

## **INDEPENDENT AUDITOR'S REPORT**

### **To The Members of JSW Neo Energy Limited Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying standalone financial statements of JSW Neo Energy Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2023, and its loss, total comprehensive loss, the changes in equity and its cash flows 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 section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 (ICAI) together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us 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 Director's Report in the 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 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 Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) 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, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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, 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

## **Auditor's Responsibility 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 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 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial 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 the 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the Financial Statements.

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

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

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

### **Other matter**

The Comparative financial information of the Company have been restated as detailed in note 1.1 to the financial statements. The financial statements of the Company and JSW Future Energy Limited for the year ended 31<sup>st</sup> March, 2022 were audited by their respective predecessor auditors and expressed unmodified opinions vide their reports dated 30<sup>th</sup> April, 2022 and 2<sup>nd</sup> May, 2022, respectively.

Our opinion on the financial statements is not modified in respect of the above matter on the comparative financial information.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit 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, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) 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 by the Company to its director 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 does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - 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, other than as disclosed in the note 6 to the financial statements 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 person(s) or entity(ies), including foreign entities ("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.

(b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the note 30 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("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 by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

- v. The company has not declared or paid any dividend during the year and has not proposed final dividend for 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. 1<sup>st</sup> April 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31<sup>st</sup> March 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018))

**Mehul Parekh**

(Partner)

(Membership No. 121513)

(UDIN: 23121513BGXZYR2997)

Place: Mumbai

Date: 23<sup>rd</sup> May 2023

## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of JSW Neo Energy Limited ("the Company") as of 31<sup>st</sup> March 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 with reference to financial statements based on the internal control 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). 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 Companies Act, 2013.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 Company's internal financial controls with reference to financial statements

## **Meaning of Internal Financial Controls with reference to financial statements**

A company's internal financial control with reference to 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 with reference to 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 with reference to financial statements**

Because of the inherent limitations of internal financial controls with reference to 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31<sup>st</sup> March, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

**Mehul Parekh**

Partner

(Membership No. 121513)

(UDIN: 23121513BGXZYR2997)

Place: Mumbai

Date: 23<sup>rd</sup> May 2023

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT  
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of JSW NEO 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.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Property, Plant and Equipment were physically verified during the year by the Management which, in our opinion, provides for physical verification at reasonable intervals. No material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties and hence reporting under clause (i)(c) of the Order is not applicable.
- (d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31<sup>st</sup> March 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories were held with third parties at the year-end, and written confirmations have been obtained by the management. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
- (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions on the basis of security of current assets, and hence reporting under clause (ii)(b) of the Order is not applicable.
- (iii) (a) The Company has made investments in, provided guarantee and granted unsecured loans to companies during the year, the details of which are given below:

Rs. in crore			
Particulars	Investments	Loans	Guarantees
A. Aggregate amount granted   provided during the year:			
- Subsidiaries	3,727.22	652.29	48.25
- Related party	-	-	-
B. Balance outstanding as at balance sheet date in respect of above cases:			
- Subsidiaries	3,727.22	280.03	48.25
- Related party	-	-	-

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

(b) The investments made, guarantees provided and the terms and conditions of the grant of all the above-mentioned loans, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) The Company has granted loans aggregating Rs. 652.29 crore to its subsidiaries that are interest free and payable on demand. These loans have been serviced by these subsidiaries as and when demanded by the Company during the year. For the outstanding loan of Rs. 280.03 crore to its subsidiaries, the Company has not demanded any repayment during the year. Having regard to the same, in our opinion, the repayments of principal amounts are regular. For other loans, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation. (Refer reporting under clause (iii)(f) below). There are no advances in the nature of loan.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

(f) The Company has granted interest free unsecured loans to its subsidiaries which are repayable on demand, details of which are given below:

Particulars	Rs. in crore
Aggregate of loans	652.29
Percentage of loans to the total loans	100%

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees, and securities provided, as applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order is not applicable.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service Tax, Provident Fund, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities during the year except Professional Tax. The Company has deposited professional tax of Rs. 1,39,085 with 19 months delay on May 20, 2023. We have been informed that the provisions of the Employees' State Insurance Act, 1948 are not applicable to the Company.

Except as mentioned above, there were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as of 31st March 2023, for a period of more than six months from the date they became payable.

- (b) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on 31st March 2023, except for dispute pertaining to duty of Customs (Forum: Commissioner of Customs (Appeals)) for FY 2022-23 amounting to Rs. 1.38 crore which has been paid under protest.
- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion, the Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lender during the year.
- (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 taken any term loan during the year and there are no unutilized term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company did not have any joint venture or associate companies.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company did not have any joint venture or associate companies.
- (x) (a) The Company has not raised moneys by way of initial public offering or further public offering (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year (and up to the date of this report).
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

- (xiii) In our opinion, the Company is in compliance with Section 188 of the Companies Act for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards. The Company is a unlisted public company and the wholly owned subsidiary, hence the provisions of section 177 of the Companies Act, 2013 are not applicable to the Company.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business  
(b) We have considered, the internal audit reports issued to the Company during the year and covering the period up to March 2023.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are 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. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.  
(d) The Group has more than one Core Investment Company (CIC) as part of the group. There are 4 CIC forming part of the group.
- (xvii) The Company has incurred cash losses amounting to Rs. 23.61 Crores during the financial year covered by our audit and Rs. 7.43 Crore in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 indicating 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) The Company has losses in previous three years and therefore is not required to spend amount towards Corporate Social Responsibility (CSR) and hence, reporting under clause 3(xx) of the Order is not applicable to the Company.

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/ W-100018)

**Mehul Parekh**  
Partner  
(Membership No. 121513)  
(UDIN: 23121513BGXZYR2997)

Place: Mumbai  
Date: 23<sup>rd</sup> May 2023

**JSW Neo Energy Limited**  
**Balance Sheet as at 31st March, 2023**

₹ Crore

Particulars		Notes	As at 31st March, 2023	As at 31st March, 2022 (Restated - refer note 1.1)
<b>A</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Property, plant and equipment	4	0.17	-
	(b) Other intangible assets	5	0.09	-
	(c) Investment in subsidiaries	6	7,278.23	3,770.46
	(d) Financial assets			
	(i) Investments	6	215.63	117.70
	(ii) Other financial assets	14	45.45	7.00
	(e) Income tax assets (net)	7	2.45	1.56
	(f) Deferred tax assets (net)	8	-	0.22
	(g) Other non-current assets	15	1.83	0.45
	<b>Total non-current assets</b>		<b>7,543.85</b>	<b>3,897.39</b>
<b>2</b>	<b>Current assets</b>			
	(a) Inventories	9	528.88	25.34
	(b) Financial assets			
	(i) Trade receivables	10	124.75	30.79
	(ii) Cash and cash equivalents	11	58.74	3.20
	(iii) Bank balances other than (ii) above	12	49.89	22.95
	(iv) Loans	13	280.03	369.44
	(v) Other financial assets	14	735.08	5.50
	(c) Other current assets	15	248.74	72.17
	<b>Total current assets</b>		<b>2,026.11</b>	<b>529.39</b>
	<b>Total assets</b>		<b>9,569.96</b>	<b>4,426.78</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Equity</b>			
	(a) Equity share capital	16	2,361.85	50.00
	(b) Perpetual securities	17	6,457.13	470.00
	(c) Other equity	18	(174.09)	335.55
	<b>Total equity</b>		<b>8,644.89</b>	<b>855.55</b>
<b>2</b>	<b>Liabilities</b>			
<b>I</b>	<b>Non-current liabilities</b>			
	(a) Provisions	19	0.03	0.36
	<b>Total non-current liabilities</b>		<b>0.03</b>	<b>0.36</b>
<b>II</b>	<b>Current liabilities</b>			
	(a) Financial liabilities			
	(i) Borrowings	20	57.88	711.25
	(ii) Trade payables	21		
	- Total outstanding dues of micro and small enterprises		7.19	0.13
	- Total outstanding dues of creditors other than micro and small enterprises		464.04	18.26
	(iii) Other financial liabilities	22	394.47	2,835.34
	(b) Provisions	19	0.12	0.04
	(c) Other current liabilities	23	1.34	5.85
	<b>Total current liabilities</b>		<b>925.04</b>	<b>3,570.87</b>
	<b>Total equity and liabilities</b>		<b>9,569.96</b>	<b>4,426.78</b>
<b>See accompanying notes to the financial statements</b>		<b>1-41</b>		
As per our attached report of even date <b>For Deloitte Haskins &amp; Sells LLP</b> Chartered Accountants (Firm's Registration No.: 117366W/W-100018)			<b>For and on behalf of the Board of Directors</b>	
<b>Mehul Parekh</b> Partner (Membership No.: 121513)		<b>Monica Chopra</b> Director (DIN:05341124)	<b>Chittur Ramakrishnan Lakshman</b> Director (DIN:08704945)	
		<b>Rakesh Punamiya</b> Company Secretary	<b>Hirva Shah</b> Chief Financial Officer	
Place: Mumbai Date: 23rd May, 2023			Place: Mumbai Date: 23rd May, 2023	

**JSW Neo Energy Limited**

**Statement of Profit and Loss for the year ended on 31st March, 2023**

₹ Crore

Particulars	Notes	For the year ended 31st March, 2023	For the period from 6th July, 2021 to 31st March, 2022 (Restated - refer note 1.1)
I Revenue from operations	24	271.22	26.13
II Other income	25	5.25	6.05
<b>III Total income (I + II)</b>		<b>276.47</b>	<b>32.18</b>
<b>IV Expenses</b>			
(a) Cost of goods sold	-	257.89	25.57
(b) Employee benefits expense	26	10.35	4.66
(c) Finance costs	27	17.78	4.40
(d) Depreciation and amortisation expense	4	0.02	-
(e) Other expenses	28	135.36	5.45
<b>Total expenses (IV)</b>		<b>421.40</b>	<b>40.08</b>
<b>V Loss before tax (III-IV)</b>		<b>(144.93)</b>	<b>(7.90)</b>
<b>VI Tax Expense</b>	29		
(1) Current tax		0.06	(0.47)
(2) Deferred tax		0.22	(0.22)
<b>Total tax expense</b>		<b>0.28</b>	<b>(0.69)</b>
<b>VII Loss for the year/period (V-VI)</b>		<b>(145.21)</b>	<b>(7.21)</b>
<b>VIII Other comprehensive income</b>			
<b>A (i) Items that will not be reclassified to profit or loss</b>			
(a) Remeasurements of the defined benefit liabilities / (asset)		(0.07)	-
<b>IX Total comprehensive loss for the year/period (VII + VIII)</b>		<b>(145.14)</b>	<b>(7.21)</b>
<b>X Earnings per equity share of ₹ 10 each</b>	31		
Basic (₹)		(1.44)	(1.44)
Diluted (₹)		(1.44)	(0.17)
<b>See accompanying notes to the financial statements</b>	<b>1-41</b>		

As per our attached report of even date

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No.: 117366W/W-100018)

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

**Mehul Parekh**

Partner

(Membership No.: 121513)

**Monica Chopra**

Director

[DIN:05341124]

**Chittur Ramakrishnan Lakshman**

Director

[DIN:08704945]

**Rakesh Punamiya**

Company Secretary

**Hirva Shah**

Chief Financial Officer

Place: Mumbai

Date: 23rd May, 2023

Place: Mumbai

Date : 23rd May, 2023

**JSW Neo Energy Limited**  
**Statement of Changes in Equity for the year ended 31st March, 2023**

**A) Equity Share Capital**

	No of shares	₹ Crore
Balance as at 6th July, 2021	-	-
Changes in equity share capital during the period	50,000,000	50.00
<b>Balance as at 31st March, 2022</b>	<b>50,000,000</b>	<b>50.00</b>
Changes in equity share capital during the year [Refer note 16(a)]	2,311,852,180	2,311.85
<b>Balance as at 31st March, 2023</b>	<b>2,361,852,180</b>	<b>2,361.85</b>

**B) Other Equity**

Particulars	Share pending issuance	Share application money pending allotment	Reserves and surplus			Total
			Capital Reserve	Equity settled employee benefits reserve	Retained earnings	
Balance as at 6th July, 2021	-	-	-	-	-	-
Loss for the period	-	-	-	-	(7.21)	(7.21)
Share application money received by JSW Future Energy Limited (Refer note 1.1)	-	107.05	-	-	-	107.05
Shares issued by JSW Future Energy Limited (Refer note 1.1)	-	(107.05)	-	-	-	(107.05)
Amalgamation of JSW Future Energy Limited under common control (Refer note 1.1)	364.85	-	(33.17)	-	11.08	342.76
<b>Balance as at 31st March, 2022</b>	<b>364.85</b>	<b>-</b>	<b>(33.17)</b>	<b>-</b>	<b>3.87</b>	<b>335.55</b>
Loss for the year	-	-	-	-	(145.21)	(145.21)
Other comprehensive income for the year	-	-	-	-	0.07	0.07
Shares issued during the year (Refer note 1.1)	(364.85)	-	-	-	-	(364.85)
Equity settled share based payments	-	-	-	0.35	-	0.35
<b>Balance as at 31st March, 2023</b>	<b>-</b>	<b>-</b>	<b>(33.17)</b>	<b>0.35</b>	<b>(141.27)</b>	<b>(174.09)</b>

See accompanying notes to the financial statements - Note No. 1 to 41

As per our attached report of even date  
**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No.: 117366W/W-100018)

For and on behalf of Board of Directors

**Mehul Parekh**  
Partner  
(Membership No.: 121513)

**Monica Chopra**  
Director  
[DIN:05341124]

**Chittur Ramakrishnan Lakshman**  
Director  
[DIN:08704945]

**Rakesh Punamiya**  
Company Secretary

**Hirva Shah**  
Chief Financial Officer

Place: Mumbai  
Date: 23rd May, 2023

Place: Mumbai  
Date: 23rd May, 2023

**JSW Neo Energy Limited**  
**Statement of Cash Flows for the year ended 31st March, 2023**

₹ Crore

Particulars	For the year ended 31st March, 2023	For the period from 6th July, 2021 to 31st March, 2022 (Restated - refer note 1.1)
<b>A Cash Flows from Operating Activities</b>		
Loss before tax	(144.93)	(7.90)
Adjusted for:		
Depreciation and amortisation expense	0.02	-
Interest income earned on financial assets that are not designated as at	(1.43)	(2.01)
Unrealised foreign exchange gain	(0.31)	(0.02)
Loss on fair value of investment designated at FVTPL	121.52	-
Finance costs	17.78	4.40
<b>Operating loss before working capital changes</b>	<b>(7.35)</b>	<b>(5.53)</b>
<b>Adjustment for movement in working capital:</b>		
(Increase) in inventories	(503.53)	(25.34)
(Increase) in trade receivables	(93.95)	(30.79)
(Increase) / Decrease in current and non-current assets	(183.26)	78.34
Increase / (Decrease) in trade payables and other liabilities	447.95	(32.01)
<b>Cash flow from operations</b>	<b>(340.14)</b>	<b>(15.33)</b>
Income taxes paid (net)	(2.45)	(5.21)
<b>Net cash( used in) / generated from operating activities (A)</b>	<b>(342.59)</b>	<b>(20.54)</b>
<b>B Cash Flows from Investing Activities</b>		
Investment in equity share capital of subsidiaries	(6,028.45)	(811.46)
Investments in compulsorily convertible preference shares	(186.26)	-
Investments in optionally convertible debentures	(219.45)	(117.70)
Advance towards acquisition of equity shares	(455.40)	-
Purchase of property, plant and equipment	(0.17)	-
Purchase of intangible assets	(0.09)	-
Interest received	0.95	2.01
Loans given	(652.29)	(444.24)
Loans repaid	741.70	117.93
Bank balances other than cash and cash equivalents	(65.39)	(29.95)
<b>Net cash used in investing activities (B)</b>	<b>(6,864.85)</b>	<b>(1,283.41)</b>
<b>C Cash Flows from Financing Activities</b>		
Proceeds from fresh issue of equity shares	1,947.00	130.20
Proceeds from issue of perpetual securities	6,287.13	470.00
Repayment of perpetual securities	(300.00)	-
Proceeds from borrowings	57.88	711.25
Repayment of borrowings	(711.25)	-
Interest paid	(17.78)	(4.40)
<b>Net cash generated from financing activities (C)</b>	<b>7,262.98</b>	<b>1,307.05</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>55.54</b>	<b>3.10</b>
<b>Cash and cash equivalents pursuant to Amalgamation</b>	<b>-</b>	<b>0.10</b>
<b>Cash and cash equivalents - at the beginning of the year/period</b>	<b>3.20</b>	<b>-</b>
<b>Cash and cash equivalents - at the end of the year/period</b>	<b>58.74</b>	<b>3.20</b>
<b>See accompanying notes to the financial statements - Note No. 1 to 41</b>		
Notes:		
a) 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.		
b) Non cash transactions:		
i) Loans given of ₹ 266.07 crore and dues payable of ₹ 300.10 crore (net ₹ 34.03 crore), by certain Mytrah entities to its erstwhile parent and its other group entities, have been novated in favour of the Company during the year and adjusted against the consideration payable towards acquisition of Mytrah entities.		
ii) During the year, the Company has allotted 36,48,52,180 equity shares of ₹ 10 each to JSW Energy Limited for consideration other than cash pursuant to amalgamation of JSW Future Energy Limited with the Company (Refer note 1.1)		
As per our attached report of even date		<b>For and on behalf of the Board of Directors</b>
<b>For Deloitte Haskins &amp; Sells LLP</b> Chartered Accountants (Firm's Registration No.: 117366W/W-100018)		
<b>Mehul Parekh</b> Partner (Membership No.: 121513)	<b>Monica Chopra</b> Director (DIN:05341124)	<b>Chittur Ramakrishnan Lakshman</b> Director (DIN:08704945)
	<b>Rakesh Punamiya</b> Company Secretary	<b>Hirva Shah</b> Chief Financial Officer
Place: Mumbai Date: 23rd May, 2023		Place: Mumbai Date : 23rd May, 2023

**JSW Neo Energy Limited**  
**Notes to the Financial Statements for the year ended 31st March, 2023**

**Notes:**

**1 General information:** JSW Neo Energy Limited ("the Company") is a public limited company incorporated on 6th July, 2021 under the Companies Act, 2013. The Company forms part of the JSW Energy group. The registered office of the Company is located at JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai, Maharashtra. The Company, inter alia, pursues business opportunity in the renewable energy space, energy storage systems, micro grids etc.

**1.1 Amalgamation of JSW Future Energy Limited with JSW Neo Energy Limited:** Pursuant to reorganization of Renewable and Thermal businesses of the Group, the petition filed with National Company Law Tribunal ("NCLT"), Mumbai bench for scheme of Amalgamation of JSW Future Energy Limited ("Transferor Company") with JSW Neo Energy Limited ("Transferee Company") (both wholly owned subsidiary companies of JSW Energy Limited) with appointed date of 1st April, 2022, has been approved by the NCLT vide its order dated 25th August, 2022. The certified copy of the said order has been filed with the Registrar of Companies. During the year, the Scheme has become effective upon receipt of relevant regulatory approvals and necessary filings on 26th March 2023. Upon the Scheme becoming effective, 11 (Eleven) fully paid-up equity shares of ₹ 10/- of Transferee Company was issued and allotted to for every 10 (Ten) equity shares of Transferor Company.

Since the Transferor Company and Transferee Company are under common control, the accounting of the said amalgamation has been done applying Pooling of interest method as prescribed in Appendix C of Ind AS 103 'Business Combinations' w.e.f the first day of the earlier period presented i.e. 6th July, 2021. While applying the Pooling of Interest method, the Company has recorded all assets, liabilities and reserves attributable to the JSW Future Energy Limited at their carrying values as appearing in the financial statements of the Transferor Company and accordingly, the previous period numbers have been restated.

Details of assets and liabilities transferred from the Transferor company are as under:

Particulars	₹ Crore
<b>(a) Assets:</b>	
<b>Non-current assets:</b>	
Other intangible assets	0.01
Investments in subsidiaries	1,107.85
Financial assets	22.95
Income tax assets (net)	1.55
Deferred tax assets	1.34
Other non-current assets	0.45
<b>Current assets:</b>	
Inventories	79.18
Trade receivables	37.63
Cash and cash equivalents	9.82
Loans	414.67
Other financial assets	5.17
Other current assets	35.56
<b>Total assets (a)</b>	<b>1,716.18</b>
<b>(B) Liabilities:</b>	
Perpetual securities	1,367.18
Other equity	3.33
<b>Non current liabilities:</b>	
Provisions	0.20
<b>Current liabilities:</b>	
Trade payables	13.01
Other current liabilities	0.76
Provisions	0.02
<b>Total liabilities (b)</b>	<b>1,384.50</b>
<b>Net assets received in Business Combination (c=a-b)</b>	<b>331.68</b>
<b>Equity shares issued on Business Combination disclosed as Share pending issuance (d)</b>	<b>364.85</b>
<b>Capital reserve arising on Business Combination (d-c)</b>	<b>(33.17)</b>

This has resulted in restatement of financial statement as on 31st March 2022, the changes in major heads are as below:

Particulars	₹ Crore	
	Reported	Reinstated
Non-current assets	2,885.26	3,897.39
Current assets	1.79	529.39
Equity	(46.47)	(855.55)
Non-current liabilities	-	(0.36)
Current liabilities	(2,840.59)	(3,570.88)

  

Particulars	Reported	Reinstated
Total income	0.09	32.18
Loss before tax	(3.75)	(7.90)
Total comprehensive loss	(3.52)	(7.21)

**1.2 Investment in Mytrah Entities:** The Company has entered into agreements to acquire a portfolio of 30 Special Purpose Vehicle's (SPVs) ("Mytrah Entities") comprising of 1,753 MW of Renewable Energy generation assets (solar and wind power plants, and ancillary energy assets) from Mytrah Energy (India) Private Limited ("MEIPL") and its subsidiaries, for a consideration of Rs. 2,770 crores in a two-step process.

In the first step, on 29th March 2023, the Company has completed the acquisition of 1,449 MW of renewable energy assets by acquisition of 15 SPVs and 13 ancillary SPVs. The said 28 subsidiaries of MEIPL have now become subsidiaries of the Company.

In the second step, pursuant to Binding definitive Forward Sale Agreements, acquisition of balance 2 SPVs with renewable energy assets of 304 MW, the Company completed acquisition of one of these SPVs (155 MW) on 6th April 2023 and the acquisition of another SPV is under process.

**JSW Neo Energy Limited**  
**Notes to the Financial Statements for the year ended 31st March, 2023**

**1.3 Note on exemption from consolidation:** The Company has opted to not prepare Consolidated Financial Statement since it is fulfilling all of the conditions as per IND AS 110 which are mandatory for any company to not prepare its Consolidated Financial Statements.

JSW Energy Limited i.e. the Holding company whose principal place of business is Mumbai, India has prepared the Consolidated Financial Statements which complies with the requirement of Ind AS and these financial statements are available at the website of the group i.e. [www.jsw.in](http://www.jsw.in)

The list of subsidiaries, its principle place of business and its proportion of ownership interest held in the investee companies are as below:

Particulars	Place of incorporation and operation	Nature of Business	Shareholding either directly or through subsidiaries/associates	
			As at 31st March, 2023	As at 31st March, 2022
<b>Subsidiaries:</b>				
JSW Hydro Energy Limited (JSWHEL)	India	Power Generation	100.00%	100.00%
JSW Energy (Kutehr) Limited (JSWEKL)	India	Power Generation	100.00%	100.00%
JSW Renewable Energy (Vijayanagar) Limited (JSWREVL)	India	Power Generation	74.00%	100.00%
JSW Renew Energy Limited (JSWREL)	India	Power Generation	100.00%	100.00%
Computer software is amortised over an estimated useful life of 3 years.	India	Power Generation	100.00%	100.00%
The estimated useful lives, residual values				
JSW Renew Energy (Raj) Limited (JSWRERL) (Effective 20th May, 2021)	India	Power Generation	100.00%	100.00%
JSW Renew Energy (Kar) Limited (JSWREKL) (Effective 22nd May, 2021)	India	Power Generation	100.00%	100.00%
JSW Energy PSP Two Limited (JSWEP2L) (Effective 7th September, 2021)	India	Power Generation	100.00%	100.00%
JSW Green Hydrogen Limited (JSWGHL) (Formerly known as JSW Energy PSP Five Limited) (Effective 7th September, 2021)	India	Green Hydrogen	100.00%	100.00%
JSW Energy PSP One Limited (JSWEP1L) (Effective 8th October, 2021)	India	Power Generation	100.00%	100.00%

**JSW Neo Energy Limited**

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

Particulars	Place of incorporation and operation	Nature of Business	Shareholding either directly or through subsidiaries/associates	
			As at 31st March, 2023	As at 31st March, 2022
JSW Renew Energy Three Limited (JSWRE3L) (Effective 8th October, 2021)	India	Power Generation	100.00%	100.00%
JSW Renew Energy Four Limited (JSWRE4L) (Formerly known as JSW Energy PSP Four Limited) (Effective 8th October, 2021)	India	Power Generation	100.00%	100.00%
JSW Energy PSP Three Limited (JSWEP3L) (Effective 21st October, 2021)	India	Power Generation	100.00%	100.00%
JSW Renew Energy Five Limited (JSWRE5L) (Effective 10th March, 2022)	India	Power Generation	100.00%	100.00%
JSW Renew Energy Six Limited (JSWRE6L) (Effective 11th March, 2022)	India	Power Generation	100.00%	100.00%
JSW Renew Energy Seven Limited (JSWRE7L) (Effective 14th March, 2022)	India	Power Generation	100.00%	100.00%
JSW Renewable Energy (Coated) Limited (JSWRECOL) (Effective 23rd May, 2022)	India	Power Generation	100.00%	0.00%
JSW Renewable Energy (Cement) Limited (JSWRECML) (Effective 24th June, 2022)	India	Power Generation	100.00%	0.00%
JSW Renewable Energy (Amba River) Limited (JSWREARL) (Effective 5th August, 2022)	India	Power Generation	100.00%	0.00%
JSW Renewable Technologies Limited (JSWRTL) (Effective 8th September, 2022)	India	Power Generation	100.00%	0.00%
<b>Subsidiaries acquired through business combination (Effective 29th March, 2023)</b>				
Mytrah Aakash Power Private Limited	India	Power Generation	100.00%	0.00%
Mytrah Abhinav Power Private Limited	India	Power Generation	100.00%	0.00%
Mytrah Adarsh Power Private Limited	India	Power Generation	100.00%	0.00%
Mytrah Advaith Power Private Limited	India	Power Generation	100.00%	0.00%
Mytrah Agriya Power Private Limited	India	Power Generation	100.00%	0.00%
Mytrah Akshaya Energy Private Limited	India	Power Generation	100.00%	0.00%
Mytrah Aadhya Power Private Limited	India	Power Generation	100.00%	0.00%
Mytrah Ainesh Power Private Limited	India	Power Generation	100.00%	0.00%
Mytrah Tejas Power Private Limited	India	Power Generation	100.00%	0.00%
Nidhi Wind Farms Private Limited	India	Power Generation	100.00%	0.00%
Mytrah Vayu (Godavari) Private Limited	India	Power Generation	100.00%	0.00%
Mytrah Vayu (Krishna) Private Limited	India	Power Generation	100.00%	0.00%
Mytrah Vayu (Manjira) Private Limited	India	Power Generation	74.00%	0.00%
Mytrah Vayu (Pennar) Private Limited	India	Power Generation	100.00%	0.00%
Mytrah Vayu (Sabarmati) Private Limited	India	Power Generation	100.00%	0.00%
Mytrah Vayu (Som) Private Limited	India	Power Generation	100.00%	0.00%
Mytrah Vayu Urja Private Limited	India	Power Generation	100.00%	0.00%
Bindu Vayu Urja Private Limited	India	Power Generation	100.00%	0.00%
Mytrah Vayu (Bhavani) Private Limited	India	Power Generation	100.00%	0.00%
Mytrah Vayu (Chitravati) Private Limited	India	Power Generation	100.00%	0.00%
Mytrah Vayu (Hemavati) Private Limited	India	Power Generation	100.00%	0.00%
Mytrah Vayu (Kaveri) Private Limited	India	Power Generation	100.00%	0.00%
Mytrah Vayu (Maansi) Private Limited	India	Power Generation	100.00%	0.00%
Mytrah Vayu (Palar) Private Limited	India	Power Generation	100.00%	0.00%
Mytrah Vayu (Parbati) Private Limited	India	Power Generation	100.00%	0.00%
Mytrah Vayu (Sharavati) Private Limited	India	Power Generation	100.00%	0.00%
Mytrah Vayu (Tapti) Private Limited	India	Power Generation	100.00%	0.00%
Mytrah Vayu (Adyar) Private Limited	India	Power Generation	100.00%	0.00%

**2.1 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.

**2.2 Statement of compliance:**

The Financial Statements of the Company which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2023, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements") have been prepared in accordance with Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with 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 have been approved by the Board of Directors in its meeting held on 23rd May, 2023.

**2.3 Basis of preparation and presentation**

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

**Current and non-current classification**

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

**2.4 Significant accounting policies:**

**I. Revenue recognition:**

**Sale of Goods:**

The Company recognises revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company has generally concluded that it is the principal in its revenue arrangements as it typically controls the goods or services before transferring them to the customer.

Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, or other similar items in a contract when they are highly probable to be provided. The amount of revenue excludes any amount collected on behalf of third parties.

The Company recognises revenue generally at the point in time when the products are delivered to customer. In contracts where freight is arranged by the Company and recovered from the customers, the same is treated as a separate performance obligation and revenue is recognised when such freight services are rendered.

**Dividend and interest income:**

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

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.

Income from sale of equipments / services is accounted on a accrual basis as and when the right to receive arises.

**II. Foreign currencies:**

The Company's Financial Statements are presented in Indian Rupee. The 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.

**III. Borrowing costs:**

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

All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

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

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. 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. 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 expenditure on that asset.

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

**IV. 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 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.

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

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

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

**Defined contribution plans:**

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

**Defined benefit plans:**

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

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

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

**d) 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 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.

**V. Taxation:**

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

**Current tax:**

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

**Deferred tax:**

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

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.

**Current tax 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.

**VI. 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.

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.

**VII. Other intangible assets:**

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

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 recognised in statement of profit and loss.

**VIII. 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 recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful lives and residual value prescribed in Schedule II to the Act except in case of the following class of assets wherein useful lives are determined based on technical assessment made by a technical expert engaged by the management taking into account the nature of assets, the estimated usage of assets, the operating conditions of the assets, anticipated technological changes, in order to reflect the actual usage.

## JSW Neo Energy Limited

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

Estimated useful lives of the assets are as follows:

Class of Property, plant and equipment	Useful life in Years
Office equipment	3

Computer software is amortised over an estimated useful life of 3 years.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

#### IX. 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.

#### X. 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.

#### XI. Provisions , contingencies and commitments:

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

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as 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 where 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.

**XII. Financial instruments:**

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities 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 equity instrument of subsidiaries:**

The Company has accounted for its investment in equity instrument of subsidiaries, associate and joint venture, at cost.

**(B) Financial assets:**

**(a) 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.

**(b) Classification of financial assets:**

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

The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

All other financial assets are classified as measured at FVTPL.

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

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

The Company's right to receive the dividends is established;

It is probable that the economic benefits associated with the dividends will flow to the entity;

The dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

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.

**(c) 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.

**(d) 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 life-time 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.

**(e) 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.

**(f) 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.

**(C) Financial liabilities and equity instruments:**

**(a) Classification as debt or equity:**

Debt and equity instruments issued by the Company 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.

**(b) 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 the Company 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 and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

**(c) Financial liabilities:**

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

**Financial liabilities at FVTPL:**

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

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

It is a derivative that is not designated and effective as a hedging instrument. A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

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

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

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

**(D) 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.

**(E) Fair Value measurement:**

The Company measures financial instruments 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 non-financial 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.

## JSW Neo Energy Limited

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

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.

#### **XIII. 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.

#### **XIV. 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 Company 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.

#### **XV. Business Combination:**

Common control business combination is accounted using the pooling of interest method where the Company is transferee. Assets and liabilities of the combining entities are reflected at their carrying amounts and no new asset or liability is recognised. Identity of reserves of the transferor company is preserved by reflecting them in the same form in the Company's financial statements in which they appeared in the financial statements of the transferor company. The excess between the amount of consideration paid over the share capital of the transferor company is recognised as a negative amount and the same is disclosed as capital reserve on business combination. The financial information in the financial statements in respect of prior periods is restated from the beginning of the preceding period in the financial statements if the business combination date is prior to that date. However, if business combination date is after that date, the financial information in the financial statements is restated from the date of business combination.

#### **3 Key sources of estimation uncertainty and critical accounting judgements:**

In applying the Company's accounting policies, which are described in note 2.4, 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) 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.

## JSW Neo Energy Limited

### Notes to the financial statements for the year ended 31st March, 2023

#### Note No. 4 - Property, plant and equipment:

₹ Crore

Description of Assets	Computer	Total
<b>At cost</b>		
<b>I. Gross Carrying Value</b>		
Balance as at 6th July, 2021	-	-
Additions	-	-
Disposals / discards	-	-
<b>Balance as at 31st March, 2022</b>	-	-
Additions	0.18	0.18
Disposals / discards	-	-
<b>Balance as at 31st March, 2023</b>	<b>0.18</b>	<b>0.18</b>
<b>II. Accumulated depreciation</b>		
Balance as at 6th July, 2021	-	-
Depreciation expense for the period	-	-
<b>Balance as at 31st March, 2022</b>	-	-
Depreciation expense for the year	0.01	0.01
<b>Balance as at 31st March, 2023</b>	<b>0.01</b>	<b>0.01</b>
<b>III. Net Carrying Value as at 31st March, 2023</b>	<b>0.17</b>	<b>0.17</b>
<b>IV. Net Carrying Value as at 31st March, 2022</b>	-	-

#### Note No. 5 - Other intangible assets:

₹ Crore

Description of Assets	Software	Total
<b>At cost</b>		
<b>I. Gross Carrying Value</b>		
Balance as at 6th July, 2021	-	-
Additions	-	-
Disposals / discards	-	-
<b>Balance as at 31st March, 2022</b>	-	-
Additions	0.10	0.10
Disposals / discards	-	-
<b>Balance as at 31st March, 2023</b>	<b>0.10</b>	<b>0.10</b>
<b>II. Accumulated amortisation</b>		
Balance as at 6th July, 2021	-	-
Amortisation expense for the period	-	-
<b>Balance as at 31st March, 2022</b>	-	-
Amortisation expense for the year	0.01	0.01
<b>Balance as at 31st March, 2023</b>	<b>0.01</b>	<b>0.01</b>
<b>III. Net Carrying Value as at 31st March, 2023</b>	<b>0.09</b>	<b>0.09</b>
<b>IV. Net Carrying Value as at 31st March, 2022</b>	-	-

**JSW Neo Energy Limited**  
**Notes to the financial statements for the year ended 31st March, 2023**

Note No. 6 - Investments in subsidiaries:

₹ Crore

Particulars	Face value per share (fully paid)	Number of shares	As at 31st March, 2023		Number of shares	As at 31st March, 2022	
			Current	Non-current		Current	Non-current
<b>Unquoted Investments</b>							
<b>Investment at cost</b>							
<b>a) Investments in equity instruments</b>							
<b>Investments in subsidiary companies</b>							
(i) JSW Renew Energy Three Limited	10	49,210,000	-	49.21	9,760,000	-	9.76
(ii) JSW Energy PSP One Limited	10	10,000	-	0.01	10,000	-	0.01
(iii) JSW Energy PSP Two Limited	10	10,000	-	0.01	10,000	-	0.01
(iv) JSW Energy PSP Three Limited	10	10,000	-	0.01	10,000	-	0.01
(v) JSW Renew Energy Four Limited (Formerly known as JSW Energy PSP Four Limited)	10	10,000	-	0.01	10,000	-	0.01
(vi) JSW Green Hydrogen Limited (Formerly known as JSW Energy PSP Five Limited)	10	10,000	-	0.01	10,000	-	0.01
(vii) JSW Renewable Energy (Dolvi) Limited	10	34,710,000	-	34.71	33,110,000	-	33.11
(viii) JSW Renew Energy (Kar) Limited	10	780,000	-	0.78	780,000	-	0.78
(ix) JSW Energy Kutehr Limited	10	872,710,000	-	870.04	798,000,000	-	795.33
(x) JSW Hydro Energy Limited	10	1,250,050,000	-	2,046.01	1,250,050,000	-	2,046.01
(xi) JSW Renew Energy Five Limited	10	10,000	-	0.01	-	-	-
(xii) JSW Renew Energy Six Limited	10	10,000	-	0.01	-	-	-
(xiii) JSW Renew Energy Seven Limited	10	10,000	-	0.01	-	-	-
(xiv) JSW Renew Energy Amba River Coke Limited	10	10,000	-	0.01	-	-	-
(xv) JSW Renew Energy Coated Limited	10	10,000	-	0.01	-	-	-
(xvi) JSW Renewable Energy (Cement) Limited	10	10,000	-	0.01	-	-	-
(xvii) JSW Renewable Technologies Limited	10	10,000	-	0.01	-	-	-
(xviii) JSW Renew Energy Limited	10	435,480,000	-	435.48	435,480,000	-	435.48
(xix) JSW Renewable Energy (Vijayanagar) Limited	10	219,150,000	-	219.15	217,610,000	-	217.61
(xx) JSW Renew Energy Two Limited	10	319,800,000	-	319.80	229,930,000	-	229.93
(xxi) JSW Renew Energy (Raj) Limited	10	2,450,000	-	2.45	2,400,000	-	2.40
(xxii) Mytrah Vayu Urja Private Limited	10	20,290,000	-	82.00	-	-	-
(xxiii) Bindu Vayu Urja Private Limited	10	98,550,000	-	522.22	-	-	-
(xxiv) Mytrah Vayu Pennar Private Limited	10	31,842,000	-	131.00	-	-	-
(xxv) Mytrah Vayu Krishna Private Limited	10	69,555,751	-	283.42	-	-	-
(xxvi) Mytrah Vayu Manjira Private Limited	10	16,246,700	-	1.00	-	-	-
(xxvii) Mytrah Vayu Godavari Private Limited	10	21,256,000	-	233.51	-	-	-
(xxviii) Mytrah Vayu Som Private Limited	10	30,368,240	-	27.02	-	-	-
(xxix) Mytrah Vayu Sabarmati Private Limited	10	49,408,000	-	57.73	-	-	-
(xxx) Mytrah Aadhya Power Private Limited	10	8,712,000	-	2.00	-	-	-
(xxxi) Mytrah Abhinav Power Private Limited	10	16,674,057	-	209.00	-	-	-
(xxxii) Mytrah Advait Power Private Limited	10	5,910,000	-	137.00	-	-	-
(xxxiii) Mytrah Akshaya Energy Private Limited	10	2,843,000	-	32.00	-	-	-
(xxxiv) Mytrah Aakash Power Private Limited	10	8,506,000	-	131.00	-	-	-
(xxxv) Mytrah Agriya Power Private Limited	10	19,120,351	-	199.00	-	-	-
(xxxvi) Mytrah Adarsh Power Private Limited	10	17,975,680	-	89.00	-	-	-
(xxxvii) Nidhi Wind Farms Private Limited	10	10,000	-	*	-	-	-
(xxxviii) Mytrah Ainesh Power Private Limited	10	50,000	-	0.21	-	-	-
(xxxix) Mytrah Tejas Power Private Limited	10	50,000	-	*	-	-	-
(xl) Mytrah Vayu (Adayar) Private Limited	10	10,000	-	*	-	-	-
(xli) Mytrah Vayu (Bhavani) Private Limited	10	10,000	-	0.27	-	-	-
(xlii) Mytrah Vayu (Chitravati) Private Limited	10	10,000	-	0.08	-	-	-
(xliiii) Mytrah Vayu (Hemavati) Private Limited	10	50,000	-	*	-	-	-
(xliiii) Mytrah Vayu (Kaveri) Private Limited	10	10,000	-	0.32	-	-	-
(xlv) Mytrah Vayu (Maansi) Private Limited	10	50,000	-	0.12	-	-	-
(xlvi) Mytrah Vayu (Palar) Private Limited	10	10,000	-	0.28	-	-	-
(xlvii) Mytrah Vayu (Parbati) Private Limited	10	10,000	-	0.22	-	-	-
(xlviii) Mytrah Vayu (Sharavati) Private Limited	10	10,000	-	0.18	-	-	-
(xlix) Mytrah Vayu (Taapti) Private Limited	10	10,000	-	0.13	-	-	-
<b>Total</b>				<b>6,116.46</b>			<b>3,770.46</b>
<b>b) Investments in compulsorily convertible preference shares<sup>3</sup></b>							
<b>Investments in subsidiaries</b>							
(i) Mytrah Vayu Manjira Private Limited	50	37,252,798	-	186.26	-	-	-
<b>Total</b>				<b>186.26</b>			
<b>c) Investments in unsecured perpetual securities<sup>1</sup></b>							
<b>Investments in subsidiaries</b>							
(i) JSW Renew Energy Five Limited	-	-	-	47.62	-	-	-
(ii) JSW Renew Energy Six Limited	-	-	-	40.56	-	-	-
(iii) JSW Green Hydrogen Limited	-	-	-	20.23	-	-	-
(iv) JSW Renew Energy Four Limited	-	-	-	17.99	-	-	-
(v) JSW Renewable Energy (Cement) Limited	-	-	-	48.40	-	-	-
(vi) JSW Renew Energy Three Limited	-	-	-	6.32	-	-	-
(vii) JSW Renew Energy Two Limited	-	-	-	317.44	-	-	-
(viii) JSW Renewable Energy (Vijayanagar) Limited	-	-	-	470.50	-	-	-
(ix) JSW Renewable Energy (Dolvi) Limited	-	-	-	0.16	-	-	-
(x) JSW Renewable Technologies Limited	-	-	-	6.29	-	-	-
<b>Total</b>				<b>975.51</b>			
<b>Total Investment</b>				<b>7,278.23</b>			<b>3,770.46</b>

★ less than ₹ 50,000

**1 Terms of unsecured perpetual securities :**

These Securities are perpetual in nature with no maturity or redemption and are callable only at the option of the issuer. The distributions on these Securities are non-cumulative and at the rate at which dividend has been declared by the issuer on its equity shares for the respective financial year. As these securities are perpetual in nature and repayment shall rank senior to the issuers obligations to make payments / distribution in relation to its preference and equity share capital and any other securities at par with preference and equity share capital of the issuer Company and does not have any redemption obligation, these are considered to be in the nature of investment in equity instruments.

**2 Details of equity shares pledged in favour of various lenders/Security Trustee as security for loans granted to the group companies :**

Sr. No.	Loans taken by	Shares pledged of	No. of shares pledged	
			As at 31st March, 2023	As at 31st March, 2022
1	JSW Energy Kutehr Limited	JSW Energy Kutehr Limited	797,999,994	-
2	JSW Hydro Energy Limited	JSW Hydro Energy Limited	637,525,500	637,525,500
3	JSW Renew Energy Two Limited	JSW Renew Energy Two Limited	243,047,996	-
4	JSW Renew Energy Limited	JSW Renew Energy Limited	255,644,800	215,209,800
5	JSW Renewable Energy (Vijayanagar) Limited	JSW Renewable Energy (Vijayanagar) Limited	219,149,994	-

**3 Terms of conversion of compulsorily convertible preference shares ("CCPS"):**

The CCPS shall be compulsorily convertible into equity shares of the investee company at any time within 20 years:

- (i) from the date of allotment or;
- (ii) at the option of Company at any time before 20 years.

The CCPS will be converted into such number of equity shares of ₹ 10 each, equivalent to the value of investment.

**JSW Neo Energy Limited**  
**Notes to the financial statements for the year ended 31st March, 2023**

**Note No. 6 - Investments:**

₹ Crore

Particulars	Face value per OCD (fully paid)	Number of OCD	As at 31st March, 2023		Number of OCD	As at 31st March, 2022	
			Current	Non current		Current	Non current
<b>Investments at fair value through profit or loss</b>							
<b>I) Investments in optionally convertible debentures (OCD)</b>							
<b>Investments in subsidiaries (unquoted)</b>							
(i) JSW Renew Energy Limited	10	276,150,000	-	205.65	117,700,000	-	117.70
<b>Investments in others (unquoted)</b>							
(i) Mytrah Vayu (Indravati) Private Limited	1,000,000	310	-	5.07	-	-	-
(ii) Mytrah Vayu (Tungabhadra) Private Limited	1,000,000	300	-	4.91	-	-	-
<b>Total</b>			-	<b>215.63</b>		-	<b>117.70</b>

**Details of optionally convertible debentures (OCD's) pledged in favour of various lenders/Security Trustee as security for loans granted to the group companies :**

Loans taken by	OCD's pledged of	No. of shares/OCD's pledged	
		As at 31st March, 2023	As at 31st March, 2022
<b>Optionally convertible debentures:</b>			
JSW Renew Energy Limited	JSW Renew Energy Limited	135,738,201	-

## JSW Neo Energy Limited

### Notes to the financial statements for the year ended 31st March, 2023

#### Note No. 6 - Investments:

₹ Crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Quoted investments</b>		
Aggregate book value	-	-
Aggregate market value	-	-
<b>Unquoted investments</b>		
Aggregate carrying value	7,493.86	3,888.16
<b>Investment at cost</b>	<b>7,278.23</b>	<b>3,770.46</b>
<b>Investment at fair value through other comprehensive income</b>	-	-
<b>Investment at fair value through profit or loss</b>	<b>215.63</b>	<b>117.70</b>
<b>Allowance for impairment in value of investments</b>	-	-

## JSW Neo Energy Limited

### Notes to the financial statements for the year ended 31st March, 2023

#### Note No. 7 - Income tax assets (net):

₹ Crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Income tax assets [Net of provision ₹Nil ( 31st March 2022: ₹ 3.65 Crore)]	2.45	1.56
<b>Total</b>	<b>2.45</b>	<b>1.56</b>

#### Note No. 8 - Deferred tax assets (net):

₹ Crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred tax assets (net)	-	0.22
<b>Total</b>	<b>-</b>	<b>0.22</b>

#### Note No. 9 - Inventories:

₹ Crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Stores and spares	528.88	25.34
<b>Total</b>	<b>528.88</b>	<b>25.34</b>

a) Refer note 2.4(IX) for basis of valuation

b) Inventories of stores and spares are recognised as expense on consumption. The cost of inventories recognised as an expense during the year was ₹ 257.89 crores (Previous year ₹ 25.57 crores)

## JSW Neo Energy Limited

### Notes to the financial statements for the year ended 31st March, 2023

#### Note No. 10 - Trade receivables:

₹ Crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Trade receivables</b>		
- Unsecured, considered good	124.75	30.79
<b>Total</b>	<b>124.75</b>	<b>30.79</b>

#### a) 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 receipts				
Less than 6 months	124.75	-	-	-
6 months-1 year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
<b>Total</b>	<b>124.75</b>	<b>-</b>	<b>-</b>	<b>-</b>

₹ Crore

As at 31st March, 2022	Undisputed Trade receivables		Disputed Trade Receivables	
	considered good	considered doubtful	considered good	considered doubtful
Outstanding for following periods from due date of receipts				
Less than 6 months	30.79	-	-	-
6 months-1 year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
<b>Total</b>	<b>30.79</b>	<b>-</b>	<b>-</b>	<b>-</b>

b) The average credit period allowed to customers is generally in the range of 7-45 days.

c) The Company does not have history of defaults in trade receivables.

#### Note No. 11 - Cash and cash equivalents:

₹ Crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Balances with banks</b>		
- In current accounts	58.74	3.20
<b>Total</b>	<b>58.74</b>	<b>3.20</b>

#### Note No. 12 - Bank balances other than cash and cash equivalents:

₹ Crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Balances with banks</b>		
- In deposit accounts (maturity more than 3 months but less than 12 months at the date of inception)	-	22.95
- Margin money for security against the guarantees	49.89	-
<b>Total</b>	<b>49.89</b>	<b>22.95</b>

## JSW Neo Energy Limited

### Notes to the financial statements for the year ended 31st March, 2023

#### Note No. 13 - Loans:

₹ Crore

Particulars	As at	
	31st March, 2023	31st March, 2022
<b>Unsecured, considered good</b>		
<b>On demand loans to subsidiaries</b>		
(i) Mytrah Vayu (Urja) Private Limited	0.70	-
(ii) Bindu Vayu Urja Private Limited	2.64	-
(iii) Mytrah Vayu (Pennar) Private Limited	1.01	-
(iv) Mytrah Vayu (Manjira) Private Limited	5.43	-
(v) Mytrah Vayu (Krishna) Private Limited	3.13	-
(vi) Mytrah Vayu (Sabarmati) Private Limited	91.42	-
(vii) Mytrah Vayu (Godavari) Private Limited	18.33	-
(viii) Mytrah Aakash Power Private Limited	14.47	-
(ix) Mytrah Advaith Power Private Limited	0.06	-
(x) Mytrah Akshaya Energy Private Limited	0.03	-
(xi) Mytrah Adarsh Power Private Limited	0.52	-
(xii) Mytrah Abhinav Power Private Limited	2.93	-
(xiii) Mytrah Aadhya Power Private Limited	0.12	-
(xiv) Mytrah Vayu (Som) Private Limited	103.81	-
(xv) Mytrah Agriya Power Private Limited	35.43	-
(xvi) JSW Renewable Energy (Vijayanagar) Limited	-	369.44
<b>Total</b>	<b>280.03</b>	<b>369.44</b>

All the above loans have been given for business purpose only.

#### Note No. 14 - Other financial assets:

₹ Crore

Particulars	As at		As at	
	31st March, 2023		31st March, 2022	
	Current	Non-current	Current	Non-current
<b>Unsecured, considered good</b>				
a) Receivables from related parties (Refer note 32)	267.24	-	-	-
b) Advance towards acquisition of equity shares (Refer note 1.2)	455.40	-	-	-
c) Interest receivable on fixed deposits	0.67	-	0.19	-
d) Security deposits	-	-	-	-
e) Other bank balances				
(i) In deposit accounts (maturity more than 12 months)	-	-	-	7.00
(ii) Margin money for security against the guarantees	-	45.45	-	-
f) Other receivables	11.77	-	5.31	-
<b>Total</b>	<b>735.08</b>	<b>45.45</b>	<b>5.50</b>	<b>7.00</b>

★ less than ₹ 50,000

#### Note No. 15 - Other assets:

₹ Crore

Particulars	As at		As at	
	31st March, 2023		31st March, 2022	
	Current	Non-current	Current	Non-current
Balances with government authorities	99.74	1.38	8.48	-
Advances to related parties (Refer note 32)	127.33	-	50.92	-
Advances to vendors	21.67	0.45	12.71	0.45
Prepayments	-	-	0.06	-
<b>Total</b>	<b>248.74</b>	<b>1.83</b>	<b>72.17</b>	<b>0.45</b>

**JSW Neo Energy Limited**  
**Notes to the financial statements for the year ended 31st March, 2023**

**Note No. 16 - Equity share capital:**

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
<b>Authorised:</b>				
Equity shares of ₹ 10 each	2,750,000,000	2,750.00	2,000,000,000	2,000.00
<b>Issued, subscribed and fully paid up:</b>				
Equity shares of ₹ 10 each	2,361,852,180	2,361.85	50,000,000	50.00
<b>Total</b>	<b>2,361,852,180</b>	<b>2,361.85</b>	<b>50,000,000</b>	<b>50.00</b>

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

Particulars	For the year ended	For the period ended
	31st March, 2023	31st March, 2022
	No. of shares	No. of shares
Balance as at the beginning of the year/period	50,000,000	-
Shares issued for cash during the year/period	1,947,000,000	50,000,000
Shares issued for consideration other than cash during the year (Refer note 1.1)	364,852,180	-
Balance as at the end of the year/period	2,361,852,180	50,000,000

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

- (i) The Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share.  
(ii) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to the shareholding.

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

Name of the Shareholder	As at 31st March, 2023		As at 31st March, 2022	
	No. of shares	% of shares	No. of shares	% of shares
JSW Energy Limited (including shares held by nominees)	2,361,852,180	100	50,000,000	100

**d) Shares held by Promoters at the end of the year:**

Name of the Promoter	As at 31st March, 2023		As at 31st March, 2022		% change during the period
	No. of Shares	% of total shares	No. of Shares	% of total shares	
JSW Energy Limited (including shares held by nominees)	2,361,852,180	100	50,000,000	100	-

**e) Aggregate number of shares issued for consideration other than cash during the period of five years:**

During the year ended 31st March, 2023, 36,48,52,180 (31st March, 2022: Nil) equity shares of ₹ 10 each have been allotted to JSW Energy Limited [shareholder of JSW Future Energy Limited] as fully paid up pursuant to Amalgamation of JSW Future Energy Limited (Refer note 1.1).

**Note No. 17 - Perpetual Securities:**

₹ Crore

Particulars	As at	As at
	31st March, 2023	31st March, 2022
JSW Energy Limited - Holding Company *	6,457.13	170.00
JSW Energy (Barmer) Limited	-	300.00
<b>Total</b>	<b>6,457.13</b>	<b>470.00</b>

\* During the current financial year, the Company has issued Unsecured Perpetual Securities ("Securities") of ₹ 6,457.13 Crores to its Holding Company i.e. JSW Energy Limited. These Securities are perpetual in nature with no maturity or redemption and are repayable only at the option of the Company. The distributions on these Securities are non-cumulative at the rate at which dividend has been declared by the Company on its equity shares for the respective financial year. As these securities are perpetual in nature and repayment shall rank senior to its obligations to make payments / distribution in relation to its preference and equity share capital and any other securities at par with preference and equity share capital of the Company and the Company does not have any redemption obligation, these are considered to be in the nature of equity instruments.

**JSW Neo Energy Limited**  
**Notes to the financial statements for the year ended 31st March, 2023**

**Note No. 18 - Other equity:**

₹ Crore

Particulars	As at	
	31st March, 2023	31st March, 2022
<b>Reserves and surplus</b>		
1) Retained earnings	(141.27)	3.87
2) Equity settled employee benefits reserve	0.35	-
3) Capital reserve	(33.17)	(33.17)
<b>Other reserves</b>		
1) Share pending issuance	-	364.85
<b>Balance as at 31st March, 2023</b>	<b>(174.09)</b>	<b>335.55</b>

**(1) Retained earnings**

Retained earnings comprise balances of accumulated (undistributed) profit or loss at each year end.

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

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

**(3) Capital reserve**

Capital reserve represents the excess of net assets (including reserves) at carrying value over share capital, of the Transferor Company amalgamated with the Company under common control business combination pursuant to approved scheme of amalgamation (refer note 1.1)

**(4) Share pending issuance**

Share pending issuance represents the share capital to be issued pursuant to approved scheme of amalgamation under common control business combination (refer note 1.1)

**Note No. 19 - Provisions:**

₹ Crore

Particulars	As at		As at	
	31st March, 2023		31st March, 2022	
	Current	Non-current	Current	Non-current
Provision for gratuity (Refer note 33)	*	0.03	*	0.08
Provision for compensated absences	0.12	-	0.04	0.28
<b>Total</b>	<b>0.12</b>	<b>0.03</b>	<b>0.04</b>	<b>0.36</b>

\* less than ₹ 50,000

## JSW Neo Energy Limited

### Notes to the financial statements for the year ended 31st March, 2023

#### Note No. 20 - Borrowings:

₹ Crore

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Current	Non-current	Current	Non-current
<b>Unsecured:</b>				
Loan repayable on demand from related parties				
- JSW Energy Limited - Holding Company	-	-	642.77	-
- JSW Energy (Barmer) Limited	-	-	68.48	-
<b>Secured:</b>				
Working capital demand loan from Bank*	57.88	-	-	-
<b>Total</b>	<b>57.88</b>	<b>-</b>	<b>711.25</b>	<b>-</b>

\* backed by corporate guarantee issued by the Holding Company.

#### 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	
	Current	Non-current	Current	Non-current
Opening Balance	711.25	-	-	-
Cash flows (repayment) (net)	(653.37)	-	711.25	-
<b>Closing Balance</b>	<b>57.88</b>	<b>-</b>	<b>711.25</b>	<b>-</b>

#### Note No. 21 - Trade payables:

₹ Crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>(a) Trade payables</b>		
-Total outstanding dues of micro and small enterprises	7.19	0.13
-Total outstanding dues of creditors other than micro and small enterprises	40.97	18.26
<b>(b) Acceptances *</b>	423.07	-
<b>Total</b>	<b>471.23</b>	<b>18.39</b>

\* Acceptances represents credit availed by the Company from banks for payment to suppliers for materials purchased by the Company. The arrangements are interest-bearing and are payable within six months to one year.

#### Ageing of trade payables:

₹ 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	-	40.82	-	-
1-2 years	-	0.15	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
Not due	7.19	-	-	-
Unbilled	-	-	-	-
<b>Total</b>	<b>7.19</b>	<b>40.97</b>	<b>-</b>	<b>-</b>

₹ Crore

As at 31st March, 2022	Undisputed		Disputed	
	MSME	Others	MSME	Others
Outstanding for following periods from due date of payment				
Less than 1 year	-	8.17	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
Not due	0.13	9.99	-	-
Unbilled	-	0.10	-	-
<b>Total</b>	<b>0.13</b>	<b>18.26</b>	<b>-</b>	<b>-</b>

**JSW Neo Energy Limited****Notes to the financial statements for the year ended 31st March, 2023****Note No. 22 - Other financial liabilities:**

₹ Crore

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Current	Non-current	Current	Non-current
(i) Payable to related party towards acquisition of equity investments in subsidiaries (Refer note 32)	0.01	-	2,835.34	-
(ii) Equity consideration payable	94.36	-	-	-
(iii) Other payable to related parties (Refer note 32)	300.10	-	-	-
<b>Total</b>	<b>394.47</b>	<b>-</b>	<b>2,835.34</b>	<b>-</b>

**Note No. 23 - Other liabilities:**

₹ Crore

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Current	Non-current	Current	Non-current
Statutory dues	1.34	-	5.85	-
<b>Total</b>	<b>1.34</b>	<b>-</b>	<b>5.85</b>	<b>-</b>

## JSW Neo Energy Limited

### Notes to the financial statements for the year ended 31st March, 2023

#### Note No. 24 - Revenue from operations:

₹ Crore

Particulars	For the year ended 31st March, 2023	For the period from 6th July, 2021 to 31st March, 2022
Sale of goods	271.22	26.08
Sale of services	-	0.05
<b>Total</b>	<b>271.22</b>	<b>26.13</b>

#### a) Revenue from contracts with customers:

The Company recognises revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

#### b) Credit terms:

The average credit period allowed to customers is generally in the range of 7-45 days.

#### c) Details of revenue from contracts with customers:

₹ Crore

Particulars	For the year ended 31st March, 2023	For the period from 6th July, 2021 to 31st March, 2022
Total revenue from contracts with customers as above	271.22	26.13
Less: Trade discounts, volume rebates, etc	-	-
<b>Total revenue from contracts with customers as per contracted price</b>	<b>271.22</b>	<b>26.13</b>

#### Note No. 25 - Other income:

₹ Crore

Particulars	For the year ended 31st March, 2023	For the period from 6th July, 2021 to 31st March, 2022
<b>Interest income earned on financial assets that are not designated as at FVTPL</b>		
On bank deposits	1.43	2.01
<b>Other non-operating income</b>		
Net gain on sale of current investments	3.40	4.02
Net gain on foreign currency transactions	0.31	0.02
Interest on refund of income tax	0.06	-
Other miscellaneous income	0.05	-
<b>Total</b>	<b>5.25</b>	<b>6.05</b>

## JSW Neo Energy Limited

### Notes to the financial statements for the year ended 31st March, 2023

#### Note No. 26 - Employee benefits expense:

₹ Crore

Particulars	For the year ended 31st March, 2023	For the period from 6th July, 2021 to 31st March, 2022
Salaries and wages	9.47	4.38
Contribution to provident and other funds (Refer note 33)	0.46	0.22
Share based payments to employees	0.35	-
Staff welfare expenses	0.07	0.06
<b>Total</b>	<b>10.35</b>	<b>4.66</b>

#### Note No. 27 - Finance costs:

₹ Crore

Particulars	For the year ended 31st March, 2023	For the period from 6th July, 2021 to 31st March, 2022
Finance costs	17.18	4.40
Other borrowing costs	0.60	-
<b>Total</b>	<b>17.78</b>	<b>4.40</b>

#### Note No. 28 - Other expenses:

₹ Crore

Particulars	For the year ended 31st March, 2023	For the period from 6th July, 2021 to 31st March, 2022
Loss on fair value of investments designated at FVTPL	121.52	-
Auditors' remuneration (Refer note 38)	0.06	0.05
Legal and professional expenses	6.53	1.45
Bidding fees	2.26	0.71
Director's sitting fees	0.12	0.02
Travelling expenses	0.58	0.01
Insurance premium	0.06	-
Rates and taxes	3.21	3.20
Repairs and maintenance	0.30	-
Miscellaneous expenses	0.72	0.01
<b>Total</b>	<b>135.36</b>	<b>5.45</b>

## JSW Neo Energy Limited

### Notes to the financial statements for the year ended 31st March, 2023

#### Note No. 29 - Tax expense:

₹ Crore

Particulars	For the year ended 31st March, 2023	For the period from 6th July, 2021 to 31st March, 2022
Current tax	0.06	(0.47)
Deferred tax	0.22	(0.22)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>0.28</b>	<b>(0.69)</b>

A reconciliation of income tax expense applicable to accounting profits before tax at the statutory income tax rate to recognised income tax expense for the period indicated as follows:

₹ Crore

Particulars	For the year ended 31st March, 2023	For the period from 6th July, 2021 to 31st March, 2022
Loss before tax	(144.93)	(7.90)
Enacted tax rate	25.17%	25.17%
Computed expected tax expense	(36.48)	(1.99)
Tax of earlier period	0.28	0.54
Effect due to non deductible expenses	30.70	0.76
Deferred tax assets not recognised	5.78	-
<b>Tax expense for the year/period</b>	<b>0.28</b>	<b>(0.69)</b>

#### Deferred tax assets / (liabilities)

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

₹ Crore

Particulars	As at 1st April, 2022	Recognised / (reversed) through profit or loss / OCI / equity	As at 31st March, 2023
Deferred tax on business loss	0.22	(0.22)	-
<b>Total</b>	<b>0.22</b>	<b>(0.22)</b>	<b>-</b>

₹ Crore

Particulars	As at 6th July, 2021	Recognised / (reversed) through profit or loss / OCI / equity	As at 31st March, 2022
Deferred tax on business loss	-	0.22	0.22
<b>Total</b>	<b>-</b>	<b>0.22</b>	<b>0.22</b>

Note: The company does not have any unused tax losses.

**JSW Neo Energy Limited**
**Notes to the financial statements for the year ended 31st March, 2023**
**Note No. 30 - Financial ratios:**

Sr. No.	Particulars	Numerator	Denominator	For the year ended	For the period ended	Variance (%)	Change in ratio in excess of 25% compared to preceding year.
				31st March 2023	31st March 2022		
1	Current ratio (in times)	Current Assets	Current Liabilities	2.19	0.15	1377%	Increase was primarily on account of increase in current assets (mainly increase in inventories, trade receivables, other financial assets and other current assets)
2	Debt-equity ratio (in times)	Total Borrowings (i.e. Non-current borrowings + Current borrowings)	Total equity	0.01	0.83	-99%	Decrease on account of repayment of demand loan
3	Debt service coverage ratio (in times)	Profit before tax +  Depreciation and amortisation expenses + interest on term loans and debenture	Interest on debentures +  Interest on term loans + Scheduled principal repayments of term loans and debentures (i.e. excluding prepayments and refinancing of debts) during the year	N/A	N/A	N/A	Since there are no term loans/debentures, this ratio is not applicable
4	Return on equity ratio (%)	Net loss for the year/period	Average Net Worth	-3.06%	-1.68%	81%	Increase was primarily on account of increase in loss after tax
5	Inventory turnover (no. of days)	Average Inventory * No of days in the reporting year/period	Cost of goods sold	392	133	194%	Increase was primarily on account of increase in inventory
6	Debtors turnover (no. of days)	(Average Trade Receivables)* No of days in the reporting year/period	Revenue from operations	105	158	-34%	Decrease was primarily on account of increase in revenue from operations
7	Payables turnover (no. of days)	(Average Trade payables including acceptances)* No of days in the reporting year/period	Cost of goods sold	346	48	616%	Increase was primarily on account of increase in acceptances
8	Net capital turnover (in times)	Revenue from operations	Working Capital	0.25	-0.01	-2967%	Increase was primarily on account of increase in working capital
9	Net profit margin (%)	Net loss for the year/period	Total Income	-53%	-22%	135%	Higher loss margin attributable to increase in loss after tax (loss mainly due to finance costs)
10	Return on capital employed (%)	Net loss before tax plus Interest on long term loans and debentures	Net worth + Total borrowings	-1.67%	-0.50%	230%	Increase was primarily on account of increase in loss after tax and reduction in borrowings
11	Return on investment (%)	Profit generated on sale of investment	Cost of investment	N/A	N/A	N/A	Since there are no investments, this ratio is not applicable

**Note No. 31 - Earnings per share (EPS):**

Particulars	For the year ended 31st March, 2023	For the period ended 31st March, 2022
Loss attributable to equity holders of the Company [A] [₹ in Crores]	(145.21)	(7.21)
Weighted average number of equity shares for basic EPS [B]	1,005,298,755	50,000,000
Weighted average number of equity shares for diluted EPS [C]	1,005,298,755	414,852,180
Basic earnings per share [₹] [A/B]	(1.44)	(1.44)
Diluted earnings per share [₹] [A/C]	(1.44)	(0.17)

**JSW Neo Energy Limited**  
**Notes to the financial statements for the year ended 31st March, 2023**

**Note No. 32 - Related party disclosures:**

**A) List of related parties:**

<b>I</b>	<b>Holding Company</b>
1	JSW Energy Limited
<b>II</b>	<b>Subsidiary Companies</b>
1	JSW Energy (Kutehr) Limited
2	JSW Energy PSP One Limited
3	JSW Energy PSP Two Limited
4	JSW Energy PSP Three Limited
5	JSW Green Hydrogen Limited (Formerly known as JSW Energy PSP Five Limited)
6	JSW Hydro Energy Limited
7	JSW Renew Energy Amba River Coke Limited (w.e.f. 5th August, 2022)
8	JSW Renew Energy Coated Limited (w.e.f. 23rd May, 2022)
9	JSW Renew Energy Limited
10	JSW Renew Energy Two Limited
11	JSW Renew Energy Three Limited
12	JSW Renew Energy Four Limited (Formerly known as JSW Energy PSP Four Limited)
13	JSW Renew Energy Five Limited
14	JSW Renew Energy Six Limited
15	JSW Renew Energy Seven Limited
16	JSW Renew Energy (Kar) Limited
17	JSW Renew Energy (Raj) Limited
18	JSW Renewable Energy (Cement) Limited (w.e.f. 24th June, 2022)
19	JSW Renewable Energy (Dolvi) Limited
20	JSW Renewable Energy (Vijayanagar) Limited
21	JSW Renewable Technologies Limited (w.e.f. 8th September, 2022)
22	Mytrah Aadhya Power Private Limited (w.e.f. 29th March, 2023)
23	Mytrah Aakash Power Private Limited (w.e.f. 29th March, 2023)
24	Mytrah Abhinav Power Private Limited (w.e.f. 29th March, 2023)
25	Mytrah Adarsh Power Private Limited (w.e.f. 29th March, 2023)
26	Mytrah Advaith Power Private Limited (w.e.f. 29th March, 2023)
27	Mytrah Agriya Power Private Limited (w.e.f. 29th March, 2023)
28	Mytrah Ainesh Power Private Limited (w.e.f. 29th March, 2023)
29	Mytrah Akshaya Energy Private Limited (w.e.f. 29th March, 2023)
30	Mytrah Tejas Power Private Limited (w.e.f. 29th March, 2023)
31	Mytrah Vayu (Adyar) Private Limited (w.e.f. 29th March, 2023)
32	Mytrah Vayu (Bhavani) Private Limited (w.e.f. 29th March, 2023)
33	Mytrah Vayu (Chitravati) Private Limited (w.e.f. 29th March, 2023)
34	Mytrah Vayu (Godavari) Private Limited (w.e.f. 29th March, 2023)
35	Mytrah Vayu (Hemavati) Private Limited (w.e.f. 29th March, 2023)
36	Mytrah Vayu (Kaveri) Private Limited (w.e.f. 29th March, 2023)
37	Mytrah Vayu (Krishna) Private Limited (w.e.f. 29th March, 2023)
38	Mytrah Vayu (Maansi) Private Limited (w.e.f. 29th March, 2023)
39	Mytrah Vayu (Manjira) Private Limited (w.e.f. 29th March, 2023)
40	Mytrah Vayu (Palar) Private Limited (w.e.f. 29th March, 2023)
41	Mytrah Vayu (Parbati) Private Limited (w.e.f. 29th March, 2023)
42	Mytrah Vayu (Pennar) Private Limited (w.e.f. 29th March, 2023)
43	Mytrah Vayu (Sabarmati) Private Limited (w.e.f. 29th March, 2023)
44	Mytrah Vayu (Sharavati) Private Limited (w.e.f. 29th March, 2023)
45	Mytrah Vayu (Som) Private Limited (w.e.f. 29th March, 2023)
46	Mytrah Vayu (Tapti) Private Limited (w.e.f. 29th March, 2023)
47	Mytrah Vayu (Urja) Private Limited (w.e.f. 29th March, 2023)
48	Nidhi Wind Farms Private Limited (w.e.f. 29th March, 2023)
49	Bindu Vayu Urja Private Limited (w.e.f. 29th March, 2023)
<b>III</b>	<b>Fellow Subsidiary Company</b>
1	JSW Energy (Barmer) Limited
<b>IV</b>	<b>Other related parties with whom the Company has entered into transactions</b>
1	JSW Steel Limited
2	Jindal Steel & Power Limited
<b>V</b>	<b>Key Managerial Personnel</b>
1	Mr. Aditya Agarwal - Chairman & Non-Executive Director
2	Ms. Monica Chopra - Non-Executive Director & Company Secretary
3	Mr. Chittur R. Lakshman - Non-Executive Director
4	Mr. Abhay Yagnik - Non-Executive Director
5	Ms. Hirva Shah - Chief Financial Officer & Non-Executive Director

**JSW Neo Energy Limited**  
**Notes to the financial statements for the year ended 31st March, 2023**

**B) Transaction with related parties during the period:** ₹ Crore

Sr.No	Particulars	For the year ended 31st March, 2023	For the period from 6th July, 2021 to 31st March, 2022
<b>1</b>	<b>Issue of equity share capital</b>		
	JSW Energy Limited	1,947.00	130.20
<b>2</b>	<b>Issue of perpetual securities</b>		
	JSW Energy Limited	6,287.13	-
<b>3</b>	<b>Redemption of perpetual securities</b>		
	JSW Energy (Barmer) Limited	300.00	-
<b>4</b>	<b>Investment in equity shares</b>		
	JSW Energy PSP One Limited	-	0.01
	JSW Energy PSP Two Limited	-	0.01
	JSW Energy PSP Three Limited	-	0.01
	JSW Renew Energy Four Limited	-	0.01
	JSW Green Hydrogen Limited	-	0.01
	JSW Renew Energy Three Limited	39.45	9.76
	JSW Renewable Energy (Dolvi) Limited	1.60	33.11
	JSW Renew Energy (KAR) Limited	-	0.78
	JSW Energy (Kutehr) Limited	74.71	795.33
	JSW Hydro Energy Limited	-	2046.01
	JSW Renew Energy Five Limited	0.01	-
	JSW Renew Energy Six Limited	0.01	-
	JSW Renew Energy Seven Limited	0.01	-
	JSW Renew Energy Amba River Coke Limited	0.01	-
	JSW Renew Energy Coated Limited	0.01	-
	JSW Renewable Energy (Cement) Limited	0.01	-
	JSW Renewable Technologies Limited	0.01	-
	JSW Renew Energy Limited	-	336.75
	JSW Renew Energy Two Limited	89.87	229.92
	JSW Renewable Energy (Vijayanagar) Limited	1.54	192.69
	JSW Renew Energy (Raj) Limited	0.05	2.40
	Mytrah Vayu Urja Private Limited	82.00	-
	Bindu Vayu Urja Private Limited	522.22	-
	Mytrah Vayu Pennar Private Limited	131.00	-
	Mytrah Vayu Krishna Private Limited	283.42	-
	Mytrah Vayu Manjira Private Limited	1.00	-
	Mytrah Vayu Godavari Private Limited	233.51	-
	Mytrah Vayu Som Private Limited	27.02	-
	Mytrah Vayu Sabarmati Private Limited	57.73	-
	Mytrah Aadhya Power Private Limited	2.00	-
	Mytrah Abhinav Power Private Limited	209.00	-
	Mytrah Advaith Power Private Limited	137.00	-
	Mytrah Akshaya Energy Private Limited	32.00	-
	Mytrah Aakash Power Private Limited	131.00	-
	Mytrah Agriya Power Private Limited	199.00	-
	Mytrah Adarsh Power Private Limited	89.00	-
	Nidhi Wind Farms Private Limited	*	-
	Mytrah Ainesh Power Private Limited	0.21	-
	Mytrah Tejas Power Private Limited	*	-
	Mytrah Vayu (Adyar) Private Limited	*	-
	Mytrah Vayu (Bhavani) Private Limited	0.27	-
	Mytrah Vayu (Chitravati) Private Limited	0.08	-
	Mytrah Vayu (Hemavati) Private Limited	*	-
	Mytrah Vayu (Kaveri) Private Limited	0.32	-
	Mytrah Vayu (Maansi) Private Limited	0.12	-
	Mytrah Vayu (Palar) Private Limited	0.28	-
	Mytrah Vayu (Parbati) Private Limited	0.22	-
	Mytrah Vayu (Sharavati) Private Limited	0.18	-
	Mytrah Vayu (Tapti) Private Limited	0.13	-
<b>5</b>	<b>Investments in compulsorily convertible preference shares</b>		
	Mytrah Vayu Manjira Private Limited	186.26	-
<b>6</b>	<b>Investment in optionally convertible debentures</b>		
	JSW Renew Energy Limited	158.45	117.70

\* less than ₹ 50,000

**JSW Neo Energy Limited**  
**Notes to the financial statements for the year ended 31st March, 2023**

₹ Crore

Sr.No	Particulars	For the year ended 31st March, 2023	For the period from 6th July, 2021 to 31st March, 2022
<b>7</b>	<b>Loan taken from</b>		
	JSW Energy Limited	51.06	648.77
	JSW Energy (Barmer) Limited	272.30	918.49
<b>8</b>	<b>Loan repaid</b>		
	JSW Energy Limited	693.83	6.00
	JSW Energy (Barmer) Limited	340.78	850.00
<b>9</b>	<b>Investment in perpetual debt</b>		
	JSW Renew Energy Five Limited	47.62	-
	JSW Renew Energy Six Limited	40.56	-
	JSW Green Hydrogen Limited	20.23	-
	JSW Renew Energy Four Limited	17.99	-
	JSW Renewable Energy (Cement) Limited	48.40	-
	JSW Renew Energy Three Limited	6.32	-
	JSW Renew Energy Two Limited	317.44	-
	JSW Renewable Energy (Vijayanagar) Limited	470.50	-
	JSW Renewable Energy (Dolvi) Limited	0.16	-
	JSW Renewable Technologies Limited	6.29	-
<b>10</b>	<b>Loans given to</b>		
	JSW Renewable Energy (Dolvi) Limited	-	2.00
	JSW Renew Energy Two Limited	245.03	61.55
	JSW Renew Energy (KAR) Limited	-	0.73
	JSW Renew Energy (Raj) Limited	-	2.30
	JSW Renew Energy Three Limited	-	1.32
	JSW Renewable Energy (Vijayanagar) Limited	127.23	376.34
	Mytrah Vayu (Urja) Private Limited	0.70	-
	Bindu Vayu Urja Private Limited	2.64	-
	Mytrah Vayu (Pennar) Private Limited	1.01	-
	Mytrah Vayu (Manjira) Private Limited	5.43	-
	Mytrah Vayu (Krishna) Private Limited	3.13	-
	Mytrah Vayu (Sabarmati) Private Limited	91.42	-
	Mytrah Vayu (Godavari) Private Limited	18.33	-
	Mytrah Aakash Power Private Limited	14.47	-
	Mytrah Advaith Power Private Limited	0.06	-
	Mytrah Akshaya Energy Private Limited	0.03	-
	Mytrah Adarsh Power Private Limited	0.52	-
	Mytrah Abhinav Power Private Limited	2.93	-
	Mytrah Aadhya Power Private Limited	0.12	-
	Mytrah Vayu (Som) Private Limited	103.81	-
	Mytrah Agriya Power Private Limited	35.43	-
<b>11</b>	<b>Loan repayment received</b>		
	JSW Renewable Energy (Dolvi) Limited	-	2.00
	JSW Renew Energy Two Limited	245.03	61.55
	JSW Renew Energy (Kar) Limited	-	0.73
	JSW Renew Energy (Raj) Limited	-	2.30
	JSW Renew Energy Three Limited	-	1.32
	JSW Renewable Energy (Vijayanagar) Limited	496.67	50.03
<b>12</b>	<b>Other advances given</b>		
	Mytrah Vayu Som Private Limited	5.31	-
	Mytrah Aadhya Power Private Limited	51.18	-
	Mytrah Abhinav Power Private Limited	56.91	-
	Mytrah Advaith Power Private Limited	4.61	-
	Mytrah Akshaya Energy Private Limited	9.70	-
	Mytrah Aakash Power Private Limited	*	-
	Mytrah Agriya Power Private Limited	74.07	-
	Mytrah Adarsh Power Private Limited	52.91	-
	Nidhi Wind Farms Private Limited	11.38	-

\* less than ₹ 50,000

**JSW Neo Energy Limited**  
**Notes to the financial statements for the year ended 31st March, 2023**

₹ Crore

Sr.No	Particulars	For the year ended 31st March, 2023	For the period from 6th July, 2021 to 31st March, 2022
<b>13</b>	<b>Other advances received</b>		
	Mytrah Vayu Urja Private Limited	2.03	-
	Bindu Vayu Urja Private Limited	6.73	-
	Mytrah Vayu Pennar Private Limited	5.72	-
	Mytrah Vayu Krishna Private Limited	91.38	-
	Mytrah Vayu Manjira Private Limited	31.97	-
	Mytrah Vayu Godavari Private Limited	21.18	-
	Mytrah Vayu Sabarmati Private Limited	141.09	-
<b>14</b>	<b>Security &amp; collateral provided by / (released)</b>		
	JSW Energy Limited	560.29	21.37
<b>15</b>	<b>Security &amp; collateral provided to / (released)</b>		
	JSW Renew Energy Two Limited	-	22.95
<b>16</b>	<b>Purchase of investments from</b>		
	JSW Hydro Energy Limited	-	789.33
	JSW Energy Limited	-	2046.01
<b>17</b>	<b>Sale of materials to:</b>		
	JSW Renew Energy Limited	38.92	15.32
	JSW Renew Energy Two Limited	224.01	10.77
<b>18</b>	<b>Purchase of goods:</b>		
	Jindal Steel & Power Limited	0.07	17.17
	JSW Steel Limited	505.98	-
<b>19</b>	<b>Sale of services</b>		
	JSW Renew Energy Three Limited	-	0.05
<b>20</b>	<b>Interest received on loan</b>		
	JSW Renew Energy Three Limited	-	0.04
	JSW Renewable Energy (Dolvi) Limited	-	0.02
	JSW Renewable Energy (Vijayanagar) Limited	-	0.88
	JSW Renew Energy Two Limited	-	0.75
	JSW Renew Energy (Kar) Limited	-	0.03
	JSW Renew Energy (Raj) Limited	-	0.10
<b>21</b>	<b>Interest paid on loan</b>		
	JSW Energy Limited	-	0.05
<b>22</b>	<b>Reimbursement received from/ (paid to)</b>		
	JSW Energy Limited	(0.69)	(0.14)
	JSW Renew Energy Limited	(0.12)	*
	JSW Renewable Energy (Dolvi) Limited	-	*
	JSW Renew Energy Two Limited	0.99	4.05
	JSW Energy PSP One Limited	*	-
	JSW Energy PSP Two Limited	*	-
	JSW Energy PSP Three Limited	*	-
	JSW Renew Energy Four Limited	*	-
	JSW Green Hydrogen Limited	*	-

\* less than ₹ 50,000

**JSW Neo Energy Limited**

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

c) Closing balances:

₹ Crore

Sr.No	Particulars	As at 31st March, 2023	As at 31st March, 2022
1	<b>Equity share capital</b>		
	JSW Energy Limited	2328.68	381.68
2	<b>Investment in equity shares</b>		
	JSW Energy PSP One Limited	0.01	0.01
	JSW Energy PSP Two Limited	0.01	0.01
	JSW Energy PSP Three Limited	0.01	0.01
	JSW Renew Energy Four Limited	0.01	0.01
	JSW Green Hydrogen Limited	0.01	0.01
	JSW Renew Energy Three Limited	49.21	9.76
	JSW Renewable Energy (Dolvi) Limited	34.71	33.11
	JSW Renew Energy (Kar) Limited	0.78	0.78
	JSW Energy (Kutehr) Limited	870.04	795.33
	JSW Hydro Energy Limited	2046.01	2046.01
	JSW Renew Energy Five Limited	0.01	-
	JSW Renew Energy Six Limited	0.01	-
	JSW Renew Energy Seven Limited	0.01	-
	JSW Renew Energy Amba River Coke Limited	0.01	-
	JSW Renew Energy Coated Limited	0.01	-
	JSW Renewable Energy (Cement) Limited	0.01	-
	JSW Renewable Technologies Limited	0.01	-
	JSW Renew Energy Limited	435.48	435.48
	JSW Renew Energy Two Limited	319.80	229.93
	JSW Renewable Energy (Vijayanagar) Limited	219.15	217.61
	JSW Renew Energy (Raj) Limited	2.45	2.40
	Mytrah Vayu Urja Private Limited	82.00	-
	Bindu Vayu Urja Private Limited	522.22	-
	Mytrah Vayu Pennar Private Limited	131.00	-
	Mytrah Vayu Krishna Private Limited	283.42	-
	Mytrah Vayu Manjira Private Limited	1.00	-
	Mytrah Vayu Godavari Private Limited	233.51	-
	Mytrah Vayu Som Private Limited	27.02	-
	Mytrah Vayu Sabarmati Private Limited	57.73	-
	Mytrah Aadhya Power Private Limited	2.00	-
	Mytrah Abhinav Power Private Limited	209.00	-
	Mytrah Advaith Power Private Limited	137.00	-
	Mytrah Akshaya Energy Private Limited	32.00	-
	Mytrah Aakash Power Private Limited	131.00	-
	Mytrah Agriya Power Private Limited	199.00	-
	Mytrah Adarsh Power Private Limited	89.00	-
	Nidhi Wind Farms Private Limited	★	-
	Mytrah Ainesh Power Private Limited	0.21	-
	Mytrah Tejas Power Private Limited	★	-
	Mytrah Vayu (Adyar) Private Limited	★	-
	Mytrah Vayu (Bhavani) Private Limited	0.27	-
	Mytrah Vayu (Chitravati) Private Limited	0.08	-
	Mytrah Vayu (Hemavati) Private Limited	★	-
	Mytrah Vayu (Kaveri) Private Limited	0.32	-
	Mytrah Vayu (Maansi) Private Limited	0.12	-
	Mytrah Vayu (Palar) Private Limited	0.28	-
	Mytrah Vayu (Parbati) Private Limited	0.22	-
	Mytrah Vayu (Sharavati) Private Limited	0.18	-
	Mytrah Vayu (Tapti) Private Limited	0.13	-
3	<b>Perpetual securities issued</b>		
	JSW Energy Limited	6457.13	170.00
	JSW Energy (Barmer) Limited	-	300.00
4	<b>Investment in perpetual securities</b>		
	JSW Renew Energy Five Limited	47.62	-
	JSW Renew Energy Six Limited	40.56	-
	JSW Green Hydrogen Limited	20.23	-
	JSW Renew Energy Four Limited	17.99	-
	JSW Renewable Energy (Cement) Limited	48.40	-
	JSW Renew Energy Three Limited	6.32	-
	JSW Renew Energy Two Limited	317.44	-
	JSW Renewable Energy (Vijayanagar) Limited	470.50	-
	JSW Renewable Energy (Dolvi) Limited	0.16	-
	JSW Renewable Technologies Limited	6.29	-

★ less than ₹ 50,000

**JSW Neo Energy Limited**

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

₹ Crore

Sr.No	Particulars	As at 31st March, 2023	As at 31st March, 2022
5	<b>Investments in compulsorily convertible preference shares</b> Mytrah Vayu Manjira Private Limited	186.26	-
6	<b>Investment in optionally convertible debentures</b> JSW Renew Energy Limited	276.15	117.70
7	<b>Trade receivables</b> JSW Renew Energy Limited JSW Renew Energy Two Limited	13.63 106.07	18.14 12.65
8	<b>Trade payables</b> JSW Energy Limited Jindal Steel & Power limited	0.12 0.07	0.14 -
9	<b>Advances given</b> JSW Steel Limited Jindal Steel & Power Limited	127.33 -	50.90 0.02
10	<b>Borrowings</b> JSW Energy Limited JSW Energy (Barmer) Limited	- -	642.77 68.48
11	<b>Loan given</b> JSW Renewable Energy (Vijayanagar) Limited Mytrah Vayu (Urja) Private Limited Bindu Vayu Urja Private Limited Mytrah Vayu (Pennar) Private Limited Mytrah Vayu (Manjira) Private Limited Mytrah Vayu (Krishna) Private Limited Mytrah Vayu (Sabarmati) Private Limited Mytrah Vayu (Godavari) Private Limited Mytrah Aakash Power Private Limited Mytrah Advait Power Private Limited Mytrah Akshaya Energy Private Limited Mytrah Adarsh Power Private Limited Mytrah Abhinav Power Private Limited Mytrah Aadhya Power Private Limited Mytrah Vayu (Som) Private Limited Mytrah Agriya Power Private Limited	- 0.70 2.64 1.01 5.43 3.13 91.42 18.33 14.47 0.06 0.03 0.52 2.93 0.12 103.81 35.43	369.44 - - - - - - - - - - - - - - - -

★ less than ₹ 50,000

**JSW Neo Energy Limited**

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

₹ Crore

Sr.No	Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>12</b>	<b>Other receivable</b>		
	JSW Renew Energy Two Limited	1.17	-
	Mytrah Vayu Som Private Limited	5.31	-
	Mytrah Aadhya Power Private Limited	51.18	-
	Mytrah Abhinav Power Private Limited	56.91	-
	Mytrah Advaith Power Private Limited	4.61	-
	Mytrah Akshaya Energy Private Limited	9.70	-
	Mytrah Aakash Power Private Limited	*	-
	Mytrah Agriya Power Private Limited	74.07	-
	Mytrah Adarsh Power Private Limited	52.91	-
	Nidhi Wind Farms Private Limited	11.38	-
<b>13</b>	<b>Payable towards acquisition of equity investments</b>		
	JSW Hydro Energy Limited	-	789.33
	JSW Energy Limited	0.01	2046.01
<b>14</b>	<b>Other payables</b>		
	Mytrah Vayu Urja Private Limited	2.03	-
	Bindu Vayu Urja Private Limited	6.73	-
	Mytrah Vayu Pennar Private Limited	5.72	-
	Mytrah Vayu Krishna Private Limited	91.38	-
	Mytrah Vayu Manjira Private Limited	31.97	-
	Mytrah Vayu Godavari Private Limited	21.18	-
	Mytrah Vayu Sabarmati Private Limited	141.09	-
<b>15</b>	<b>Security &amp; collateral provided by / (released)</b>		
	JSW Energy Limited	581.66	21.37
<b>16</b>	<b>Security &amp; collateral provided to / (released)</b>		
	JSW Renew Energy Two Limited	22.95	22.95
	* less than ₹ 50,000		

Note :

- i) Terms and conditions of outstanding balances: all outstanding balances are unsecured and payable in cash.

## JSW Neo Energy Limited

### Notes to the financial statements for the period ended 31st March, 2023

#### Note No. 33 - Employee benefits:

##### 1] Defined contribution plans:

Retirement Benefits in the form of Provident Fund and National Pension Scheme which are defined contribution schemes are charged to the 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 the statement of profit and loss of ₹ 0.40 Crore (Previous year ₹ 0.14 Crore) (Included in note 26).

##### B] National pension scheme:

The Company's contribution to National Pension Scheme (NPS) recognized in standalone statement of profit and loss of ₹ 0.04 Crore (Previous year ₹ 0.01 Crore) (included in note 26).

##### 2] Defined benefits plans:

The Company provides for gratuity to its employees as per the Payment of Gratuity Act, 1972. The amount of gratuity shall be payable to an employee on the termination of employment after rendering 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.

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

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

These plans typically expose the Company to the following actuarial risks:

Interest risk	A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.
Asset Liability matching risk	The plan faces the ALM risk as to the matching cash flow. entity has to manage pay-out based on pay as you go basis from own funds.
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.

The most recent actuarial valuation of present value of defined benefit obligation was 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.

## JSW Neo Energy Limited

### Notes to the financial statements for the period ended 31st March, 2023

#### A. Gratuity

Changes in the defined benefit obligation as at 31st March, 2023:

(₹ in Crore)

Particulars		Defined benefit obligation / Benefit liability
Opening balance as on 1 <sup>st</sup> April, 2022		0.08
Gratuity cost charged to the statement of profit and loss	Service cost	0.10
	Net interest expense	0.01
	<b>Sub-total included in profit and loss</b>	<b>0.11</b>
Net Asset/Liability Transferred In/(Out)		(0.09)
Benefits paid		-
Remeasurement gains/(losses) in other comprehensive income	Return on plan assets (excluding amounts included in net interest expense)	-
	Actuarial changes arising from changes in financial assumptions	★
	Experience adjustments	(0.06)
	<b>Sub-total included in OCI</b>	<b>(0.07)</b>
Contributions by employer		-
Closing balance as on 31st March, 2023 (Refer note 19)		0.03

★ less than ₹ 50,000

Changes in the defined benefit obligation as at 31<sup>st</sup> March, 2022:

(₹ in Crore)

Particulars		Defined benefit obligation / Benefit liability
Opening balance as on 6th July, 2021		-
Gratuity cost charged to the statement of profit and loss	Service cost	0.08
	Net interest expense	-
	<b>Sub-total included in profit and loss</b>	<b>0.08</b>
Net Asset/Liability Transferred In/(Out)		0.06
Benefits paid		-
Remeasurement gains/(losses) in other comprehensive income	Return on plan assets (excluding amounts included in net interest expense)	-
	Actuarial changes arising from changes in financial assumptions	-
	Experience adjustments	(0.06)
	<b>Sub-total included in OCI</b>	<b>(0.06)</b>
Contributions by employer		-
Closing balance as on 31st March, 2022 (Refer note 19)		0.08

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	7.50%	7.23%
Future salary increases	8.00%	8.00%
Rate of employee turnover	4.40%	4.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14) (Urban)	Indian Assured Lives Mortality (2012-14) (Urban)

## JSW Neo Energy Limited

### Notes to the financial statements for the period ended 31st March, 2023

#### Sensitivity analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation at discounted rate, expected salary increase and employee turnover. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. There was no change in the methods and assumptions used in preparing sensitivity analysis from prior years.

The sensitivity of the defined benefit obligation to changes in the weighted key assumptions are:

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Delta Effect of +1% Change in Rate of Discounting	★	-0.01
Delta Effect of -1% Change in Rate of Discounting	★	0.01
Delta Effect of +1% Change in Rate of Salary Increase	★	0.01
Delta Effect of -1% Change in Rate of Salary Increase	★	(0.01)
Delta Effect of +1% Change in Rate of Employee Turnover	★	-
Delta Effect of -1% Change in Rate of Employee Turnover	★	-

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:

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Projected benefits payable in future years</b>		
Within the next 12 months (next annual reporting period)	★	-
Between 2 and 5 years	★	0.01
Between 5 and 10 years	0.01	0.04
Above 10 years	0.11	0.13
<b>Total expected payments</b>	<b>0.13</b>	<b>0.18</b>

#### B. 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 absences is determined by actuarial valuation performed by an independent actuary at the balance sheet date using projected unit credit method.

#### 3] 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 and record the financial impact of the Code in the period(s) when it becomes effective.

★ less than ₹ 50,000

**JSW Neo Energy Limited**  
**Notes to the financial statements for the period ended 31st March, 2023**

**Note No. 34 - Employee share based payment plan:**

**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 3 years from the date of respective grant.

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

Particulars	As at 31st March, 2023	As at 31st March, 2022
Outstanding at 6th July, 2021	-	-
Granted during the year	39,200	-
Options Lapsed as at 31st March, 2022	-	-
Exercised During the Year	-	-
Lapsed during the year	-	-
Outstanding at 31 <sup>st</sup> March, 2023	39,200	-

**The Method of settlement for above grants are as below:**

Particulars	ESOP 2021
Grant Date	7th August, 2022
Vesting period	1/2/3 years
Method of settlement	Equity
Exercise price₹	10
Fair value₹	250.5
Dividend Yield(%)	20%
Expected Volatility(%)	47.51% / 44.43% / 43.44%
Risk free Interest rate (%)	6.73% / 6.90% / 7.01%
Expected Life of Share options (years)	3/4/5 years
Weighted Average exercise price₹	10.00

**Pricing formula:**

Book close date	6th August, 2022
Closing market Price (₹)	266.35
Exercise price (₹)	10
Discount (%)	-

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 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.	

## JSW Neo Energy Limited

### Notes to the financial statements for the year ended 31st March, 2023

#### Note No. 35 - Financial instruments:

##### (a) Financial instruments:

##### i) Financial instruments by category:

₹ Crore

Particulars	As at 31st March, 2023			
	FVTPL	FVTOCI	Amortised cost	Total
<b>Financial assets</b>				
Investments in optionally convertible debentures	215.63	-	-	215.63
Interest receivable	-	-	0.67	0.67
Trade receivables	-	-	124.75	124.75
Loans	-	-	280.03	280.03
Cash and cash equivalents (CCE)	-	-	58.74	58.74
Bank balances other than CCE	-	-	49.89	49.89
Other financial assets	-	-	779.86	779.86
	<b>215.63</b>	-	<b>1,293.94</b>	<b>1,509.57</b>
<b>Financial liabilities</b>				
Borrowings	-	-	57.88	57.88
Trade payables	-	-	48.16	48.16
Acceptances	-	-	423.07	423.07
Other financial liabilities	-	-	394.47	394.47
	-	-	<b>923.58</b>	<b>923.58</b>

₹ Crore

Particulars	As at 31st March, 2022			
	FVTPL	FVTOCI	Amortised	Total
<b>Financial assets</b>				
Investments in optionally convertible debentures	117.70	-	-	117.70
Interest receivable	-	-	0.19	0.19
Trade receivables	-	-	30.79	30.79
Loans	-	-	369.44	369.44
Cash and cash equivalents (CCE)	-	-	3.20	3.20
Bank balances other than CCE	-	-	22.95	22.95
Other financial assets	-	-	12.31	12.31
	<b>117.70</b>	-	<b>438.88</b>	<b>556.58</b>
<b>Financial liabilities</b>				
Borrowings	-	-	711.25	711.25
Trade payables	-	-	18.39	18.39
Other financial liabilities	-	-	2,835.34	2,835.34
	-	-	<b>3,564.98</b>	<b>3,564.98</b>

##### 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.

(b) Measured at amortised cost 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.

## JSW Neo Energy Limited

### Notes to the financial statements for the year ended 31st March, 2023

Financial assets and liabilities measured at fair value:

₹ Crore

Particulars	As at 31st March, 2023	As at 31st March, 2022	Level	Valuation techniques and key inputs
Investments in optionally convertible debentures	215.63	117.70	3	Discounted cash flow method- Future cash flows are based on terms of optionally convertible debentures discounted at a rate that reflects market risk.

#### Valuation techniques and key inputs:

The above fair values were calculated based on cash flows discounted using a current lending rate. They are classified as level

3 fair values in the fair value hierarchy due to the inclusion of unobservable input including counter party credit risk.

Particulars	Valuation technique	Significant unobservable inputs	Change	Sensitivity of the input to fair value
Investment in Optionally convertible debentures	DCF method	Discounting rate	0.50%	0.50% increase / decrease in the discount rate would decrease / increase the fair value by ₹ 11.17 crore/ ₹ 12.03 crore .

#### Reconciliation of Level 3 fair value measurement:

##### i) Investment in Optionally convertible debentures

₹ crore

Particulars	For the year ended 31st March, 2023	For the period from 6th July, 2021 to 31st March, 2022
Opening balance	117.70	-
Additional investment	219.45	117.70
Loss recognised in statement of profit and loss	(121.52)	-
<b>Closing balance</b>	<b>215.63</b>	<b>117.70</b>

#### Financial assets and liabilities, measured at amortised cost:

The carrying amounts of trade receivables, trade payables, cash and cash equivalents, other financial assets, borrowings and other financial liabilities are considered to be the same as their fair values, due to their short term nature.

## JSW Neo Energy Limited

### Notes to the financial statements for the year ended 31st March, 2023

#### B. Risk Management Strategies

##### Financial risk management objectives

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

##### I. Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The carrying amounts of the Company's monetary assets and monetary liabilities denominated in foreign currencies are as follows:

₹ Crore

As at 31st March, 2023:	USD	Total
<b>Financial liabilities</b>		
Trade payables	3.49	3.49
<b>Total</b>	<b>3.49</b>	<b>3.49</b>

₹ Crore

As at 31st March, 2022:	USD	Total
<b>Financial liabilities</b>	-	-
Trade payables	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

The Company do not uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations as amount involved are not material.

##### Unhedged Currency Risk position

The foreign currency exposure that have not been hedged by a derivative instrument or otherwise as at Balance sheet date are as under:

Particulars	Currency	Foreign currency equivalent		₹ crore	
		As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
<b>Payables in foreign currency</b>					
Trade payables	USD	414,626	-	3.49	-

##### II. 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 borrowing and through re-financing of the various term debts at regular intervals to optimise on interest cost.

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 have 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.

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

₹ crore

As at 31st March, 2023	Net Balance	Unamortised transaction cost	Gross Balance
Fixed rate borrowings	57.88	-	57.88
Floating rate borrowings	-	-	-
<b>Total borrowings</b>	<b>57.88</b>	<b>-</b>	<b>57.88</b>

##### III. 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 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 related parties are the major customers of the Company and accordingly, credit risk is minimal.

Revenue from operations includes revenue aggregating to ₹ 262.93 crore (previous year ₹ 26.08 crore) from two (previous year : two) major customers having more than 10% of total revenue from operations of the Company.

## JSW Neo Energy Limited

### Notes to the financial statements for the year ended 31st March, 2023

#### 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 and financial guarantees:

Credit risks from balances with banks and financial institutions are managed in accordance with the Company policy. For 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.

#### III. 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 liabilities.

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

₹ crore

As at 31st March, 2023	< 1 year	1-5 years	> 5 years	Total
<b>Financial assets</b>				
Investments in optionally convertible debentures	-	-	215.63	215.63
Interest receivable	0.67	-	-	0.67
Trade receivables	124.75	-	-	124.75
Loans	280.03	-	-	280.03
Cash and cash equivalents (CCE)	58.74	-	-	58.74
Bank balances other than CCE	49.89	-	-	49.89
Other financial assets	734.41	45.45	-	779.86
<b>Total assets</b>	<b>1,248.49</b>	<b>45.45</b>	<b>215.63</b>	<b>1,509.57</b>
<b>Financial liabilities</b>				
Borrowings	57.88	-	-	57.88
Trade payables	48.16	-	-	48.16
Acceptances	423.07	-	-	423.07
Other financial liabilities	394.47	-	-	394.47
<b>Total liabilities</b>	<b>923.58</b>	<b>-</b>	<b>-</b>	<b>923.58</b>

₹ crore

As at 31st March, 2022	< 1 year	1-5 years	> 5 years	Total
<b>Financial assets</b>				
Investments in optionally convertible debentures	-	-	117.70	117.70
Interest receivable	0.19	-	-	0.19
Trade receivables	30.79	-	-	30.79
Loans	369.44	-	-	369.44
Cash and cash equivalents (CCE)	3.20	-	-	3.20
Bank balances other than CCE	22.95	-	-	22.95
Other financial assets	5.31	7.00	-	12.31
<b>Total assets</b>	<b>431.88</b>	<b>7.00</b>	<b>117.70</b>	<b>556.58</b>
<b>Financial liabilities</b>				
Borrowings	711.25	-	-	711.25
Trade payables	18.39	-	-	18.39
Other financial liabilities	2,835.34	-	-	2,835.34
<b>Total liabilities</b>	<b>3,564.98</b>	<b>-</b>	<b>-</b>	<b>3,564.98</b>

## JSW Neo Energy Limited

### Notes to the financial statements for the year ended 31st March, 2023

#### Note No. 36 - Capital management:

The Company's principal activity is to pursue business opportunities in the renewable energy space, energy storage systems, micro grid etc. It requires capital:

- (i) to meet the funds infusion requirements for strategic acquisitions,
- (ii) to meet its working capital requirement.

The principal source of funding of the Company has been, and is expected to continue to be, capital infusion from the Holding company supplemented by cash generated from its operations, working capital loans etc.

The Company closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

#### Gearing ratio

₹ crore

Particulars	As at	As at
	31st March 2023	31st March 2022
Debt <sup>1</sup>	57.88	711.25
Cash and bank balances <sup>2</sup>	58.74	26.15
Net debt <sup>(1-2)</sup>	(0.86)	685.10
Total equity <sup>3</sup>	2,187.76	385.55
<b>Net debt to equity ratio</b>	<b>(0.0004)</b>	<b>1.7770</b>

1. Debt includes short term debt as described in note 20.

2. Includes cash and cash equivalents, balances in bank deposits (other than earmarked deposits)

3. Includes equity share capital and other equity as described in note 16 and note 18.

#### Note No. 37 - 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

Sr. No.	Particulars	As at	As at
		31st March, 2023	31st March, 2022
1	Principal amount outstanding	-	-
2	Principal amount due and remaining unpaid	-	-
3	Interest due on (2) above and the unpaid interest	-	-
4	Interest paid on all delayed payments under the MSMED Act.	-	-
5	Payment made beyond the appointed day during the year	-	-
6	Interest due and payable for the period of delay other than (4) above	-	-
7	Interest accrued and remaining unpaid	-	-
8	Amount of further interest remaining due and payable in succeeding years	-	-

#### Note No. 38 - Remuneration to auditors (exclusive of tax):

₹ Crore

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Audit fees including limited reviews fees	0.06	0.05
Reimbursement of out-of-pocket expenses	★	-
<b>Total</b>	<b>0.06</b>	<b>0.05</b>

★ less than ₹ 50,000

**JSW Neo Energy Limited**  
**Notes to the financial statements for the year ended 31st March, 2023**

**Note No. 39 - 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 has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- iii) 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, except as disclosed in note 6.
- iv) 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.
- v) 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.
- vi) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- vii) The Company is not declared wilful defaulter by any bank or financial institutions or lender during the year.
- viii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- ix) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.
- x) The Company does not have any immovable properties.
- xi) The Company does not have any transactions with companies which are struck off.

**Note No. 40 - Operating segment:**

The Company is in the business of development of renewable power projects having similar economic characteristics, primarily with operations in India and regularly reviewed by Chief Operating Decision Maker for assessment of Company's performance and resource allocation.

The information relating to revenue from external customers of its single reportable segment has been disclosed as below:

**a) Revenue from operations**

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Within India	271.22	26.13
Outside India	-	-
<b>Total</b>	<b>271.22</b>	<b>26.13</b>

**b) Non-current operating assets**

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

**Note No. 41 -**

Previous year figures have been re-grouped / re-classified wherever necessary.

For and on behalf of the Board of Directors

**Monica Chopra**  
 Director  
 [DIN:05341124]

**Chittur Ramakrishnan Lakshman**  
 Director  
 [DIN:08704945]

**Rakesh Punamiya**  
 Company Secretary

**Hirva Shah**  
 Chief Financial Officer

Place: Mumbai  
 Date : 23rd May, 2023