



JSW Hydro Energy Limited (JSWHEL)

Compliance Certificate

31st March, 2022



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Introduction

JSW Hydro Energy Limited (JSWHEL) is a wholly-owned subsidiary of JSW Neo Energy Limited and operates two hydroelectric power plants (HEPs) located 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. 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 (Rs). Summary of the Notes is as per following details: -

CUSIP Regulation S Notes: Y4S71YAA2

Rule 144A Notes: 46653YAA6

ISIN Regulation S Notes: USY4S71YAA27

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 second such report being provided in compliance with the same.

Executive Summary of Power Sector in India¹

- As on 31st March, 2022 the total Installed Power Capacity in the country stood at 399.5 GW. India's renewable energy capacity stood at 109.9 GW (excluding large hydro) and at 156.6 GW (including large hydro) at the end of March 2022. The share of renewable energy capacity (including large hydro) has grown from 36.8% in FY 2021 to 39.2% in FY 2022. FY 2022 witnessed the highest ever renewable capacity addition (15.5 GW) largely driven by the solar segment (13.9 GW). Renewable energy constituted ~90% of total capacity addition (17.3GW) in FY 2022.
- Power generation from renewable energy sources was at 21.6% of the total supply in FY 2022, similar to 21.5% in FY 2021. The share of generation from thermal sources was 74.8% in FY 2022 versus 74.7% in FY 2021.
- Power demand in the country in FY 2022 grew by 7.9% YoY. While this is partially attributable to the low base effect of FY 2021 due to the economic slowdown following the Covid-19 disruptions, it is noticeable that the growth rate was higher by 7.3% even when compared to the pre-Covid year of FY 2020. In fact, the growth rate in FY 2022 is the highest in the last seven years. This is indicative of an overall increase in demand across all segments of power consumption.
- In tandem with demand, overall generation grew by 7.8% YoY in FY 2022. This was driven by a strong generation in Thermal (+8.0%) and Renewable (+15.1%) segments. Within renewables, solar generation grew by 20.5% and wind generation grew by 14.1% YoY.

¹ Source: Central Electricity Authority (CEA)



- The momentum of strong power demand in FY 2022 has carried forward into FY 23 with the peak power demand touched a historical all-time high of 207.11 GW on April 29, 2022.

Executive Summary of Business Performance

Key Highlights — FY2021-22 (12-month period from 1st April, 2021 to 31st March, 2022)

Operational performance

- Plant operations at both locations continued to run smoothly while adhering to all Covid-19 related protocols.
- Overall Plant Availability Factor (PAF) at 97% remained well above the normative PAF of 90%. This is the key operating performance parameter based on which the capacity or fixed charges are payable to the company irrespective of the actual PLF.
- Overall Gross Generation stood at 5,564 million units (MU), which was lower by 2% YoY due to lower water flow in the Satluj basin. However gross generation was higher by 4.1% compared to the aggregate Gross Design Energy of 5,344 MU.
- Overall, Net Generation stood at 5,520 MU, lower by 1.9% in FY 2022 vs FY 2021.
- Overall Plant Load Factor (PLF) stood at 48% in FY 2022 vs 50% in FY 2021.

Financial performance

- Revenue from Operations at Rs. 1,856 Crore² was higher by 52% YoY primarily due to reversal of Trueing up provision of Rs. 665 Crore, which had been reduced from the operating revenue in the previous years.
- EBITDA was higher by 58% YoY at Rs. 1,742 Crore primarily due to reversal of Trueing up provision.
- Profit after Tax stood at Rs. 663 Crore, higher by 345% YoY, primarily due to higher EBITDA.
- Receivable Days declined to 29 days at the end of March 2022 from 38 days at the end of March 2021. This has been the lowest debtor days witnessed since JSW Energy Ltd took over the company in financial year FY 2016.

² 1 Crore = 10 million

Other Key Business Highlights

- In April 2021, received the CEA³ approval for uprating of Karcham Wangtoo HE Capacity by 91 MW to 1,091 MW, in a phased manner
 - 1,045 MW in the first phase for two monsoon seasons in CY 2021 and CY 2022, and to 1,091 MW thereafter without any additional capex, subject to fulfillment of certain conditions
- Commenced Operations of the 45 MW uprated capacity at Karcham Wangtoo HEP in July 2021
 - Operational capacity increased to 1,045 MW from 1,000 MW, providing a boost to the earnings potential of the asset over its residual life.
- 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 has reaffirmed its Short term rating at IND A1+.
- Summary of Covenants: For the 12-month Calculation period from 1st April, 2021 to 31st March 2022

Particulars	As on 31 st March, 2022
Debt Service Coverage Ratio (DSCR) (Annexure 1)	3.82
FFO/Net Debt (Annexure 2)	24.23

- True up order by CERC (Central Electricity Regulatory Commission) for KW HE plant:

On 17th March 2022, the CERC passed an order covering the following: -

- a) Final True Up Order for the 1st Multi Year Tariff (MYT) period of FY 2015 to FY 2019.
- b) Tariff Order for the 2nd MYT tariff period of FY 2020 to FY 2024

During the quarter and period ended 31st March, 2022, an amount of Rs. 665 Crore being excess trueing up provision was written back consequent to the order.

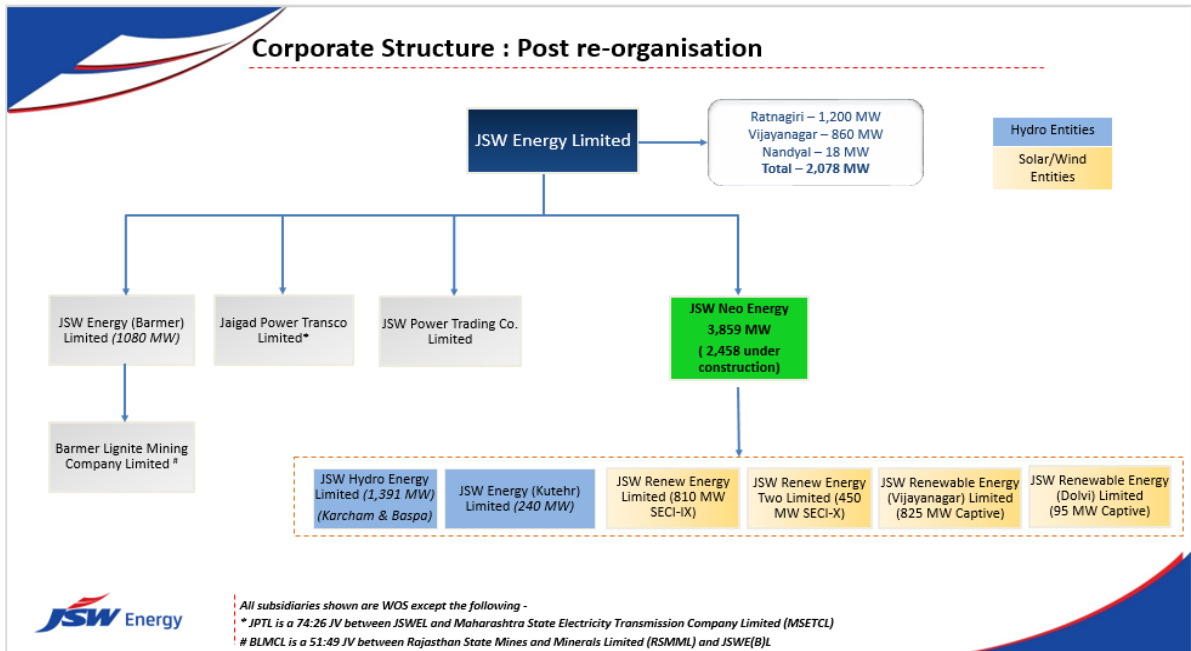
- Re-organization of JSW Energy Limited's (JSWEL) Green (Renewable) and Grey (Thermal) Businesses:
 - During the year, JSW Neo Energy Limited, a 100% subsidiary of JSW Energy Limited, has bought the entire shares of the Company as well as its subsidiary JSW Energy (Kutehr) Limited from JSW Energy Limited. After the consummation of this, both the Company

³ Central Electricity Authority



namely JSW Hydro Energy Limited and JSW Energy (Kutehr) Limited became a subsidiary of JSW Neo Energy Limited.

- Exhibits below represent the broad corporate structure, post proposed re-organization





Information on Compliance Certificate and Its Workings

Date: June 13, 2022

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 31st March 2022. 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) Audited Financial Statements for the 12 month period ended on 31th March, 2022
- (b) The Cash Flow Waterfall Mechanism as detailed in the Note Trust Deed
- (c) Working annexures



A. Computation of Operating Account Waterfall as per Note Trust Deed Period from 1st October, 2021 to 31st March, 2022 (Calculation Date)

We hereby make the Operating Account Waterfall Calculation:

Sr No.	Particulars (in Rs Crore)	1 st October, 2021 to 31 st March 2022
	Opening surplus available as on 1st Oct, 2022 for coupon ,hedge premium and MCS payment falling due on 18th Nov, 2022	233.38
A	Inflows	
	Operating Revenue	840.34
	Working capital Debt	-
	New injection proceeds	-
	Total Inflows	840.34
B	Less: Statutory dues & Taxes	153.91
C	Less: O&M Expense	113.37
D	Less: Payments to Trustee, Agents & TRA Bank for cost & liability	2.00
E	Less:	
	a) Coupon payment	112.69
	b) CC/WC interest/Cost	-
	c) Hedge Premium payments	93.23
	d) MCS Payment	180.72
F	Less:	
	a)WC debt repayment (no obligated principal under bond)	-
	b) Hedge related settlement payments	-
G	Less: MCS payment	-
H	Less: Funds available for earmarking towards stipulated DSRA	
	Net Cash available for ensuing coupon, Hedge Premium and MCS payments as on 31.03.2022	417.80

B. Actual performance v/s stipulated covenants

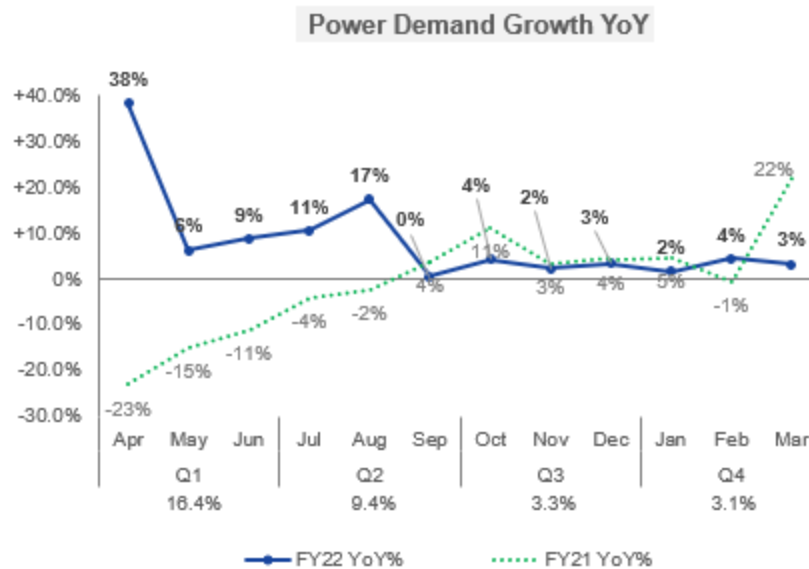
Particulars	As on 31 st March, 2022	Covenant Construct
Debt Service Coverage Ratio (DSCR) (Annexure 1)	3.82	1) DSCR > 1.50x – 100% distribution permitted 2) DSCR ≤ 1.50x – 60% distribution permitted 3) DSCR ≤ 1.40x – 50% distribution permitted 4) DSCR ≤ 1.30x – No Distribution 5) DSCR < 1.10x – Event of Default
FFO/Net Debt (Annexure 2)	24.23%	FFO/Net Debt ≥ 6% for cash release

- For the period ending 31st March, 2022, there was NIL amount transferred to distribution account.

Sector Updates⁴

Power Demand

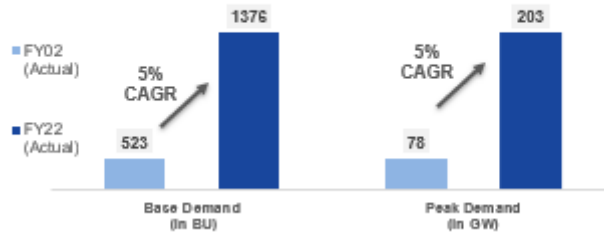
- Power demand in the country in FY 2022 grew by 7.9% YoY. This was driven by a strong pickup in economic activity along with a low base effect. In FY 2021 demand had declined by 1.2% YoY when Covid-19 led restrictions/lockdowns were first imposed in the country.
- Power demand touched an all-time high of 207.11 GW on 29th April 2022 (higher than 201.07 GW on 26th April 2022 and 200.54 GW witnessed on 7th July 2021).



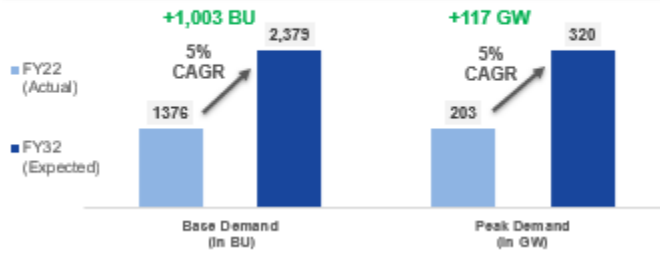
- Sustained economic growth in the country over the last two decades has driven power demand growth: Correlation between growth in GDP and Power Demand between FY 2003-2021 is 0.6x. Going forward, unlocking of demand from increased rural electrification and rapid urbanization will contribute towards power demand growth

⁴ Source: Central Electricity Authority (CEA)

Historically, Power demand has grown at a CAGR of ~5%



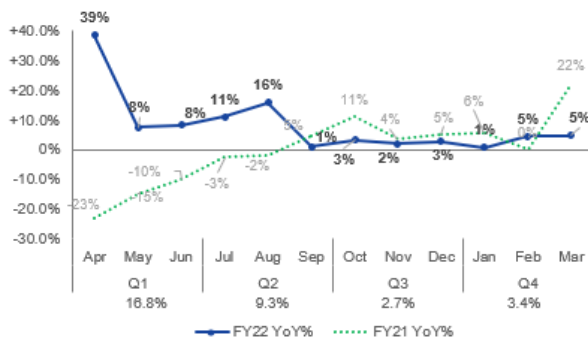
Similar growth expected over next decade



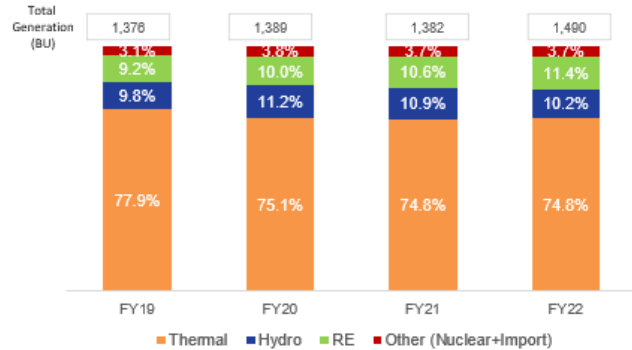
Power Generation

- In tandem with demand, overall generation grew by 7.8% YoY. This was driven by strong generation in Thermal (+8.0%) and Renewable Energy (+15.1%) segments. Within renewables, solar generation grew **20.5%** and wind generation grew **14.1% YoY**.

Power Generation Growth YoY



Segment-wise Share in Generation



- In FY22, Generation increased 7.8% YoY led by RE (+15%) and Thermal (+8%) segments
- In Q4, Generation increased 3.4% YoY led by RE (+15%) and Hydro (+13%) segments

Share of Renewables increased while that of Thermal remained flat YoY in FY22



Power Capacity

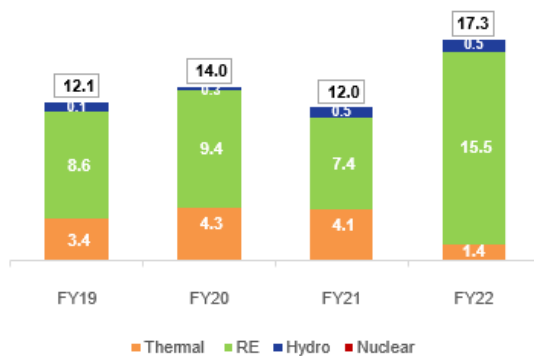
- As on 31st March, 2022, the total Installed Capacity in the country stood at 399.5 GW
- India's renewable energy capacity stood at 109.9 GW (excluding large hydro) and at 156.6 GW (including large hydro) at the end of Mar 2022.

Mode-wise	MW	GW	%
Thermal	236,109	236.1	59%
Nuclear	6,780	6.8	2%
Hydro	46,723	46.7	12%
Renewable	109,885	109.9	28%
Small Hydro	4,849	4.8	1%
BM/Cogen/Waste	10,682	10.7	3%
Wind	40,358	40.4	10%
Solar	53,997	54.0	14%
TOTAL	399,497	399.5	100%

Sector-wise	MW	GW	%
State	104,855	104.9	26.2%
Private	195,637	195.6	49.0%
Central	99,005	99.0	24.8%
TOTAL	399,497	399.5	100%

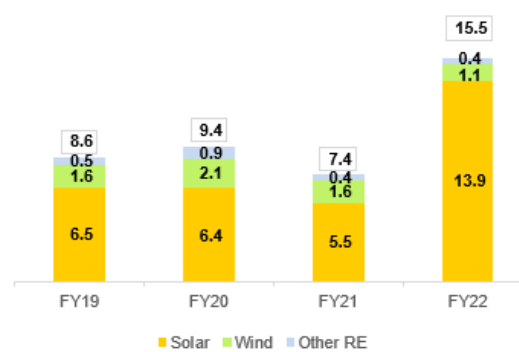
- FY 2022 witnessed the highest ever renewable capacity addition (15.5 GW) largely driven by solar segment (13.9 GW). Renewable energy constituted ~90% of total capacity addition (17.3 GW) in FY 2022.

Overall Segment-wise Net Capacity Addition (GW)



Renewable energy driving capacity addition

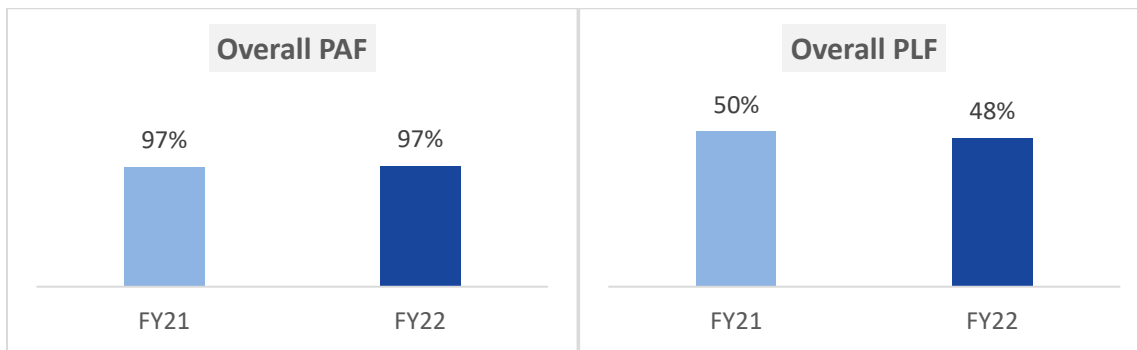
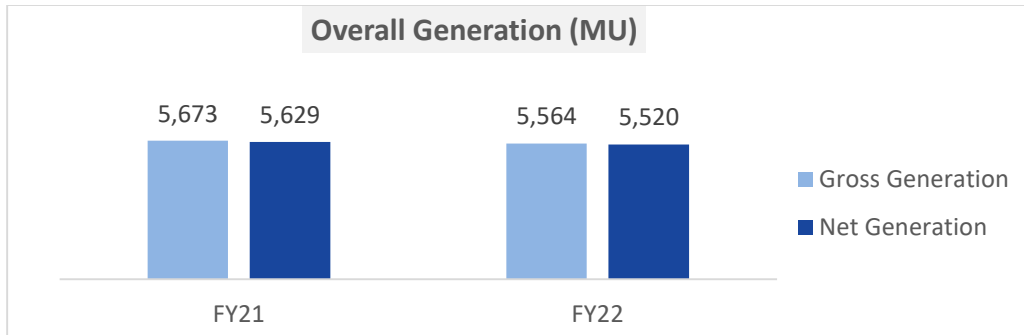
RE Segment-wise Net Capacity Addition (GW)



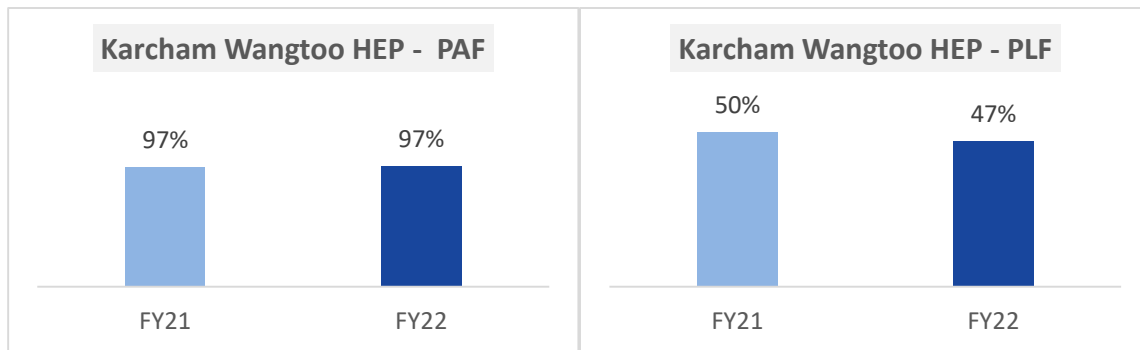
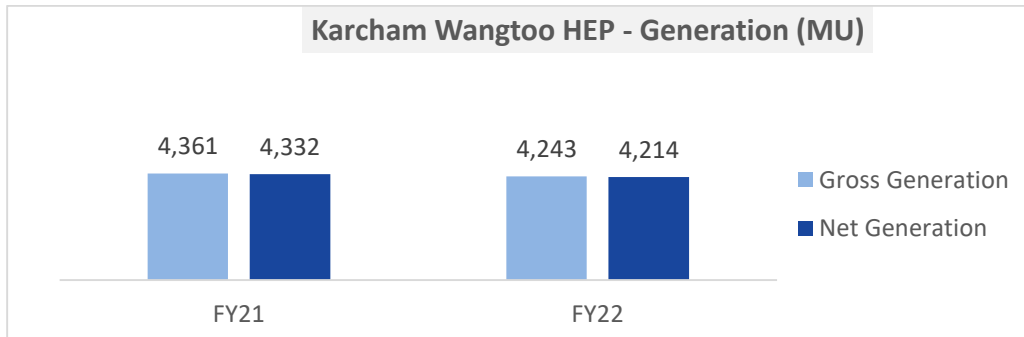
15.5 GW RE capacity added in FY22 driven by solar segment - Highest ever in any FY

Operational Performance

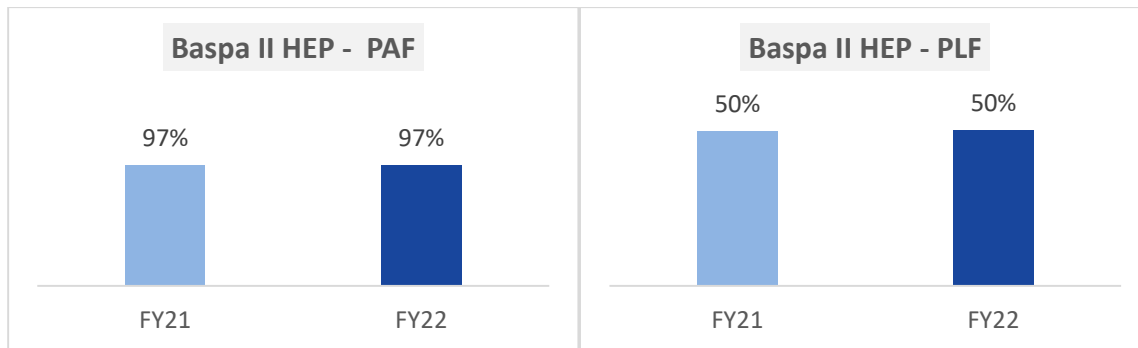
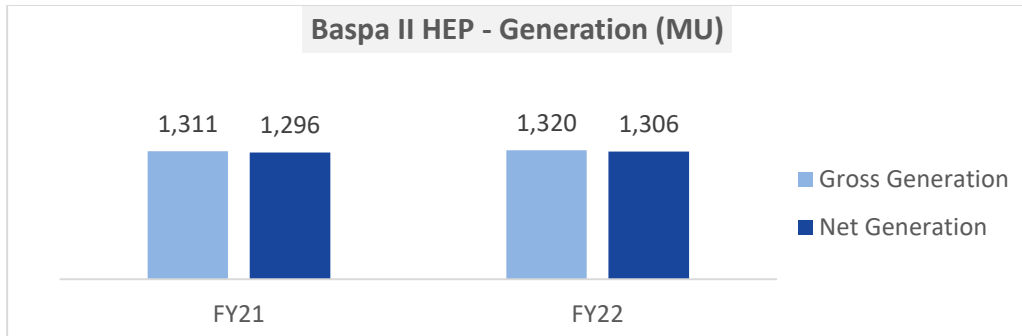
JSW Hydro – FY 2022 (12-month period from 1st April, 2021 to 31st March, 2022):



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 2022	5,344	5,564	104%	5,520	4,856	4,642
FY 2021	5,344	5,673	106%	5,629	4,953	4,642



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
FY22	4,131	4,243	103%	4,214	3,707	3,592
FY21	4,131	4,361	106%	4,332	3,813	3,592



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
FY22	1,213	1,320	109%	1,306	1,149	1,050
FY21	1,213	1,311	108%	1,296	1,141	1,050

- **Plant Availability**

- The Annual Revenue Requirement (ARR) of the two projects depends on ensuring a technical Plant Availability Factor (PAF) vis-à-vis the normative level of 90%. Against this, Karcham Wangtoo HEP has recorded a PAF of 97% and Baspa II HEP a PAF of 97% for the year. At the company level, PAF was recorded at 97%. Hence, both these 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 (ARR) under the Multi-Year Tariff mechanism of 5 year blocks.

- **Generation Profile**

- For Karcham Wangtoo HEP, Gross generation at 4,361 MU and Net generation at 4,332 MU were both lower by 2.8% YoY. Consequently, the plant has operated at a PLF of 47% in FY 2022 vis-à-vis 50% in FY 2021.

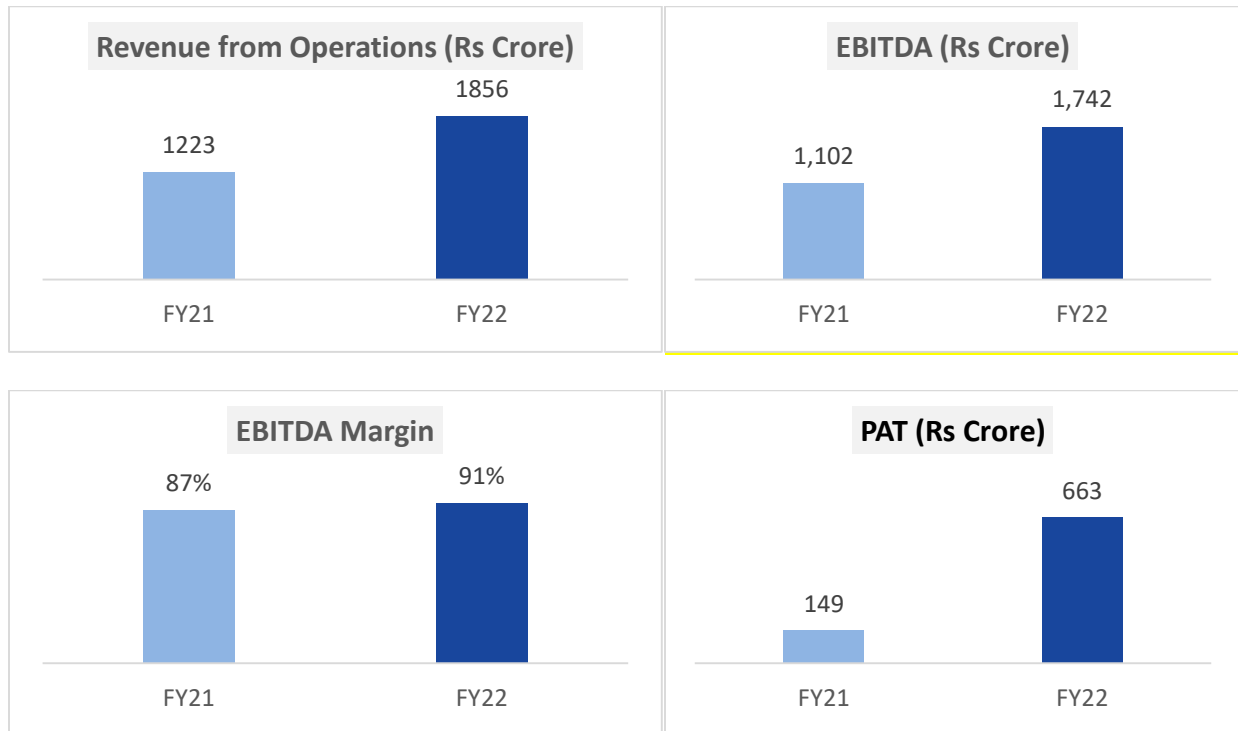


- For Baspa II HEP, Gross generation at 1,320 MU and Net generation at 1,306 MU were both higher by 1% YoY. Consequently, the plant has operated at a PLF of 50% in FY 2022 vis-à-vis 50% in FY 2021.
- At an aggregate company level, the Gross generation at 5,673 MU and Net generation at 5,629 MU were both lower by 2% YoY. Consequently, at a company-wide level, average PLF was at 48% in FY 2022 vis-à-vis 50% in FY 2021.

The primary reason for the lower generation in Karcham HEP was the lower volume of water flow in the Sutlej river basins.

Financial Performance

FY 2022 (12-month period from 1st April, 2021 to 31st March, 2022):



- Revenue from operations increased by 52% YoY to Rs 1,856 Crore compared to Rs 1,223 Crore due to a one-off reversal of Trueing up provision. However, both plants remain insulated from any impact on a base level of revenue and earnings due to weaker hydrology, since shortfalls in ARR are recoverable in the subsequent financial year, as long as the PAF remains above the normative level of 90% for the full year. PAF was registered at 97% for FY 2022 entitling the plants to some incentive income also apart from the base ARR.
- EBITDA was higher by 58 % YoY at Rs 1,742 Crore in FY 2022 vs Rs 1,102 Crore in FY 2021, mainly due to a reversal of Trueing up provision.
- Accordingly, PAT has increased to Rs. 663 Crore as compared to Rs. 149 Crore in FY 2021.

Receivable Position

In Days	Mar-22	Mar-21
Receivable Days	29	38

- March 2022: Debtor days reduced to 29 days from 38 days at the end of Mar 2021. This has been the lowest debtor days witnessed since JSW Energy Ltd took over the company in financial year FY 2016.

Additional Information:

Note on True up liabilities for Karcham Wangtoo Hydro Electric Project in JSW Hydro Energy Limited

The Company had made provisions towards Truing up of Rs 914 Crore till 31st March, 2021 in the books of accounts pertaining to Karcham Wangtoo HEP. These provisions increased to Rs 1,265.63 Crore as on 31st March, 2022 to be settled once the final True Up order of CERC was pronounced.

These accumulated provisions for the period of the 1st Multi Year Tariff (MYT) period of FY 2015 to FY 2019 and for the period 1st Apr, 2019 to 31st March, 2022 from the 2nd MYT block (FY 2020 to FY 2024) largely pertain to adjustments under the heads listed below:-

- (i) Interest rate allowed on normative Term loan for computing tariffs being higher than the actual interest rate due to multiple events of refinancing from FY 2015 to FY 2022, resulting in savings in interest costs. As per CERC regulations, 2/3rd of such savings have to be shared with the DISCOMs, net of the costs incurred on such refinancing, for the 1st MYT period and 50% for the 2nd MYT period.
- (ii) Adjustments based on actual tax rates incurred by the company as per the Income Tax returns filed v/s the assumptions filed in the petition by the company.
- (iii) Carrying costs associated with items (i) and (ii) to the extent of the excess recovery from DISCOMs based on interim billing prior to the final tariff order.

On 17th March 2022, CERC passed an order covering the following: -

- c) Final True Up Order for the 1st Multi Year Tariff (MYT) period of FY 2015 to FY 2019.
- d) Tariff Order for the 2nd MYT tariff period of FY 2020 to FY 2024

This order of 17th March, 22 has enabled the company to carry out the following: -

- a. Determine the True Up liability to be paid to PTC (India) Ltd against the provisions of Rs 1,265.63 Cr for the period 1st Apr, 2015 to 31st Mar, 2022.
- b. Amounts that can be written back to the P&L
- c. Amounts to be carried forward into FY 2023

Adjustments of various elements of the Annual Fixed Charges (AFC) is based on an approval of a final capital cost of Rs. 6,606.54 Crores for the 1st MYT period of FY 2015 to FY 2019 and a further increase



to Rs 6,696.67 Crores for the 2nd MYT period of FY 2020 to FY 2024. This is against the petitioned capital cost of Rs. 6,968.67 Crores.

The company has computed that from the Rs 1,265.63 Crores of cumulative provisions till 31st Mar, 2022, the following adjustments have been carried out, after due deliberations and concurrence by the statutory auditors, for the period ending 31st March, 2022:-

- (i) Write back of Rs 665 Crore to the P&L Statement.
- (ii) Liability to be paid of Rs 376 Crore. It has been agreed with PTC (India) Ltd that the same will be paid in 6 monthly installments from April 2022 to September 2022. Installments for the months of Apr 2022 and May 2022 have already been discharged from the True Up Reserves of Rs. 200 Crore, created as on the Closing Date of the USD Bond issue, and the balance will be paid from the balance reserve amount, carry forward cash and equivalents of Rs. 510 Crore as on 31st Mar, 2022 and operational revenues in the period between Apr 2022 to September 2022.

Balance provision of Rs. 224 Crores will be carried forward into FY 2023. Of this, Rs. 116 Crores are related to expenses incurred on re-financing of the term loans progressively over time since FY 2015. As per CERC regulations, these are reimbursable to the generator along with the related carrying cost of Rs 76 Crores.



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: June 13, 2022

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 hereby certify and confirm below 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: **NIL**
- (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: **3.82**
- (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: **24.23%**
- (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: **3.82**
 - (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 Rs Crore	Remarks
Operating Accounts	461.91	Including amounts invested in Mutual Funds
True Up Reserve Account	202.07	Including amounts invested in Mutual Funds
Distribution Account	55.00	Including amounts invested in Mutual Funds
Debt Service Reserve Account	197.07	Including amounts invested in Mutual Funds



Statutory Dues Account	0.73	-
Total	916.78	

(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:

- MCS paid: **USD 24,745,000**
- Shortfall: **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/Authorized Signatory
JSW Hydro Energy Limited**

Annexure 1

Working for Calculation of Debt Service Coverage Ratio (A/B)		1 st Apr, 2021 to 31 st Mar 2022
		In Rs Crore
	"Debt Service Cover Ratio" means in relation to a Calculation period ending on the relevant Calculation Date (A/B)	3.82
	"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:	1,912.39
	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;	(170.81)
	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	(166.59)
	c) costs paid by the Issuer to the Trustee,	(68.15)
	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	

	"CFADS Operating Revenue" means Operating Revenue excluding (without double counting):	1,247.04
	(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);	
	(b) extraordinary items; (True up Provision Reversal)	665.35
	(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";	NIL
	(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, 2021, paragraph (i) shall be Cashflow Available for Debt Service for the 12-months ending September 30, 2021 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.	394.91

Annexure 2

Working for the Fund From Operations to Net Debt Ratio		1st Apr, 2021 to 31st Mar 2022
		In Rs Crore
Fund from Operations to Net Debt Ratio (A/B)		24.23%
“Funds From Operations” means, for any period,		
a) EBITDA minus		1,741.58
b) cash Taxes paid on income		(166.59)
c) adjusted for any positive or negative adjustments in working capital*		(150.38)
d) cash net interest.		(310.73)
A) Total		324.55

a) “Net Debt” means the total indebtedness of the Issuer (excluding any Subordinated Debt)		5,101.42
b) less: Cash balances		503.89
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		4,597.53

* does not include amount receivable from JSW Neo Energy Limited for sale of equity shares of JSW Energy (Kutehr) Limited.



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: June 13, 2022

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 June 13, 2022, no Event of Default or Potential Event of Default had occurred since October 1st, 2019.

(b) From and including October 1st, 2021 to and including June 13, 2022, 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,

Name: Sanjeev Kango
Authorized Signatory



Appendix - 3

Financial Statements of JSW Hydro Energy Limited (JSWHEL) for period ending March 31st 2022

INDEPENDENT AUDITORS' REPORT

To the Members of JSW Hydro Energy Limited

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

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

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

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

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



Responsibilities of the Management for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by sub-section (3) of Section 143 of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The balance sheet, the statement of profit and loss including other comprehensive income, the statement of cash flow and the statement of changes in equity dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of sub-section (2) of Section 164 of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of sub-section (16) of Section 197 of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule (11) of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 40 of the financial statements;



- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall,
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented that, to the best of its knowledge and belief, no funds (which are either material either individually or in aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall,
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate on the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub-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.

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

VK Choksi



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

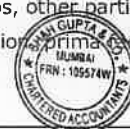
APPENDIX A TO THE INDEPENDENT AUDITORS' REPORT

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment on the basis of available information.
- (B) According to the information and explanations given to us and the records of the Company examined by us, The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Company has a program of verification to cover all the items of property, plant and equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company, except for the following:

Description of property	Gross carrying value (Rs. In Crore)	Held in the name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of the Company*
Bithal Land & Building	22.28	Jaiprakash Power Ventures Limited	No	From 01.09.2015	Title has been vested in the name of company through Scheme of arrangement approved by HP High Court. Procedural requirement for change of name of company in the Government record is in process.

- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated during the year or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- (ii) (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory by Management, as compared to book records were not material and have been appropriately dealt with in the books of account.
- (b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.
- (iii) (a) The Company has made investments in one company, not granted secured/ unsecured loans/advances in nature of loans, to companies, firms, Limited Liability Partnerships, other parties, or stood guarantee, or provided security to companies, firms, Limited Liability Partnerships, other parties.
- (b) The terms and conditions of the investment made are, in our opinion, not prejudicial to the Company's interest.



- (c) The Company has not given loans/advances in nature of loan. Accordingly, reporting under paragraph 3 (iii) (c) of the Order is not applicable to the Company.
- (d) The Company has not given loans/advances in nature of loan. Accordingly, reporting under paragraph 3 (iii) (d) of the Order is not applicable to the Company.
- (e) The Company has not given loans/advances in nature of loan. Accordingly, reporting under paragraph 3 (iii) (e) of the Order is not applicable to the Company.
- (f) There were no loans/advances in nature of loans which were granted during the year to promoters/related parties.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, or provided guarantees under section 185 of the Act. The Company has complied with the provisions of Sections 186 of the Act in respect of the investments made.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Section 73 to Section 76 of the Act and the Rules framed there under to the extent notified.
- (vi) The maintenance of cost records has been specified by the Central Government under Section 148 of the Act. We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-section (1) of Section 148 of the Act and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not required to make a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us, and the records of the company examined by us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax, goods and service tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us, there are no undisputed amounts payable in respect of income tax, service tax, goods and service tax, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of sales tax, wealth tax, service tax, goods and service tax, income tax, duty of excise, duty of excise, value added tax, and cess which have not been deposited on account of any dispute except as follows:

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

*Net of amounts paid under protest

- (viii) According to the information and explanations given to us and the records of the Company examined by us, there is no income surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- (ix) (a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, the money raised by way of the term loans in the previous year have been applied by the Company during the year for the purpose for which it was raised.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the Financial Statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not borrowed any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint ventures.



- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3 (x) (a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, reporting under paragraph 3 (x) (b) of the Order is not applicable to the Company.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under sub-clause (12) of Section 143 of the Act, in Form ADT-4, was not required to be filed. Accordingly, reporting under clause 3 (xi) (b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3 (xiii) of the Order is not applicable to the Company.
- (xiv) (a) The internal audit of the Company is covered under the group internal audit pursuant to which an internal audit is carried out every year. In our opinion, the Company's internal audit system is commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with Directors or persons connected with him. Accordingly, reporting under paragraph 3 (xv) of the Order is not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3 (xvi) (a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3 (xvi) (b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3 (xvi) (c) of the Order is not applicable to the Company.
- (d) We have been informed by the management that as per the definition of Group under Core Investment Companies (Reserve Bank) Directions 2016, there is one Core Investment Company (CIC) which is registered and three CICs which are not required to be registered with the Reserve Bank of India, forming part of the promoter group.
- (xvii) The Company has not incurred any cash losses in the financial year and in the immediate preceding financial year.



- (xviii) There has been no resignation of the statutory auditors during the year and accordingly, reporting under clause (xviii) is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios (Also refer Notes to the Financial Statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of Order is not applicable for the year.
- (b) There are no unspent amounts towards Corporate Social Responsibility (CSR) on ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(b) of Order is not applicable for the year.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

VK Choksi



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

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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

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



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

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

Opinion

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

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

VK Choksi



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

JSW HYDRO ENERGY LIMITED
Balance Sheet as at 31st March, 2022

(₹ Crore)

Particulars		Note No.	As at 31st March, 2022	As at 31st March, 2021
A	ASSETS			
1	Non-current assets			
	(a) Property, plant and equipment	4	5,598.73	5,969.48
	(b) Capital work-in-progress	5	1.05	23.03
	(c) Other Intangible assets	6	714.19	747.57
	(d) Investments in subsidiary	10A		454.15
	(e) Financial assets			
	(i) Other financial assets	7	128.15	120.45
	(f) Income tax assets (net)	7A	65.11	36.52
	(g) Other non-current assets	8	1.05	25.77
	Total non-current assets		6,508.28	7,376.97
2	Current assets			
	(a) Inventories	9	13.03	11.66
	(b) Financial assets			
	(i) Investments	10B	612.72	472.22
	(ii) Trade receivables	11	69.28	51.26
	(iii) Cash and cash equivalents	12A	13.93	109.94
	(iv) Bank balances other than (iii) above	12B	290.13	40.14
	(v) Other financial assets	7	926.50	128.01
	(c) Other current assets	8	12.93	12.70
	Total current assets		1,938.52	825.93
	Total assets (1+2)		8,446.80	8,202.90
B	EQUITY AND LIABILITIES			
1	Equity			
	(a) Equity share capital	13	1,250.05	1,250.05
	(b) Other equity	14	1,279.12	738.51
	Total equity		2,529.17	1,988.56
	Liabilities			
2	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	15	4,682.95	4,838.08
	(ii) Lease liabilities	15A	26.01	26.25
	(iii) Other financial liabilities	16	70.05	425.97
	(b) Provisions	17	6.84	6.98
	Total non-current liabilities		4,785.85	5,297.28
3	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	15	418.56	332.22
	(ii) Lease liabilities	15A	0.24	0.28
	(iii) Trade payables			
	(a) Total outstanding dues of micro and small enterprises	18	2.88	3.41
	(b) Total outstanding dues of creditors other than micro and small enterprises	18	23.58	22.46
	(iv) Other financial liabilities	16	682.48	554.56
	(b) Other current liabilities	19	2.18	2.39
	(c) Provisions	17	1.86	1.74
	Total current liabilities		1,131.78	917.06
	Total liabilities		5,917.63	6,214.34
	Total equity and liabilities (1+2+3)		8,446.80	8,202.90

See accompanying notes to the financial statements

As per our attached report

For Shah Gupta & Co

Chartered Accountants

Firm Registration No.: 109574W

Vipul B Choksi
Partner
M No. 37606



For and on behalf of Board of Directors

Gyan Bhadra Kumar

Gyan Bhadra Kumar
Whole Time Director
[DIN: 03620109]

Prashant Jain

Prashant Jain
Chairman
[DIN: 01281621]

Sanjeev Kango

Sanjeev Kango
Company Secretary &
Chief Financial Officer

Place: Mumbai

Date: 02 May, 2022

JSW HYDRO ENERGY LIMITED
Statement of Profit and Loss for the Year ended 31st March, 2022

₹ Crore, except per share data and as stated otherwise

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

See accompanying notes to the financial statements

As per our attached report

For Shah Gupta & Co

Chartered Accountants

Firm Registration No.: 109574W

Vipul K Choksi

Vipul K Choksi
Partner
M No. 37506



For and on behalf of Board of Directors

Gyan Bhadra Kumar

Gyan Bhadra Kumar
Whole Time Director
[DIN: 03620109]

Prashant Jain

Prashant Jain
Chairman
[DIN: 01281621]

Sanjeev Kango

Sanjeev Kango
Company Secretary &
Chief Financial Officer

Place: Mumbai

Date: 02 May, 2022

JSW HYDRO ENERGY LIMITED

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

a. Equity share capital (₹ Crore)

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

b. Other equity (₹ Crore)

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

(₹ Crore)

Particulars	Reserves & surplus		Item of other comprehensive income	Capital Contribution by parent company	Total
	Equity-settled employee benefits reserve	Retained earnings	Effective portion of cash flow hedge		
Balance at 1st April, 2020	0.45	432.73	-	156.14	589.32
Profit for the year	-	149.00	-	-	149.00
Recognition of Share based payment	0.27	-	-	-	0.27
Other comprehensive income for the year, net of income tax	-	(0.08)	-	-	(0.08)
Balance as at 31st March 2021	0.72	581.65	-	156.14	738.51

See accompanying notes to the financial statements

As per our attached report

For Shah Gupta & Co

Chartered Accountants

Firm Registration No.: 109574W

Vipul K Choksi

Vipul K Choksi

Partner

M No. 37606



For and on behalf of Board of Directors

Gyan Bhadra Kumar

Gyan Bhadra Kumar

Whole Time Director

[DIN: 03620109]

Prashant Jain

Prashant Jain

Chairman

[DIN: 01281621]

Sanjeev Kango

Sanjeev Kango

Company Secretary &

Chief Financial Officer

Place: Mumbai

Date: 02 May, 2022

JSW HYDRO ENERGY LIMITED
Statement of Cash Flows for the year ended 31st March, 2022

(₹ Crore)

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

See accompanying notes to the financial statements
Note:

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

As per our attached report

For Shah Gupta & Co

Chartered Accountants

Firm Registration No.: 109574W

Vipul K Choksi
Partner
M No. 37606



For and on behalf of Board of Directors

Gyanbhadra Kumar

Gyan Bhadra Kumar
Whole Time Director
[DIN: 03620109]

Prashant Jain

Prashant Jain
Chairman
[DIN: 01281621]

Sanjeev Kango

Sanjeev Kango
Company Secretary &
Chief Financial Officer

Place: Mumbai
Date: 02 May, 2022

JSW HYDRO ENERGY LIMITED

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

Note 1: General information

- a) JSW Hydro Energy Limited is a public limited Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India is wholly owned subsidiary of JSW Neo Energy Limited and is a step down subsidiary of JSW Energy Limited. (in the FY 2020-21 JSW Hydro energy limited was wholly owned subsidiary of JSW energy Limited).The registered office of the Company is located at Sholtu Colony, P.O. Tapri, Dist. Kinnaur, 172104 (HP).
- b) The Company is primarily engaged in the business of generation and sale of power.
- c) The company has continued its operations during lockdown due to outbreak of COVID-19 as the electricity generation is considered as one of the essential services by the Government. The Company's substantial generation capacities are tied up under long term power purchase agreements, which insulates revenue of the company under such contracts. The notices of applying force majeure clause under the power supply agreements from some of the customers have been appropriately responded under legal advice that the prevailing situation is outside the ambit of force majeure clause. This position is further supported by clarification from Ministry of Power that the DISCOMs will have to comply with obligation to pay fixed capacity charges as per the power purchase agreement. Based on initial assessment, the Management does not expect any medium to long-term impact on the business of the Company. The Company has evaluated the possible effects on the carrying amounts of property, plant and equipment, inventory, loans, receivables and debt covenants basis the internal and external sources of information and determined, exercising reasonable estimates and judgements, that the carrying amounts of these assets are recoverable. Having regard to above, and the company's liquidity position, there is no uncertainty in meeting financial obligations over the foreseeable future.

Note 2.1: Statement of compliance

- a) These financial statements have been prepared in accordance with the Indian accounting standards (referred to as "Ind AS") prescribed under section 133 of the Company Act, 2013 read with the Companies (India Accounting Standards) rules as amended from time to time.
- b) The Financial Statements were approved for issue by the Board of Directors on 2nd May, 2022

Note No. 2.1 - Recent accounting pronouncements:

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

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

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



JSW HYDRO ENERGY LIMITED

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

Note 3: Significant accounting policies

3.1 Basis of preparation of financial statements:

a) In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its Financial Statements as per the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1st April, 2016. Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2022, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements").

b) The Financial Statements of the Company are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) on the accrual basis of accounting and historical cost convention except for certain material items that have been measured at fair value as required by the relevant Ind AS and explained in the ensuing policies below.

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

d) Current and non-current classification

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

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

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

All other assets are classified as non-current.

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

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

All other liabilities are classified as non-current.

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

3.2 Use of estimates & judgements

a) The preparation of the Financial Statements requires that the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the Financial Statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the Financial Statements is made relying on these estimates.

b) The estimates and judgements used in the preparation of the Financial Statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods. The critical accounting judgements and key estimates followed by the Company for preparation of Financial Statements is described in note 27.



JSW HYDRO ENERGY LIMITED

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

3.3 Property, plant and equipment

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

b) An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property,

plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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

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

3.4 Other Intangible assets

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

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

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



JSW HYDRO ENERGY LIMITED

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

3.5 Depreciation and Amortisation

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

Rate of depreciation are given below

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

3.6 Impairment of tangible and intangible assets

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



JSW HYDRO ENERGY LIMITED

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

3.7 Borrowing costs

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

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

3.8 Cash and cash equivalents

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

3.9 Revenue recognition

Sale of Power

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

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

Interest income

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

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

3.10 Foreign currency transactions

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

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

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

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

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

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



JSW HYDRO ENERGY LIMITED

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

3.11 Employee benefits

The Company has following post-employment plans:

a) Defined-benefit plan - gratuity

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

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

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

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

Re-measurement comprising of actuarial gains and losses arising from

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

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

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

b) Defined-contribution plan – provident fund

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

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

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

Short Term employee benefits:

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Long-term employee benefits:

Compensated absences which are not expected to be availed or encashed within twelve months after the end of the period in which the employee renders the related service are recognised as a liability as at the Balance Sheet date on the basis of actuarial valuation using projected unit credit method.

3.12 Share-based payment arrangements

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

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



JSW HYDRO ENERGY LIMITED

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

3.13 Taxation

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

a) Current tax

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

b) Deferred tax

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

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

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

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

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

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

iii) Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.



JSW HYDRO ENERGY LIMITED

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

3.14 Earnings per share

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

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

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

3.15 Provisions, contingencies and commitments

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

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

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

A disclosure for contingent liabilities is made when there is

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

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

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) the amount of the obligation cannot be measured with sufficient reliability.

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

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

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

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

3.16 Financial instruments

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



JSW HYDRO ENERGY LIMITED

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

Investment in subsidiaries:

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

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

Financial assets

(i) Initial recognition and measurement:

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

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Profit and Loss.

(ii) Subsequent measurement

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

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

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated at fair value through profit or loss on initial recognition):

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

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

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

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.



JSW HYDRO ENERGY LIMITED

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

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments.

This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

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

Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.



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

Impairment of financial assets

- a) The Company recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVOCI. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward-looking.
- b) The Company's trade receivables or contract revenue receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall, being simplified approach for recognition of impairment loss allowance.
- c) Under simplified approach, the Company does not track changes in credit risk. Rather it recognizes impairment loss allowance based on the lifetime ECL at each reporting date right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables.
- d) The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.
- e) For financial assets other than trade receivables, the Company recognises 12-month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12 months ECL. The impairment losses and reversals are recognised in Statement of Profit and Loss. For equity instruments and financial assets measured at FVTPL, there is no requirement for impairment testing.

Derecognition of financial assets

- a) The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.
- b) On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.
- c) On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.



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

3.17 Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments:

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

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

Financial liabilities:

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

Derivative financial instruments:

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

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

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

Cash flow hedges:

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

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

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

Segment reporting:

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

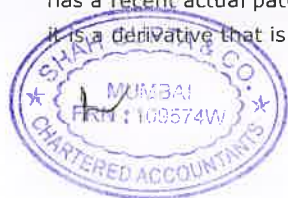
Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

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

It is a derivative that is not designated and effective as a hedging instrument.



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- A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:
 - such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
 - the financial liability forms part of a company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
 - it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

Financial liabilities subsequently measured at amortised cost:

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities:

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

Reclassification of financial assets and liabilities:

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



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

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

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

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

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

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



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3.18 Leases

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

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

- c) The Company as lessee

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

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

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

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

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

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

3.19 Service concession arrangements

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

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

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

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



JSW HYDRO ENERGY LIMITED

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

Financial asset model:

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

(a) specific or determinable amount;

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

Intangible asset model:

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

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

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

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

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

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

3.20 Inventories

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

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



JSW HYDRO ENERGY LIMITED

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

Note 4. Property, plant & equipment

(₹ Crore)

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

(₹ Crore)

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

Note:

- a) Refer note 15 for the details in respect of certain property, plant and equipment hypothecated/mortgaged as security against borrowing
b) The right-of-use assets related to land refer to Note 37

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

Description of the property	Gross Carrying value (₹ crore)	Title deeds held in the name of	Share of the Group in the property (%)	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company
Bithal Land & Building	22.28	Jaiprakash Power Ventures Limited2	100%	NA	01 Sep,2015	Title has been vested in the name of company through Scheme of arrangement approved by HP High Court. Procedural requirement for change of name of company in the Government record is in process.



JSW HYDRO ENERGY LIMITED

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

Note 5. Capital work in progress

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

(₹ Crore)

Balance as at 31st March, 2021	23.03
Balance as at 31st March, 2022	1.05

Footnote:

- 1) Amount transferred to property plant and equipment during the year ₹ 23.03 crore (for the year ended 31st March, 2021: ₹ 2.67 Crore)
- 2) No project temporarily suspended as on 31st March, 2022.

Capital work in progress ageing & schedule

(₹ crore)

As at 31st March, 2022	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	1.05	-	-	-	1.05
Total	1.05	-	-	-	1.05

Capital work in progress for projects whose completion is overdue

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

Capital work in progress ageing & schedule

As at 31st March, 2021	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	6.76	9.90	4.41	1.96	23.03
Total	6.76	9.90	4.41	1.96	23.03

Capital work in progress for projects whose completion is overdue

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



JSW HYDRO ENERGY LIMITED

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

Note 6. Intangible assets

(₹ Crore)

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

(₹ Crore)

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

*Refer Note 32 for Service concession arrangement



JSW HYDRO ENERGY LIMITED

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

Note 7. Other financial assets

(₹ Crore)

Particulars	As at 31st March, 2022			As at 31st March, 2021		
	Current	Non- Current	Total	Current	Non- Current	Total
(a) Service concession receivable*	58.42	61.41	119.83	51.53	119.83	171.36
(b) Security Deposits						
- Unsecured, considered good						
-Government/Semi-Government Authorities	-	0.52	0.52	-	0.52	0.52
-Others	-	0.09	0.09	-	0.08	0.08
	-	0.61	0.61	-	0.60	0.60
(c) Revenue receivable						
- Unbilled revenue	77.87	-	77.87	75.51	-	75.51
-Other Receivable	0.10	-	0.10	-	-	-
- Interest accrued on deposits	0.78	-	0.78	0.97	-	0.97
	78.75	-	78.75	76.48	-	76.48
(d) Bank deposits with Original maturity more than Twelve Months						
	-	-	-	-	0.02	0.02
	-	-	-	-	0.02	0.02
(e) Other Receivable						
-Receivable from JSW Neo Energy Limited	789.33	-	789.33	-	-	-
	789.33	-	789.33	-	-	-
(f) Derivative Designated as hedges						
-Foreign Currency Options	-	66.13	66.13	-	-	-
Total	926.50	128.15	1,054.65	128.01	120.45	248.46

*Refer Note 32



JSW HYDRO ENERGY LIMITED

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

Note 7A. Income Tax Assets (net)

(₹ Crore)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Current	Non-current	Current	Non-current
Advance Tax and tax deducted at sources (Net of provision for Tax)	-	65.11	-	36.52
	-	65.11	-	36.52



JSW HYDRO ENERGY LIMITED

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

Note 8. Other non-current and current assets**(₹ Crore)**

Particulars	As at 31st March, 2022			As at 31st March, 2021		
	Current	Non- Current	Total	Current	Non- Current	Total
(a) Capital Advances	-	0.96	0.96	-	0.43	0.43
(b) Prepayments	10.59	0.09	10.68	10.05	0.34	10.39
(c) Deposit with Government/Semi Government*	-	-	-	-	25.00	25.00
(d) Balances with Government Authority	0.05	-	0.05	0.10	-	0.10
(e) Advances to Vendors	2.29	-	2.29	2.55	-	2.55
Total	12.93	1.05	13.98	12.70	25.77	38.47

*Refer Note 40



JSW HYDRO ENERGY LIMITED

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

Note 9. Inventories

(₹ Crore)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Stores and spares	12.92	11.54
(b) Inventory Medicine	0.11	0.12
Total	13.03	11.66

Cost of inventories recognised as expense

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

Basis of valuation: Refer note 3.20 (Inventories)

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



JSW HYDRO ENERGY LIMITED

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

Note 10A. Investment in equity

(₹ Crore)

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

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

Note 10B. Other Investment

(₹ Crore)

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

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



JSW HYDRO ENERGY LIMITED

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

Note 11. Trade receivables

(₹ Crore)

Particulars	As at 31st March, 2022			As at 31st March, 2021		
	Current	Non- Current	Total	Current	Non- Current	Total
(i) Trade Receivables considered good - Secured	69.28	-	69.28	48.99	-	48.99
(ii) Trade Receivables considered good - Unsecured	-	-	-	2.27	-	2.27
	69.28	-	69.28	51.26	-	51.26
Total	69.28	-	69.28	51.26	-	51.26

Ageing of Trade Receivables

(₹ Crore)

As at 31st March, 2022	Undisputed Trade receivables		Disputed Trade Receivables	
	Considered good	Considered doubtful	Considered good	Considered doubtful
Outstanding for following periods from due date of payment				
Less than 6 months	26.89	-	-	-
6 months-1 year	8.33	-	-	-
1-2 years	14.86	-	1.91	-
2-3 years	-	-	11.61	-
More than 3 years	-	-	5.68	-
Total	50.08	-	19.20	-

(₹ Crore)

As at 31st March, 2021	Undisputed Trade receivables		Disputed Trade Receivables	
	Considered good	Considered doubtful	Considered good	Considered doubtful
Outstanding for following periods from due date of payment				
Less than 6 months	30.97	-	-	-
6 months-1 year	0.98	-	1.91	-
1-2 years	0.11	-	11.61	-
2-3 years	-	-	4.56	-
More than 3 years	-	-	1.12	-
Total	32.06	-	19.20	-

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

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

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



JSW HYDRO ENERGY LIMITED

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

Note 12. Cash and cash equivalents and other bank balances**(₹ Crore)**

Particulars	As at 31st March, 2022	As at 31st March, 2021
Cash and cash equivalents		
(a) Balances with banks		
(i) With scheduled banks		
-In Current accounts	11.93	109.92
In Deposit accounts with maturity less than 3 months at inception	1.99	-
(b) Cash on hand	0.01	0.02
Total	13.93	109.94

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

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



JSW HYDRO ENERGY LIMITED

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

Note 13. Equity share capital

(₹ Crore)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	No. of shares	Amount	No. of shares	Amount
Authorised: Equity shares of ₹ 10 each with voting rights	1,250,050,000	1,250.05	1,250,050,000	1,250.05
Issued, Subscribed and Fully Paid: Equity shares of ₹ 10 each with voting rights	1,250,050,000	1,250.05	1,250,050,000	1,250.05
	1,250,050,000	1,250.05	1,250,050,000	1,250.05
a) Reconciliation of the number of shares outstanding at the beginning and end of year:				
Particulars	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares		No. of Shares	
Balance as at the beginning of the year	1,250,050,000		1,250,050,000	
Issued during the year	-		-	
Balance as at the end of the year	1,250,050,000		1,250,050,000	
b) Terms & Rights attached to equity shares :				
(i) The Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share.				
(ii) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to the shareholding. However, no such preferential amount exists currently.				
c) Details of shareholding more than 5% shares in the company are set out below :				
Particulars	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares		No. of Shares	
1 JSW Neo Energy Limited & its nominees	1,250,050,000		-	
2 JSW Energy Limited & its nominees	-		1,250,050,000	
	100%		100%	
d) Shares held by promoters at the end of the year :				
Name of Promoters	As at 31st March, 2022		As at 31st March, 2021	
	No. of shares	% of total shares	No. of shares	% of total shares
1 JSW Neo Energy Limited & its nominees	1,250,050,000	100%	-	-
2 JSW Energy Limited & its nominees	-	-	1,250,050,000	100%
Total	1,250,050,000	100%	1,250,050,000	100%



JSW HYDRO ENERGY LIMITED

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

Note 14. Other Equity

(₹ Crore)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Equity-settled employee benefits reserve	3.86	0.72
Retained earnings	1,242.95	581.65
Effective portion of cash flow hedge	(123.83)	-
Capital contribution by parent company	156.14	156.14
Total comprehensive income	1,279.12	738.51

Notes:

(1) Retained earning

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

(2) Equity -settled employee benefit reserve

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

3) Effective portion of cash flow hedge

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



JSW HYDRO ENERGY LIMITED

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

Note 15A. Lease liabilities

(₹ Crore)

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

*Refer to Note no. 37



JSW HYDRO ENERGY LIMITED

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

Note 16. Other financial liabilities

(₹ Crore)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Non- Current		
(a) Deposits received	0.02	0.02
(b) Other payable	70.03	425.95
	70.05	425.97
Current		
(a) Interest accrued but not due on borrowings	78.82	21.76
(b) Payable for capital supplies/services	35.43	33.08
(c) Other payable	568.23	499.72
	682.48	554.56
Total	752.53	980.53



JSW HYDRO ENERGY LIMITED

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

Note 17. Provisions**(₹ Crore)**

Particulars	As at 31st March, 2022			As at 31st March, 2021		
	Current	Non- Current	Total	Current	Non- Current	Total
Provision for employee benefits*						
(i) Provision for gratuity	1.34	2.45	3.79	1.17	3.47	4.64
(ii) Provision for compensated absence	0.52	4.39	4.91	0.57	3.51	4.08
Total	1.86	6.84	8.70	1.74	6.98	8.72

* Refer Note No 35 (Employee benefit plans)



JSW HYDRO ENERGY LIMITED

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

Note 18. Trade payables

(₹ Crore)

Particulars	As at 31st March, 2022			As at 31st March, 2021		
	Current	Non- Current	Total	Current	Non- Current	Total
Trade Payables						
(a) Total outstanding dues of micro and small enterprises	2.88	-	2.88	3.41	-	3.41
(b) Total outstanding dues of creditors other than micro and small enterprises	23.58	-	23.58	22.46	-	22.46
Total	26.46	-	26.46	25.87	-	25.87

Creditors Ageing

(₹ Crore)

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

(₹ Crore)

As at 31st March, 2021	Undisputed		Disputed	
	MSME	Others	MSME	Others
Outstanding for following periods from due date of payment				
Less than 1 year	3.41	6.87	-	-
1-2 years	-	2.91	-	-
2-3 years	-	0.35	-	-
More than 3 years	-	1.68	-	-
Not due	-	3.67	-	-
Unbilled	-	6.98	-	-
Total	3.41	22.46	-	-

-Trade payables are normally settled within 30 days.

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



JSW HYDRO ENERGY LIMITED

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

Note 19. Other current liabilities

(₹ Crore)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Advance received from customers	0.46	1.04
(b) Employee recoveries and employer contributions	0.58	0.52
(c) Statutory dues	1.07	0.83
(d) Others	0.07	-
Total	2.18	2.39



JSW HYDRO ENERGY LIMITED

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

Note 20. Revenue from operations

(₹ Crore)

Particulars	For the year Ended 31st March, 2022	For the year Ended 31st March, 2021
Disaggregation of revenue from contract with customers:		
(1) Sale of power (Own generation)	1,812.35	1,197.83
Total revenue from contract with customers (A)	1,812.35	1,197.83
(2) Income from service concession arrangement	18.71	24.79
Income from service concession arrangement (B)	18.71	24.79
(3) Other Operating Income (C)	25.25	-
Total (A) + (B) + (C)	1,856.31	1,222.62

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

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

Details of revenue from contracts with customers

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

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

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

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

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



JSW HYDRO ENERGY LIMITED

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

Note 21. Other income

(₹ Crore)

Particulars	For the year Ended 31st March, 2022	For the year Ended 31st March, 2021
a) Interest Income earned on financial assets that are not designated as at FVTPL		
i On Bank deposits	1.98	2.18
ii Other Financial Assets	29.71	3.46
b) Other non-operating income		
i Net Gain on sale of current investments designated as at FVTPL	21.83	12.04
ii Net Gain on disposal of property, plant and equipment	0.05	0.05
iii Net gain on foreign currency transaction	0.04	-
iv Domestic Scrap Sales	1.35	0.17
v Provision no longer required written back	-	18.00
vi Miscellaneous income	1.12	2.95
Total	56.08	38.85



JSW HYDRO ENERGY LIMITED

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

Note 22. Employee benefits expense

(₹ Crore)

Particulars	For the year Ended 31st March, 2022	For the year Ended 31st March, 2021
(a) Salaries and wages	49.38	48.28
(b) Contribution to provident and other funds*	4.78	3.31
(c) Share based payment **	3.14	0.27
(d) Staff welfare expenses	5.61	2.72
Total	62.91	54.58

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

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



JSW HYDRO ENERGY LIMITED

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

Note 23. Finance costs

(₹ Crore)

Particulars	For the year Ended 31st March, 2022	For the year Ended 31st March, 2021
(a) Interest expense		
i Interest on foreign currency loan	193.16	-
ii Hedging charges	143.40	-
iii Interest on Term Loan	54.83	440.80
iv Interest cash credit	0.04	0.08
v Other Interest Expense	3.48	-
(b) Revaluation gain/loss on foreign currency borrowings (Net)	0.66	-
(c) Other borrowing costs*	104.06	8.08
(d) Interest on lease liabilities	2.38	2.40
Total	502.01	451.36

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



JSW HYDRO ENERGY LIMITED

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

Note 24. Depreciation and amortisation expense

(₹ Crore)

Particulars	For the year Ended 31st March, 2022	For the year Ended 31st March, 2021
(a) Depreciation on property, plant and equipment	402.30	409.46
(b) Amortization on Intangible assets	33.47	33.45
Total	435.77	442.91



JSW HYDRO ENERGY LIMITED

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

Note 25. Other expenses

(₹ Crore)

Particulars	For the year Ended 31st March, 2022	For the year Ended 31st March, 2021
(a) Stores and spares consumed	17.19	20.83
(b) Power & Water	3.64	4.54
(c) Rent including lease rentals	2.08	2.06
(d) Repairs and maintenance	39.11	30.83
(e) Royalty	0.10	0.06
(f) Rates and taxes	1.80	0.44
(g) Insurance	20.31	20.57
(h) Net loss / (gain) on foreign currency transactions net off) **	-	0.00
(i) Legal and other professional charges	4.66	4.47
(j) Travelling Expenses	1.16	0.65
(k) Donation	-	0.05
(l) Corporate Social Responsibility Expenses*	2.50	3.00
(m) Open Access Charges	0.13	0.06
(n) Other General Expenses	7.56	4.90
(o) Safety and Security	1.36	1.21
(p) Branding Expenses	3.03	3.60
(q) Shared Service Charges	2.21	2.02
(r) Property ,Plant and equipment written off	1.07	5.11
Total	107.91	104.40

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

** Less than Rs. 10,000



JSW HYDRO ENERGY LIMITED

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

Note 26. Tax expense

(₹ Crore)

Particulars	For the year Ended 31st March, 2022	For the year Ended 31st March, 2021
(a) Current Tax	141.05	59.22
Total	141.05	59.22

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

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

Deferred tax assets / (liabilities)

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

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

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



JSW HYDRO ENERGY LIMITED

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

Note no. 27 - Financial Ratios

Sr. No.	Particulars	For the year ended 31st March, 2022		For the year ended 31st March, 2021	Variance (%)	Reason for variance over 25%
		Numerator	Denominator			
1	Current Ratio (in times) (Current Assets / Current Liabilities)	1,938.52	1,131.78	0.90	90%	Increase in current asset (mainly increase in Other financial asset, Other Bank Balance and current Investment)
2	Debt-Equity Ratio (in times) (Total Borrowings / Net Worth)	5,101.52	2,529.17	2.60	-22%	Due to increase in other equity
3	Debt Service Coverage Ratio (in times) (Profit before Tax, Exceptional Items, Depreciation, Finance Charges / Finance Charges + Long Term Borrowings scheduled Principal repayments (excluding prepayments + refinancing) during the period). Finance Charges : Interest on Term Loans and Interest on Debentures	1,195.22	572.13	0.89	135%	Due to Increase in profit and lower finance cost and lower repayment of borrowings
4	Return on Equity Ratio (%) (Net profit after tax / Average Networth)	662.74	2,258.86	29%	277%	Due to Increase in profit
5	Inventory Turnover (no. of days) (Average Inventory / (Fuel Cost + Stores & Spares Consumed + Purchase of stock in trade))	12.35	56.30	81.70	-2%	
6	Debtors Turnover (no. of days) ((Average Trade Receivables including unbilled revenue * No of days) / Revenue from operations)	137.01	1,856.31	65.71	-59%	Due to Increase in sale and decrease in average debtors.
7	Payables Turnover (no. of days) ((Average Trade payables including * No of days) / Cost of goods sold)	26.17	56.30	169.66	-52%	Due to decrease in average trade payables
8	Net Capital Turnover (in times) (Annual turnover / Shareholder's equity)	1,856.31	2,529.17	0.61	19%	Due to Increase in Turnover
9	Net Profit Margin (%) (Net profit for the period / year / Total Income)	662.74	1,912.39	35%	193%	Due to Increase in profit
10	Return on Capital Employed (%) ((Profit after tax plus Interest on long term loans and debentures) / Average capital employed)	1,054.17	7,394.77	14%	74%	Due to Increase in profit
11	Return on Investment (%) (Profit generated on sale of investment / Cost of investment)	21.83	612.72	4%	40%	Due to higher return



JSW HYDRO ENERGY LIMITED

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

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

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

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

Critical judgements in applying accounting policies

Service concession arrangements

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

Revenue recognition

- a) In case of BASPA, revenue from sale of power is accounted for on the basis of billing to Himachal Pradesh State Electricity Board Limited (HPSEBL) as per Tariff approved by Himachal Pradesh Electricity Regulatory Commission (HPERC) in accordance with the provisions of the Long Term Power Purchase Agreement (LTTPA) dated 4th June, 1997, Amendment No. 1 dated 7th January, 1998, executed between the Company and HPSEBL.
- b) In case of KARCHAM Wangtoo, revenue from sale of power is accounted as under:
 - i) The long term PPA sales are accounted on the basis of applicable CERC regulations and respective Tariff orders/ Tariff petition as filled with Central Electricity Regulatory Commission for determining the tariff of Karcham Wangtoo plant.
 - ii) Sale of power under Short Term through the Power Exchange is accounted for on the basis of billing as per the agreed rate.
 - iii) The Central Electricity Authority ("CEA") has approved uprating of Karcham Wangtoo Hydro Electric Power Plant ("the Project") from 1,000 MW to 1,045 MW with review of operational parameters and performance for at least two monsoon seasons and then to 1,091 MW subject to concurrence by the CEA.

Evaluation of arrangements to determine whether it contains lease arrangements:

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



JSW HYDRO ENERGY LIMITED

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

Key sources of estimation uncertainties

Impairment of property plant and equipment

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

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

Provisions and contingent liabilities

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

Fair value measurements

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

Defined benefit plans

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

Tax

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

Onerous contract:

While ascertaining the unavoidable costs of meeting the obligations under a power purchase contract, the Management has exercised significant judgement in arriving at plant load factor, components of incremental unavoidable cost of executing the contract and its escalations.



JSW HYDRO ENERGY LIMITED

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

Note 29. Financial Instruments:

a) Financial Instruments by category

(₹ Crore)

As at 31 st March, 2022	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets					
Financial assets carried at fair value through profit or loss (FVTPL)					
Investment in mutual fund units	612.72	612.72	-	612.72	-
Financial assets carried at amortised cost					
Security deposits	0.61	0.61	-	-	0.61
Trade receivables #	69.28	69.28	-	-	-
Receivables-Service concession agreement	119.83	129.43	-	-	129.43
Cash and cash equivalents and other bank balances #	304.06	304.06	-	-	-
Unbilled revenue	77.87	77.87	-	-	-
Interest Receivable	0.78	0.78	-	-	-
Other Receivable	0.10	0.10	-	-	-
Receivable from JSW Neo Energy Limited	789.33	789.33	-	-	-
Foreign Currency Options	66.13	66.13	-	66.13	-
Total Financial assets	2,040.71	2,050.31	-	678.85	130.04
Financial liabilities					
Financial Liabilities carried at amortised cost					
Green Bonds	5,101.51	-	-	-	5,101.51
Short term Borrowings (WCDL)	-	-	-	-	-
Rent and Other Deposits #	0.02	0.02	-	-	-
Trade Payables #	26.46	26.46	-	-	-
Payable for capital projects#	35.43	35.43	-	-	-
Other payable#	638.27	638.27	-	-	-
Lease Liability	26.25	26.25	-	-	26.25
Interest accrued but bot due on borrowings	78.82	78.82	-	-	-
Total Financial liabilities	5,906.76	805.25	-	-	5,127.76



JSW HYDRO ENERGY LIMITED

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

(₹ Crore)

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

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



JSW HYDRO ENERGY LIMITED

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

ii) Fair Value Hierarchy:

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

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

Financial assets and liabilities measured at fair value

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

Particulars	As at 31st March,2022	As at 31st March,2021	Level	Valuation Technique
Financial assets				
Foreign Currency Options	66.13	-	2	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).
Investment in mutual fund units	612.72	472.22	2	Cost is considered as per NAV as on 31 st March,2022 /31 st March,2021



JSW HYDRO ENERGY LIMITED

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

Fair value of financial assets and liabilities measured at amortised cost

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

Particulars	As at 31st March,2022		As at 31st March,2021		Level	Valuation Technique
	Carrying Value	Fair Value	Carrying Value	Fair Value		
Financial assets						
Service Concession receivable	119.83	129.43	171.36	185.50	3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
Security deposits	0.61	0.61	0.60	0.60	3	
Total	120.44	130.04	171.96	186.10		
Financial Liabilities						
Borrowings (Long Term)	5,101.51	5,101.51	5,140.30	5,140.30	3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
Lease Liability	26.25	26.25	26.53	26.53	3	
Total	5,127.76	5,127.76	5,166.83	5,166.83		

Financial risk management objectives

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

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



JSW HYDRO ENERGY LIMITED

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

Foreign currency risk management

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

The outstanding foreign exchange options contracts entered by the company and outstanding are as under:

Particulars	As at 31st March 2022	As at 31st March 2021
No. of Contracts	4	-
Type of Contracts	Call Spread	-
Equivalent to USD in millions	122.81	-
Average exchange rate (1USD=Rupees)	75.81	-
Nominal Value (Rs. In Crore.)	931.02	-
Fair Value MTM asset/(liabilities) (Rs. In crore)	16.48	-

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

Movement in Cash flow hedge:

(₹ Crore)

Particulars	As at 31 March 2022	As at 31 March 2022
Opening Balance	-	-
FX recognised in other comprehensive income	(123.83)	-
Hedge ineffectiveness recognised in P&L	-	-
Amount reclassified to P&L during the year	-	-
Closing Balance	(123.83)	-

Note: Company's foreign currency denominated monetary assets and monetary liabilities at the end of the previous financial year 2020-21 are nil.

Interest rate risk management

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

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



JSW HYDRO ENERGY LIMITED

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

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. During the financial year 2021-22 the entire borrowings has been converted from the floating Interest rate to fixed rate of interest hence there is no floating rate liabilities has been incurred during the year.

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

(₹ Crore)

As at March,2022	Net Balance	Unamortised Transaction Cost	Gross Balance
Fixed rate borrowings	5,101.51	70.46	5,171.97
Total	5,101.51	70.46	5,171.97

(₹ Crore)

As at March,2021	Net Balance	Unamortised Transaction Cost	Gross Balance
Floating rate borrowings	5,170.30	31.84	5,202.14
Total	5,170.30	31.84	5,202.14

Credit risk management

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

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay, if the guarantee is called on. No amount has been recognised in the financial position as financial liabilities

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

Liquidity risk management

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



JSW HYDRO ENERGY LIMITED

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

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

(₹ Crore)

As at 31 st March, 2022				
Particulars	< 1 year	1-5 years	> 5 years	Total
Non-current financial liabilities				
Long term borrowings	-	1,359.72	3,323.23	4,682.95
Other long-term liabilities				-
Rent and other Deposits	-	0.02	-	0.02
Lease payable	-	1.94	24.07	26.01
Other Payable	-	70.03	-	70.03
Total Non-Current financial Liabilities	-	1,431.71	3,347.30	4,779.01
Current financial Liabilities				
Trade and other payables and acceptances:				
Trade payables - Other than acceptances	5.23	21.23	-	26.46
Other current financial liabilities:				
Short Term Borrowings	418.56	-	-	418.56
Short Term Borrowings(WCDL)	-	-	-	-
Payable for capital project	35.43	-	-	35.43
Other payable	568.24	-	-	568.24
Interest accrued but not due on borrowings	78.82	-	-	78.82
Lease payable	0.24	-	-	0.24
Total current financial liabilities	1,106.52	21.23	-	1,127.75
Total Financial Liabilities	1,106.52	1,452.94	3,347.30	5,906.76
Non-current Financial assets				
Long term loans and advances				
Security deposits	-	0.01	0.60	0.61
Ancillary Borrowing cost	-	-	-	-
Service concession – arrangements	-	61.07	0.34	61.41
Other advances	-	-	-	-
Total Non-current financial Assets	-	61.08	0.94	62.02
Current financial assets				
Trade receivables	69.28	-	-	69.28
Cash and cash equivalents	13.93	-	-	13.93
Bank Balances other than above	290.13	-	-	290.13
Service concession – arrangements	58.42	-	-	58.42
Investments in mutual fund	612.72	-	-	612.72
Unbilled revenue	77.87	-	-	77.87
Other Receivable	0.10	-	-	0.10
Receivable from JSW Neo Energy Limited	789.33	-	-	789.33
Foreign Currency Options	66.13	-	-	66.13
Interest Receivable	0.78	-	-	0.78
Total current financial assets	1,978.69	-	-	1,978.69
Total Financial Assets	1,978.69	61.08	0.94	2,040.71



JSW HYDRO ENERGY LIMITED

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

(₹ Crore)

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

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



JSW HYDRO ENERGY LIMITED

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

Note 30 Capital management

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

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

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

Gearing ratio

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

(₹ Crore)

Particulars	As at 31st March,2022	As at 31st March,2021
Debt (i)	5,101.51	5,170.30
Cash and bank balances (including current investment in liquid fund) (ii)	503.89	582.16
Net debt (i-ii)	4,597.62	4,588.14
Total equity (iii)	2,529.17	1,988.56
Net debt to equity ratio	1.82	2.31

(i) Debt includes long term and short term borrowings (refer note No-15)

(ii) Includes cash and cash equivalents balance in bank deposits and investments in mutual fund (other than earmarked deposits and Investment in Mutual Funds)

(iii) Includes equity share capital and other equity.



JSW HYDRO ENERGY LIMITED

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

Note 31. Credit Risk

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

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

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

Ageing of Trade receivable:*

(₹ Crore)

Particulars	As at 31st March,2022	As at 31st March,2021
Within the credit period	86.98	89.16
1-30 days past due	17.78	0.24
31-60 days past due	-	15.04
61-90 days past due	-	1.39
91-180 days past due		0.65
>180 days past due	42.39	20.28
Total	147.15	126.76

*Above mentioned Customer's balance Includes unbilled revenue of ₹ 77.87 Crore (Previous year ₹ 75.51 Crore.)

Customer contributing more than 10% of revenue

Revenue from operations includes revenue aggregating to ₹1,798.43 crore (previous year : ₹1,210.18 crore) from two (previous year :two) major customers having more than 10% of total revenue from operations of the Company.

Note 32. Service concession arrangement

(a) Description of the concession arrangement:

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



JSW HYDRO ENERGY LIMITED

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

(b) Significant terms of the concession arrangement:

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

(c) Obligation for overhaul:

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

(d) Renewal /Termination options:

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

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

(₹ Crore)

Particulars	As at 31st March,2022	As at 31st March,2021
Intangible asset - Rights under service concession receivable (refer note 6)	713.44	746.76
Financial asset – Receivable under service concession arrangement (refer note 7)	119.83	171.36

Note 33. Operating segment

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

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



JSW HYDRO ENERGY LIMITED

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

Note 34. Earnings per share

Particulars	For the Year ended 31 st March, 2022	For the Year ended 31 st March, 2021
Profit for the year (₹ crore) - (A)	662.74	149.00
Weighted average number of equity shares for basic & diluted EPS - (B)	1,250,050,000	1,250,050,000
Earnings Per Share (₹ crore) – Basic and Diluted (C) - (A/B)	5.30	1.19
Nominal value of an equity share (₹ crore)	10	10

Note 35. Employee benefit Plans:

(a) Defined contribution plans – Provident fund:

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

The Company's contribution to provident fund recognized in Statement of Profit and Loss of ₹ 2.01 crore (Previous year ₹ 2.22 crore) (Included in note 22)

(b) National pension scheme:

The company's contribution to National Pension Scheme (NPS) recognized in statement of profit and loss of ₹ 0.13 crore (Year ended 31st March, 2021 : ₹ 0.15 crore) (Included in Note 22)

(c) Defined benefits plans - Gratuity:

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

(d) Compensated absences plan

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

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



JSW HYDRO ENERGY LIMITED

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

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31st March, 2022 by M/S K A Pandit, Consultants & Actuaries. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

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

(₹ Crore)

Defined benefit obligation as at 1st April, 2020	5.27
Interest cost	0.36
Current service cost	0.58
Liabilities Transferred In / Acquisition	0.22
Liabilities Transferred out / Divestment	(0.25)
Benefits paid	(0.33)
Actuarial (Gains)/Loss	(0.03)
Defined benefit obligation as at 31 March, 2021	5.82
Interest cost	0.38
Current service cost	0.59
Liabilities Transferred In / Acquisition	0.24
Liabilities Transferred out / Divestment	(0.24)
Benefits paid	(0.72)
Actuarial (Gains)/Loss	1.73
Defined benefit obligation as at 31 March, 2022	7.80

Changes in the defined benefit obligation and fair value of plan assets as at 31st March, 2022

(₹ Crore)

Particulars		Defined Benefit Obligation	Fair Value of Plan assets	(Benefit)/ Liability
Gratuity cost charged to profit or loss	Opening Balance as on 1st April, 2021	5.82	1.18	4.64
	Current Service cost	0.59	-	0.59
	Net interest expense /(Income)	0.38	0.08	0.30
	Liability Transferred in/Acquisitions	0.24	-	0.24
	(Liability Transferred out/Divestments)	(0.24)	-	(0.24)
	Sub-total included in profit or loss	0.97	0.08	0.89
Re-measurement gains / (losses) in other comprehensive income	Benefits paid	(0.72)	(0.72)	-
	Return on plan assets (excluding amounts included in net interest expense)	-	(0.03)	0.03
	Actuarial changes arising from changes in financial/Demographic assumptions	0.86	-	0.86
	Experience adjustments	0.87	-	0.87
	Sub-total included in OCI	1.73	(0.03)	1.75
Contributions by employer	-	3.49	(3.49)	
	Closing Balance as on 31st March, 2022	7.80	4.00	3.79

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

(₹ Crore)

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

The actual return on plan assets (including interest income) was ₹ (0.05) Crore (previous year ₹0.04 crore)



JSW HYDRO ENERGY LIMITED

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

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

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Insurer Managed Funds	100%	100%

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

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

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Discount rate:	6.96%	6.44%
Future salary increases:	8%	6%
Rate of Employee Turnover	4%	3%
Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)

Sensitivity Analysis:

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

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Delta Effect of +1% Change in Rate of Discounting	(0.58)	(0.44)
Delta Effect of -1% Change in Rate of Discounting	0.66	0.51
Delta Effect of +1% Change in Rate of Salary Increase	0.65	0.51
Delta Effect of -1% Change in Rate of Salary Increase	(0.58)	(0.45)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.05)	0.01
Delta Effect of -1% Change in Rate of Employee Turnover	0.05	(0.01)

The following are the maturity analysis of projected benefit obligations:

(₹ Crore)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Within the next 12 months (next annual reporting period)	0.61	0.64
Between 2 and 5 years	2.18	1.34
Between 5 and 10 years	3.47	2.47
Above 10 years	8.88	6.46
Total expected payments	15.14	10.91

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

The company expects to contribute ₹ 1.34 crore (previous year ₹ 1.17 crore) to its gratuity plan for the next year. The weighted average duration of the defined benefit plan is 10 years (previous year 12 year)

Compensated Absences

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

Social Security Code

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



JSW HYDRO ENERGY LIMITED**Notes to Financial Statement for the year ended 31st March, 2022****Note 36. Employee share based payment plan:****JSWEL Employees Stock Ownership Plan – 2016 (ESOP 2016)**

The company has offered equity options under ESOP 2016 to the permanent employees of the Company and of its subsidiaries who has been working in India or outside India, including whole-time director, in the identified grades of L16 and above except any employee who is a promoter or belongs to the promoter company or a director who either by himself or through his relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company and Independent directors, Nominee Directors and Non-Executive Directors.

The grant is determined after having regard to various factors and criteria specified in ESOP 2016. The exercise price is at a discount of 20% to the closing market price on the previous trading day of the grant date at the Exchange having highest trading volume or any other price as may be determined by the Compensation Committee but at least equal to the face value of the shares. The option shall not be transferable and can be exercised only by the employees of the company.

Vesting of the options granted under the ESOP 2016 shall be at least one year from the date of Grant. 50% of the granted options would vest on the date following 3 years from the date of respective grant and the remaining 50% on the date following 4 years from the date of respective grant.

JSWEL Employees Stock Ownership Plan – 2021 (ESOP 2021)

The company has offered equity options under ESOP 2021 to the permanent employees, including whole-time director, of the Company and of its subsidiaries who has been working in India or outside India, in the grades of (i) L16 and above, and (ii) select employees in the grade L-11 to L-15 based on last 3 (three) years performance; and in each case, as may be determined based on the eligibility criteria, or any other employee as may be determined by the compensation committee from time to time, except any employee who is a promoter or belongs to the promoter company or a director who either by himself or through his relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company and Independent directors, Nominee Directors and Non-Executive Directors.

The grant is determined after having regard to various factors and criteria specified in ESOP 2021. The exercise price is ₹10 or any other price as may be determined by the Compensation Committee. The option shall not be transferable and can be exercised only by the employees of the company.

Vesting of the options granted under the ESOP 2021 shall be at least one year from the date of Grant. 25% of the granted options would vest on the date following 1 year from the date of respective grant, 25% of the granted options would vest on the date following 2 years from the date of respective grant and the remaining 50% on the date following 4 years from the date of respective grant.

JSWEL Employees Stock Ownership Plan – Samruddhi 2021 (ESOP Samruddhi 2021)

The company has offered equity options under ESOP Samruddhi 2021 to the permanent employees, including whole-time director, of the Company and of its subsidiaries who has been working in India or outside India, in the grades of L-01 to L-15 (excluding employees covered under ESOP 20-21), except any employee who is a promoter or belongs to the promoter company or a director who either by himself or through his relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company and Independent directors, Nominee Directors and Non-Executive Directors.

The grant is determined after having regard to various factors and criteria specified in ESOP Samruddhi 2021. The exercise price is ₹10 or any other price as may be determined by the Compensation Committee. The option shall not be transferable and can be exercised only by the employees of the company.

Vesting of the options granted under the ESOP Samruddhi 2021 shall be at least one year from the date of Grant. 25% of the granted options would vest on the date following 2 years from the date of respective grant, 25% of the granted options would vest on the date following 3 years from the date of respective grant and the remaining 50% on the date following 3 years from the date of respective grant.

ESOP 2016 (Grant Date: 3rd May , 2016)

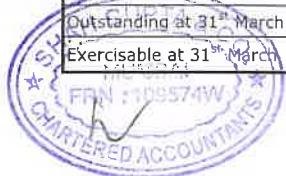
Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Outstanding at 1st April	-	82,145
Granted during the year	-	-
Exercised During the Year	-	46,084
Expired during the year	-	36,061
Outstanding at 31 st March	-	-
Exercisable at 31 st March	-	-

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

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Outstanding at 1st April	36,606	73,211
Granted during the year	-	-
Exercised During the Year	36,606	36,605
Expired during the year	-	-
Outstanding at 31 st March	-	36,606
Exercisable at 31 st March	-	36,606

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

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Outstanding at 1st April	219,428	219,428
Granted during the year	-	-
Exercised During the Year	95,679	-
Expired during the year	-	-
Outstanding at 31 st March	123,749	219,428
Exercisable at 31 st March	123,749	219,428



JSW HYDRO ENERGY LIMITED

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

ESOP 2021 (Grant Date: 7th Aug , 2021)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Outstanding at 1st April	-	-
Granted during the year	69,100	-
Exercised During the Year	-	-
Expired during the year	-	-
Outstanding at 31 st March	69,100	-
Exercisable at 31 st March	-	-

ESOP Samruddhi 2021 (Grant Date: 7th Aug , 2021)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Outstanding at 1st April	-	-
Granted during the year	504,250	-
Options Lapsed as at 31.03.2022	20,950	-
Exercised During the Year	-	-
Expired during the year	-	-
Outstanding at 31 st March	483,300	-
Exercisable at 31 st March	-	-

The Method of settlement for above grants are as below:

Particulars	Grant date				
	ESOP 2016			ESOP 2021	ESOP 2021 Samrudhi
	3rd May, 2016	20th May, 2017	1st Nov, 2018	7th Aug, 2021	7th Aug, 2021
Vesting period	3/4 years	3/4 years	3/4 years	1/2/3 years	2/3/4 Year
Method of settlement	Equity	Equity	Equity	Equity	Equity
Exercise price ₹	53.68	51.80	51.96	10	10
Fair value ₹	30.78	28.88	37.99	229.88	228.5
Dividend Yield(%)	20%	20%	20%	20%	20%
Expected Volatility(%)	46.32%/44.03%	44.50% / 45.16%	42.57% / 43.53%	42.53% / 42.22% / 40.85%	42.22% / 40.85% / 42.45%
Risk free Interest rate (%)	7.40%/7.47%	6.90%/6.98%	7.78%/7.84%	5.02% / 5.44% / 5.78%	5.44% / 5.78% / 6.06%
Expected Life of Share options (years)	5/6 Years	5/6 Years	5/6 Years	3/4/5 years	4/5/6 years
Weighted Average exercise price ₹	53.68	51.8	51.96	10.00	10.00

Pricing formula:

Book close date	2rd May, 2016	19th May, 2017	31st Oct, 2018	6th Aug, 2021	6th Aug, 2021
Closing market Price (₹)	67.1	64.75	64.95	246.17	246.17
Exercise price (₹)	53.68	51.8	51.96	10	10
Discount (%)	20%	20%	20%		
Expected option Life	The expected option life is assumed to be mid-way between the option vesting and expiry. Since the vesting period and contractual term of each tranche is different, the expected life for each tranche will be different. The Expected option life is calculated as (Year to Vesting + Contractual Option term) / 2.				
Expected volatility	Volatility was calculated using standard deviation of daily change in stock price. The historical period considered for volatility match the expected life of the option.				
Whether and how any other features of the option grant were incorporated in to the measurement of fair value, such as market condition.	The following factors have been considered: (a) Share price (b) Exercise prices (c) Historical volatility (d) Expected option life (e) Dividend Yield				
Model used	Black-Scholes Method				

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



JSW HYDRO ENERGY LIMITED

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

Note 37. Operating Lease

For the Financial Year 2021-22

(₹ Crore)

Particulars	For the year Ended 31st March,2022
Depreciation	1.41
Interest expenses on lease liabilities	2.38

(₹ Crore)

Particular	Future lease rentals	Interest	Present Value
Within one year	2.60	2.35	0.25
After one year but not more than five years	13.29	11.36	1.93
More than five years	46.05	21.98	24.07
Total	61.94	35.69	26.25

For the Financial Year 2020-21

(₹ Crore)

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

(₹ Crore)

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

The agreements are executed on non-cancellable basis for a period of 3-40 years, which are renewable on expiry with mutual consent.

Reconciliation of the lease liabilities:

(₹ Crore)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening Lease liabilities as on 1st April,2021 as per Indas 116	26.53	26.69
Add: Interest Expense on Lease liabilities	2.38	2.40
Less: Cash Outflow/Lease Rent	2.66	2.56
Balance as at the end of the Year	26.25	26.53



JSW HYDRO ENERGY LIMITED

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

Note 38. Details of Corporate Social Responsibility (CSR) Expenditure:

(₹ Crore)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
1.) Amount required to be spent by the company during the year	2.50	3.00
2.) Amount spent during the year on:		
(i) Construction / acquisition of an asset	0.51	1.21
(ii) On purpose other than (i) above	1.99	1.79
3.) Shortfall at the end of the year	-	-
4.) Total of previous years shortfall	-	-
5.) Reason for shortfall	NA	NA
6.) Nature of CSR activities	COVID 19 Support & rehabilitation program, Educational infrastructure & systems strengthening, Enhance Skills & rural livelihoods through nurturing of supportive ecosystems & innovations, General community infrastructure support & welfare initiatives, Integrated water resources management, Nurture women entrepreneurship & employability, Nurturing aquatic & terrestrial ecosystems for better environment & reduced emissions, Promotion & preservation of art, culture & heritage, Public health infrastructure, capacity building & support programs, Sports promotion & institution building, Waste management & sanitation initiatives, Project Management Cost	
7.) Amount unspent, if any;	-	-
8.) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	-	-
9.) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	-	-

Note 39. Commitments

(₹ Crore)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Estimated amount of Capital contracts remaining to be executed to the extent not provided for (net of advances)	4.56	7.98
Total	4.56	7.98

Note 40. Contingent liabilities

(₹ Crore)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
(a) Claims against the Company not acknowledged as debt *	139.83	127.84
(b) Other claims not acknowledged as debt	0.07	0.07
(c) Income tax Demand for AY 2016-17	34.72	34.72
Total	174.62	162.63

*Himachal Pradesh State Electricity Board Limited (HPSEBL) has made a claim against JPVL, as seen in its letter dated November 6, 2012, for expenditures incurred for a survey and investigation work in connection with the Baspa II Project amounting to Rs 127.84 Crore the company has filed an application with the High Court of Himachal Pradesh to restrain HPSEBL from recovering the claimed amount from the energy bills of the company. The court has accepted the plea and directed the Company to deposit Rs.25.00 Crore as security deposit. Accordingly, the company has deposited Rs. 25.00 Crore with HPSEBL, However decision came from High Court in favour of the company during the FY 21-22 and an amount of Rs. 25 Crore as security deposits has been received along with interest from the HPSEB. However, HPSEBL has challenged the award in High Court, Shimla and case is under process.



JSW HYDRO ENERGY LIMITED

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

Note 41. Related party disclosure

A)	List of Related Parties
I	Holding Company
1	JSW Energy Limited (till 15th March,22)
2	JSW Neo Energy Limited (From 15th March,22)
II	Subsidiary
1	JSW Energy (Kutehr) Limited (till 14th March,22)
III	Fellow Subsidiaries
1	JSW Power Trading Company Limited
IV	Key Managerial Personnel
1	Mr. Prashant Jain – Chairman
2	Mr.Pritesh Vinay - Non Executive Director (from 16th September, 2020)
3	Mr.Sunil Goyal - Independent Director (from 25th March, 2021)
4	Mr. Gyan Bhadra Kumar - Whole Time Director
5	Mr. Sanjeev Kango - Chief Financial Officer
6	Mr. Sanjeev Kango - Company Secretary
7	Ms. Seema Jajodia- Woman Director
8	Mr. Jyoto Kumar Agarwal - Non Executive Director (Upto 15th September, 2020)
9	Ms. Sheila Sangwan - Woman & Independent Director (Upto 07th September, 2020)
10	Mr. Rakesh Nath - Independent Director (Upto 07th September, 2020)
11	Mr. Nirmal Kumar Jain - Non Executive Director (Upto 20th May, 2020)
12	Mr. Sharad Mahendra - Non Executive Director (Upto 09th June, 2020)
V	Other related parties with whom the company has entered into transactions during the year
1	JSW Steel Limited
2	Jindal Education Trust (Jindal Vidya Mandir)
3	Jindal Education Trust (Jaypee Pvt ITI)
4	JSW IP Holdings Private Limited
5	JSW Global Business Solutions Limited
6	JSW Foundation
7	JSW Paints Limited



JSW HYDRO ENERGY LIMITED

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

(₹ crore)

B	Transaction during the year	Current Year	Previous Year
1	Sale of power /Material		
	JSW Power Trading Company Limited	7.93	-
2	Service Received		
	JSW Global Business Solutions Limited	2.21	2.02
3	Purchase of Goods		
	JSW Steel Limited	0.13	-
	JSW Paints Limited	0.01	0.03
4	Branding expense		
	JSW IP Holdings Private Limited	3.03	3.60
5	Reimbursement received from / (paid to) {net}:		
	JSW Energy Limited	(6.26)	(4.43)
	JSW Steel Limited	(1.51)	(1.44)
	JSW Power Trading Company Limited	(0.01)	(0.02)
	Jindal Education Trust (Jindal Vidya Mandir)	(0.25)	(0.39)
	Jindal Education Trust (Jaypee Private ITI)	(0.21)	(0.19)
6	Donation/CSR Expenses		
	JSW Foundation	2.50	3.00
7	Sale of Equity Investment		
	JSW Neo Energy Limited	789.33	-
8	Investment Equity Share Capital		
	JSW Energy (Kutehr) Limited	335.19	385.28
9	Debt Service Reserve Account Guarantee		
	JSW Energy Limited	(161.60)	(14.46)

(₹ crore)

C	Closing Balances	As at 31 st March, 2022	As at 31 st March, 2021
1	Trade (Payables) / Receivables		
	JSW Energy Limited	(0.16)	(0.17)
	JSW Steel Limited	(0.72)	(0.09)
	JSW IP Holdings Private Limited	-	(0.33)
2	Deposit With		
	JSW IP Holdings Private Limited	0.07	0.07
3	Equity Share Capital		
	JSW Energy Limited	-	1,250.05
	JSW Neo Energy Limited	1,250.05	-
4	Loan and Advances		
	JSW Global Business Solutions Limited	-	0.07
5	Equity Share Capital		
	JSW Energy (Kutehr) Limited	-	454.15
6	Other Receivable		
	JSW Neo Energy Limited	789.33	-



JSW HYDRO ENERGY LIMITED

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

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

(₹ crore)

SI No	Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
1	Short term benefits	2.38	1.76
2	Post –Employment benefits	0.05	0.05
3	Sitting fees	0.06	0.04

Note:

- i) No amounts in respect of related parties have been written off / written back during the year, nor has any provision been made for doubtful debts / receivables during the year, except as discussed above
- ii) Related party relationships have been identified by the management and relied upon by the Auditors
- iii) Related party transactions have been disclosed on basis of value of transactions in terms of the respective contracts.
- iv) Terms and conditions of sales and purchases: the sales and purchases transactions among the related parties are in the ordinary course of business based on normal commercial terms, conditions, market rates and memorandum of understanding signed with the related parties. For the year ended 31st March, 2021 & 31st March, 2022, the Company has not recorded any loss allowances for transactions between the related parties.



JSW HYDRO ENERGY LIMITED

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

Note 42. Disclosure under Micro, Small and Medium Enterprises Development Act

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

(₹ crore)

Sl. No.	Particulars	As at 31 st March, 2022	As at 31 st March, 2021
1	Principal amount outstanding to MSME*	2.88	3.41
2	Principal amount due and remaining unpaid	-	-
3	Interest due on (2) above and the unpaid interest	-	-
4	Interest paid on all delayed payments under the MSMED Act.	-	-
5	Payment made beyond the appointed day during the year	-	-
6	Interest due and payable for the period of delay other than (4) above	-	-
7	Interest accrued and remaining unpaid	-	-
8	Amount of further interest remaining due and payable in succeeding years	-	-

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

Note 43. Remuneration to Auditors (excluding GST)

(₹ crore)

Sl. No.	Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
1	Services as statutory auditors (including quarterly limited reviews)	0.38	0.38
2	Tax Audit Fees	0.06	0.06
3	Certification Fees	0.04	0.01
4	Reimbursement of out of pocket Expenses	0.01	0.01
	Total	0.49	0.46



JSW HYDRO ENERGY LIMITED

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

Note no. 44 - Other statutory information:

- i) The Company does not have any benami property, whilst any proceeding has been initiated or pending against the Company for holding any benami property.
- ii) The Company have immovable properties (other than properties where the Company is the lessor and the lease agreements are duly executed in favor of the lessee) whose title deeds are not held in the name of the company (Refer Note No. 4).
- iii) The Company does not have any transactions with struck off companies.
- iv) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- v) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- vi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- viii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- ix) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- x) The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

Note no. 45 - Previous years figures have been regrouped/reclassified wherever necessary.

For and on behalf of Board of Directors



Gyan Bhadra Kumar
Whole Time Director
[DIN:03620109]

Prashant Jain
Chairman
[DIN: 01281621]



Sanjeev Kango
Company Secretary &
Chief Financial Officer

JSW HYDRO ENERGY LIMITED

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

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- ii) The Company have immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) whose title deeds are not held in the name of the company (Refer Note No 4).
- iii) The Company does not have any transactions with struck off companies.
- iv) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- v) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- vi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- viii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
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For and on behalf of Board of Directors



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