

INDEPENDENT AUDITORS' REPORT

To the Members of JSW Energy (Kutehr) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **JSW Energy (Kutehr) Limited** ("the Company"), which comprise the balance sheet as at March 31, 2023, and the statement of profit and loss, (including the statement of other comprehensive income), the cash flow statement and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit and other comprehensive income, its cash flow and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Board of directors for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in sub-section (5) of Section 134 of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and financial performance including other comprehensive income, change in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making

judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by sub-section (3) of Section 143 of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The balance sheet, the statement of profit and loss (including the statement of other comprehensive income), the cash flow statement and statement of changes in equity dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of sub-section (2) of Section 164 of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g. The Company has not paid / not provided for managerial remuneration in the books of accounts. Accordingly, provisions of Section 197 of the Act is not applicable to the Company.
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule (11) of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 25 of the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall,
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

- (b) The Management has represented that, to the best of its knowledge and belief, no funds (which are either material either individually or in aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall,
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate on the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub-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 and paid dividend during the year.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

Heneel K Patel
Partner
M. No.114103
Unique Document Identification Number (UDIN) for this document is
Place: Mumbai
Date: May 18, 2023

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
(B) According to the information and explanations given to us and the records of the Company examined by us, the Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company,
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated during the year or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- (ii) (a) The Company has project inventory of Rs. 1,718.24 lakhs in the custody of the contractor/third party. According to the information and explanation given to us and based on our examinations of the records, physical verification of project inventory has been conducted at reasonable intervals by the management and in our opinion, the coverage and procedure of such verification is appropriate, no major discrepancies for each class of inventory were noticed.
- (b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.
- (iii) The Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Accordingly, reporting under paragraph 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of Section 185 and 186 of the Act are applicable to the Company. Accordingly, reporting under paragraph 3 (iv) of the Order is not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Section 73 to Section 76 of the Act and the Rules framed there under to the extent notified.
- (vi) The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act for any of the products by the Company. Accordingly, reporting under paragraph 3 (vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us, and the records of the company examined by us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax, goods and service tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us, there are no undisputed amounts payable in respect of income tax, service tax, goods and service tax, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us, there are no dues of sales tax, wealth tax, service tax, goods and service tax, income tax, duty of excise, value added tax, and cess which have not been deposited on account of any dispute.
- viii) According to the information and explanations given to us and the records of the Company examined by us, there is no income surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

- (ix)
 - (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender.
 - (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
 - (c) In our opinion and according to the information and explanations given to us, the money raised by way of the term loans have been applied by the Company during the year for the purpose for which it was raised.
 - (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the Financial Statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
 - (e) The Company does not have any subsidiaries, associates or joint ventures. Accordingly, the question of our commenting on whether the Company taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures does not arise.
 - (f) The Company does not have any subsidiaries, associates or joint ventures. Accordingly, the question of our commenting on whether the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies does not arise.
- (x)
 - (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3 (x) (a) of the Order is not applicable to the Company.
 - (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, reporting under paragraph 3 (x) (b) of the Order is not applicable to the Company.
- (xi)
 - (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
 - (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under sub-clause (12) of Section 143 of the Act, in Form ADT-4, was not required to be filed. Accordingly, reporting under clause 3 (xi) (b) of the Order is not applicable to the Company.
 - (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, reporting under clause 3 (xi) (c) of the Order is not applicable to the Company.
- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3 (xii) of the Order is not applicable to the Company.
- (xiii) The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3 (xiii) of the Order is not applicable to the Company.
- (xiv)
 - (a) The internal audit of the Company is covered under the group internal audit pursuant to which an internal audit is carried out every year. In our opinion, the Company's internal audit system is commensurate with the size and nature of its business.
 - (b) The reports of the Internal Auditor for the year under audit have been considered by us.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with Directors or persons connected with him. Accordingly, reporting under paragraph 3 (xv) of the Order is not applicable to the Company.
- (xvi)
 - (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3 (xvi) (a) of the Order is not applicable to the Company.

- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3 (xvi) (b) of the Order is not applicable to the Company.
 - (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3 (xvi) (c) of the Order is not applicable to the Company.
 - (d) We have been informed by the management that as per the definition of Group under Core Investment Companies (Reserve Bank) Directions 2016, there is one Core Investment Company (CIC) which is registered and three CICs which are not required to be registered with the Reserve Bank of India, forming part of the promoter group.
- (xvii) The Company has incurred cash losses of Rs.18.20 lakhs in the financial year and cash losses of Rs.16.32 lakhs in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly, reporting under clause (xviii) is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 16 to the Financial Statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3 (xx) (a) of Order is not applicable to the Company.
- (b) There are no unspent amounts towards Corporate Social Responsibility (CSR) on ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause 3 (xx) (b) of Order is not applicable to the Company.
- (xxi) The reporting under clause 3 (xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

Heneel K Patel
Partner
M. No.114103
Unique Document Identification Number (UDIN) for this document is
Place: Mumbai
Date: May 18, 2023

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **JSW Energy (Kutehr) Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting with reference to these financial statements

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

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to these financial statements and such internal financial controls were operating effectively as at March 31, 2023, based on the internal financial controls with reference to these financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Heneel K Patel
Partner
M. No.114103
Unique Document Identification Number (UDIN) for this document is
Place: Mumbai
Date: May 18, 2023

JSW ENERGY (KUTEHR) LIMITED
Balance Sheet as at 31st March, 2023

(₹ in Lakhs)

Particulars		Note No.	As at 31st March, 2023	As at 31st March, 2022
A	ASSETS			
1	Non-current assets			
	(a) Property, plant and equipment	4A	2,355.57	1,753.40
	(b) Capital work-in-progress	4B	128,994.11	74,551.14
	(c) Other intangible assets	4C	17.00	-
	(d) Financial assets			
	(i) Other financial assets	5	2,826.73	2,615.33
	(e) Income tax assets (net)	6	20.45	10.06
	(f) Other non-current assets	7	23,502.66	20,367.29
	Total non - current assets		157,716.52	99,297.22
2	Current assets			
	(a) Financial assets			
	(i) Cash and cash equivalents	8	10,006.43	547.94
	(ii) Other financial assets	5	150.24	55.36
	(b) Other current assets	7	285.86	2,182.42
	Total current assets		10,442.53	2,785.72
	Total Assets (1+2)		168,159.05	102,082.94
B	EQUITY AND LIABILITIES			
1	Equity			
	(a) Equity share capital	9A	87,271.00	79,800.00
	(b) Other equity	9B	(752.71)	(868.57)
	Total equity		86,518.29	78,931.43
	Liabilities			
2	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	10	72,053.39	-
	Total non - current liabilities		72,053.39	-
3	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	10	-	14,632.00
	(ii) Trade payables			
	(a) Total outstanding dues of micro and small enterprises	11A	21.53	-
	(b) Total outstanding dues other than micro and small enterprises	11A	16.52	12.85
	(iii) Other financial liabilities	11B	9,171.64	8,344.78
	(b) Other current liabilities	12	377.68	161.88
	Total current liabilities		9,587.37	23,151.51
	Total liabilities (2+3)		81,640.76	23,151.51
	Total Equity and Liabilities (1+2+3)		168,159.05	102,082.94

See accompanying notes to the financial statements

As per our attached report of even date

For Shah Gupta & Co.

Chartered Accountants

Firm Registration No.: 109574W

For and on behalf of Board of Directors

Heneel K Patel

Partner

M. No. 114103

Perveen Puri

Whole Time Director

[DIN: 07532075]

Venkata Ramakumar

Susarla

Director

[DIN: 08236325]

Place: Mumbai

Date: 18th May, 2023

JSW ENERGY (KUTEHR) LIMITED
Statement of Profit and Loss for the year ended 31st March, 2023

(₹ in Lakhs)

Particulars		Note No.	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
I	Revenue from operations	13	-	-
II	Other income		191.65	0.12
III	Total income (I + II)		191.65	0.12
IV	Expenses	4A & 4C 14		
(a)	Depreciation and amortisation expenses		56.71	38.69
(b)	Other expenses		18.85	16.44
	Total expenses (IV)		75.56	55.13
V	Profit / (Loss) before tax (III-IV)	15	116.09	(55.01)
VI	Tax Expense			
	Current tax		0.23	0.03
	Deferred tax		-	-
			0.23	0.03
VII	Profit / (Loss) for the year (V-VI)		115.86	(55.04)
VIII	Other comprehensive income		-	-
IX	Total comprehensive income / (loss) for the year (VII + VIII)		115.86	(55.04)
X	Earnings per equity share of ₹ 10 each :			
	Basic		0.01	(0.01)
	Diluted		0.01	(0.01)

See accompanying notes to the financial statements

As per our attached report of even date

For Shah Gupta & Co.

Chartered Accountants

Firm Registration No.: 109574W

For and on behalf of Board of Directors

Heneel K Patel

Partner

M. No. 114103

Perveen Puri

Whole Time Director

[DIN: 07532075]

**Venkata Ramakumar
Susarla**

Director

[DIN: 08236325]

Place: Mumbai

Date: 18th May, 2023

JSW ENERGY (KUTEHR) LIMITED**Statement of Changes in Equity for the year ended 31st March, 2023****a. Equity share capital****(₹ in Lakhs)**

Balance at 1st April, 2021	45,681.50
Changes in equity share capital during FY 2021-22	34,118.50
Balance at 1st April, 2022	79,800.00
Changes in equity share capital during FY 2022-23	7,471.00
Balance at 31st March, 2023	87,271.00

b. Other equity**(₹ in Lakhs)**

Particulars	Retained earnings	Total
Balance as at 1st April, 2022	(868.57)	(868.57)
Profit for the year	115.86	115.86
Total comprehensive income for the year ended 31st March, 2023	(752.71)	(752.71)

(₹ in Lakhs)

Particulars	Retained earnings	Total
Balance at 1st April, 2021	(813.53)	(813.53)
Profit / Loss) for the year	(55.04)	(55.04)
Total comprehensive income for the year ended 31st March, 2022	(868.57)	(868.57)

See accompanying notes to the financial statements

As per our attached report of even date

For Shah Gupta & Co.

Chartered Accountants

Firm Registration No.: 109574W

For and on behalf of Board of Directors**Heneel K Patel**

Partner

M. No. 114103

Perveen Puri

Whole Time Director

[DIN: 07532075]

Venkata Ramakumar**Susarla**

Director

[DIN: 08236325]

Place: Mumbai

Date: 18th May, 2023

JSW ENERGY (KUTEHR) LIMITED

Statement of Cash Flows for the year ended 31st March, 2023

(₹ in Lakhs)

Particulars		For the year ended 31st March, 2023		For the year ended 31st March, 2022	
I	CASH FLOW FROM OPERATING ACTIVITIES				
	Profit / (Loss) before tax		116.09		(55.01)
	Adjusted for:				
	Depreciation and amortisation	56.71		38.69	
	Excess provision no longer required written back	(191.00)		-	
			(134.29)		38.69
	Operating profit before working capital changes		(18.20)		(16.32)
	Adjustment for:				
	Decrease/(Increase) in Loan & Advances and Other Receivables	1,992.68		(127.62)	
	Increase in Trade payables & Other Liabilities	215.80		106.51	
			2,208.48		(21.11)
	Cash generated / (used) from operations		2,190.28		(37.43)
	Income tax paid (net)		(10.62)		(8.68)
	NET CASH FLOW FROM OPERATING ACTIVITIES		2,179.66		(46.11)
II	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of property, plant & equipment including capital work-in-progress and capital advances		(57,402.16)		(46,077.81)
	Bank deposits not considered as cash and cash equivalent		(211.40)		(2,593.00)
	NET CASH USED IN INVESTING ACTIVITIES		(57,613.56)		(48,670.81)
III	CASH FLOW FROM FINANCING ACTIVITIES				
	Equity Shares Issued		7,471.00		34,118.50
	Current Borrowings Taken		5,219.00		14,632.00
	Non-Current Borrowings Taken		72,053.39		-
	Current Borrowings repaid		(19,851.00)		-
	NET CASH FLOW FROM FINANCING ACTIVITIES		64,892.39		48,750.50
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (I+II+III)		9,458.49		33.58
	CASH AND CASH EQUIVALENTS -OPENING BALANCE		547.94		514.36
	CASH AND CASH EQUIVALENTS - CLOSING BALANCE		10,006.43		547.94
See accompanying notes to the financial statements					
The Statement of cash flows has been prepared under the indirect method as set out in Indian Accounting standard (Ind AS 7) Statement of cash flows.					
As per our attached report of even date Shah Gupta & Co. Chartered Accountants Firm Registration No.: 109574W For and on behalf of Board of Directors					
Heneel K Patel Partner M. No. 114103 Place: Mumbai Date: 18th May, 2023 Perveen Puri Whole Time Director [DIN: 07532075] Venkata Ramakumar Susarla Director [DIN: 08236325]					

JSW Energy (Kutehr) Limited

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

1 General information

The Company is a public limited company and is incorporated under the provisions of the Companies Act, 2013. The Company forms part of JSW Energy group. The Company is wholly owned subsidiary of JSW Neo Energy Limited and is a step down subsidiary of JSW Energy Limited. The registered office of the Company is located at Village - Machetar, PO - Chanhota, Tehsil - Bharmour, Chamba HP 176309.

The Company is in the process of setting up 240 MW (3X80 MW), run-of-the-river, hydroelectric power project at Kutehr, Himachal Pradesh.

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, guidelines issued by the Securities and Exchange Board of India (SEBI) and other accounting principles generally accepted in India.

The Financial Statements were approved for issue by the Board of Directors on 18th May, 2023.

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.

3 Significant accounting policies

3.1 Basis of preparation of financial statements :

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

JSW Energy (Kutehr) Limited

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

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.

3.2 **Property, plant and equipment :**

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

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

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

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

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.

3.3 **Intangible assets :**

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

Derecognition of intangible assets

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

3.4 **Depreciation & amortisation :**

Depreciation is recognised 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 the straight-line method.

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

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

Depreciation on tangible assets is provided as per the provisions of Part C of Schedule II of the Companies Act, 2013 based on useful life and residual value specified therein.

JSW Energy (Kutehr) Limited

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

Estimated Useful Life of Assets

Particulars	Useful Life of Assets (Years)
Plant & Equipments	5-32
Furniture & Fixture	10
Computer IT	3-6
Vehicles	10
Office Equipments	5

3.5 Impairment of tangible and intangible assets other than goodwill:

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

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

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

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

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

3.6 Borrowing costs:

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

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

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

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.

3.7 Cash and cash equivalents:

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and demand deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value net of outstanding bank overdrafts as they are considered an integral part of the company's cash management.

JSW Energy (Kutehr) Limited

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

3.8 Revenue recognition:

Revenue towards satisfaction of performance obligation from contracts with customers is recognised when control of the goods including power generated or services is transferred to the customer, at transaction price (net of variable consideration) i.e. at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services having regard to the terms of the contract, relevant tariff regulations and the tariff orders by the regulator, as applicable.

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for satisfaction of performance obligation. The variable consideration is estimated having regard to various relevant factors including historical trend and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Compensation towards shortfall in offtake are recognised on collection or earlier when there is reasonable certainty to expect ultimate collection.

Where the final tariff rates are yet to be approved by the regulator, revenue is recognised based on the provisional rates as provided by the regulator adjusted by the truing up adjustments under the relevant tariff regulations and presented as 'truing up revenue adjustments' in the Balance Sheet. Any surplus or deficit is recognised when the final order is passed by the regulator.

Delayed payment charges and compensation towards shortfall in offtake are recognised on collection or earlier when there is reasonable certainty to expect ultimate collection.

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 equipment's / services is accounted on an accrual basis as and when the right to receive arises.

3.9 Leases:

The Company has applied Ind AS 116 using the Retrospective Modified Approach.

The Company as lessor:

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

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

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

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

JSW Energy (Kutehr) Limited

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

The Company as lessee:

The Company assesses whether a contract is or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- I. the contract involves the use of an identified asset;
- II. the Company has substantially all of the economic benefits from use of the asset through the period of the lease, and
- III. the Company has the right to direct the use of the asset.

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

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

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

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

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

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

3.10 Foreign currency transactions:

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

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

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

3.11 Taxation:

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

Current tax

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

JSW Energy (Kutehr) Limited

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

Deferred tax

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

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

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

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

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

3.12 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.

JSW Energy (Kutehr) Limited

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

3.13 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.

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

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

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

3.14 Financial instruments:

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

(a) Equity Investments:

All equity investments are measured at fair value, with value changes recognised in the Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

(b) Financial assets:

(i) Initial recognition and measurement:

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

(ii) Subsequent measurement:

Financial assets carried at amortised cost - A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order 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.

Financial assets at fair value through other comprehensive income (FVTOCI) - A financial asset is measured at fair value through other comprehensive income if it 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.

JSW Energy (Kutehr) Limited

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

Financial assets at fair value through profit or loss (FVTPL) - A financial asset which is not classified in any of the above categories are fair valued through Statement of Profit and Loss.

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

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

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria, may be designated as at FVTPL as at initial recognition if such designation reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

(iii) Impairment

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

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

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

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

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

(iv) Derecognition:

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

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

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

JSW Energy (Kutehr) Limited

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

(v) Income from Financial Assets:

Dividend and interest income:

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.

(c) Financial liabilities and equity instruments:

(i) Classification as debt or equity:

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

(ii) Equity instruments:

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

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

(iii) Initial recognition and measurement:

All financial liabilities are recognized initially at fair value and in case of loans net of directly attributable cost. Fees of recurring nature are directly recognised in Statement of Profit and Loss as finance cost.

(iv) Subsequent measurement:

Financial liabilities are carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(v) Derecognition:

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

(d) Derivative financial instruments:

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

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

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

(e) 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.

JSW Energy (Kutehr) Limited

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

(f) Fair Value measurement:

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

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

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a 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.

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

(g) Hedge accounting:

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

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

(i) Fair value hedges:

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognized in Statement of Profit and Loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to hedged risk are recognized in Statement of Profit and Loss in the line item relating to the hedged item.

Repurchase of the Parent 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 Parent Company's own equity instruments.

(ii) Cash flow hedges:

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

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

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

JSW Energy (Kutehr) Limited

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

3.15 Statement of cash flows:

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

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

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

3.16 Segment reporting:

In accordance with the Ind AS 108, 'Operating Segments' the segment information is disclosed in the consolidated financial statements of the group and therefore no separate disclosure on segment information is given in the companies financial statement for the year ended 31st March, 2023.

3.17 Reclassification of financial assets and liabilities

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

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

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

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

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

3.18 Inventories

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

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

JSW ENERGY (KUTEHR) LIMITED

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

Note 4A. Property, plant & equipment

(₹ in Lakhs)

	Office Equipment	Furniture and Fixtures	Free Hold Land	Computer & Data Process Machine	Plant & Machinery	Building	Vehicles	Right of Use Assets - Land	Total
At Cost / deemed cost									
I. Gross carrying value									
Balance as at 1st April, 2022	40.77	18.63	1,207.58	50.54	444.87	-	43.18	5.00	1,810.57
Additions	6.22	37.21	-	16.41	605.19	43.01	9.51	-	717.55
Balance as at 31st March, 2023	46.99	55.84	1,207.58	66.95	1,050.06	43.01	52.69	5.00	2,528.12
II. Accumulated depreciation and impairment for the year 2022-23									
Balance as at 1st April, 2022	13.46	3.54	-	17.35	15.76	-	5.89	1.17	57.17
Depreciation / amortisation for the year	7.17	4.17	-	13.12	5.06	13.62	4.63	1.00	48.77
Depreciation / amortisation for the year trfd to CWIP	-	-	-	-	66.61	-	-	-	66.61
Balance as at 31st March, 2023	20.63	7.71	-	30.47	87.43	13.62	10.52	2.17	172.55
Net carrying value as at 31st March, 2023 (I-II)	26.36	48.13	1,207.58	36.48	962.63	29.39	42.17	2.83	2,355.57

	Office Equipment	Furniture and Fixtures	Free Hold Land	Computer & Data Process Machine	Plant & machinery	Building	Vehicles	Right of Use Assets - Land	Total
At cost / deemed cost									
I. Gross carrying value									
Balance as at 1st April, 2021	21.92	14.30	1,200.08	21.49	12.59	-	43.18	5.00	1,318.56
Additions	18.85	4.33	7.50	29.05	432.28	-	-	-	492.01
Balance as at 31st March, 2022	40.77	18.63	1,207.58	50.54	444.87	-	43.18	5.00	1,810.57
II. Accumulated depreciation and impairment for the year 2021-22									
Balance as at 1st April, 2021	8.14	1.91	-	5.99	0.48	-	1.79	0.17	18.48
Depreciation / amortisation for the year	5.32	1.63	-	11.36	15.28	-	4.10	1.00	38.69
Balance as at 31st March, 2022	13.46	3.54	-	17.35	15.76	-	5.89	1.17	57.17
Net carrying value as at 31st March, 2022 (I-II)	27.31	15.09	1,207.58	33.19	429.11	-	37.29	3.83	1,753.40

Note:

- Refer Note 10 for the details in respect of certain property, plant and equipment hypothecated / mortgaged as security against borrowing.

JSW ENERGY (KUTEHR) LIMITED

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

Note 4B - Capital work- in- progress

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Capital work in progress & pre operative expenditure during construction period (pending allocation) relating to property, plant & equipment	128,994.11	74,551.14

Note:-

- Amount transferred to property, plant and equipment during the year ₹ 717.55 lakhs (previous year ₹ 492.01 lakhs) and amount transferred to Profit and Loss ₹ Nil (previous year ₹ Nil).

Capital Work in Progress Ageing & Schedule

(₹ in Lakhs)

As at 31st March, 2023	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	54,442.97	36,700.09	11,076.74	26,774.31	128,994.11
Total	54,442.97	36,700.09	11,076.74	26,774.31	128,994.11

Capital Work in Progress Ageing & Schedule

As at 31st March, 2022	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	36,700.09	11,076.74	24,595.68	2,178.63	74,551.14
Total	36,700.09	11,076.74	24,595.68	2,178.63	74,551.14

JSW ENERGY (KUTEHR) LIMITED

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

Note 4C - Other Intangible Assets

(₹ in Lakhs)

Description of Assets	As at 31st March, 2023		As at 31st March, 2022	
	Computer Software	Total	Computer Software	Total
At Cost / deemed cost				
I. Gross Carrying Value				
Balance as at 1st April, 2022	-	-	-	-
Additions	24.94	24.94	-	-
Disposals	-	-	-	-
Balance as at 31st March, 2023	24.94	24.94	-	-
II. Accumulated depreciation and impairment for the year 2022-23				
Balance as at 1st April, 2022	-	-	-	-
Depreciation / amortisation for the year	7.94	7.94	-	-
Balance as at 31st March, 2023	7.94	7.94	-	-
Net carrying value as at 31st March, 2023 (I-II)	17.00	17.00	-	-

JSW ENERGY (KUTEHR) LIMITED

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

Note 5. Other financial assets

(₹ in Lakhs)

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Current	Non- Current	Total	Current	Non- Current	Total
(a) Interest Receivable						
(i) Interest accrued on deposits	150.24	-	150.24	55.36		55.36
(b) Security Deposits						
- Government Authorities	-	19.83	19.83	-	19.83	19.83
- Others	-	1.50	1.50	-	1.50	1.50
(c) Other Bank Balance						
-Fixed deposits / Margin money against security, Bank Guarantee & Letter of Credit	-	2,805.40	2,805.40	-	2,594.00	2,594.00
Total	150.24	2,826.73	2,976.97	55.36	2,615.33	2,670.69

JSW ENERGY (KUTEHR) LIMITED

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

Note 6. Income Tax Assets (net)

(₹ in Lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Current	Non-current	Current	Non-current
Tax deducted/collection at sources (Net of provision for tax) (Provision for tax as at 31st March, 2023 Rs. 0.16 lakh and as at 31st March, 2022 Rs. 0.07 lakh)	-	20.45	-	10.06
Total	-	20.45	-	10.06

JSW ENERGY (KUTEHR) LIMITED

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

Note 7. Other Assets

(₹ in Lakhs)

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Current	Non- Current	Total	Current	Non- Current	Total
(a) Capital Advances	-	23,791.90	23,791.90	-	20,847.53	20,847.53
Less Provision for doubtful advance	-	(289.24)	(289.24)	-	(480.24)	(480.24)
(b) Prepayments	-	-	-	2,084.47	-	2,084.47
(c) Others	13.19	-	13.19	0.79	-	0.79
(d) Balances with Govt. authorities	272.67	-	272.67	97.16	-	97.16
Total	285.86	23,502.66	23,788.52	2,182.42	20,367.29	22,549.71

JSW ENERGY (KUTEHR) LIMITED

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

Note 8. Cash and cash equivalents**(₹ in Lakhs)**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Cash and cash equivalents		
(a) Balances with banks		
(i) In current accounts	5,003.43	544.94
(ii) In deposit account with maturity less than 3 months at inception	5,000.00	-
(b) Cash in Hand	3.00	3.00
Total	10,006.43	547.94

JSW ENERGY (KUTEHR) LIMITED

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

Note 9A - Equity share capital

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of shares	(₹ in Lakhs)	No. of shares	(₹ in Lakhs)
Authorised: Equity shares of Rs 10 each with voting rights	950,000,000	95,000.00	950,000,000	95,000.00
Issued, Subscribed and Fully Paid: Equity shares of Rs 10 each with voting rights	872,710,000	87,271.00	798,000,000	79,800.00
Total	872,710,000	87,271.00	798,000,000	79,800.00

1] The reconciliation of the number of shares outstanding at the beginning and at the end of the year:

Particulars	As at 31st March, 2023	As at 31st March, 2022
	No. of Shares	No. of Shares
Shares outstanding as at the beginning of the year	798,000,000	456,815,000
Add: Fresh Issue of Shares	74,710,000	341,185,000
Shares outstanding as at the end of the year	872,710,000	798,000,000

2] Disclosure of Share holding

Particulars		As at 31st March, 2023	As at 31st March, 2022
	% of total shares	No. of Shares	No. of Shares
a) Details of Shareholding by Promoters			
JSW Neo Energy Limited	100%	872,710,000	798,000,000
b). Details of shareholding more than 5% of aggregate share in the company			
JSW Neo Energy Limited	100%	872,710,000	798,000,000

3] Shares held by promoters and promoter group at the end of the year

Particulars	As at 31st March, 2023		As at 31st March, 2022		% change during the year
	No of shares	% of total shares	No of shares	% of total shares	
Promoter					
JSW Neo Energy Ltd.	872,710,000	100%	798,000,000	100%	0%

4] Terms & Rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs 10/- share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company the share holder of equity share will be entitle to receive remaining assets of the company after distribution of all the preferential amount. However, no such preferential amount as at end of the year.

Note 9B- Other equity

(₹ in Lakhs)

Particulars	Retained earnings
Balance as at 1st April, 2022	(868.57)
Profit / (Loss) for the year	115.86
Balance as at 31st March, 2023	(752.71)

Particulars	Retained earnings
Balance at 1st April, 2021	(813.53)
Profit / (Loss) for the year	(55.04)
Balance as at 31st March, 2022	(868.57)

Note:

(1) Retained earning

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

JSW ENERGY (KUTEHR) LIMITED

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

Note 10 - Borrowings

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Non-Current		
Secured Borrowings:		
Term loan from banks	56,589.20	-
Term loan from financial institution	18,040.00	-
Less: Unamortised borrowing cost	(2,575.81)	-
Total	72,053.39	-
Current		
Unsecured Borrowings:		
Loan taken from JSW Energy Limited	-	14,632.00
Total	-	14,632.00

Disclosure as per IND AS 7 (Cash Flow) Para 44A

(₹ in Lakhs)

Particulars	Non-current borrowings	Current Borrowings	Lease Liabilities
As at 1st April, 2021	-	-	-
Proceeds	-	14,632.00	-
Repayments	-	-	-
Effect of changes in foreign exchange rates	-	-	-
Changes in fair value	-	-	-
Others	-	-	-
As at 31st March, 2022	-	14,632.00	-
Proceeds	74,629.20	5,219.00	-
Unamortised borrowing cost	(2,575.81)	-	-
Repayments	-	19,851.00	-
Effect of changes in foreign exchange rates	-	-	-
Changes in fair value	-	-	-
Others	-	-	-
As at 31st March, 2023	72,053.39	-	-

Note : Rate of interest on term loans from banks and financial institution is 9.3% p.a. as on 31st March, 2023. It will be reviewed by banks and financial institution on regular intervals and is based on MCLR.

Details of security:

Term loans from banks

(₹ in Lakhs)

Terms of repayment	Security	As at 31st March, 2023	As at 31st March, 2022
Rs. 56,589.20 lakhs payable from Oct-2025 to Sep-2043	First ranking pari-pasu mortgage over the leasehold and freehold land of the Kutehr Project. First ranking pari passu charge over the Project Accounts, all movable assets (tangible & intangible) and current assets of the Kutehr project, all revenues from the Projects including book debts and operating cash flows, both present and future and the rights, title and interest of the project under the PPA. Pledge of 76% of equity shares of the borrower & corporate guarantee of JSW Energy Ltd.	Current - Nil Non-current - 56,589.20	Current - Nil Non-current - Nil

Term loans from financial institution

(₹ in Lakhs)

Terms of repayment	Security	As at 31st March, 2023	As at 31st March, 2022
Rs. 18,040 lakhs payable from Oct-2025 to Sep-2043	First ranking pari-pasu mortgage over the leasehold and freehold land of the Kutehr Project. First ranking pari passu charge over the Project Accounts, all movable assets (tangible & intangible) and current assets of the Kutehr project, all revenues from the Projects including book debts and operating cash flows, both present and future and the rights, title and interest of the project under the PPA. Pledge of 76% of equity shares of the borrower & corporate guarantee of JSW Energy Ltd.	Current - Nil Non-current - 18,040	Current - Nil Non-current - Nil

JSW ENERGY (KUTEHR) LIMITED

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

Note 11A. Trade Payable

(₹ in Lakhs)

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Current	Non- Current	Total	Current	Non- Current	Total
(a) Total outstanding dues of micro and small enterprises	21.53	-	21.53	-	-	-
(b) Total outstanding dues other than micro and small enterprises	16.52	-	16.52	12.85	-	12.85
Total	38.05	-	38.05	12.85	-	12.85

Trade Payable Ageing

(₹ in Lakhs)

As at 31st March, 2023	Undisputed		Disputed	
	MSME	Others	MSME	Others
Outstanding for following periods from due date of payment				
Less than 1 year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
Not due	21.53	-	-	-
Unbilled	-	16.52	-	-
Total	21.53	16.52	-	-

(₹ in Lakhs)

As at 31st March, 2022	Undisputed		Disputed	
	MSME	Others	MSME	Others
Outstanding for following periods from due date of payment				
Less than 1 year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
Not due	-	-	-	-
Unbilled	-	12.85	-	-
Total	-	12.85	-	-

Note 11B Other Financial liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Current	Non- Current	Total	Current	Non- Current	Total
(a) Payable for capital supplies / services	9,171.64	-	9,171.64	8,340.86	-	8,340.86
(b) Interest Accrued but not due on borrowings	-	-	-	3.92	-	3.92
Total	9,171.64	-	9,171.64	8,344.78	-	8,344.78

-Trade payables are normally settled within 30 days.

-Refer Note 26 for payables w.r.t. related party

Disclosure relating to Micro, Small and Medium Enterprises

(₹ in Lakhs)

SI No	Particulars	As at 31st March, 2023	As at 31st March, 2022
1	Principal amount outstanding to MSME	21.53	-
2	Principal amount due and remaining unpaid	-	-
3	Interest due on (2) above and the unpaid interest	-	-
4	Interest paid on all delayed payments under the MSMED Act	-	-
5	Payment made beyond the appointed day during the year	-	-
6	Interest due and payable for the period of delay other than (4) above	-	-
7	Interest accrued and remaining unpaid	-	-
8	Amount of further interest remaining due and payable in succeeding years	-	-

JSW ENERGY (KUTEHR) LIMITED

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

Note 12 Other Current Liabilities**(₹ in Lakhs)**

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Current	Non- Current	Total	Current	Non- Current	Total
(i) Statutory Dues	377.68	-	377.68	161.88	-	161.88
Total	377.68	-	377.68	161.88	-	161.88

JSW ENERGY (KUTEHR) LIMITED

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

Note 13. Other income**(₹ in Lakhs)**

Particulars	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
a) Interest Income earned on financial assets that are not designated as at FVTPL		
i) On bank deposits	0.65	0.12
b) Other non-operating income		
i) Provision no longer required written back	191.00	-
Total	191.65	0.12

JSW ENERGY (KUTEHR) LIMITED

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

Note 14. Other Expenses

(₹ in Lakhs)

Particulars		For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
(i)	Auditors remuneration	16.23	12.51
(ii)	Legal and other professional fees	2.26	2.18
(iii)	Rates and taxes	0.36	1.75
	Total	18.85	16.44

JSW ENERGY (KUTEHR) LIMITED**Notes to the financial statements for the year ended 31st March, 2023****Note 15. Tax Expense****(₹ in Lakhs)**

Particulars	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
Current Tax	0.23	0.03
Total	0.23	0.03

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

Particulars	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
Profit / (Loss) before tax	116.09	(55.01)
Enacted tax rate	25.168%	25.168%
Expected tax expense at statutory tax rate	29.22	0.03
Effect due to non deductible expenses	4.74	-
DTA not recognised	(33.80)	-
Others	0.07	-
Tax expenses for the year	0.23	0.03

JSW Energy (Kutehr) Limited
Notes to the financial statements for the year ended 31st March, 2023

Note 16 - Financial Ratios

Sr. No.	Particulars	For the year ended 31st March, 2023			For the year ended 31st March, 2022	Variance (%)	Reason for variance over 25%
		Numerator	Denominator	31.03.2023			
1	Current Ratio (in times) (Current Assets / Current Liabilities)	10,443	9,587	1.09	0.12	805%	Due to short term loan paid during the year ended 31st March 2023.
2	Debt-Equity Ratio (in times) ((Non-Current + Current Borrowings) / Total equity)	72,053	86,518	0.83	0.19	349%	Due to non-current borrowings taken during the year ended 31st March 2023.
3	Debt Service Coverage Ratio (in times) (Profit before Tax, Exceptional Items, Depreciation, Finance Charges / Finance Charges + Long Term Borrowings scheduled Principal repayments (excluding prepayments + refinancing) during the year)	NA	NA	NA	NA	NA	
4	Return on Equity Ratio (%) (Net profit after tax / Average Net Worth)	115.86	82,724.86	0.14%	-0.09%	258%	Due to provision for doubtful advances written back during the year ended 31st March, 2023.
5	Inventory Turnover (No. of days) (Average Inventory / (Fuel Cost + Stores & Spares Consumed + Purchase of stock in trade)	NA	NA	NA	NA	NA	
6	Debtors Turnover (no. of days) ((Average Trade Receivables including unbilled revenue * No of days) / Revenue from operations)	NA	NA	NA	NA	NA	
7	Payables Turnover (no. of days) ((Average Trade payables including * No of days) / Cost of goods sold)	NA	NA	NA	NA	NA	
8	Net Capital Turnover (in times) (Revenue from operations / Working Capital)	NA	NA	NA	NA	NA	
9	Net Profit Margin (%) (Net profit for the year / Total Income)	116	192	0.60	(474)	100%	Due to provision for doubtful advances written back during the year ended 31st March, 2023.
10	Return on Capital Employed (%) (Profit before tax plus Interest on long term loans and debentures) / Average (Net Worth + Total Borrowings)	116	126,068	0.09%	-0.08%	216%	Due to increase in huge amount of income and loan taken during the year ended 31st March, 2023.
11	Return on Investment (%) (Profit generated on sale of investment / Cost of investment)	NA	NA	NA	NA	NA	

The company is in project stage and currently does not have commercial operations or working capital. Hence certain ratios are not applicable.

JSW Energy (Kutehr) Limited

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

17 Critical accounting judgements and key sources of estimation uncertainty:

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

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

Critical judgements in applying accounting policies

The management has reviewed all the transactions and not found any material changes in preparation of financial statements in accordance with Ind ASs notified.

Key sources of estimation uncertainties

Useful lives of property, plant and equipment

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. This reassessment may result in change in depreciation and amortisation expected in future periods.

Provisions and Contingencies

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

Fair value measurements

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

Tax

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

JSW Energy (Kutehr) Limited

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

18 Financial Instruments: Classifications and fair value measurements

This note provides information about how the company determines fair values of various financial assets and financial liabilities (which are measured at fair value through profit or loss).

Fair value hierarchy	Valuation technique(s) and key input(s)
Level 1	Quoted bid prices in an active market.
Level 2	Income approach – in this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees.
Level 3	Discounted cash flow at a discount rate that reflects the issuer's current borrowing rate at the end of the reporting period.

Fair value of financial assets and financial liabilities

The management consider that the carrying amounts of current financial assets and financial liabilities recognised in the financial statements approximate their fair values.

(₹ in Lakhs)

As at 31st March, 2023	Carrying amount	Fair value
Financial assets		
Financial assets carried at amortised cost		
Cash and cash equivalents	10,006.43	10,006.43
Other Financial asset		
Interest accrued on deposits	150.24	150.24
Security deposits	21.33	21.33
Fixed deposits / Margin money against security, Bank Guarantee & Letter of Credit	2,805.40	2,805.40
	12,983.40	12,983.40
Financial liabilities		
Financial Liabilities carried at amortised cost		
Payable for trade supplies / services	38.05	38.05
Secured non-current borrowings	72,053.39	72,053.39
Payable for capital supplies / services	9,171.64	9,171.64
	81,263.08	81,263.08

(₹ in Lakhs)

As at 31st March, 2022	Carrying amount	Fair value
Financial assets		
Financial assets carried at amortised cost		
Cash and cash equivalents	547.94	547.94
Other Financial asset		
Interest accrued on deposits	55.36	55.36
Security deposits	21.33	21.33
Fixed deposits / Margin money against security, Bank Guarantee & Letter of Credit	2,594.00	2,594.00
	3,218.63	3,218.63
Financial liabilities		
Financial Liabilities carried at amortised cost		
Payable for trade supplies / services	12.85	12.85
Current borrowings	14,632.00	14,632.00
Payable for capital supplies / services	8,340.86	8,340.86
Interest accrued but not due	3.92	3.92
	22,989.63	22,989.63

The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

JSW Energy (Kutehr) Limited

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

Fair value of financial assets and liabilities measured at amortised cost

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

(₹ in Lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022		Level	Valuation Technique
	Carrying Value	Fair Value	Carrying Value	Fair Value		
Financial assets						
Security deposits	21.33	21.33	21.33	21.33	3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
Total	21.33	21.33	21.33	21.33		
Financial Liabilities						
Borrowings	72,053.39	72,053.39	14,632.00	14,632.00	3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
Total	72,053.39	72,053.39	14,632.00	14,632.00		

19. Foreign currency risk management

The Company's functional currency is Indian Rupees (INR). The Company undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Company's revenue from export markets and the costs of imports, primarily in relation to raw materials. The Company is exposed to exchange rate risk under its trade and debt portfolio.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result's in increase in the Company's overall debt position in Rupee terms without the Company having incurred additional debt and favourable movements in the exchange rates will conversely result in reduction in the Company's receivables in foreign currency.

In order to hedge exchange rate risk, the Company has a policy to hedge cash flows up to a specific tenure using forward exchange contracts, options and other non-derivative financial instruments like long-term foreign currency borrowings and acceptances. At any point in time, the Company hedges its estimated foreign currency exposure in respect of forecast sales over the following 6 months using derivative instruments. Forecasted sales beyond the period of 6 months are hedged using non-derivative financial instruments basis the tenure of the specific long term foreign currency borrowings. In respect of imports and other payables, the Company hedges its payables as and when the exposure arises. Short term exposures are hedged progressively based on their maturity.

All hedging activities are carried out in accordance with the Company's internal risk management policies, as approved by the Board of Directors, and in accordance with the applicable regulations where the Company operates.

The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The Company continues to believe that there is no impact on effectiveness of its hedges.

JSW Energy (Kutehr) Limited

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

The carrying amounts of the Company's monetary assets and monetary liabilities at the end of the reporting year are as follows:

Currency exposure as at 31st March, 2023

Particulars	USD Million	INR Lakhs	Total
Financial assets			
Cash and cash equivalents	-	10,006.43	10,006.43
Other financial assets	-	2,976.97	2,976.97
Total Financial assets	-	12,983.40	12,983.40
Financial liabilities			
Borrowings	-	72,053.39	72,053.39
Trade payables	-	38.05	38.05
Other financial liabilities	-	9,171.64	9,171.64
Total Financial liabilities	-	81,263.08	81,263.08

Currency exposure as at 31st March, 2022

Particulars	USD Million	INR Lakhs	Total
Financial assets			
Cash and cash equivalents	-	547.94	547.94
Other financial assets	-	2,670.70	2,670.70
Total Financial assets	-	3,218.64	3,218.64
Financial liabilities			
Borrowings	-	14,632.00	14,632.00
Trade payables	-	12.85	12.85
Other financial liabilities	-	8,344.78	8,344.78
Total Financial liabilities	-	22,989.63	22,989.64

JSW Energy (Kutehr) Limited

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

20 Capital management

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

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

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

Gearing ratio

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

(₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Debt (i)	72,053.39	14,632.00
Cash and cash equivalents (ii)	10,006.43	547.94
Net debt (i-ii)	62,046.96	14,084.06
Total equity (iii)	86,518.29	78,931.43
Net debt to equity ratio	0.72	0.18

(i) Debt includes Current and Non-Current borrowings. (refer Note No-10)

(ii) Total equity includes equity share capital and other equity. (refer Note No-9A & 9B)

JSW Energy (Kutehr) Limited

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

21 Financial risk management objectives

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

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

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Note below sets out details of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

(₹ in Lakhs)				
As at 31st March, 2023	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Cash and cash equivalents	10,006.43	-	-	10,006.43
Other Financial asset				
Interest accrued on deposits	150.24			150.24
Security deposits	-	21.33	-	21.33
Fixed deposits / Margin money against security, Bank Guarantee & Letter of Credit	-	2,805.40	-	2,805.40
Total assets	10,156.67	2,826.73	-	12,983.40
Financial Liabilities				
Payable for trade supplies / services	38.05	-	-	38.05
Payable for capital supplies / services	9,171.64	-	-	9,171.64
Total current liabilities	9,209.69	-	-	9,209.69
Financial Liabilities				
Secured non-current Borrowings	-	15,131.21	56,922.18	72,053.39
Total Non-current liabilities	-	15,131.21	56,922.18	72,053.39

As at 31st March, 2022	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Cash and cash equivalents	547.94	-	-	547.94
Other Financial asset				
Interest accrued on deposits	55.36		-	55.36
Security deposits	-	21.33	-	21.33
Fixed deposits / Margin money against security, Bank Guarantee & Letter of Credit	-	2,594.00	-	2,594.00
Total assets	603.30	2,615.33	-	3,218.63
Financial Liabilities				
Payable for trade supplies / services	12.85	-	-	12.85
Short Term Borrowings	14,632.00	-	-	14,632.00
Payable for capital supplies / services	8,340.86	-	-	8,340.86
Interest accrued but not due	3.92	-	-	3.92
Total current liabilities	22,989.63	-	-	22,989.63
Financial Liabilities				
Secured non-current Borrowings	-	-	-	-
Total Non-current liabilities	-	-	-	-

JSW Energy (Kutehr) Limited

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

22 Earnings per share:

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Profit attributable to equity holders of the company: (₹ in lakhs)	115.86	(55.04)
Weighted average number of Equity shares for basic & diluted EPS	832,304,384	711,515,438
Earnings Per Share (In ₹) :		
- Basic	0.01	(0.01)
- Diluted	0.01	(0.01)

23 Remuneration to auditors (inclusive of GST)

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Services as statutory auditors (including quarterly limited reviews)	8.85	10.15
Other services	7.38	2.36
Total	16.23	12.51

24 Commitments

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Estimated amounts of contracts remaining to be executed on capital account & not provided for (net of advances)	64,477.59	93,755.55
Total	64,477.59	93,755.55

25 Contingent liabilities

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

26 Related party disclosure

I Ultimate Holding Company

- 1 JSW Energy Limited

II Holding Company

- 1 JSW Neo Energy Limited

III Key Managerial Personnel

- 1 Mr. Venkata Ramakumar Susarla – Director & Chief Financial Officer
- 2 Mr. Perveen Puri - Whole time Director
- 3 Ms. Monica Chopra - Non-executive Director

IV Other related parties with whom the company has entered into transactions during the year

- 1 JSW Steel Limited
- 2 Jindal Steel and Power Limited
- 3 JSW Ispat Special Products Ltd
- 4 JSW Hydro Energy Limited

JSW Energy (Kutehr) Limited

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

B) Transaction with related Parties during the year :

(₹ in Lakhs)

Sl.	Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
1	Unsecured Loan received JSW Energy Limited	5,219.00	14,632.00
2	Unsecured Loan repaid JSW Energy Limited	19,851.00	-
3	Purchase of Steel JSW Steel Limited	2,779.54	1,736.35
	JSW Ispat Special Products Ltd	-	398.00
	Jindal Steel and Power Limited	776.98	198.38
4	Equity Share Capital JSW Hydro Energy Limited	-	33,518.50
	JSW Neo Energy Limited	7,471.00	79,800.00
5	Corporate Guarantee provided by JSW Energy Limited	77,252.58	-
6	Purchase of bus and spares JSW Hydro Energy Limited	14.55	-

C) Closing Balances

(₹ in Lakhs)

Sl.	Particulars	As at 31st March, 2023	As at 31st March, 2022
1	Equity Share Capital JSW Neo Energy Limited	87,271.00	79,800.00
2	Corporate Guarantee provided by JSW Energy Limited	78,531.00	-
3	Unsecured Loan received JSW Energy Limited	-	14,632.00
4	Purchase of Steel Jindal Steel and Power Limited	588.19	193.24
	JSW Steel Limited	960.65	963.31

Note:

- No amounts in respect of related parties have been written off / written back during the year, nor has any provision been made for doubtful debts / receivables during the year.
- Related party relationships have been identified by the management and relied upon by the Auditors.
- Related party transactions have been disclosed on basis of value of transactions in terms of the respective contracts.
- Terms and conditions of purchases: the purchase transactions among the related parties are in the ordinary course of business based on normal commercial terms, conditions, market rates and memorandum of understanding signed with the related parties. For the year ended 31st March, 2022 & 31st March, 2023, the Company has not recorded any loss allowances for transactions between the related parties.
- Transactions are inclusive of Taxes
- Transactions are disclosed based on relationship as on the date of transaction.
- Purchase of goods are at arm length price.
- An interest free loan amounting to Rs. 19,851 lakhs was taken from Related party vide loan agreement dated 18.11.2021. Loan is repayable on demand.
- Corporate Guarantee was provided by JSW Energy Ltd for security of term loan.

JSW Energy (Kutehr) Limited

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

27 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 does not have any immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) whose title deeds are not held in the name of the company.
- iii) The Company does not have any transactions with struck off companies except the following:

S No.	Name of the struck off company	Nature of transactions	Balance outstanding (₹ in Lakhs)		Relationship with the struck off company, if any, to be disclosed
			As at 31st March, 2023	As at 31st March, 2022	
1	Him Broadcast Pvt. Ltd.	Muck Transportation	26.90	-	

- iv) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- v) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- vi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- viii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

28 Approval of financial statements:

The financial statements were approved for issue by the board of directors on 18th May, 2023.

For and on behalf of the Board of Directors

Perveen Puri
Whole Time Director
[DIN : 07532075]

Venkata Ramakumar Susarla
Director
[DIN: 08236325]

Place : Mumbai
Date : 18th May, 2023