

JSW Hydro Energy Limited (JSWHEL)

Compliance Certificate (H1 FY24)

30th September 2023



JSW Energy



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JSW Energy at a Glance

Accelerating the Nation's Push Towards Net Zero Emissions.

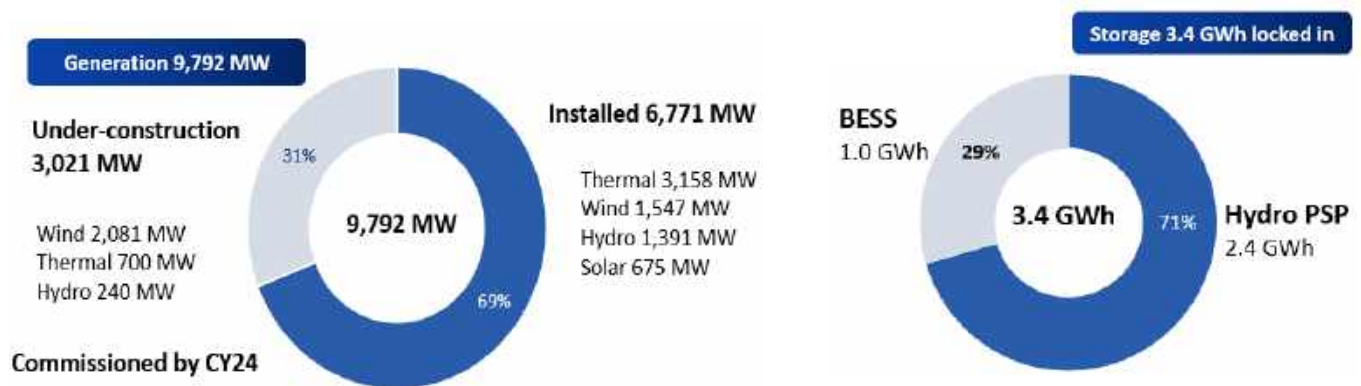
AT THE VANGUARD OF INDIA'S TRANSITION TO LOW-EMISSIONS ENERGY

JSW Energy Limited is amongst India's leading independent power producer with total generation capacity of 9.8 GW (including under construction capacity of 3.0 GW). The Company, which is a part of the USD 23 billion JSW Group, is leading the energy transition in India by scaling its renewable energy capacity upwards and foraying into energy products and services.

Drawing on our firm foundations, and against the backdrop of climate change challenges, we intend to become a Net Zero company before 2050.

With our deep sector experience, expertise and portfolio strength, we aim to double our generation capacity to 20 GW along with 40 GWh / 5 GW of storage capacity by 2030. The Company is also investing in backward and forward integration by setting up 1 GW of solar module manufacturing plant (W-C-M) and 3,800 TPA of Green Hydrogen plant. The company has recently signed MoUs with JSW Steel for (i) 6.2 GW of RE capacity (ii) 2.7 GWh of energy storage and (iii) 85-90 KTPA of Green Hydrogen with associated RE solutions to be progressively delivered by 2030.

9.8 GW Generation capacity | Installed 6.8 GW | Under-Construction 3.0 GW



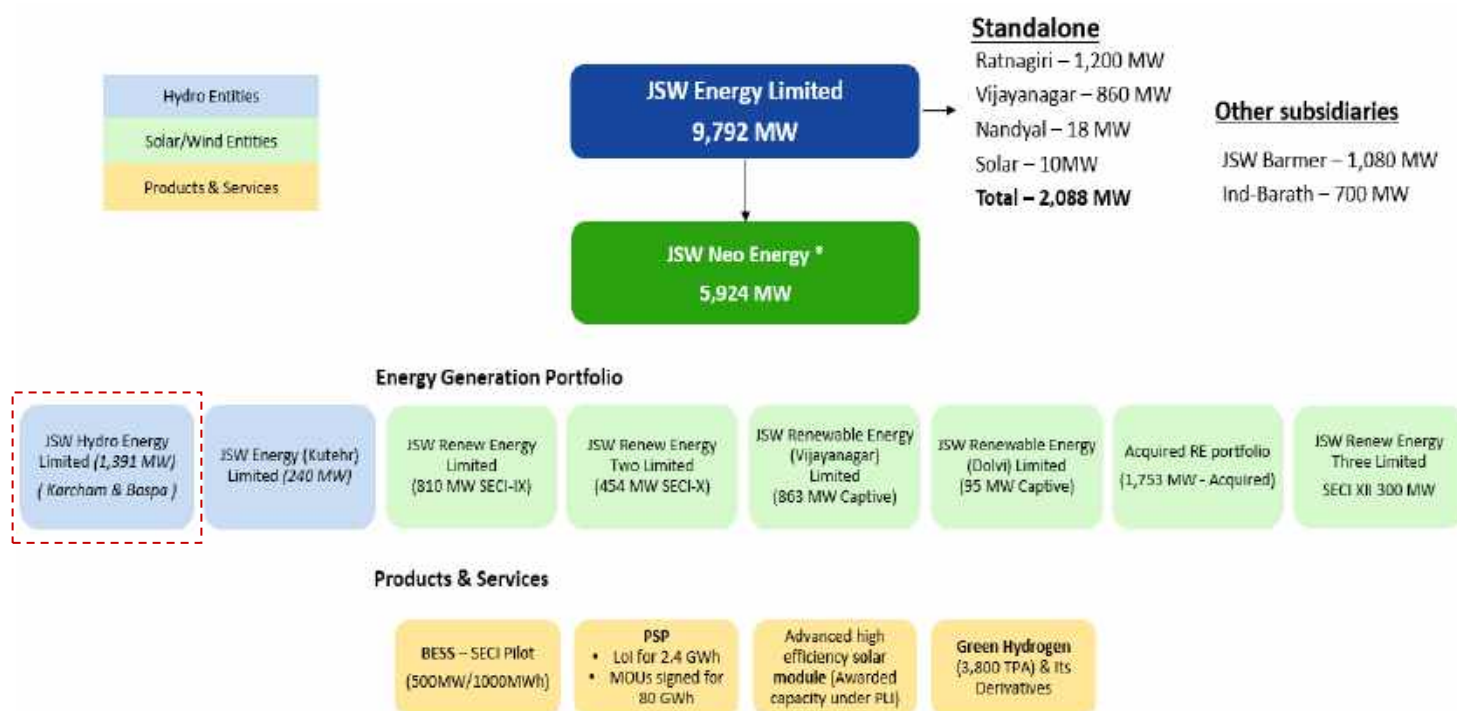
JSW Energy Corporate Structure

JSW Neo is the green energy platform of JSW Energy

STRATEGIC REORGANISATION OF OUR THERMAL AND RENEWABLE BUSINESSES

The Company has completed the process of reorganization of its businesses into green and grey whereby the existing and upcoming renewable energy businesses across generation, energy storage, PV module and green hydrogen / ammonia and its derivatives will be housed under a wholly owned subsidiary, JSW Neo Energy. JSW Neo Energy's total generation capacity is 5.9 GW, in addition to 3.4 GWh of locked-in Energy storage projects, 1 GW Solar module manufacturing and 3,800 TPA of Green Hydrogen manufacturing.

This reorganization of grey and green business helps us to build and streamline the renewable portfolio and set up a holding structure for efficient fund-raising and potentially unlocking value for shareholders in future.



JSW Neo: 5.9 GW of total generation capacity of which 2.3 GW is under-construction

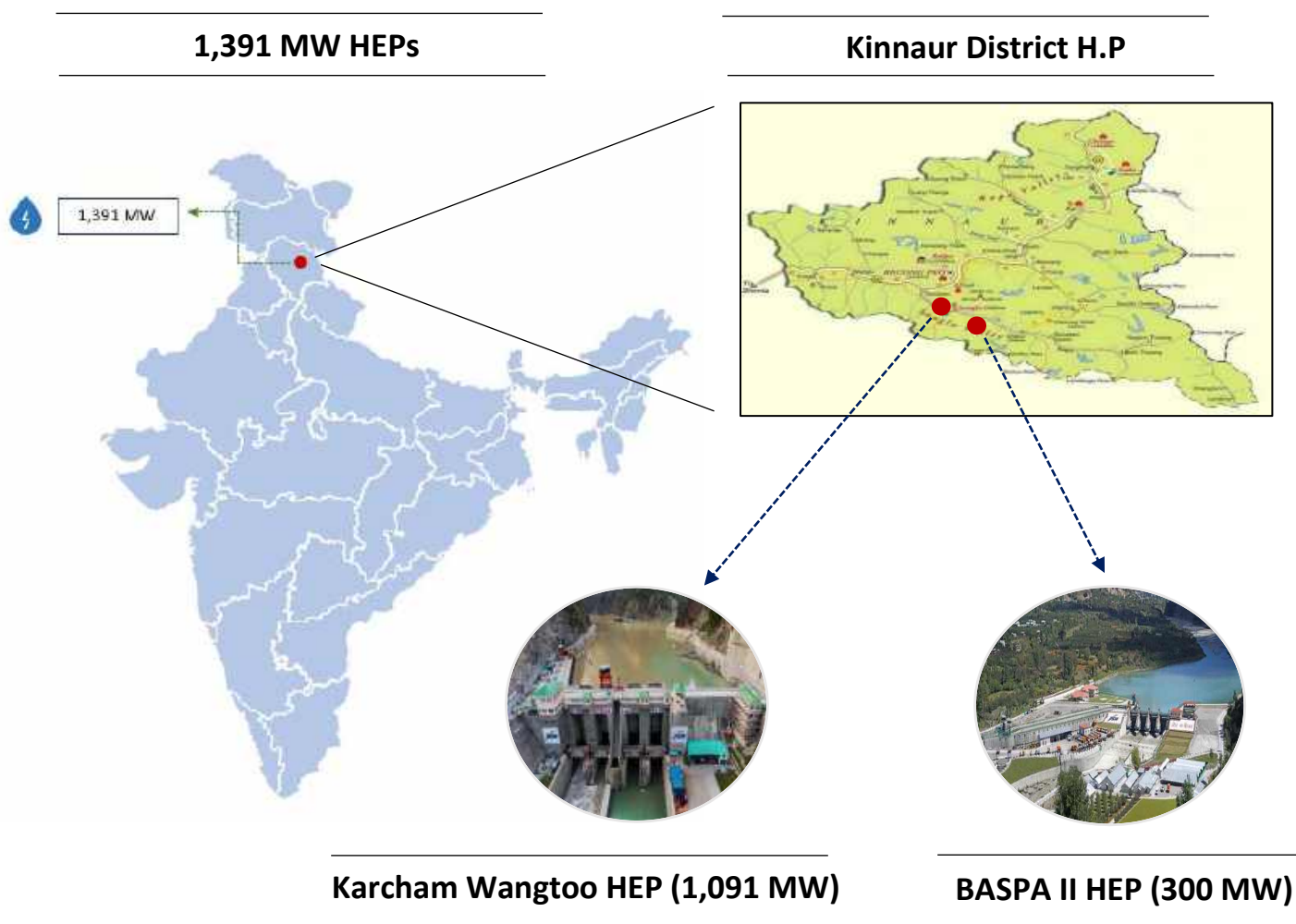
*Corporate structure post Acquisition and restructuring. Includes 18 MW of operational solar power plant for JSW group captive. All subsidiaries shown are wholly owned subsidiaries except RE Captive power plants

JSW Hydro Energy Ltd

JSWHEL is a wholly-owned subsidiary of JSW Neo Energy Limited

JSWHEL OPERATES TWO HYDRO ELECTRIC PLANTS OF 1,391 MW CAPACITY

JSW Hydro Energy Limited (JSWHEL) is a wholly-owned subsidiary of JSW Neo Energy Limited and operates two hydroelectric power plants (HEPs) located in Kinnaur district in the state of Himachal Pradesh, India. Karcham Wangtoo Hydro Electric Project (Karcham HEP) has an installed capacity of 1,091 MW and Baspa II Hydro Electric Project (Baspa HEP) has an installed capacity of 300 MW.



Overview of Hydro Assets

Karcham Wangtoo plant has a Design Energy of 4,131 MUs for 1000 MW

KARCHAM WANGTOO 1,091 MW



SALIENT FEATURES OF THE PLANT

- Karcham Wangtoo run-of-the-river HEP located on river Sutlej
- Dam is located at Karcham while the powerhouse is located at Wangtoo
- The project comprises of ~17kms of head race tunnel
- The plant's pressure shafts feed four generating units of 250MW each, installed in an underground powerhouse at Wangtoo

CONCESSION & PPA

- **Location:** Kinnaur District, Himachal Pradesh
- **Commission Date:** 13th September 2011
- **Concession Details:** Operational concession till September 2051 with a provision to extend for a maximum period of 20 years mutually agreed upon.
- **PPA:** Signed PPA through PTC India Ltd. for 1,000 MW capacity till September 2046 with provision to extend PPA for mutually agreed upon period.
- **Post tax return on equity:** 16.5%
- **Upgrading (91 MW):** 45 MW upgrading has been approved till now

Overview of Hydro Assets

BASPA plant has a Design Energy of 1,213MUs estimated on P-90 basis

BASPA 300 MW



SALIENT FEATURES OF THE PLANT

- Baspa plant is located on river Baspa, a tributary of river Sutlej
- The project comprises of ~8 kms of head race tunnel
- Plant's underground powerhouse accommodates three 100 MW Pelton turbine generating units
- A Double-circuit 400 KV transmission line feeds into the Jhakri sub-station

CONCESSION & PPA

- **Location:** Kinnaur District, Himachal Pradesh
- **Commission Date:** 8th June 2003
- **Concession Details:** Operational concession till 7th June 2043 with a provision to extend for further 20 years
- **PPA:** For entire saleable capacity PPA was signed with Himachal Pradesh State Electricity Board Ltd. 12% free power of the electricity generated is to be supplied to the Government of Himachal Pradesh.

Introduction to Green Note

JSW Hydro Energy Limited issued a USD 707 Million 10-yr Green Note

On 18th May, 2021 JSW Hydro Energy Limited issued a USD 707 million 10-year green note (4.125% p.a. Senior Secured Notes due 2031, herein referred to as Notes) to refinance its existing term loan denominated in Indian Rupees (₹). Summary of the Notes is as per following details: -

As per clause 4.3 of Schedule 4 of the Trust Deed, a compliance certificate and a business update is required to be provided within 90 days of closure of each six-month period ending September and March of each year starting 30th September, 2021. This report is the fifth such report being provided in compliance with the same.

CUSIP Regulation S Notes: Y4S71YAA2

Rule 144A Notes: 46653YAA6

ISIN Regulation S Notes: USY4S71YAA27

Issuer	JSW Hydro Energy Ltd
Format	144A / Reg S
Ranking	Senior Secured Notes
Currency	USD
Tenor	10 year with WAL of 7/7.5 years
Use of Proceeds	Mainly to Refinance existing INR debt
Security	The holders of the US dollar senior notes will have security over the movable and immovable project assets, rights under project documents, share pledge and project accounts of the restricted group (It will be shared paripassu with the WC lender)
Key covenants	Graded DSCR, Mandatory Cash Sweeps (MCS) and FFO/Net Debt
Governing Law	English Law / New York Law
Key Features	Bankruptcy remote, static pool of assets, independent director on RG SPVs and no additional debt other than WC basket

Executive Summary of Power Sector in India

Power demand grew by 7.1% YoY in H1 FY 24 & 13.1% YoY in Q2 FY24

As on 30th September, 2023 (Q2 FY24) the total Installed Power Capacity in the country stood at 425 GW. India's renewable energy capacity stood at 132 GW (excluding large hydro) and at 179 GW (including large hydro) at the end of quarter ending September 2023. The share of renewable energy capacity (including large hydro) has grown from 40% in Q2 FY23 to 42% in Q2 FY24. H1 FY24 witnessed total capacity additions of 9.3 GW with renewable capacity additions of 6.6 GW largely driven by the solar segment (5.0 GW) followed by wind (1.6 GW). Renewable energy constituted ~71% of total capacity additions in H1 FY24.

Power generation from renewable energy sources was 26% in Q2FY24 and 24% in H1 FY24 as a percentage of total generation. The share of generation from thermal sources was 70% in Q2 FY24 versus 68% in Q2 FY23.

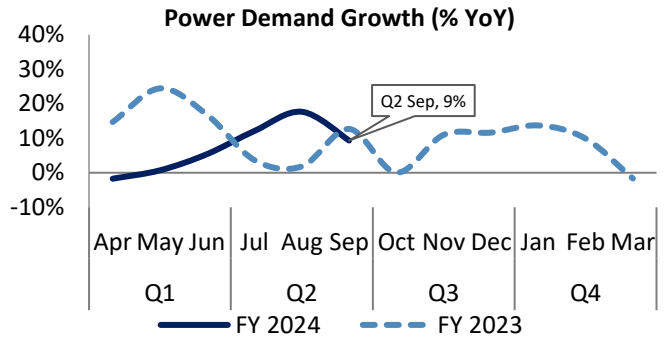
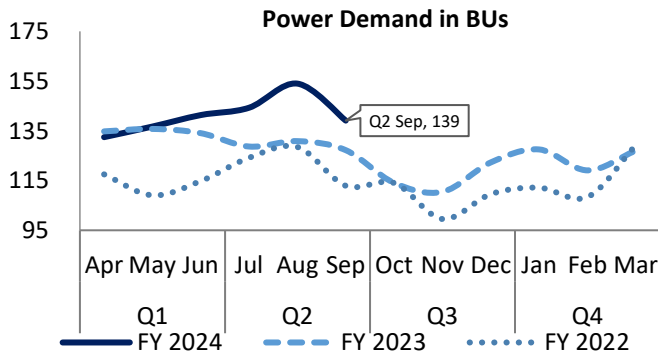
Pan India Power demand during H1 FY24 grew at 7.1% YoY and during Q2 FY24 grew at 13.1% YoY. In tandem with demand, overall generation grew by 5.9% YoY in H1 FY24 and 10.6% in Q2 FY24. The robust H1 FY24 generation was driven by strong Thermal (+7.9%) and Renewable (+13.8%) generation partly offset by lower hydro generation (-12.1% YoY). Within renewables, solar generation grew by 17.6% YoY and wind generation grew by 15.0% YoY in H1 FY24.

Power Sector Updates

POWER DEMAND

India's power demand increased by 7.1% YoY in H1 FY24 to 847.9 BUs, on the back of broad-based demand increase across the country. The peak demand witnessed in H1 FY24 was ~240.2GW.

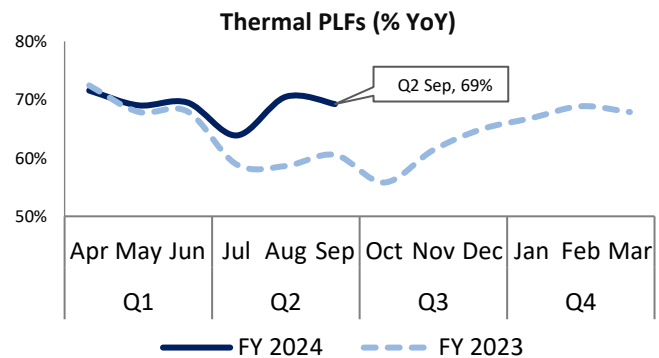
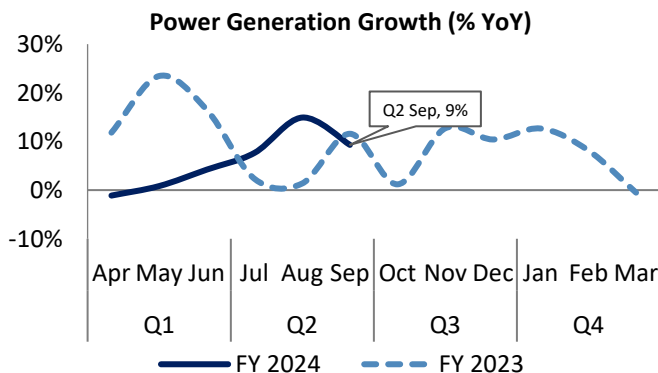
Total demand met (supply) for H1 FY24 was 845.5 BUs implying a shortfall of 2.4 BUs or 0.3% of the overall demand.



POWER GENERATION

In line with demand, overall power generation increased by 5.9% YoY in H1 FY24, led by solar generation up 17.6% YoY and wind generation up 15.0% YoY in H1 FY24.

Thermal generation increased by 7.9% YoY in 1H FY24. Average Thermal PLFs improved YoY in H1 FY24 to 69% from 64% last year.



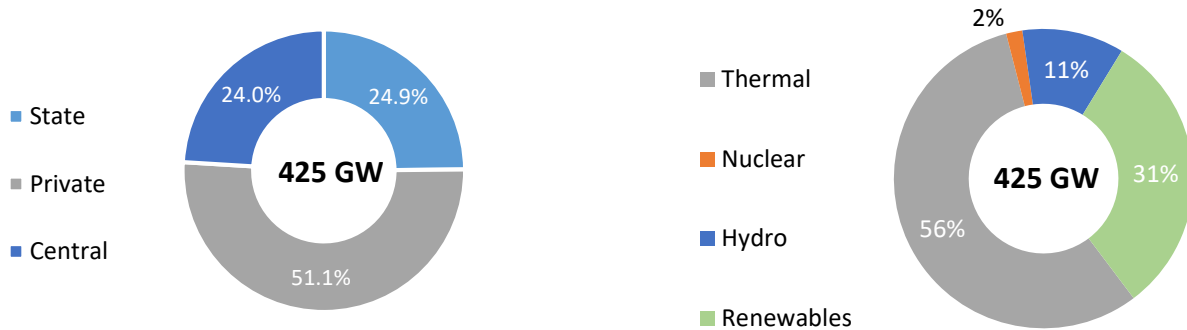


Power Sector Updates

POWER CAPACITY

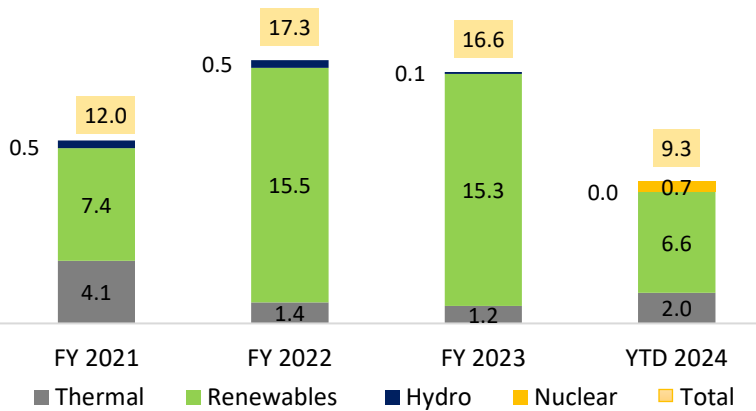
Installed capacity stood at 425 GW as on September 30, 2023. Net Capacity additions during 1H FY24 stood at 9.3 GW driven by renewable capacity additions.

Installed capacity by sector and mode of generation is given below:

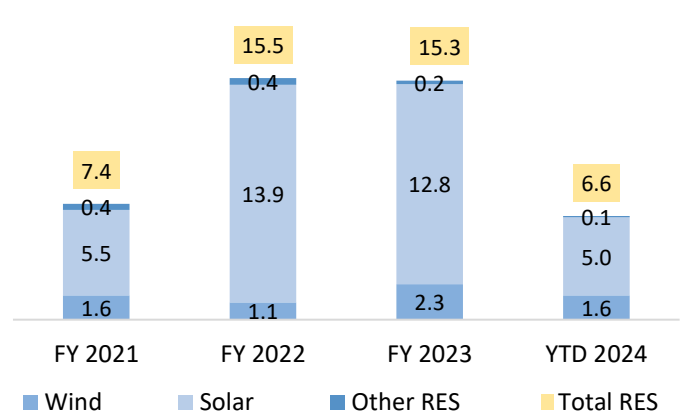


Overall capacity addition of 9.3 GW was dominated by renewables at 6.6 GW. Within renewables solar capacity addition stood at 5.0 GW while wind capacity additions stood at 1.6 GW.

Overall Segment-wise Net Capacity Addition (GW)



Renewable Capacity addition (Excl Hydro) (GW)



Executive Summary of Business Performance

Key Highlights for H1 FY2024

OPERATIONAL PERFORMANCE

JSW Hydro Energy

- Plant Availability Factor (PAF) came at 99.9% remained well above the normative PAF of 90%.
- Gross Generation stood at 3,939 million units (MU), down 12.6% YoY.
- Net Generation stood at 3,910 MUs, down 12.6% YoY.
- Plant Load Factor (PLF) at 67% as compared to 76% in H1 FY23.

FINANCIAL PERFORMANCE

Revenue from Operations for H1 FY24 at ₹988 crore¹ increased 10% YoY, as the company had recognised a revenue of ₹174 crore in H1 FY24 by writing back the balance excess truing up provision, on final settlement with DISCOMs, pursuant to an order of Central Electricity Regulatory Commission for Karcham Wangtoo Hydro Plant.

EBITDA stood at ₹971 crores as against ₹827 crore in H1 FY23. The EBITDA in H1 FY24 includes truing up impact of ₹174 crores at Karcham Wangtoo.

Profit after tax for the period stood at ₹470 crores as compared to ₹328 crore last year in H1 FY23.

Receivable Days at end of Sept-23 stood at a healthy level of 44 days vs 54 days in Sept -22. This underpins the continuing cost competitiveness of the power supplied from these hydro power stations for the procuring power distribution companies (DISCOMs), incentivizing the four DISCOMs to prioritize offtake and payments.

For more details, please visit

[JSW Energy Integrated Report](#)

[JSW Energy Corporate Presentation](#)

[JSW Hydro Corporate Presentation](#)

[Previous Compliance Certificates](#)

¹ 1 Crore = 10 million

Executive Summary of Business Performance

Key Highlights for H1 FY2024

OTHER KEY BUSINESS HIGHLIGHTS

Received CEA² approval for uprating of Karcham Wangtoo HE Capacity by 91 MW to 1,091 MW, in a phased manner, in April-21.

- Commenced Operations of 45 MW uprated capacity at Karcham Wangtoo HEP in July-21
- JSWHEL sold 82 MUs in short term market in H1 FY24, driving an additional revenue of ₹42 Crore during 1H FY24.
- Currently 1,045 MW is operational and will increase to 1,091 MW thereafter, uprating without any additional capex, subject to fulfillment of certain conditions.

Credit Rating:

- Rating on USD Note of JSWHEL: International - Moody's (Ba1 Outlook – Stable), Fitch (BB+ Outlook – Stable)
- Short Term Rating of JSWHEL: Domestic - India Ratings & Research (IND A1+)

Summary of Covenants: For the 12-month Calculation period from 1st October, 2022 to 30th Sept, 2023

Particulars	As on 30 th Sept, 2023
Debt Service Coverage Ratio (DSCR) (Annexure 1)	3.56
FFO/Net Debt (Annexure 2)	17.14%

Information on Compliance Certificate and Its Workings

Date: November 24, 2023

To:

DB Trust (Hong Kong) Limited (the “Note Trustee”)

Note Holders for U.S.\$ 707,000,000 Senior Secured Notes Due 2031

From:

JSW Hydro Energy Limited

Dear Sirs,

JSW Hydro Energy Limited (the “Issuer”) – Note Trust Deed dated May 18, 2021 (the “Note Trust Deed”)

We refer to the Note Trust Deed. This is a Compliance Certificate given in respect of the Calculation Date occurring on 30th September 2023. Terms used in the Note Trust Deed shall have the same meaning in this Compliance Certificate.

The Certificate is based on the following documents:

- (a) Unaudited Financial Statements for the 6-month period ended on 30th September, 2023
- (b) The Cash Flow Waterfall Mechanism as detailed in the Note Trust Deed
- (c) Working annexures

Compliance Certificate Workings

A. Computation of Operating Account Waterfall as per Note Trust Deed Period from 1st April, 2023 to 30th September, 2023 (Calculation Date)

We hereby make the Operating Account Waterfall Calculation:

Sr No.	Particulars	April 01, 2023 to September 30, 2023
	Opening surplus available as on 1 st April, 2023 for coupon, hedge premium and MCS payment falling due on 18th May, 2023	422.76
A	Inflows	
	Operating Revenue	715.76
	Working capital Debt	-
	New injection proceeds	-
	True up Reserve	-
	Total Inflows	715.76
B	Less: Statutory dues & Taxes	35.05
C	Less: O&M Expense	105.54
D	Less: Payments to Trustee, Agents & TRA Bank for cost & liability	-
E	Less:	
	a) Coupon payment	103.25
	b) CC/WC interest cost	-
	c) Hedge Premium payments	80.07
	d) MCS Payment	239.44
F	Less:	
	a)WC debt repayment (no obligated principal under bond)	-
	b) Hedge related settlement payments	-
G	Less:	
	Coupon payment due on 18.11.2023	97.03
	Ensuing Hedge Premium payment on 18.11.23 and 18.02.2024	78.61
	Ensuing Hedge related settlement payment on 18.11.2023	-
	Ensuing MCS payment on 18.11.2023	184.12
H	True up liability paid	17.45
	Net Surplus to be transferred to Distribution Account	197.96

Compliance Certificate Workings

B. Actual performance v/s stipulated covenants

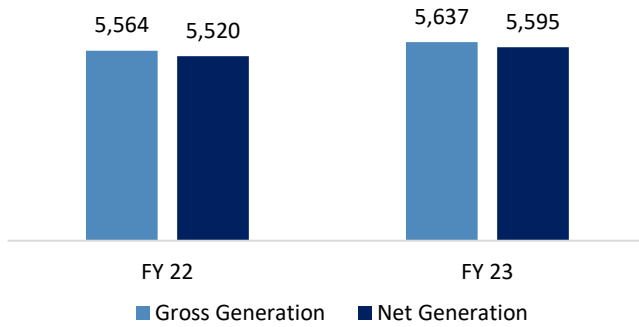
Particulars	As on 30 th September, 2023	Covenant Construct
Debt Service Coverage Ratio (DSCR) <u>(Annexure 1)</u>	3.56	1)DSCR > 1.50x –100% distribution permitted 2)DSCR ≤ 1.50x –60% distribution permitted 3)DSCR ≤ 1.40x –50% distribution permitted 4)DSCR ≤1.30x –No Distribution 5)DSCR < 1.10x –Event of Default
FFO/Net Debt <u>(Annexure 2)</u>	17.14%	FFO/Net Debt ≥ 6% for cash release

For the period 1st April 2023 to 30th September 2023, an amount of ₹197.96 crore is to be transferred from the Operating account to Distribution account as per the Operating Account Waterfall.

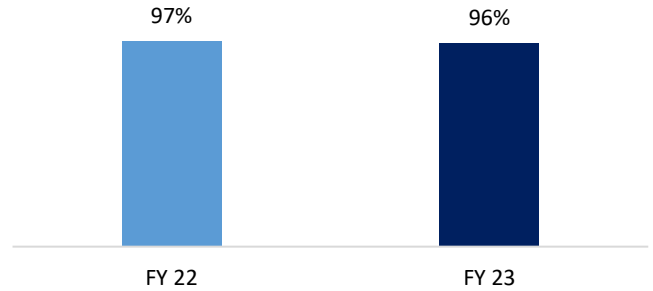
Operational performance for FY23 - Overview

JSW HYDRO OPERATIONAL PERFORMANCE

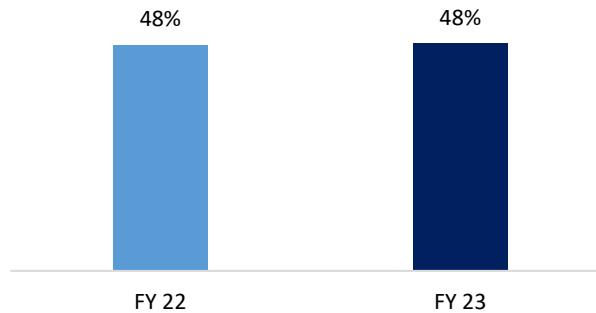
Overall Generation



Overall PAF



Overall PLF

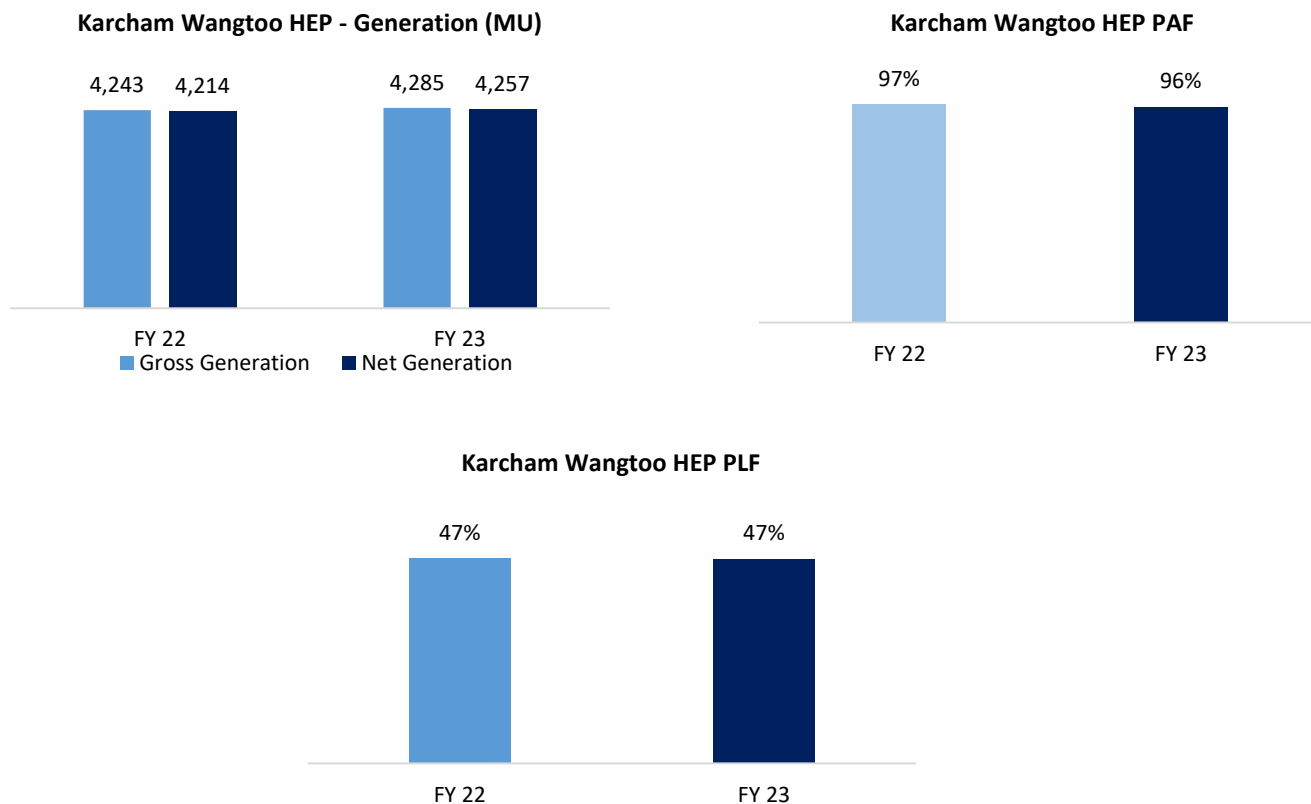


Generation & Sales: JSWHEL

Figures in MU	Gross Design Energy (DE)	Gross generation	Gross Generation as % of DE	Net Generation	Net Saleable Energy	Saleable Design Energy
FY 2023	5,344	5,637	105%	5,595	4,922	4,642
FY 2022	5,344	5,564	104%	5,520	4,856	4,642

Operational performance for FY23 – Karcham Wangtoo

KARCHAM WANGTOO HEP PERFORMANCE

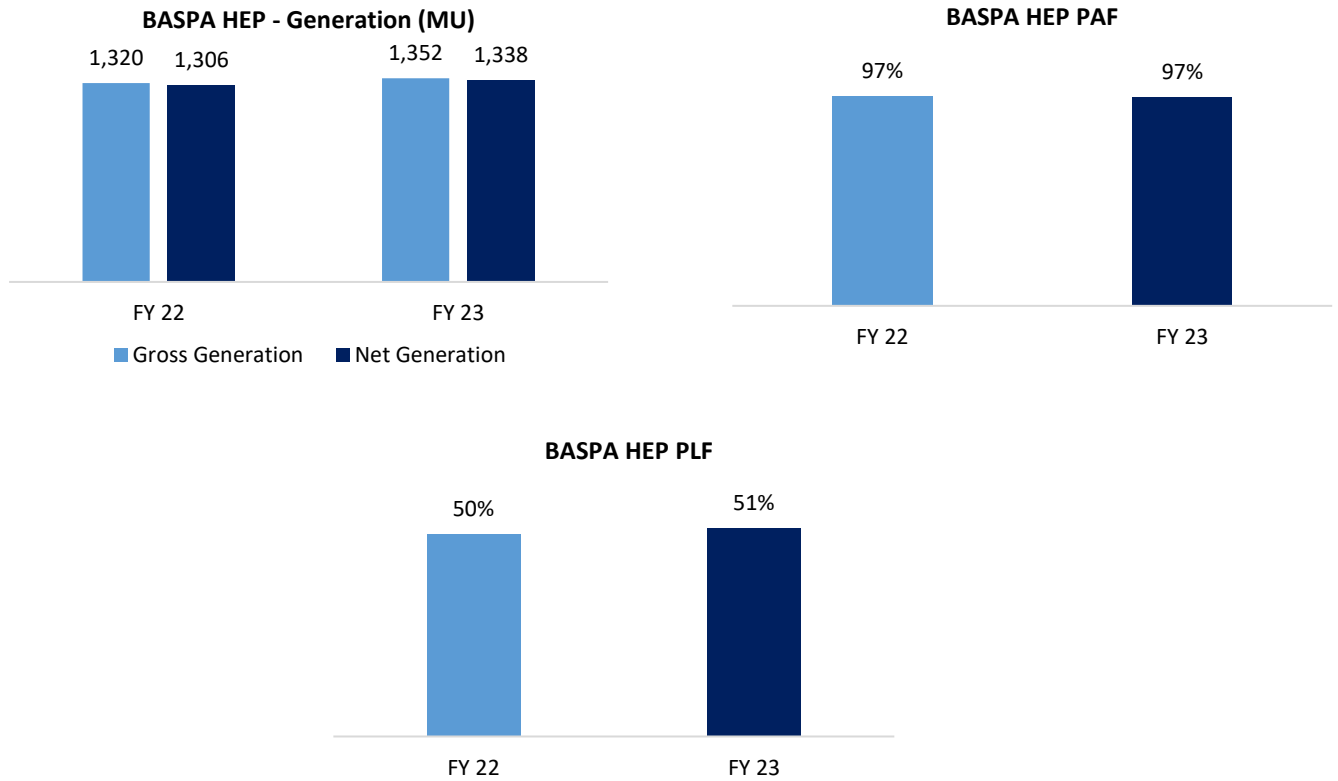


Generation & Sales: Karcham Wangtoo HEP

Figures in MU	Gross Design Energy (DE)	Gross generation	Gross Generation as % of DE	Net Generation	Net Saleable Energy	Saleable Design Energy
FY 2023	4,131	4,285	104%	4,257	3,744	3,592
FY 2022	4,131	4,243	103%	4,214	3,707	3,592

Operational performance for FY23 - Baspa

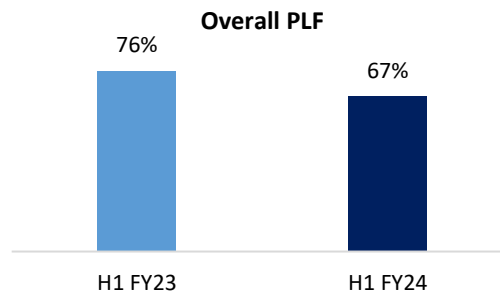
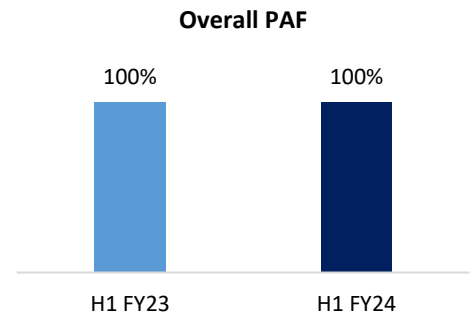
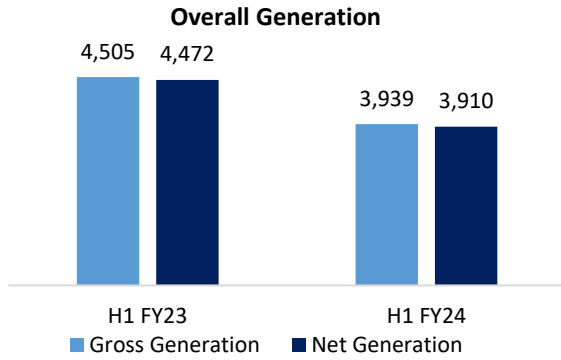
BASPA HEP PERFORMANCE



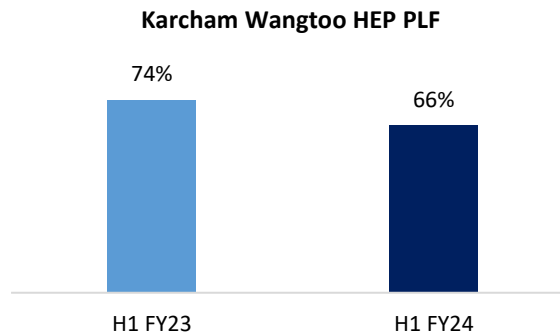
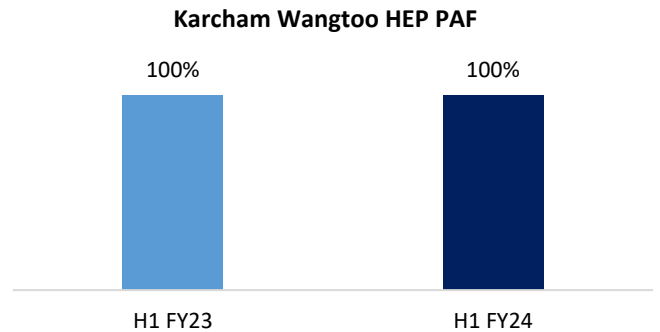
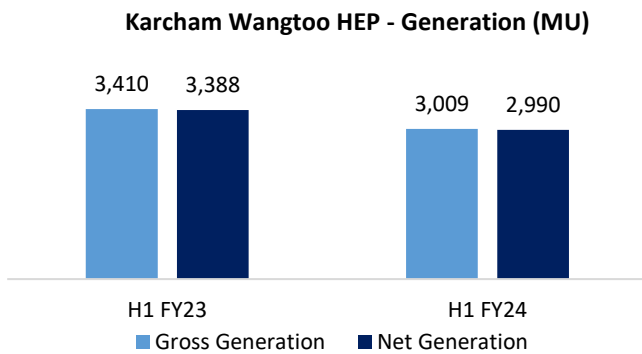
Generation & Sales: Baspa II HEP						
Figures in MU	Gross Design Energy (DE)	Gross generation	Gross Generation as % of DE	Net Generation	Net Saleable Energy	Saleable Design Energy
FY 2023	1,213	1,352	111%	1,338	1,178	1,050
FY 2022	1,213	1,320	109%	1,306	1,149	1,050

Operational performance for H1 FY24

Overall

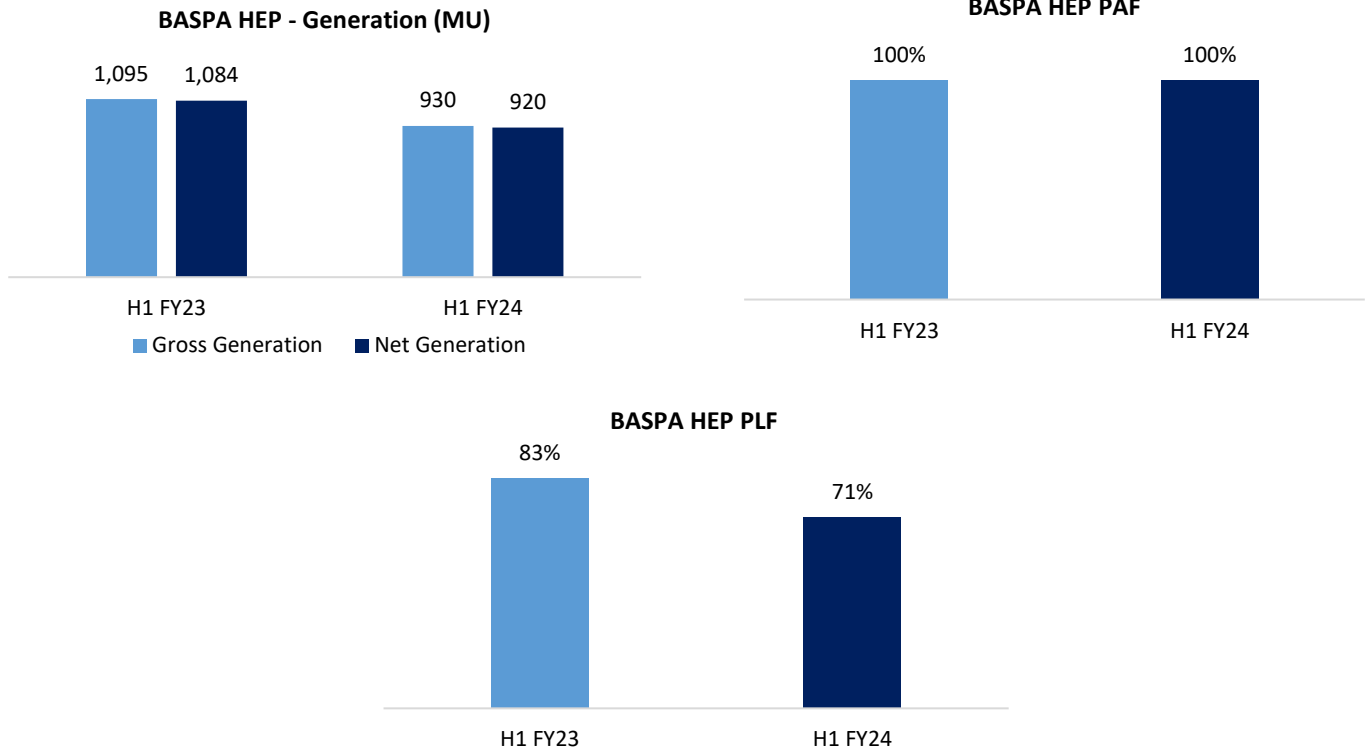


Karcham Wangtoo HEP





BASP A HEP



PLANT AVAILABILITY

Both Karcham HEP and BAPSA II HEP recorded a PAF of 100% similar to the last year during the H1. This compares with normative PAF of 90%. At the company level, the PAF was recorded at 100%.

Hence, both plants were eligible for availability based incentives apart from the recovery of the fixed costs and ROE based on approved capital cost discovered through the Annual Revenue Requirement under the Multi-Year Tariff mechanism of 5 year blocks.

GENERATION PROFILE

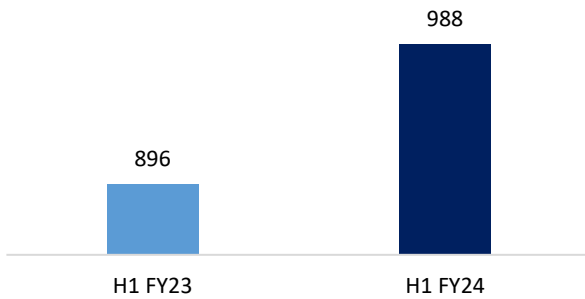
For Karcham HEP, Gross generation at 3,009 MU and Net generation at 2,990 MU decreased 12% YoY due to weaker hydrology and high silt conditions in the river. Consequently, the plant has operated at a PLF of 66% in H1 FY24 vs 74% last year in H1 FY23.

For Baspa II HEP, Gross generation at 930 MU and Net generation at 920 MU decreased 15% YoY. Consequently, the plant has operated at a PLF of 71% in H1 FY24 vis-à-vis 83% in H1 FY23.

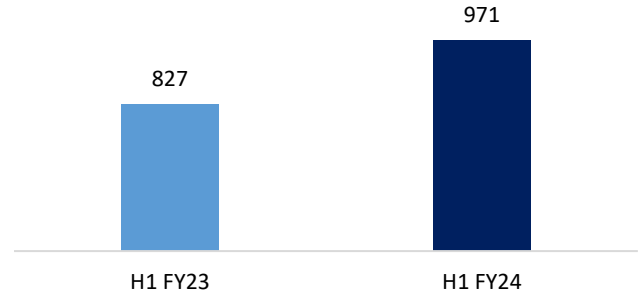
At an aggregate company level, the Gross generation at 3,939 MU and Net generation at 3,910 MU for H1 FY24 decreased 12% YoY. Consequently, at a company-wide level, average PLF was at 67% in H1 FY24 vs 76% in H1 FY23.

Financial performance for H1 FY24

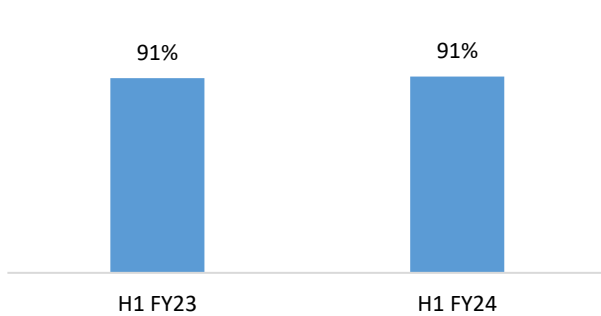
Revenue from Operations (Rs Cr)



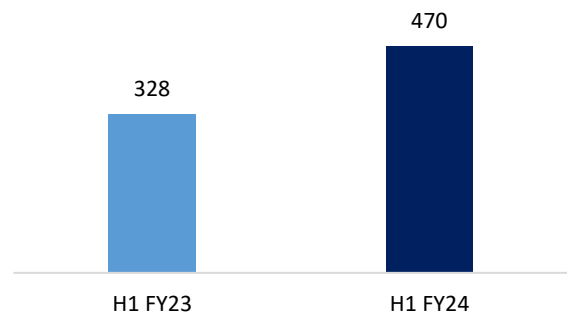
EBITDA incl other income (Rs Cr)



EBITDA Margins (incl other income) (%)



Reported PAT (Rs Cr)



Revenue from operations increased by 10% to ₹988 crore compared to ₹896 crores on a YoY basis due to reversal of true up provisions at Karcham-Wangtoo HEP of ₹174 crore. The PAF was registered at 100% for H1 FY24 above the normative requirement of 90%.

EBITDA increased 17% YoY to ₹971 crores in H1 FY24 vs ₹827 crore in H1 FY23.

Reported PAT stood at ₹470 crores, increased 43% YoY basis given the impact of reversal of provisions.

RECIEVABLES POSITION AS ON SEP-23

Debtor days stood at healthy levels of 44 days as of Sept-23 vs 54 days in Sept-22.

In Days	Sept-23	Mar-23	Sept- 22
Receivable Days	44	40	54

Appendix – 1

Form of Compliance Certificate

DB Trust (Hong Kong) Limited (the “Note Trustee”)

Level 60, International Commerce Centre,
1 Austin Road West, Kowloon
Hong Kong

Date: November 24, 2023

Dear Ladies and Gentlemen

JSW ENERGY HYDRO LIMITED U.S.\$707,000,000 4.125% Senior Secured Notes due 2031

In accordance with clause 4.3 of the note trust deed dated 18th May 2021(as amended or supplemented from time to time, the “Note Trust Deed”) made between (1) JSW Energy Hydro Limited and (2) the Note Trustee, we hereby certify and confirm below for the period 1st April, 2023 to 30th September 2023 on behalf of the issuer, that:

- (a) as at the Calculation Date, the aggregate amount for transfer to the Distribution Account in accordance with the Operating Accounts Waterfall was: ₹ 197.96 crore
- (b) in accordance with the workings set out in Annexure I, the Debt Service Cover Ratio for the Calculation Period ending on the relevant Calculation Date was: 3.56
- (c) in accordance with the workings set out in Annexure II, the Fund from Operations to the Net Debt Ratio for the Calculation Period ending on the relevant Calculation Date was: 17.14%
- (d) the amount received by the issuer pursuant to an Equity Cure, details of the Debt Service Cover Ratio for the Calculation Period ending on the relevant Calculation Date was:
 - (i) without taking into account the Equity Cure: 3.56
 - (ii) after taking into account the Equity Cure: no equity cure received
- (e) the amounts spent by the Issuer by way of Capital Expenditure, details of the amount utilized, the use of proceeds of such amounts, whether such amounts were funded by funds in the Distribution Account was: NIL
- (f) the cash balance in each of the Project Accounts as at the relevant Calculation Date was:



Nature of Account	Amount in ₹ Cr (As on 30 th September 2023)	Remarks
Operating Accounts	702.67	Including amounts invested in MF/FDRs
True Up Reserve Account	-	-
Distribution Account	0.33	-
Debt Service Reserve Account	187.00	Including amounts invested in MF/FDRs
Total	890.00	

- (g) the MCS amount paid by the Issuer up to (and including) the relevant Calculation Date, and the amounts (if any) of shortfall in the payment of any MCS Amount was: Four MCS payments upto 31st March 2023 amounting to USD 113,120,000 and shortfall is NIL
- (h) New Injection amounts received for the purposes of paying any MCS Amount due was: NIL
- (i) the amounts paid in respect of True-Up Liabilities, details of the amount utilized and the timing of any amounts utilized: NIL
- (j) to the best of our knowledge having made due enquiry, no Default subsists.

Terms not defined herein shall have the same meanings as provided in the Note Trust Deed and the Conditions.

Yours Faithfully,

Chief Financial Officer
(Sanjeev Kango)

Annexure – 1

Working for Calculation of Debt Service Cover Ratio (A/B)		1 st October 2022 to 30 th September 2023
		<u>In Rs Crore</u>
	"Debt Service Cover Ratio" means in relation to a Calculation period ending on the relevant Calculation Date (A/B)	3.56
	"Cashflow Available for Debt Service" means, in respect of any period, (i) the aggregate amount of CFADS Operating Revenue for such period (which, for the avoidance of doubt, shall include interest revenue accrued by the Issuer on all Project Accounts (including the Distribution Account, to the extent any such interest is transferred to the Operating Accounts) to the extent not already included in CFADS Operating Revenue) and (ii) the amount of proceeds received by the Issuer from any New Injection made in such period and designated by the Issuer as an Equity Cure, less:	1,526.05
	a) Operating Expenses (other than any costs or fees payable, written-off or amortized in connection with the Existing Indebtedness, the Senior Secured Documents and any Costs or break fees payable as a consequence of the repayment or prepayment of the Existing Indebtedness) and petty expenses, if any, in each case paid in such period and funded by amounts withdrawn from a Project Account in accordance with these Conditions and the Trust and Accounts Deed;	(212.90)
	b) Taxes (other than where any such Taxes have been paid by the Issuer from funds in the Distribution Account related to the write back of True-Up Liabilities) paid by the Issuer in such period; and	(62.60)
	c) costs paid by the Issuer to the Trustee,	-
	in each case for (b) and (c) of this definition, without double counting. Amounts received as a New Injection and designated by the Issuer as an Equity Cure in accordance with these Conditions and the Trust and Accounts Deed will be counted in Cashflow Available for Debt Service for the Calculation Period in which the Compliance Certificate is being provided but not for any subsequent period, without double counting, and solely for that specified period.	-
A)	Total	1,250.55

	“CFADS Operating Revenue” means Operating Revenue excluding (without double counting):	1,343.33
	(a) non-recurring significant items which are not generated in the ordinary course of business (including, but not limited to, profits and losses on the disposal of assets outside the ordinary course of business);	(0.32)
	(b) extraordinary items;	
	(c) any other non-cash items (including, but not limited to, property revaluations); <i>provided</i> that such non-cash items shall not include “income from service concession arrangements” (Trueing up reversal);	183.04
	(d) insurance proceeds, other than business interruption insurance proceeds or advance consequential loss of profit insurance proceeds or any proceeds applied towards reimbursement for repairs or reinstatement of an asset where the cost of the relevant repair or reinstatement is an Operating Expense;	Nil
	(e) proceeds of any Finance Debt or equity; and	Nil
	(f) any warranty claim or indemnity payment received under a PPA, other than any amounts calculated with respect to, or provided in lieu of, revenue or where the cost, liability or loss being compensated for or the subject of the relevant warranty or indemnity is an Operating Expense.	Nil
B)	(ii) the aggregate amount of (x) interest in respect of the Notes accrued during such period, (y) interest in respect of any Working Capital Debt accrued during such period and (z) net payments accrued under any Currency Hedging Agreement or any Interest Rate Hedging Agreement during such period (without double counting); <i>provided</i> that for the Calculation Period ending on September 30 th , 2023, paragraph (i) shall be Cashflow Available for Debt Service for the 12-months ending September 31 st , 2023, and paragraph (ii) shall be the aggregate amount of (a) the scheduled principal repayments (to the extent not refinanced, prepaid or repaid and/or marked for refinancing) under the Existing Term Loan Indebtedness during such period, (b) interest payments to creditors of Existing Indebtedness and payments of any Costs (of recurring nature) to creditors in relation to Existing Indebtedness due or accrued during such period, (c) interest accrued in respect of the Notes during such period, (d) interest accrued in respect of any Working Capital Debt during such period and (e) net payments accrued under any Currency Hedging Agreement or any Interest Rate Hedging Agreement during such period.	351.27

Annexure – 2

Working for the Fund From Operations to Net Debt Ratio		1 st October 2022 to 30 th September 2023
		<u>In ₹ Crore</u>
	Fund from Operations to Net Debt Ratio (A/B)	17.14%
	“Funds From Operations” means, for any period,	
	a) EBITDA minus	1,313.47
	b) cash Taxes paid on income	(62.60)
	c) adjusted for any positive or negative adjustments in working capital	(156.61)
	d) cash net interest.	(378.43)
A)	Total	715.83
	a) “Net Debt” means the total indebtedness of the Issuer (excluding any Subordinated Debt)	4,877.15
	b) less: Cash balances	(701.99)
	c) less any amounts held in the MCS Account,	-
	d) less the Debt Service Reserve Account,	-
	e) less the Restricted Surplus Account and	-
	f) less the Restricted Debt Service Account.	-
B)	Total	4,175.16

Appendix – 2

Form of Certificate of Directors

DB Trust (Hong Kong) Limited (the “Note Trustee”)

Level 60, International Commerce Centre,
1 Austin Road West, Kowloon
Hong Kong

Date: November 24, 2023

Dear Ladies and Gentlemen

JSW ENERGY HYDRO LIMITED U.S.\$707,000,000 4.125% Senior Secured Notes due 2031

In accordance with clause 4.3 of the note trust deed dated May 18, 2021 (as amended or supplemented from time to time, the “**Note Trust Deed**”) made between (1) JSW Energy Hydro Limited and (2) the Note Trustee, we, as Directors of the Issuers, hereby confirm that, having made all reasonable enquiries, to the best of the knowledge, information and belief of the issuers that as at date of this certificate

- (a) as at November 24, 2023, no Event of Default or Potential Event of Default had occurred since April 01, 2023.
- (b) From and including April 01, 2023 to and including November 24, 2023, issuer has complied in all respects with its obligations under the Note Trust Deed and the Notes.

Terms not defined herein shall have the same meaning as provided in the Note Trust Deed.

Yours Faithfully,



Chief Financial Officer
(Sanjeev Kango)



Appendix – 3

Financial Statements of JSWHEL for period ending September 2023


JSW HYDRO ENERGY LIMITED

Registered Office : Sholtu Colony
P.O. Tapri, Dist. Kinnaur (H.P.) - 172104
CIN : U40101HP2014PLC000681

Statement of Unaudited Financial Results for the Quarter and Six Months Ended 30th September,2023

(₹ Crore)

Sl.	Particulars	Quarter Ended			Six Month Ended		Year Ended
		30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue from operations	690.88	297.55	538.98	988.43	895.92	1,328.23
II	Other Income	43.65	31.31	9.61	74.96	16.83	47.50
III	Total income (I+II)	734.53	328.86	548.59	1,063.39	912.75	1,375.73
IV	Expenses:						
	a) Employee benefits expense	24.66	23.86	21.37	48.52	36.69	83.46
	b) Finance costs	92.00	91.42	109.43	183.42	211.57	401.44
	c) Depreciation and amortisation expense	109.73	108.60	109.91	218.33	218.71	436.35
	d) Other expenses	20.54	23.40	24.93	43.94	48.75	122.42
	Total expenses	246.93	247.28	265.64	494.21	515.72	1,043.67
V	Profit/(loss) before tax and deferred tax (recoverable from)/adjustable in future tariff (III - IV)	487.60	81.58	282.95	569.18	397.03	332.06
VI	Tax expense						
	- Current tax	85.15	14.25	49.21	99.40	69.13	58.02
	- Deferred tax	(84.98)	(13.07)	(46.15)	(98.05)	(59.22)	(6.16)
VII	Deferred tax (recoverable from) / adjustable in future tariff	84.98	13.07	46.15	98.05	59.22	6.16
VIII	Net profit/(loss) for the period (V - VI - VII)	402.45	67.33	233.74	469.78	327.90	274.04
IX	Other comprehensive income						
	A. (i) Items that will not be reclassified to profit or loss	(0.09)	(0.10)	(0.44)	(0.19)	(0.88)	(0.39)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.01	0.02	0.07	0.03	0.15	0.07
	B. (i) Items that will be reclassified to profit or loss	(34.86)	(97.43)	77.95	(132.29)	112.71	312.95
	(ii) Income tax relating to items that will be reclassified to profit or loss	8.78	24.52	(19.62)	33.30	(28.37)	(78.76)
	(iii) Deferred tax recoverable from / (adjustable in) future tariff	(8.78)	(24.52)	19.62	(33.30)	28.37	78.76
	Total other comprehensive (loss) / income	(34.94)	(97.51)	77.58	(132.45)	111.98	312.63
X	Total comprehensive income / (loss) for the period (VIII+IX)	367.51	(30.18)	311.32	337.33	439.88	586.67
XI	Paid-up equity share capital (Face value of ₹ 10 per share)	1,250.05	1,250.05	1,250.05	1,250.05	1,250.05	1,250.05
XII	Other equity						1,871.02
XIII	Earnings per share (not annualised excluding period end)						
	- Basic EPS (₹)	3.22	0.54	1.87	3.76	2.62	2.19
	- Diluted EPS (₹)	3.22	0.54	1.87	3.76	2.62	2.19



Statement of Asset and Liabilities		(₹ Crore)	
Sl.	Particulars	As at	
		30.09.2023	31.03.2023
		Unaudited	Audited
A ASSETS			
1 Non-current assets:			
(a) Property, plant and equipment		5,003.56	5,200.21
(b) Capital work-in-progress		5.03	5.70
(c) Other intangible assets		665.54	681.66
(d) Financial assets			
(i) Loan		939.00	789.00
(ii) Other financial assets		681.10	779.57
(e) Income tax assets (net)		67.66	65.30
(f) Other non-current assets		2.36	0.76
Total non - current assets		7,364.25	7,522.20
2 Current assets:			
(a) Inventories		14.39	13.10
(b) Financial assets			
(i) Investments		570.30	709.73
(ii) Trade receivables		84.70	64.58
(iii) Unbilled revenue		154.81	79.88
(iv) Cash and cash equivalents		131.69	18.93
(v) Bank balances other than (iii) above		231.78	199.32
(vi) Other financial assets		73.43	65.05
(c) Other current assets		10.03	15.05
Total current assets		1,271.13	1,165.64
Total assets (1+2)		8,635.38	8,687.84
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital		1,250.05	1,250.05
(b) Other equity		2,210.52	1,871.02
Total equity		3,460.57	3,121.07
2 LIABILITIES			
(i) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings		4,416.25	4,628.31
(ii) Lease liabilities		25.60	25.74
(iii) Other financial liabilities		56.29	76.73
(b) Provisions		6.83	4.53
Total non - current liabilities		4,504.97	4,735.31
(ii) Current liabilities			
(a) Financial liabilities			
(i) Borrowings		460.90	490.70
(ii) Lease liabilities		0.28	0.27
(iii) Trade payables			
(a) Total outstanding dues of micro and small enterprises		0.97	1.66
(b) Total outstanding dues of creditors other than micro and small enterprises		25.97	25.03
(iv) Other financial liabilities		112.36	303.41
(b) Other current liabilities		2.38	2.59
(c) Provisions		4.64	5.05
(d) Current tax liabilities (Net)		62.34	2.75
Total current liabilities		669.84	831.46
Total liabilities		5,174.81	5,566.77
Total equity and liabilities (1+2)		8,635.38	8,687.84



Statement of Cash Flows		(₹ Crore)	
Particulars	For the period Ended 30th September, 2023	For the period Ended 30th September, 2022	
	Unaudited	Unaudited	
I CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax	569.18	397.03	
Adjusted for:			
Depreciation and amortisation	218.33	218.71	
Interest income earned on financial assets that are not designated as at FVTPL	(46.75)	(5.91)	
Net gain from sale of current investments	(17.91)	(8.98)	
Excess provision no longer required written back	(183.21)	-	
(Gain) / Loss on sale / discard of property, plant and equipment	(0.01)	-	
Share based payment expenses	2.17	2.32	
Finance costs	183.42	211.57	
Unrealised Foreign Exchange (Gain) / Loss	(5.30)	-	
Property, plant and equipment written off	-	0.00	
Operating profit before working capital changes	719.92	814.74	
Adjustment for:			
Change in trade and other receivables	(95.04)	(30.78)	
Change in trade payables & other liabilities	65.56	299.43	
Change in loans & advances and other non-current assets	(208.59)	(543.19)	
Change in inventories	(1.29)	(3.21)	
	(239.37)	(277.75)	
Cash generated from operations	480.56	536.99	
Direct taxes paid	(35.05)	(26.11)	
NET CASH FLOW GENERATED FROM OPERATING ACTIVITIES	445.50	510.88	
II CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant & equipment including CWIP and capital advances	(4.89)	(2.97)	
Loan given to related party	(150.00)	-	
Investments made / (redeemed) in mutual funds	114.72	142.39	
Bank deposits not considered as cash and cash equivalent	(26.10)	54.27	
Interest received	33.93	5.91	
Net gain from sale of current investments	17.91	8.98	
NET CASH (USED IN) / GENERATED FROM INVESTING ACTIVITIES	(14.43)	208.58	
III CASH FLOW FROM FINANCING ACTIVITIES			
Borrowings repaid	(274.44)	(411.72)	
Finance costs paid	(183.30)	(210.39)	
NET CASH USED IN FINANCING ACTIVITIES	(457.74)	(622.11)	
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (I+II+III)	(26.67)	97.35	
CASH AND CASH EQUIVALENTS - At the beginning of the period	728.66	484.26	
CASH AND CASH EQUIVALENTS - At the end of the period	701.99	581.61	
1) Balances with Banks	131.68	11.48	
2) Cash on hand	0.01	0.01	
3) Investments in mutual funds	570.30	570.12	
Total	701.99	581.61	



Notes :

- 1 The Company is engaged in only one segment viz. "Generation and Sale of Power" and as such there are no separate reportable segments as per IND AS – 108 "Operating Segments".
- 2 Comparative financial information has been regrouped / reclassified, wherever necessary, to correspond to the figures of the current quarter / period.
- 3 The above results have been reviewed and approved by the Board of Directors in its meetings held on 19th October, 2023. The Statutory Auditors of the company have carried out the limited review of the result for the quarter and six month ended 30th September, 2023.
- 4 In view of the seasonal nature of business of the Company, the financial results of the quarter may not be comparable with the previous / subsequent quarters.
- 5 During the quarter ended 30th September, 2023, the Company has recognised a revenue of Rs.173.58 crs. by writing back the balance excess truing up provision, on final settlement with DISCOMs, pursuant to an order of Central Electricity Regulatory Commission ("CERC") for truing up and determination of tariff for the control period FY 2014-19 for Company's Karcham Wangtoo Hydro Plant.



For and on behalf of the Board of Directors

Prashant Jain
Chairman

[DIN: 01281621]

Place : Mumbai

Date : 19th October, 2023

