GoHP to align the provisions of the Implementation Agreement dated 18.11.1999 and the Supplementary Implementation Agreements, on the subject of free power supply with the CERC Tariff Regulations, 2019 and the Judgment and Order dated 17.03.2022 of the CERC; to declare the policies dated 07.07.2012 & 18.08.2017 to be ultra vires the CERC Tariff Regulations, 2019 made under the Electricity Act, 2003 on the topic of free power, in so far as the same require the Company to supply free power beyond the cap prescribed under the CERC Tariff Regulations, 2019.

ii) The Company's Karcham wangtoo HEP project has completed 12 years since its commercial operations. As per CERC Tariff Regulations, the Propert plant and equipment (PPE) are to be depreciated based on the depreciation rates prescribed under CERC regulation for 12 years and afterwards, the PPE are to be depreciated based on the balance useful life of the respective assets. Accordingly, the effective depreciation rate will reduce from the existing 5.18% to 1.33% and consequently, there will be a reduction in the revenue from operations and EBITDA of the company from financial year 2024-2025 onwards which will be partly compensated by a lower depreciation charge on fixed assets.

Note no. 44 - Audit Trail:

The Company has been maintaining its books of accounts in the SAP which has feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled, throughout the year as required by proviso to sub rule (1) of rule 3 of The Companies (Accounts) Rules, 2014 known as the Companies (Accounts) Amendment Rules, 2021. However, the audit trail feature is not enabled for direct changes to data in the underlying database. The Company as per its policy has not granted privilege access for change to data in the underlying database as evident from the manual log being maintained in this regard.

The Company in the month of March 2024 has also implemented Privileged Access Management tool (PAM), onboarded the SAP database servers on the PAM tool and the process of monitoring database is currently under testing phase. The PAM is an identity management tool which focuses on the control, monitoring, and protection of privileged accounts within an organization. The PAM tool saves complete screen video recording sessions of all the admin activities as soon as they authenticate on the PAM console and connect to the target resources (Servers, Network Devices, Applications and Database) which acts as an audit trail feature.

SHAH GUPTA & CO. MUMBAI FRN : 109574W CHARTERED ACCOUNTANTS

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Note no. 45 - Previous years figures have been regrouped/reclassified wherever necessary.

For and on behalf of Board of Directors

Gyanbhadr Kr

Gyan Bhadra Kumar
Whole Time Director
[DIN:03620109]

Sharad Mahendra
Chairman
[DIN: 02100401]

Sanjeev Kango
Company Secretary &
Chief Financial Officer

SHAH GUPTA & CO.
MUMBAI
FRN: 109574W
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