

JSW HYDRO ENERGY LIMITED

(Formerly Known as Himachal Baspa Power Company Limited)

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

ii) Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Group 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 Group 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 Group will pay normal income-tax during the specified period.

iii) Current and deferred tax for the year

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

3.14 Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

3.15 Provisions, contingencies and commitments

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group 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.

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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 Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

3.16 Financial instruments

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

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

Financial assets

(i) Initial recognition and measurement:

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

Financial assets are recognised when the Group 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

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through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Profit and Loss.

(ii) Subsequent measurement

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

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

Classification of financial assets

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

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

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

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

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

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest

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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 Group 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 Group 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 Group'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 Group 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 Group has not designated any debt instrument as at FVTPL.

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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 Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

- a) The Group 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 Group'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 Group 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 Group 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 Group 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 Group 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 Group 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 Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and

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

3.17 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Group 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 Group'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 Group'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 Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

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Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group 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 Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group'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 Group that are designated by the Group as at fair value through profit or loss are recognised in profit or loss.

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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 Group derecognises financial liabilities when, and only when, the Group'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 Group 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 Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group 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 Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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

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

For assets and liabilities that are recognised in the Consolidated Financial Statements on a recurring basis, the Group 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 Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained below.

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

3.18 Leases

- a) As per requirement of Ind AS 116 Group 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 Group 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 Group has made election for leases for which the underlying asset is of low value on lease-by-lease basis.

- c) The Group as lessee

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

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

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they

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are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

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

3.19 Service concession arrangements

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

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

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

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

Financial asset model:

The Financial asset model is used when the Group, 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.

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Intangible asset model:

The intangible asset model is used to the extent that the Group, 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 Group (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 Group manages concession arrangements which include power supply from one of its hydro power plant. The Group 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 Group, starting from the date when the right to operate starts to be used. Based on these principles, the intangible asset is amortized in line with the actual usage of the specific public facility, with a maximum of the duration of the concession.

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

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

3.20 Inventories

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

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

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Note 4. Property, plant & equipment

(₹ Crore)

Description of Assets	Land - Freehold	Land - Leasehold	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Right of Use Assets	Total
	I. Gross carrying value								
Balance as at 1st April, 2019	77.40	8.77	33.73	7,509.95	4.39	1.21	3.67	-	7,639.12
Additions	11.74	-	-	0.93	0.68	0.13	0.21	34.35	48.04
Disposals/Adjustment	-	(8.77)	-	-	-	-	(0.24)	-	(9.01)
Balance as at 31st March, 2020	89.14	-	33.73	7,510.88	5.07	1.34	3.64	34.35	7,678.15
II. Accumulated depreciation and impairment for the year 2019-20									
Balance as at 1st April, 2019	-	1.23	3.05	915.00	3.14	0.20	1.40	-	924.02
Depreciation expense for the year	-	-	1.12	397.09	0.48	0.09	0.29	1.41	400.48
Disposals/Adjustment	-	(1.23)	-	-	-	-	(0.14)	-	(1.37)
Balance as at 31st March, 2020	-	-	4.17	1,312.09	3.62	0.29	1.55	1.41	1,323.13
Net carrying value as at 31st March, 2020 (I-II)	89.14	-	29.56	6,198.79	1.45	1.05	2.09	32.94	6,355.02

Asstes Description	Land - Freehold	Land - Leasehold	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Right of Use Assets	Total
	I. Gross carrying value								
Balance as at 1st April, 2018	77.40	8.77	33.73	7,509.86	4.25	0.99	3.45	-	7,638.45
Additions	-	-	-	0.09	0.14	0.22	0.22	-	0.67
Balance as at 31st March, 2019	77.40	8.77	33.73	7,509.95	4.39	1.21	3.67	-	7,639.12
II. Accumulated depreciation and impairment for the year 2018-19									
Balance as at 1st April, 2018	-	0.94	1.92	518.48	2.61	0.13	1.07	-	525.15
Depreciation expense for the year	-	0.29	1.13	396.52	0.53	0.07	0.33	-	398.87
Balance as at 31st March, 2019	-	1.23	3.05	915.00	3.14	0.20	1.40	-	924.02
Net carrying value as at 31st March, 2019 (I-II)	77.40	7.54	30.68	6,594.95	1.25	1.01	2.27	-	6,715.10

Note:

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

Note 5. Capital work in progress

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

(₹ Crore)

Balance as at 31st March, 2019	8.16
Balance as at 31st March, 2020	285.71

Footnote:

1) Amount transferred to property plant and equipment during the year ₹ 14.48 crore (for the year ended 31st March 2019: ₹ 0.85 Crore)

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

Note 6. Intangible assets

(₹ Crore)

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

(₹ Crore)

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

*Refer Note 32 (Service concession arrangement)

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Note 7. Other financial assets

(₹ Crore)

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Current	Non- Current	Total	Current	Non- Current	Total
(a) Service concession receivable	-	216.80	216.80	-	221.47	221.47
(b) Security Deposits	-	-	-	-	-	-
- Unsecured, considered good	-	-	-	-	-	-
(i) Government/Semi-Government Authorities	-	0.49	0.49	-	0.43	0.43
(ii) Others	-	0.10	0.10	-	0.09	0.09
	-	0.59	0.59	-	0.52	0.52
c) Revenue Receivable						
- Unbilled revenue	5.33	-	5.33	-	-	-
Sub Total	5.33	-	5.33			
d) Other bank balances						
- In margin money for security against entry tax	-	2.01	2.01	-	3.75	3.75
	-	2.01	2.01	-	3.75	3.75
Total	5.33	219.40	224.73	-	225.74	225.74

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

Note 8. Other non-current and current assets

(₹ Crore)

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Current	Non- Current	Total	Current	Non- Current	Total
(a) Capital Advances	-	24.38	24.38	0.79	-	0.79
Less: provision for doubtful advance	-	(4.80)	(4.80)	-	-	-
(b) Prepayments	9.46	0.50	9.96	10.50	0.44	10.94
(c) Deposit with Government/Semi Government	-	25.00	25.00	-	25.00	25.00
(d) Entry tax receivable	19.88	-	19.88	19.88	-	19.88
(e) Advance to Vendor	2.91	-	2.91	-	-	-
(f) Others	0.96	-	0.96	2.65	-	2.65
Total	33.21	45.08	78.29	33.82	25.44	59.26

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

Note 9. Inventories

(₹ Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Stores and spares	11.46	10.98
Total	11.46	10.98

Basis of valuation: Refer note 3.20 (Inventories)

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

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

Note 10. Investment

(₹ Crore)

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Current	Non- Current	Total	Current	Non- Current	Total
Investments carried at:						
(A) Fair value through Profit and Loss						
(a) Investments in mutual funds						
i) Aditya Birla Sunlife Liquid Growth	4.25	-	4.25	16.02	-	16.02
ii) Kotak Liquid Regular Plan Growth	-	-	-	27.02	-	27.02
iii) HDFC Liquid Fund Regular Growth	23.31	-	23.31	53.06	-	53.06
iv) Franklin India Treasury -SIP Growth	-	-	-	10.96	-	10.96
v) Aditya Birla Sunlife Overnight Regular Growth	84.40	-	84.40	-	-	-
vi) Kotak Overnight Fund Growth	34.15	-	34.15	-	-	-
vii) HDFC Overnight Fund	57.73	-	57.73	-	-	-
Total	203.84	-	203.84	107.06	-	107.06

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

Note 11. Trade receivables

(₹ Crore)

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Current	Non-Current	Total	Current	Non-Current	Total
(a) Unsecured, considered good						
(i) Trade Receivables considered good - Secured;	235.15	-	235.15	-	-	-
(ii) Trade Receivables considered good - Unsecured;	73.00	-	73.00	198.59	-	198.59
Total	308.15	-	308.15	198.59	-	198.59

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

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

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

Note 12. Cash and cash equivalents and other bank balances

(₹ Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Cash and cash equivalents		
(a) Balances with banks		
(i) In Current accounts	1.42	26.51
(ii) In Deposit accounts with maturity less than 3 months at inception	-	19.60
(b) Cash on hand	0.01	0.03
Total	1.43	46.14

Particulars	As at 31st March, 2020	As at 31st March, 2019
Bank balances other than above		
(i) Earmarked balances with banks		
- Margin money for Security against Entry Tax	31.85	28.34
Total	31.85	28.34

JSW HYDRO ENERGY LIMITED

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

Note 13. Equity share capital

(₹ Crore)

Particulars	As at 31st March, 2020		As at 31st March, 2019		
	No. of shares	Amount	No. of shares	Amount	
Authorised:					
Equity shares of ₹ 10 each with voting rights	1,250,050,000	1,250.05	1,250,050,000	1,250.05	
Issued, Subscribed and Fully Paid:					
Equity shares of ₹ 10 each with voting rights	1,250,050,000	1,250.05	1,250,050,000	1,250.05	
	1,250,050,000	1,250.05	1,250,050,000	1,250.05	
a) Reconciliation of the number of shares outstanding at the beginning and end of the year:					
Particulars	As at 31st March, 2020		As at 31st March, 2019		
	No. of Shares		No. of Shares		
Balance as at the beginning of the year	1,250,050,000		1,250,050,000		
Issued during the year	-		-		
Balance as at the end of the year	1,250,050,000		1,250,050,000		
b) Terms & Rights attached to equity shares :					
(i) The Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share.					
(ii) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to the shareholding. However, no such preferential amount exists currently.					
c) Details of shareholding more than 5% shares in the company are set out below :					
Particulars		No. of Shares		No. of Shares	
1	JSW Energy Limited & its nominees	1,250,050,000	100%	1,250,050,000	100%

JSW HYDRO ENERGY LIMITED**(Formerly know as Himachal Baspa Power Company Limited)**

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

Note 14. Other Equity

Particulars	As at 31st March, 2020	As at 31st March, 2019
Equity-settled employee benefits reserve	0.45	0.24
Debenture redemption	-	38.45
Capital Reserve	2.50	-
Retained earnings	424.99	306.32
Capital contribution by parent company*	156.14	156.14
Total comprehensive income	584.08	501.15

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

Notes:**(1) Retained earning**

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

(2) Equity -settled employee benefit reserve

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

(3) Debenture redemption reserve

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

(4) Capital Reserve

This reserve is created on acquisition of control in JSW Energy (Kutehr) Limited from JSW Energy Limited .

JSW HYDRO ENERGY LIMITED
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Notes to the Consolidated financial statements for the year ended 31st March, 2020

Note 15. Borrowings

(₹ Crore)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Current	Non Current	Current	Non Current
Measured at amortised cost				
Un Secured Borrowings:				
i Debentures				
Non-convertible Debentures				384.50
Secured Borrowings:				
i Term loans				
From Banks	288.24	5,172.13	256.10	5,461.90
	288.24	5,172.13	256.10	5,846.40
Less: Unamortised Borrowing Cost	4.79	31.83	5.04	36.63
Less: Current Maturities of Long term debt (included in note no 16)	283.45	-	251.06	-
Total	-	5,140.30	-	5,809.77

(i) Terms of Redemptions of Debentures:

Nil (Previous Year 3,84,00,000 no.) @ 13% unsecured non convertible debentures of Rs. 100 each are redeemable at par at the end of 10 years from the date of issue i.e. 01.09.2015.

ii) Term of Repayment of Rupee Term Loans :

Particulars	As at 31st March, 2020	As at 31st March, 2019
From Banks :		
2 - 3 Years	639.93	594.98
4 - 5 Years	501.51	684.73
6 - 10 Years	834.21	985.26
Above 10 Year	3,196.48	3,196.93
Total Borrowings from Banks	5,172.13	5,461.90

Reconciliation at the beginning of the year (including current maturities)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balance as at the beginning of the year (including current maturities)	6060.83	6785.48
Cash flows (repayment)/proceeds	(642.12)	(730.46)
Non cash changes		
1 Amortised borrowings cost	5.04	5.81
Balance as at the end of the year (including current maturities)	5,423.75	6,060.83

(iii) Details of Security :

Rupee Term Loan aggregating to ₹ 5,423.75 crore (Previous Year ₹ 5,676.33 crore) are secured on a pari passu basis by (a) a first charge on all immovable assets of the Karcham Wangtoo and Baspa II hydro electric plant of the Company (the Projects), (b) a first charge on all moveable assets of the Projects, (c) a first charge on all project related documents licenses, permits, approvals, rights, titles, interest etc pertaining to the Projects, and (d) first charge on book debts, operating cash flows, receivable, commissions & revenue (both present & future) and bank accounts of the Projects.

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

Note 16. Other financial liabilities

(₹ Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Non-Current		
(a) Deposits received	0.02	0.01
(b) Lease Liabilities **	26.52	-
	26.54	0.01
Current		
(a) Current maturities of long-term debt*	283.45	251.06
(b) Interest accrued but not due on borrowings	43.13	25.72
(c) Lease Liabilities **	0.17	-
(d) Payable for capital project	279.21	53.68
(e) Other payable	627.85	292.86
	1,233.81	623.32
Total	1,260.35	623.33

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

** Refer Note 2.3 Applicability of new Ind AS

JSW HYDRO ENERGY LIMITED**(Formerly known as Himachal Baspa Power Company Limited)**

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

Note 17. Provisions**(₹ Crore)**

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Current	Non-Current	Total	Current	Non-Current	Total
Provision for employee benefits						
(i) Provision for gratuity*	1.17	2.54	3.71	1.14	1.31	2.45
(ii) Provision for compensated absence*	0.22	2.14	2.36	0.22	1.92	2.14
Total	1.39	4.68	6.07	1.36	3.23	4.59

* Refer Note 36 (Employee benefit plans)

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

Note 18. Trade payables

(₹ Crore)

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Current	Non- Current	Total	Current	Non-Current	Total
Trade Payables						
(a) Total outstanding dues of micro and small enterprises*	0.55	-	0.55	0.78	-	0.78
(b) Total outstanding dues of creditors other than micro and small enterprises	74.58	-	74.58	49.46	-	49.46
Total	75.13	-	75.13	50.24	-	50.24

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

JSW HYDRO ENERGY LIMITED**(Formerly known as Himachal Baspa Power Company Limited)**

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

Note 19. Other non-current and current liabilities**(₹ Crore)**

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Current	Non-Current	Total	Current	Non-Current	Total
(a) Employee recoveries and employer contributions	0.41	-	0.41	0.36	-	0.36
(b) Statutory dues	2.48	-	2.48	7.20	-	7.20
(c) Advance against depreciation	-	-	-	0.25	-	0.25
Total	2.89	-	2.89	7.81	-	7.81

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

Note 20. Revenue from operations

(₹ Crore)

Particulars	For the year Ended 31st March,2020	For the year Ended 31st March,2019
Disaggregation of revenue from contract with customers:		
(1) Sale of power (Own generation)	1236.00	1,217.82
Total revenue from contract with customers (A)	1,236.00	1,217.82
(2) Income from service concession arrangement	27.69	26.15
Income from service concession arrangement (B)	27.69	26.15
Total (A) + (B)	1,263.69	1,243.97

(a) Details of revenue from contract with Customer

Particulars	For the year Ended 31st March,2020	For the year Ended 31st March,2019
Total Revenue from contract with customers as above	1,236.00	1,217.82
Add: Rebate on prompt payment	9.79	15.77
Less: Incentive	78.21	63.71
Total Revenue from contract with customers as per contracted price	1,167.58	1,169.89

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

Note 21. Other Income

(₹ Crore)

Particulars	For the year Ended 31st March,2020	For the year Ended 31st March,2019
a) Interest Income earned on financial assets that are not designated as at FVTPL		
i On Bank deposits	2.40	2.44
ii Other Financial Assets	0.01	13.21
b) Others	-	
i Net Gain on sale of current investments designated as at FVTPL	6.33	9.45
ii Profit on sale of capital assets (net of loss on assets sold / scrapped / written off)	0.01	-
iii Net gain on foreign currency transaction *	0.00	0.00
iv Domestic Scrap Sales	0.01	0.38
v Sale of Carbon credit	2.07	1.02
vi Provision no longer required written back	0.17	4.45
vii Miscellaneous income	0.58	0.82
Total	11.58	31.77

* Actual figures in INR FY 2019-20 ₹ 876 FY 2018-19 ₹ 2105

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

Note 22. Employee benefits expense

(₹ Crore)

Particulars	For the year Ended 31st March,2020	For the year Ended 31st March,2019
(a) Salaries and wages	45.55	41.82
(b) Contribution to provident and other funds *	3.63	1.75
(c) Share based payment **	0.30	0.16
(d) Staff welfare expenses	1.95	2.47
Total	51.43	46.20

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

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

JSW HYDRO ENERGY LIMITED**(Formerly known as Himachal Baspa Power Company Limited)**

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

Note 23. Finance costs**(₹ Crore)**

Particulars	For the year Ended 31st March,2020	For the year Ended 31st March,2019
(a) Interest expense		
i Interest on Debentures	23.18	72.18
ii Interest on Term Loan	515.02	529.69
iii Interest cash credit	0.05	0.01
(b) Unwinding of interest on Financial liabilities carried at Amortised cost	4.61	4.61
(c) Other borrowing costs	4.73	5.17
(d) Interest on lease liabilities	2.41	-
Total	550.00	611.66

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

Note 24. Depreciation and amortisation expense

(₹ Crore)

Particulars	For the year Ended 31st March,2020	For the year Ended 31st March,2019
(a) Depreciation on property, plant and equipment	400.44	398.87
(b) Amortization on Intangible assets	33.47	33.45
Total	433.91	432.32

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

Note 25. Other expenses

(₹ Crore)

Particulars	For the year Ended 31st March,2020	For the year Ended 31st March,2019
(a) Stores and spares consumed	18.58	13.02
(b) Power & Water	4.81	5.30
(c) Rent including lease rentals	2.15	4.47
(d) Repairs and maintenance	42.82	47.22
(e) Royalty	0.04	0.09
(f) Rates and taxes	0.48	0.36
(g) Insurance	19.43	19.30
(h) Net loss / (gain) on foreign currency transactions net off	(0.00)	0.01
(i) Legal and other professional charges	2.67	1.90
(j) Travelling Expenses	1.51	1.16
(k) Donation	5.00	0.15
(l) Corporate Social Responsibility *	3.45	4.09
(m) Open Access Charges	0.07	14.10
(n) Miscellaneous receivable balance written off	-	0.83
(o) Other General Expenses	5.38	8.22
(p) Provision for doubtful debts	18.89	-
(q) Provision for doubtful advance	4.80	-
(r) Safety and Security	1.24	1.31
(s) Branding Expenses	3.72	2.42
(t) Share Service cost	2.99	2.93
Total	138.03	126.88

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

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

Note 26. Tax expense

(₹ Crore)

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

* Refer note 33 for details of Tax expenses

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

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

In the course of applying the policies outlined in all notes under section 3 above, the Group 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 Holding company's Baspa power plant (300 MW) meets the criterion for recognition as service concession arrangements.

Revenue recognition

- a) In case of BASPA, revenue from sale of power is accounted for on the basis of billing to Himachal Pradesh State Electricity Board Limited (HPSEBL) as per Tariff approved by Himachal Pradesh Electricity Regulatory Commission (HPERC) in accordance with the provisions of the Long Term Power Purchase Agreement (LTPPA) dated 4th June 1997, Amendment No. 1 dated 7th January 1998, executed between the Holding company and HPSEBL.
- b) In case of KARCHAM Wangtoo , revenue from sale of power is accounted as under :
 - i) The long term PPA sales are accounted on the basis of applicable CERC regulations and respective Tariff orders/ Tariff petition as filled to Central Electricity Regulatory Commission for determining the tariff of Karcham Wangtoo plant
 - ii) Sale of power under Short Term through the Power Exchange is accounted for on the basis of billing to various buyers under the terms of the PPA and the Power Exchange.

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Key sources of estimation uncertainties

Impairment of property plant and equipment

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

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

Contingencies

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

Fair value measurements

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

Defined benefit plans

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

Shared based payments

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

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Tax

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

Evaluation of arrangements to determine whether it contains lease:

The management has critically evaluated the terms of the contract (including by obtaining independent legal advice) with respect to Karcham Wangtoo Hydro Plant to determine whether the contract is, in substance, with a customer or with multiple state electricity utility companies, and the customer is merely acting as an 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 nor as replaced Appendix "C" of Ind AS 17, "Determining whether an Arrangement contains a Lease"

Service concession arrangements:

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

Note 28. Balance Confirmation

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

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Notes to Consolidated Financial Statements for the year ended 31st March, 2020**Note 29. Financial Instruments: Classifications and fair value measurements**

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

(₹ Crore)

As at 31 st March, 2020	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets					
Financial assets carried at fair value through profit or loss (FVTPL)					
Investment in mutual fund units	203.84	203.84	-	203.84	-
Investment in Equity instruments	-	-	-	-	-
Financial assets carried at amortised cost					
Security deposits	0.59	0.59	-	-	0.59
Trade receivables #	308.15	308.15	-	-	-
Receivables-Service concession agreement #	216.80	216.80	-	-	-
Cash and cash equivalents and other bank balances #	35.29	35.29	-	-	-
Unbilled revenue	5.33	5.33			
	770.00	770.00	-	203.84	0.59
Total Financial assets	770.00	770.00	-	203.84	0.59
Financial liabilities					
Financial Liabilities carried at amortised cost					
Borrowings	5423.75	-	-	-	-
Rent and Other Deposits #	0.02	0.02	-	-	-
Trade Payables #	75.13	75.13	-	-	-
Payable for capital projects#	279.21	279.21	-	-	-
Other payable#	670.98	670.98			
Lease Liability	26.69	26.69			
	6475.78	1052.03	-	-	-
Total Financial liabilities	6475.78	1052.03	-	-	-

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₹ Crore)

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

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

Financial risk management objectives

The Group's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group 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 Group 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 Group's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of

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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 Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Foreign currency risk management

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

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

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

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

Interest rate risk management

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

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

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

Interest rate sensitivity analysis

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

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

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(₹ Crore)

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

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

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group 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 Group's exposure and the credit ratings of its counterparties are continuously monitored.

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

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

The state electricity distribution companies (Government companies) and related parties are the major customer of the Group 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 Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

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

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(₹ Crore)

As at 31 st March, 2020				
Particulars	< 1 year	1-5 years	> 5 years	Total
<u>Non-current financial liabilities</u>				
Long term borrowings	-	1,125.18	4,015.12	5140.30
<u>Other long-term liabilities</u>				
Rent and other Deposits	-	0.02	-	0.02
Lease payable	-	1.44	25.08	26.52
Total Non-Current financial Liabilities	-	1126.64	4040.20	5166.84
<u>Current financial Liabilities</u>				
Trade and other payables and acceptances:				
Trade payables - Other than acceptances	75.13	-	-	75.13
<u>Other current financial liabilities:</u>				
Current maturities of long-term debt	283.45	-	-	283.45
Payable for capital project	279.21	-	-	279.21
Other payable	627.85			627.85
Interest accrued but not due on borrowings	43.13	-	-	43.13
Lease payable	0.17			0.17
Total current financial liabilities	1308.94	-	-	1308.94
Total Financial Liabilities	1308.94	1126.64	4040.20	6475.78
<u>Non-current Financial assets</u>				
<u>Long term loans and advances</u>				
Security deposits	-	0.01	0.58	0.59
Ancillary Borrowing cost	-	-	-	-
Service concession – arrangements	-	216.45	0.35	216.80
Other advances	-	2.01	-	2.01
Investment in Equity			-	-
Total Non-current financial Assets	-	218.47	0.93	219.40
<u>Current financial assets</u>				
Trade receivables	308.15	-	-	308.15
Cash and cash equivalents	1.43	-	-	1.43
Bank Balances other than above	31.85	-	-	31.85
Investments in mutual fund	203.84	-	-	203.84
Other Financial Assets	5.33	-	-	5.33
Total current financial assets	550.60	-	-	550.60
Total Financial Assets	550.60	218.47	0.93	770.00

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(₹ Crore)

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

The Group 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 Group. There is obligation to

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release the hypothecation on these securities to the Group once these banking facilities are surrendered. (Refer Note 15)

Power offtake risk management

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

Note 30 Capital management

The Group 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 Group'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 Group 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 Group is not subject to any externally imposed capital requirements.

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

Particulars	(₹ Crore)	
	As at 31 st March, 2020	As at 31 st March, 2019
Debt (i)	5423.75	5,676.33
Cash and bank balances (including current investment in liquid fund) (ii)	237.12	181.54
Net debt (i-ii)	5186.63	5,494.79
Total equity (iii)	1834.13	2,135.70
Net debt to equity ratio	2.83	2.57

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

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Non-convertible debentures held by Holding company considered as quasi equity.

Note 31. Trade receivables

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

Trade receivables include amounts (see below for aged analysis) that are past due at the end of the reporting period for which the Holding 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 31 st March, 2020	As at 31 st March, 2019
Within the credit period	203.14	147.64
1-30 days past due	22.95	16.31
31-60 days past due	25.94	1.05
61-90 days past due	10.29	-
91-180 days past due	-	-
>180 days past due	45.83	33.59
Total	308.15	198.59

Note 32. Service concession arrangement

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

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

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

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

Based on the aforesaid tariff structure, the right to consideration gives rise to an intangible asset and financial receivable and accordingly, both the intangible asset and financial receivable models are applied.

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

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

Note 33. Tax expenses

(₹ Crore)

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

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

Particulars	(₹ Crore)	
	For the year ended 31 st March,2020	For the year ended 31 st March,2019
Profit before tax (excluding share of gain/(loss) of an associate or joint venture)	101.90	58.67
Enacted tax rate	34.94%	34.94%
Computed expected tax expenses	37.32	20.50
Tax effect due to tax holiday	(48.06)	(42.75)
Expenses not deductible in determining taxable profits	4.51	6.76
Deferred tax / tax credit recognised from earlier year	-	(35.25)
Effect of taxes (recoverable)/payable in future tariff	15.42	30.61
Impact due to reduced rate of tax during the year	15.32	-
Impact due to reduced rate of tax on opening	(6.22)	-
Other-Tax at lower rate	-	(0.38)
Others	0.10	-
Tax expenses for the year	18.39	(20.50)

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Notes to Consolidated Financial Statements for the year ended 31st March, 2020**Deferred tax assets / (liabilities)**

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

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

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

Note 34. Operating segment

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

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

Customer contributing more than 10% of revenue

(₹ Crore)

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

Note 35. Earnings per share

Particulars	For the Year ended 31 st March, 2020	For the Year ended 31 st March, 2019
Profit for the year (crore) - (A)	83.51	79.41
Weighted average number of equity shares for basic & diluted EPS - (B)	1,25,00,50,000	1,25,00,50,000
Earnings Per Share – Basic and Diluted ()- (A/B)	0.67	0.64
Nominal value of an equity share	10	10

Note 36. Employee benefit Plans:**Defined benefits plans:-**(a) Defined contribution plans – Provident fund:

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

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

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

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

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

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

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

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

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

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

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

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

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

JSW HYDRO ENERGY LIMITED

(Formerly Known as Himachal Baspa Power Company Limited)

Notes to Consolidated Financial Statements for the year ended 31st March, 2020Changes in the defined benefit obligation and fair value of plan assets as at 31st March, 2019

(₹ Crore)

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

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

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

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

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

JSW HYDRO ENERGY LIMITED

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

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

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

Sensitivity Analysis:

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

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

The following are the maturity analysis of projected benefit obligations:

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

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

JSW HYDRO ENERGY LIMITED

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

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

Compensated Absences

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

Note 37. Employee share based payment plan:**i) JSWEL EMPLOYEES STOCK OWNERSHIP PLAN – 2016**

- a) The Group has the share option plan schemes for permanent employees of the Group in the identified grades of employees for respective plans / schemes including any director except promoter or independent directors, nominee directors and non-executive directors or a director who either himself or through relatives or through anybody directly or indirectly holds more than 10% of the outstanding equity shares of the parent Company.
- b) The award value shall be determined as percentage of Total Fixed Pay. The grant shall be at such price as may be determined by the ESOP Committee and shall be specified in the Grant letter. The option shall not be transferable and can be exercised only by the employees of the Group.
- c) The number of options to be granted to each eligible employees is determined by dividing the Award Value (amount equivalent to percentage of Annual Fix Pay) by the Fair Value of option provided. The Fair Value of option on the date of each grant is determined by using Black Scholes model.

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

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

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

JSW HYDRO ENERGY LIMITED

(Formerly Known as Himachal Baspa Power Company Limited)

Notes to Consolidated Financial Statements for the year ended 31st March, 2020**ESOP 2016 (Grant Date: 1ST Nov , 2018)**

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

The Method of settlement for above grants are as below:

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

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

JSW HYDRO ENERGY LIMITED

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

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

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

Note 38. Lease

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

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

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

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

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

The amount of Finance lease of ₹ 2.95 Cr included ₹ 1.55 Cr as expenses of previous year.

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

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

JSW HYDRO ENERGY LIMITED

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Notes to Consolidated Financial Statements for the year ended 31st March, 2020**Note 39. Details of Corporate Social Responsibility (CSR) Expenditure:**

(₹ Crore)

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

Note 40. Commitments

(₹ Crore)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Estimated amount of Capital contracts remaining to be executed to the extent not provided for (net of advances)	1123.22	21.33
Total	1123.22	21.33

Note 41. Contingent liabilities

(₹ Crore)

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

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

The Group's pending litigations comprise mainly claims against the Group, property disputes, proceedings pending with Government Authorities. The Group has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its Consolidated Financial Statements. The Group does not reasonably expect the outcome of these proceedings to have a material impact on its Consolidated Financial Statements.

JSW HYDRO ENERGY LIMITED

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Notes to Consolidated Financial Statements for the year ended 31st March, 2020**Note 42. Related party disclosure**

A)	List of Related Parties
	Related parties with whom the Group has entered into transactions during the year:
I	Holding Company
1	JSW Energy Ltd.
II	Enterprises over which key management personnel and relatives of such personnel exercise significant influence
1	JSW Steel Limited
2	Jindal Education Trust (Jindal Vidya Mandir and Jaypee Pvt ITI)
3	JSW IP Holdings Private Limited
4	JSW Global Business Solutions Limited
5	JSW Foundation
III	Fellow Subsidiaries
1	JSW Power Trading Company Ltd.
2	JSW Energy (Barmer) Limited
IV	Enterprise over which KMP and Relative of such personnel (of Holding Company) exercises significant influence
1	South West Mining Limited
2	JSW Reality Infrastructure Pvt Ltd
V	Key Managerial Personnel
1	Mr. Prashant Jain – Chairman
2	Mr. Jyoti Kumar Agarwal – Non Executive Director
3	Mr. Gyan Bhadra Kumar - Whole Time Director
4	Mr. Sanjeev Kango - Chief Financial Officer
5	Mr. Sanjeev Kango - Company Secretary (From 01st Nov,19)
6	Ms. Vrushali Karnik - Company Secretary (Up to 31st Oct,19)
7	Ms. Sheila Sangwan –Woman & Independent Director
8	Mr. Rakesh Nath- Independent Director
9	Ms. Shailaja Chandra - Independent Director ((Up to 17th June,19)
10	Mr. Nirmal Kumar Jain - Non Executive Director
11	Ms. Seema Jajodia- Woman Director
12	Mr. Sharad Mahendra – Non Executive Director

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

(₹ Crore)

Particulars		Note No.	As at 31st March, 2020	As at 31st March, 2019
A	ASSETS			
1	Non-current assets			
	(a) Property, plant and equipment	4	6,355.02	6,715.10
	(b) Capital work-in-progress	5	285.71	8.16
	(c) Intangible assets	6	784.34	814.34
	(d) Financial assets			
	(i) Other financial assets	7	219.40	225.74
	(e) Other non-current assets	8	45.08	25.44
	(f) Income tax assets (net)		34.05	33.23
	Total non - current assets		7,723.60	7,822.01
2	Current assets			
	(a) Inventories	9	11.46	10.98
	(b) Financial assets			
	(i) Investments	10	203.84	107.06
	(ii) Trade receivables	11	308.15	198.59
	(iii) Cash and cash equivalents	12	1.43	46.14
	(iv) Bank balances other than (iii) above	12	31.85	28.34
	(v) Other financial assets	7	5.33	-
	(c) Other current assets	8	33.21	33.82
	Total current assets		595.27	424.93
	Total Assets (1+2)		8,318.87	8,246.94
B	EQUITY AND LIABILITIES			
1	Equity			
	(a) Equity share capital	13	1,250.05	1,250.05
	(b) Other equity	14	584.08	501.15
	Total equity		1,834.13	1,751.20
	Liabilities			
2	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	15	5,140.30	5,809.77
	(ii) Other financial liabilities	16	26.54	0.01
	(b) Provisions	17	4.68	3.23
	Total non - current liabilities		5,171.52	5,813.01
3	Current liabilities			
	(a) Financial liabilities			
	(i) Trade payables			
	(a) Total outstanding dues of micro and small enterprises	18	0.55	0.78
	(b) Total outstanding dues of creditors other than micro and small enterprises	18	74.58	49.46
	(ii) Other financial liabilities	16	1,233.81	623.32
	(b) Other current liabilities	19	2.89	7.81
	(c) Provisions	17	1.39	1.36
	Total current liabilities		1,313.22	682.73
	Total Equity and Liabilities (1+2+3)		8,318.87	8,246.94

See accompanying notes to the consolidated financial statements

As per our attached report of even date

For Shah Gupta & Co

Chartered Accountants

Firm Registration No.: 109574W



Vipul K Choksi

Partner

M No. 37606

For and on behalf of Board of Directors



Gyan Bhadra Kumar

Whole Time Director

[DIN: 03620109]



Prashant Jain

Chairman

[DIN: 01281621]



Sanjeev Kango

(Company Secretary &
Chief Financial Officer)

Place: Mumbai

Date: 19.05.2020

JSW HYDRO ENERGY LIMITED

(Formerly Known as Himachal Baspa Power Company Limited)

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

(₹ crore)

C	Closing Balances	As at 31st March, 2020	As at 31st March, 2019
1	Trade (Payables) / Receivables		
	JSW Energy Limited	(1.70)	(5.13)
	JSW Steel Limited	(0.20)	(0.06)
	JSW Power Trading Company Limited	-	(0.00)
	JSW Global Business Solutions Limited	-	(0.25)
2	Deposit With		
	JSW IP Holdings Private Limited	0.07	0.07
3	Non-Convertible Debentures		
	JSW Energy Limited	-	384.50
4	Equity Share Capital		
	JSW Energy Limited	1,250.05	1,250.05
5	Loan and Advances		
	JSW IP Holdings Private Limited	0.02	0.26
6	Financial Liabilities		
	South West Mining Limited	7.00	-
	JSW Energy Limited	(220.02)	-

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

(₹ crore)

	Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
1	Short term benefits	1.74	0.90
2	Post -Employment benefits	0.05	0.03
3	Sitting fees	0.13	0.14

Note:

- i) No amounts in respect of related parties have been written off / written back during the year, nor has any provision been made for doubtful debts / receivables during the year, except as discussed above
- ii) Related party relationships have been identified by the management and relied upon by the Auditors
- iii) Related party transactions have been disclosed on basis of value of transactions in terms of the respective contracts.
- iv) Terms and conditions of sales and purchases: the sales and purchases transactions among the related parties are in the ordinary course of business based on normal commercial terms, conditions, market rates and memorandum of understanding signed with the related parties. For the year ended 31st March, 2019 & 31st March, 2020, the

JSW HYDRO ENERGY LIMITED

(Formerly Known as Himachal Baspa Power Company Limited)

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

Group has not recorded any loss allowances for transactions between the related parties.

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

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

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

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

Note 44. Remuneration to Auditors (excluding GST)

(₹ crore)			
Sl No	Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
1	Audit Fees	0.36	0.35
2	Tax Audit Fees	0.06	0.05
3	Certification Fees	0.01	0.01
4	Reimbursement of Expenses	0.01	0.01
	Total	0.44	0.42

JSW HYDRO ENERGY LIMITED

(Formerly Known as Himachal Baspa Power Company Limited)

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

Note 45 Kutehr Project

The Subsidiary has resumed construction / developmental activities of this 240 MW hydropower project at Kutehr ,Himachal Pradesh post amendment in the State and central hydro power policy ,2006. All the Major Works have been awarded /LOI issued and various works are under implementation now. The carrying amounts related to the project as on 31st March, 2020 comprise Property ,Plant and Equipment of Rs. 12.16 Cr ,Capital work in process of Rs. 267.74 Cr and capital advance of Rs 19.55 Cr

For and on behalf of the Board of Directors



Gyan Bhadra Kumar
Whole Time Director
[DIN:03620109]



Prashant Jain
Chairman
[DIN: 01281621]



Sanjeev Kango
Company Secretary &
Chief Financial officer

REPORT ON REVIEW OF UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

To

The Board of Directors
JSW Hydro Energy Limited

We have reviewed the accompanying **Unaudited Condensed Consolidated Interim Financial Statements** of JSW Hydro Energy Limited ("the Holding Company" or "Company") including its subsidiary (together referred to as "the Group") which comprises of the Unaudited Condensed Consolidated Interim Balance Sheet as at December 31, 2020, the Unaudited Condensed Consolidated Interim Statement of Profit and Loss (including Other comprehensive income), the Unaudited Condensed Consolidated Interim Statement of Cash Flow and the Unaudited Condensed Consolidated Interim Statement of Changes in Equity for the nine months period ended December 31, 2020 and selected explanatory notes (together hereinafter referred to as the "the Unaudited Condensed Consolidated Interim Financial Statements"). The Unaudited Condensed Consolidated Interim financial statements have been prepared by the Company for the purpose of raising Green Bonds in the United States.

Managements Responsibility for the Unaudited Condensed Consolidated Interim Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Unaudited Condensed Consolidated Interim Financial Statements in accordance with the requirements of Indian Accounting Standard 34– Interim Financial Reporting ("Ind AS 34"), specified under Section 133 of the Companies Act, 2013 (the "Act"), read with the relevant rules issued there under and other recognised accounting principles and policies.

Auditor's Responsibility for the Unaudited Condensed Consolidated Interim Financial Statements

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing issued by the ICAI and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Unaudited Condensed Consolidated Interim Financial Statements are not prepared, in all material respects in accordance with the requirements of Ind AS 34 as specified under Section 133 of the Act, read with relevant rules issued there under and other recognized accounting practices and policies.

Other matters

1. The Unaudited Condensed Consolidated Interim Financial Statements includes unaudited condensed interim financial statements / financial information in respect of one subsidiary, whose unaudited condensed interim financial statements / financial information include total assets of Rs.4538.38 million as at December 31, 2020 and total revenues of Rs.0.00 million, total net loss after tax of Rs.1.16 million, total comprehensive loss of Rs.1.16 million and net cash inflows of Rs.171 million for the nine months ended December 2020, as considered in the Unaudited Condensed Consolidated Interim Financial Statements which have not been reviewed by their respective independent auditor.

This unaudited condensed interim financial statements / financial information has been approved and furnished to us by the Management and our conclusion on the Unaudited Condensed Consolidated Interim Financial Statements, in so far as it relates to the affairs of this subsidiary is based solely on such unaudited condensed interim financial statements / financial information. According to information and explanations given to us by the Management, this interim financial statements / financial information is not material to the group.

Our conclusion on the Unaudited Condensed Consolidated Interim Financial Statements in respect of the matters stated in para above is not modified with respect to the unaudited condensed interim financial statements / financial information certified by the Management.



2. The accompanying Unaudited Condensed Consolidated Interim Financial Statements have been prepared by the Company solely for the purpose of raising U.S. Dollar Green Bonds. Accordingly, this report should not be used, referred to or distributed for any other purpose.

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

Vipul K Choksi

Vipul K Choksi

Partner

M. No. 37606

UDIN: 21037606AAAABM2039

Place: Mumbai

Date: April 28, 2021



JSW HYDRO ENERGY LIMITED
(Formerly known as Himachal Baspa Power Company Limited)
Unaudited Condensed Consolidated Interim Balance Sheet

(₹ Crore)

Particulars		Note No.	As at 31st December, 2020	As at 31st March, 2020
A	ASSETS			
1	Non-current assets			
	(a) Property, plant and equipment	4	6,051.24	6,355.02
	(b) Capital work-in-progress	5	344.42	285.71
	(c) Intangible assets	6	760.20	784.34
	(d) Financial assets			
	(i) Other financial assets	7	189.92	219.40
	(e) Other non-current assets	8	126.45	45.08
	(f) Income tax assets (net)		34.49	34.05
	Total non-current assets		7,506.72	7,723.60
2	Current assets			
	(a) Inventories	9	13.96	11.46
	(b) Financial assets			
	(i) Investments	10	481.54	203.84
	(ii) Trade receivables	11	146.99	308.15
	(iii) Cash and cash equivalents	12	70.95	1.43
	(iv) Bank balances other than (iii) above	12	33.20	31.85
	(v) Other financial assets	7	91.98	5.33
	(c) Other current assets	8	37.00	33.21
	Total current assets		875.62	595.27
	Total Assets (1+2)		8,382.34	8,318.87
B	EQUITY AND LIABILITIES			
1	Equity			
	(a) Equity share capital	13	1,250.05	1,250.05
	(b) Other equity	14	835.25	584.08
	Total equity		2,085.30	1,834.13
2	Liabilities			
	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	15	4,837.01	5,140.30
	(ii) Other financial liabilities	16	395.16	26.54
	(b) Provisions	17	6.62	4.68
	Total non-current liabilities		5,238.79	5,171.52
3	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	15	25.00	-
	(ii) Trade payables			
	(a) Total outstanding dues of micro and small enterprises	18	1.53	0.55
	(b) Total outstanding dues of creditors other than micro and small enterprises	18	18.07	74.58
	(iii) Other financial liabilities	16	950.57	1,233.81
	(b) Other current liabilities	19	2.61	2.89
	(c) Provisions	17	1.73	1.39
	(d) Current tax liabilities (Net)		58.74	-
	Total current liabilities		1,058.25	1,313.22
	Total Equity and Liabilities (1+2+3)		8,382.34	8,318.87

See accompanying notes to unaudited condensed consolidated interim financial statements

As per our attached report of even date

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

Pritesh Vinay
Pritesh Vinay
Director
[DIN:08868022]

Prashant Jain
Prashant Jain
Chairman
[DIN: 01281621]



Sanjeev Kango
Sanjeev Kango
(Company Secretary &
Chief Financial Officer)

Place: Mumbai

Date: April 28, 2021

Place: Mumbai

Date: 28.01.2021

JSW HYDRO ENERGY LIMITED
(Formerly known as Himachal Baspa Power Company Limited)
Unaudited Condensed Consolidated Interim Statement of Profit & Loss

(₹ Crore)

Particulars	Note No.	For the Nine Months Ended 31st December, 2020	For the Nine Months Ended 31st December, 2019
I Revenue from operations	20	1,099.25	1,115.56
II Other income	21	33.20	8.00
III Total Income (I + II)		1,132.45	1,123.56
IV Expenses			
(a) Employee benefits expense	22	39.68	39.07
(b) Finance costs	23	343.30	421.24
(c) Depreciation and amortisation expenses	24	326.34	326.12
(d) Other expenses	25	64.11	95.83
Total expenses (IV)		773.43	882.26
V Profit/(loss) before exceptional item and tax (III-IV)		359.02	241.30
VI Exceptional items		-	-
VII Profit before tax (V - VI)		359.02	241.30
VIII Tax Expense			
Current tax		107.76	49.47
Deferred tax		(63.45)	(44.35)
IX Deferred Tax (recoverable)/adjustable in future tariff	26	63.45	44.35
X Profit for the year (VII-VIII)		251.26	191.83
XI Other comprehensive income		(0.29)	-
(i) Items that will not be reclassified to profit or loss Remeasurements of the net defined benefit liabilities / (asset)		(0.41)	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.12	-
XII Total comprehensive income for the year (X + XI)		250.97	191.83
XIII Earnings per equity share of ₹ 10 each :			
Basic		2.01	1.53
Diluted		2.01	1.53

See accompanying notes to unaudited condensed Consolidated Interim financial statements

As per our attached report of even date

For Shah Gupta & Co

Chartered Accountants

Firm Registration No.: 109574W


Vipul K Choksi

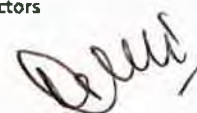
Partner

M No. 37606



For and on behalf of Board of Directors


Pritesh Vinay
Director
[DIN:08868022]


Prashant Jain
Chairman
[DIN: 01281621]




Sanjeev Kango
(Company Secretary &
Chief Financial Officer)

Place: Mumbai

Date: April 28, 2021

Place: Mumbai

Date: 28.01.2021

JSW HYDRO ENERGY LIMITED
(Formerly known as Himachal Baspa Power Company Limited)
Unaudited Condensed Consolidated Interim Statement of Cash Flows

(₹ Crore)

Particulars	For the nine months ended 31st December, 2020		For the nine months ended 31st December, 2019	
I CASH FLOW FROM OPERATING ACTIVITIES				
Profit before Tax		359.02		241.30
Adjusted for:				
Depreciation and amortisation	326.34		326.12	
Interest Income	(4.77)		(1.84)	
Net Gain from current investments	(8.00)		(4.73)	
Excess provision no longer required written back	(18.00)		-	
Profit on sale of capital assets (net of loss on assets sold / scrapped / written off)	(0.05)		-	
Share based payment expenses	0.20		0.12	
Finance costs	343.30		421.24	
Fixed Assets written off	3.68			
		642.70		740.91
Operating profit before working capital changes		1001.72		982.21
Adjustment for:				
Decrease / (Increase) in Trade and other receivables	157.37		(173.41)	
Increase/ (Decrease) in Trade payables & Other Liabilities	52.76		518.28	
Decrease / (Increase) in Loans & advances and other non-current assets	(131.49)		(1.01)	
Decrease / (Increase) in Inventories	(2.50)		(5.19)	
		76.13		338.67
Cash generated from operations		1077.85		1320.88
Direct taxes paid		(49.45)		(12.28)
NET CASH FLOW FROM OPERATING ACTIVITIES		1028.40		1308.60
II CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant & equipment including CWIP and capital advances		(60.76)		(300.86)
Investment made in mutual fund		(275.83)		30.84
Net Gain from current investments		6.12		4.52
NET CASH FLOW FROM INVESTING ACTIVITIES		(330.47)		(265.50)
III CASH FLOW FROM FINANCING ACTIVITIES				
Borrowings repaid		(263.24)		(638.30)
Payment of Lease liabilities		(0.68)		(1.62)
Finance costs paid		(364.49)		(421.51)
NET CASH USED IN FINANCING ACTIVITIES		(628.41)		(1,061.43)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (I+II+III)		69.52		(18.33)
CASH AND CASH EQUIVALENTS - At the beginning of the period		1.43		46.14
CASH AND CASH EQUIVALENTS - At the end of period		70.95		27.81

See accompanying notes to unaudited condensed Consolidated Interim financial statements

As per our attached report of even date
For Shah Gupta & Co
Chartered Accountants

Vipul K Choksi
Partner
M No. 37606



For and on behalf of Board of Directors

Pritesh Vinay
Director
[DIN: 08868022]

Prashant Jain
Chairman
[DIN: 01281621]

Sanjeev Kango
(Company Secretary &
Chief Financial Officer)



Place: Mumbai

Date: April 28, 2021

Place: Mumbai

Date: 28.01.2021

JSW HYDRO ENERGY LIMITED
(Formerly known as Himachal Baspa Power Company Limited)

Unaudited Condensed Consolidated Interim Statement of changes in equity for the nine months ended 31st December, 2020

a. Equity share capital (₹ Crore)

Balance at the 1st April, 2019	1,250.05
Changes in equity share capital during the FY 2019-20	-
Balance at the 1st April, 2020	1,250.05
Changes in equity share capital during the period	-
Balance at the 31st December, 2020	1,250.05

b. Other equity

Particulars	Reserves & surplus				Capital Contribution by parent company	Total
	Equity-settled employee benefits reserve	Debenture redemption reserve	Capital Reserve	Retained earnings		
Balance as at 1st April, 2020	0.45	-	2.50	424.99	156.14	584.08
Profit for the Period	-	-	-	251.26	-	251.26
Recognition of Share based payment	0.20	-	-	-	-	0.20
Other comprehensive income for the period, net of income tax	-	-	-	(0.29)	-	(0.29)
Total comprehensive income for the nine months ended 31st December 2020	0.65	-	2.50	675.96	156.14	835.25

(₹ Crore)

Particulars	Reserves & surplus				Capital Contribution by parent company	Total
	Equity-settled employee benefits reserve	Debenture redemption reserve	Capital Reserve	Retained earnings		
Balance at 1st April, 2019	0.24	38.45	-	303.48	156.14	498.31
Additions through Business Combination	-	-	2.67	-	-	2.67
Profit for the year	-	-	(0.17)	191.83	-	191.66
Recognition of Share based payment	0.12	-	-	-	-	0.12
Transfer from Debenture redemption reserve	-	(38.45)	-	38.45	-	-
Total comprehensive income for the nine months ended 31st December 2019	0.36	-	2.50	534.77	156.14	692.76

See accompanying notes to unaudited condensed Consolidated Interim financial statements
As per our attached report of even date

For Shah Gupta & Co
Chartered Accountants

Vipul K Choksi
Partner
M No. 37606



For and on behalf of Board of Directors

Priyesh Vinay
Priyesh Vinay
Director
[DIN:08868022]

Prashant Jain
Prashant Jain
Chairman
[DIN: 01281621]



Sanjeev Kango
Sanjeev Kango
(Company Secretary &
Chief Financial Officer)

Place: Mumbai
Date: April 28, 2021

Place: Mumbai
Date: 28.01.2021

JSW HYDRO ENERGY LIMITED

(Formerly Known as Himachal Baspa Power Company Limited)

Notes to Unaudited Condensed Consolidated Interim Financial Statements for the Nine Months Ended 31 December, 2020

Note 1. General information

- a) JSW Hydro Energy Limited (Formerly Known as Himachal Baspa Power Company Limited) ("the company" or the Parent') is a public limited Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. It is 100% subsidiary of M/s JSW Energy Limited. The registered office of the Parent Company is located at Sholtu Colony, P.O. Tapri, Dist. Kinnaur, 172104 (HP).
- b) The Parent Company is primarily engaged in the business of generation and sale of power. JSW Energy (Kutehr) Limited ("Subsidiary") is a public limited Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. It is 100% subsidiary of the Parent company (together the Parent company and Subsidiary is referred as "the Group")
- c) The Group 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 Group substantial generation capacities are tied up under long term power purchase agreements, which insulates revenue of the Group 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 Group. The Group 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 Group's liquidity position, there is no uncertainty in meeting financial obligations over the foreseeable future.

Note 2. Statement of compliance

- a) These Unaudited Condensed Consolidated Interim Financial Statements have been prepared in accordance with the Indian accounting standard 34 "Interim Financial reporting" (referred to as "Ind AS 34") prescribed under section 133 of the Company act, 2013 read with the Companies (India Accounting Standards) rules as amended from time to time.

Note 3. Significant accounting policies

3.1 Basis of preparation of financial statements:

- a) The Group has prepared these Unaudited Condensed Consolidated Interim Financial Statements which comprise the Unaudited Condensed Interim Balance sheet as at 31st December 2020, the Unaudited Condensed Consolidated Interim statement of Profit & Loss for the nine months ended 31st December 2020, the Unaudited Condensed Consolidated Interim statement of Cash Flows for the nine months ended 31st December 2020, the Unaudited Condensed Consolidated Interim statement of Changes in Equity for the nine months ended 31st December 2020 and



JSW HYDRO ENERGY LIMITED

(Formerly Known as Himachal Baspa Power Company Limited)

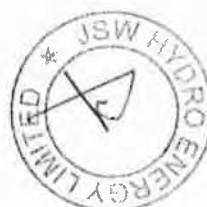
Notes to Unaudited Condensed Consolidated Interim Financial Statements for the Nine Months Ended 31 December, 2020

other explanatory information (together hereinafter referred to as the "Unaudited Condensed Consolidated Interim Financial Statements" or Consolidated financial Statement).

- b) The Unaudited Condensed Consolidated Interim Financial Statements have been prepared by the Group for the purpose of raising U.S. dollar Green Bonds.
- c) The Consolidated Financial Statements of the Group 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.
- d) The Unaudited Condensed Consolidated Interim Financial Statement do not include all the information and disclosures normally include in annual financial statements. Accordingly, these statements are to be read in conjunction with annual financial statements for the year ended 31st March, 2020 and any public announcement made during reporting period.
- e) Accounting Policies and methods computation followed in the Unaudited Condensed Interim Financial Statements are same as compared with the annual financial statements for the year ended 31st March, 2020.
- f) The Consolidated Financial Statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest crore, except otherwise indicated.
- g) No reportable subsequent event has occurred till the date of issue of these Consolidated financial statements

3.2 Critical accounting judgements and key sources of estimation uncertainty

- a) In the course of applying the policies outlined, the Group 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.
- b) 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.
- c) The area where estimates are significant to the Unaudited Condensed consolidated interim Financial Statements, or areas involving high degree of judgement or complexity, are same as those disclosed in the annual financial statements for the year ended 31st March, 2020.



JSW HYDRO ENERGY LIMITED
(Formerly known as Himachal Baspa Power Company Limited)

Notes to the unaudited condensed consolidated interim financial statements for the nine months ended 31st December, 2020

Note 4. Property, plant & equipment

(₹ Crore)

Description of Assets	Land - Freehold	Land - Leasehold	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Right of Use Assets	Total
I. Gross carrying value									
Balance as at 1st April, 2020	89.14	-	33.73	7,510.88	5.07	1.34	3.64	34.35	7,678.15
Additions	0.13	-	-	0.58	0.52	-	-	-	1.23
Disposals/Adjustment	(0.03)	-	(4.10)	(0.02)	-	-	(0.03)	-	(4.18)
Balance as at 31st December, 2020	89.24	-	29.63	7,511.44	5.59	1.34	3.61	34.35	7,675.20
II. Accumulated depreciation and impairment for the period									
Balance as at 1st April, 2020	-	-	4.17	1,312.09	3.62	0.29	1.55	1.41	1,323.13
Depreciation expense during the period	-	-	0.84	298.81	0.25	0.07	0.24	1.06	301.27
Disposals/Adjustment	-	-	(0.42)	(0.00)	-	-	(0.02)	-	(0.44)
Balance as at 31st December, 2020	-	-	4.59	1,610.90	3.87	0.36	1.77	2.47	1,623.96
Net carrying value as at 31st December, 2020 (I-II)	89.24	-	25.04	5,900.54	1.72	0.99	1.84	31.88	6,051.24

(₹ Crore)

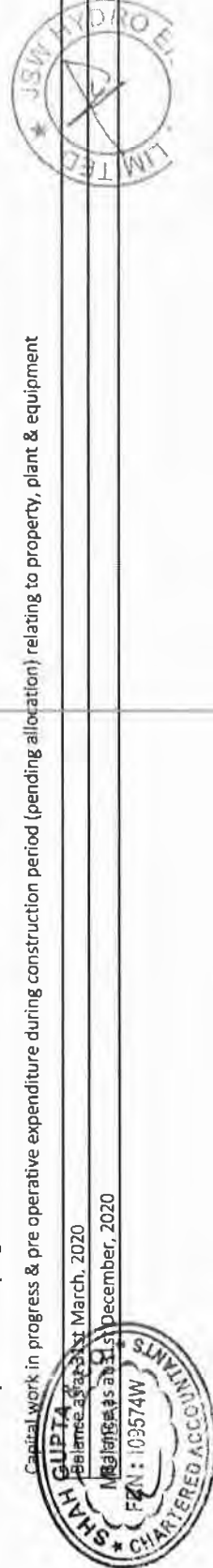
Asstes Description	Land - Freehold	Land - Leasehold	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Right of Use Assets	Total
I. Gross carrying value									
Balance as at 1st April, 2019	77.40	8.77	33.73	7,509.95	4.39	1.21	3.67	-	7,639.12
Additions	11.74	-	-	0.93	0.68	0.13	0.21	34.35	48.04
Disposals/Adjustment	-	(8.77)	-	-	-	-	(0.24)	-	(9.01)
Balance as at 31st March, 2020	89.14	-	33.73	7,510.88	5.07	1.34	3.64	34.35	7,678.15
II. Accumulated depreciation and impairment for the year 2019									
Balance as at 1st April, 2019	-	1.23	3.05	915.00	3.14	0.20	1.40	-	924.02
Depreciation expense during the year	-	-	1.12	397.09	0.48	0.09	0.29	1.41	400.48
Disposals/Adjustment	-	(1.23)	-	-	-	-	(0.14)	-	(1.37)
Balance as at 31st March, 2020	-	-	4.17	1,312.09	3.62	0.29	1.55	1.41	1,323.13
Net carrying value as at 31st March, 2020 (I-II)	89.14	-	29.56	6,198.79	1.45	1.05	2.09	32.94	6,355.02

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 1st March, 2020	285.71
Additional expenditure during the period	344.42
Balance as at 31st December, 2020	630.13



JSW HYDRO ENERGY LIMITED

(Formerly known as Himachal Baspa Power Company Limited)

Notes to the unaudited condensed consolidated Interim financial statements for the
nine months ended 31st December, 2020

Note 6. Intangible assets

(₹ Crore)

	Computer Software	Service Concession Arrangement Intangibles	Total
I. Gross Carrying Value			
Balance as at 1st April, 2020	1.42	935.82	937.24
Additions	-	0.93	0.93
Balance as at 31st December, 2020	1.42	936.75	938.17
II. Accumulated amortisation and impairment for the period			
Balance as at 1st April, 2020	0.42	152.48	152.90
Amortisation expense for the period	0.14	24.93	25.07
Balance as at 31st December, 2020	0.56	177.41	177.97
Net carrying value as at 31st December, 2020 (I-II)	0.86	759.34	760.20

(₹ Crore)

Description of Assets	Computer Software	Service Concession Arrangement Intangibles	Total
I. Gross Carrying Value			
Balance as at 1st April, 2019	1.03	932.74	933.77
Additions	0.39	3.08	3.47
Balance as at 31st March, 2020	1.42	935.82	937.24
II. Accumulated amortisation and impairment for the year 2018-19			
Balance as at 1st April, 2019	0.26	119.17	119.43
Amortisation expense for the year	0.16	33.31	33.47
Balance as at 31st March, 2020	0.42	152.48	152.90
Net carrying value as at 31st March, 2020 (I-II)	1.00	783.34	784.34



JSW HYDRO ENERGY LIMITED

(Formerly known as Himachal Baspa Power Company Limited)

Notes to the unaudited condensed consolidated Interim financial statements for the
nine months ended 31st December, 2020

Note 7. Other financial assets

(₹ Crore)

Particulars	As at 31st December, 2020			As at 31st March, 2020		
	Current	Non- Current	Total	Current	Non- Current	Total
(a) Service concession receivable	-	183.26	183.26	-	216.80	216.80
(b) Security Deposits	-	-	-	-	-	-
- Unsecured, considered good	-	-	-	-	-	-
(i) Government/Semi-Government Authorities	-	0.52	0.52	-	0.49	0.49
(ii) Others	-	0.11	0.11	-	0.10	0.10
	-	0.63	0.63	-	0.59	0.59
c) Revenue Receivable						
- Unbilled revenue	90.47	-	90.47	5.33	-	5.33
- Interest receivable	1.51	-	1.51	-	-	-
Sub Total	91.98	-	91.98	5.33	-	5.33
d) Other bank balances						
- Bank deposits with original maturity more than 12 months	-	4.34	4.34	-	-	-
- In margin money for security	-	1.69	1.69	-	2.01	2.01
	-	6.03	6.03	-	2.01	2.01
Total	91.98	189.92	281.90	5.33	219.40	224.72



JSW HYDRO ENERGY LIMITED
(Formerly known as Himachal Baspa Power Company Limited)

Notes to the unaudited condensed consolidated interim financial statements for the nine months ended 31st December, 2020

Note B. Other non-current and current assets

(₹ Crore)

Particulars	As at 31st December, 2020			As at 31st March, 2020		
	Current	Non- Current	Total	Current	Non- Current	Total
(a) Capital Advances	-	105.87	105.87	-	24.38	24.38
Less: provision for doubtful advance	-	(4.80)	(4.80)	-	(4.80)	(4.80)
(b) Prepayments	15.02	0.38	15.40	9.46	0.50	9.96
(c) Deposit with Government/Semi Government	-	25.00	25.00	-	25.00	25.00
(d) Entry tax receivable	19.88	-	19.88	19.88	-	19.88
(e) GST Input Tax	0.11	-	0.11	-	-	-
(f) Advance to Vendor	1.99	-	1.99	2.91	-	2.91
(g) Others	-	-	-	0.96	-	0.96
Total	37.00	126.45	163.45	33.21	45.08	78.29



JSW HYDRO ENERGY LIMITED

(Formerly known as Himachal Baspa Power Company Limited)

Notes to the unaudited condensed consolidated Interim financial statements for the nine months ended 31st December, 2020

Note 9. Inventories

(₹ Crore)

Particulars	As at 31st December, 2020	As at 31st March, 2020
(a) Stores and spares	13.81	11.46
(b) Inventory Medicine	0.15	-
Total	13.96	11.46



JSW HYDRO ENERGY LIMITED
(Formerly known as Himachal Baspa Power Company Limited)

Notes to the unaudited condensed consolidated Interim financial statements for the nine months ended 31st December,2020

Note 10. Investment

(₹ Crore)

Particulars	As at 31st December, 2020			As at 31st March,2020		
	Current	Non- Current	Total	Current	Non- Current	Total
Investments carried at:						
(A) Fair value through Profit and Loss						
(a) Investments in mutual funds						
i) Aditya Birla Sunlife Liquid Growth	131.32	-	131.32	4.25	-	4.25
ii) Kotak Liquid Regular Plan Growth	95.41	-	95.41	-	-	-
iii) HDFC Liquid Fund Regular Growth	-	-	-	23.31	-	23.31
iv) SBI premier Liquid fund- Regular plan - Growth	254.81	-	254.81	-	-	-
v) Aditya Birla Sunlife Overnight Regular Growth	-	-	-	84.40	-	84.40
vi) Kotak Overnight Fund Growth	-	-	-	34.15	-	34.15
vii) HDFC Overnight Fund	-	-	-	57.73	-	57.73
Total	481.54	-	481.54	203.84	-	203.84



JSW HYDRO ENERGY LIMITED**(Formerly known as Himachal Baspa Power Company Limited)**

Notes to the unaudited condensed consolidated Interim financial statements for the nine months ended 31st December, 2020

Note 11. Trade receivables**(₹ Crore)**

Particulars	As at 31st December, 2020			As at 31st March, 2020		
	Current	Non-Current	Total	Current	Non-Current	Total
(i) Trade Receivables considered good - Secured;	69.31	-	69.31	235.15	-	235.15
(ii) Trade Receivables considered good - Unsecured;	77.68	-	77.68	73.00	-	73.00
Total	146.99	-	146.99	308.15	-	308.15



JSW HYDRO ENERGY LIMITED**(Formerly known as Himachal Baspa Power Company Limited)**

Notes to the unaudited condensed consolidated Interim financial statements for the nine months ended 31st December, 2020

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

Particulars	As at 31st December, 2020	As at 31st March, 2020
Cash and cash equivalents		
(a) Balances with banks		
(i) In Current accounts	70.92	1.42
(b) Cash on hand	0.03	0.01
Total	70.95	1.43
Bank balances other than above		
(i) Earmarked balances with banks		
- Margin money for Security against Entry Tax	33.20	31.85
Total	33.20	31.85



JSW HYDRO ENERGY LIMITED
(Formerly known as Himachal Baspa Power Company Limited)

Notes to the unaudited condensed consolidated Interim financial statements for the nine months ended 31st December, 2020

Note 13. Equity share capital

(₹ Crore)

Particulars	As at 31st December, 2020		As at 31st March, 2020	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of ₹ 10 each with voting rights	1,250,050,000	1,250.05	1,250,050,000	1,250.05
Issued, Subscribed and Fully Paid:				
Equity shares of ₹ 10 each with voting rights	1,250,050,000	1,250.05	1,250,050,000	1,250.05
	1,250,050,000	1,250.05	1,250,050,000	1,250.05
a) Reconciliation of the number of shares outstanding at the beginning and end of the Period:				
Particulars	As at 31st December, 2020		As at 31st March, 2020	
	No. of Shares		No. of Shares	
Balance as at the beginning of the year	1,250,050,000		1,250,050,000	
Issued during the period	-		-	
Balance as at the end of the Period	1,250,050,000		1,250,050,000	
b) Terms & Rights attached to equity shares :				
(i) The Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share.				
(ii) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to the shareholding. However, no such preferential amount exists currently.				
c) Details of shareholding more than 5% shares in the company are set out below :				
Particulars	No. of Shares		No. of Shares	
1 JSW Energy Limited & its nominees	1,250,050,000		1,250,050,000	
	100%		100%	



JSW HYDRO ENERGY LIMITED
(Formerly know as Himachal Baspa Power Company Limited)

Notes to the unaudited condensed consolidated Interim financial statements for the
 nine months ended 31st December, 2020

Note 14. Other Equity

(₹ Crore)

Particulars	As at 31st December, 2020	As at 31st March, 2020
Equity-settled employee benefits reserve	0.65	0.45
Capital Reserve	2.50	2.50
Retained earnings	675.96	424.99
Capital contribution by parent company	156.14	156.14
Total comprehensive income	835.25	584.08



JSW HYDRO ENERGY LIMITED
(Formerly known as Himachal Baspa Power Company Limited)

Notes to the unaudited condensed consolidated Interim financial statements for the nine months ended 31st December, 2020

Note 15. borrowings

(₹ Crore)

Particulars	As at 31st December, 2020		As at 31st March, 2020	
	Current	Non Current	Current	Non Current
Measured at amortised cost				
Secured Borrowings:				
(i) Term loans				
From Banks	306.74	4,865.40	288.24	5,172.13
	306.74	4,865.40	288.24	5,172.13
Less: Unamortised Borrowing Cost	4.61	28.39	4.79	31.83
Less: Current Maturities of Long term debt (included in note no 16)	302.13	-	283.45	-
	-	4,837.01	-	5,140.30
ii) Short Term Borrowings (WC DL)				
From Banks	25.00	-	-	-
Total	25.00	4,837.01	-	5,140.30

Movement in borrowings during the nine months ended 31st December, 2020

Particulars	Rupee Long Term Loan
Opening balance as at 1st April, 2020	5,460.37
Less: Repayment	288.24
Total Borrowing as at 31st December, 2020	5,172.13

Pursuant to the COVID 19 pandemic, the Reserve Bank of India (RBI), vide its notification reference RBI/2019-20/186 dated 27 March 2020, announced a "COVID 19 Regulatory Package" to mitigate the adverse impact of the pandemic and ensure continuity of viable business. As per this package banks were inter alia permitted to grant a moratorium of three months on the payment of all installment (Principal and Interest) on the Term loan falling due between 1 March 2020 and 31st May 2020 the same has been extended for the further three months by the RBI, vide its notification reference RBI/2019-20/244 dated 23 May 2020 till 31st August 2020. The Group opted to avail the package relating to the term loans from 1 March 2020 to 31st May 2020 and the same was approved by the lenders in line with RBI's notification. Accordingly, the condensed financial statement has been prepared giving to the above.



JSW HYDRO ENERGY LIMITED

(Formerly known as Himachal Baspa Power Company Limited)

Notes to the unaudited condensed consolidated Interim financial statements for the nine months ended 31st December, 2020

Note 16. Other financial liabilities

(₹ Crore)

Particulars	As at 31st December, 2020	As at 31st March, 2020
Non-Current		
(a) Deposits received	0.02	0.02
(b) Lease Liabilities	26.32	26.52
(c) Other payable	368.82	-
	395.16	26.54
Current		
(a) Current maturities of long-term debt	302.13	283.45
(b) Interest accrued but not due on borrowings	21.94	43.13
(c) Lease Liabilities	0.27	0.17
(d) Payable for capital project	122.25	279.21
(e) Other payable	503.98	627.85
	950.57	1,233.81
Total	1,345.73	1,260.35



JSW HYDRO ENERGY LIMITED
(Formerly known as Himachal Baspa Power Company Limited)

Notes to the unaudited condensed consolidated Interim financial statements for the nine months ended 31st December, 2020

Note 17. Provisions

(₹ Crore)

Particulars	As at 31st December, 2020			As at 31st March, 2020		
	Current	Non-Current	Total	Current	Non-Current	Total
Provision for employee benefits						
(i) Provision for gratuity	1.17	3.64	4.81	1.17	2.54	3.71
(ii) Provision for compensated absence	0.56	2.98	3.54	0.22	2.14	2.36
Total	1.73	6.62	8.35	1.39	4.68	6.07



JSW HYDRO ENERGY LIMITED**(Formerly known as Himachal Baspa Power Company Limited)**

Notes to the unaudited condensed consolidated Interim financial statements for the nine months ended 31st December, 2020

Note 18. Trade payables**(₹ Crore)**

Particulars	As at 31st December, 2020		As at 31st March, 2020	
	Current	Total	Current	Total
Trade Payables				
(a) Total outstanding dues of micro and small enterprises	1.53	1.53	0.55	0.55
(b) Total outstanding dues of creditors other than above (a)	18.07	18.07	74.58	74.58
Total	19.60	19.60	75.13	75.13



JSW HYDRO ENERGY LIMITED
(Formerly known as Himachal Baspa Power Company Limited)

Notes to the unaudited condensed consolidated Interim financial statements for the nine months ended 31st December, 2020

Note 19. Other current liabilities

(₹ Crore)

Particulars	As at 31st December, 2020			As at 31st March, 2020		
	Current	Non-Current	Total	Current	Non-Current	Total
(a) Employee recoveries and employer contributions	0.49	-	0.49	0.41	-	0.41
(b) Statutory dues	2.12	-	2.12	2.48	-	2.48
Total	2.61	-	2.61	2.89	-	2.89



JSW HYDRO ENERGY LIMITED**(Formerly known as Himachal Baspa Power Company Limited)**

Notes to the unaudited condensed consolidated Interim financial statements for the nine months ended 31st December,2020

Note 20. Revenue from operations**(₹ Crore)**

Particulars	For the Nine Months Ended 31st December,2020	For the Nine Months Ended 31st December,2019
Disaggregation of revenue from contract with customers:		
(1) Sale of power (Own generation)	1080.12	1,094.74
Total revenue from contract with customers (A)	1,080.12	1,094.74
(2) Income from service concession arrangement	19.13	20.82
Income from service concession arrangement (B)	19.13	20.82
Total (A) + (B)	1,099.25	1,115.56



JSW HYDRO ENERGY LIMITED
(Formerly known as Himachal Baspa Power Company Limited)

Notes to the unaudited condensed consolidated interim financial statements for the nine months ended 31st December, 2020

Note 21. Other Income

(₹ Crore)

Particulars	For the Nine Months Ended 31st December, 2020	For the Nine Months Ended 31st December, 2019
a) Interest Income earned on financial assets that are not designated as at FVTPL		
i On Bank deposits	1.61	1.83
ii Other Financial Assets	3.16	0.01
b) Others		
i Net Gain on sale of current investments designated as at FVTPL	8.00	4.73
ii Profit on sale of capital assets (net of loss on assets sold / scrapped / written off)	0.05	
iii Net gain on foreign currency transaction *	-	0.00
iv Domestic Scrap Sales	-	0.02
v Sale of Carbon credit	1.73	1.00
vi Provision no longer required written back	18.00	-
vii Miscellaneous income	0.65	0.41
Total	33.20	8.00

* Less than Rs. 50,000.



JSW HYDRO ENERGY LIMITED
(Formerly known as Himachal Baspa Power Company Limited)

Notes to the unaudited condensed consolidated Interim financial statements for the
 nine months ended 31st December,2020

Note 22. Employee benefits expense

(₹ Crore)

Particulars	For the Nine Months Ended 31st December,2020	For the Nine Months Ended 31st December,2019
(a) Salaries and wages	34.32	34.51
(b) Contribution to provident and other funds	2.89	2.75
(c) Share based payment	0.20	0.12
(d) Staff welfare expenses	2.27	1.69
Total	39.68	39.07



JSW HYDRO ENERGY LIMITED

(Formerly known as Himachal Baspa Power Company Limited)

Notes to the unaudited condensed consolidated Interim financial statements for the
nine months ended 31st December,2020

Note 23. Finance costs

(₹ Crore)

Particulars	For the Nine Months Ended 31st December,2020	For the Nine Months Ended 31st December,2019
(a) Interest expense		
i Interest on Debentures	-	23.18
ii Interest on Term Loan	335.22	389.04
iii Interest cash credit	0.03	0.05
(b) Unwinding of interest on Financial liabilities carried at Amortised cost	3.47	3.46
(c) Other borrowing costs	2.78	3.70
(d) Interest on lease liabilities	1.80	1.81
Total	343.30	421.24



JSW HYDRO ENERGY LIMITED
(Formerly known as Himachal Baspa Power Company Limited)

Notes to the unaudited condensed consolidated Interim financial statements for the
nine months ended 31st December,2020

Note 24. Depreciation and amortisation expense

(₹ Crore)

Particulars	For the Nine Months Ended 31st December,2020	For the Nine Months Ended 31st December,2019
(a) Depreciation on property, plant and equipment	301.27	301.01
(b) Amortization on Intangible assets	25.07	25.11
Total	326.34	326.12



JSW HYDRO ENERGY LIMITED
(Formerly known as Himachal Baspa Power Company Limited)

Notes to the unaudited condensed consolidated Interim financial statements for the nine months ended 31st December, 2020

Note 25. Other expenses

(₹ Crore)

Particulars	For the Nine Months Ended 31st December, 2020	For the Nine Months Ended 31st December, 2019
(a) Stores and spares consumed	7.03	7.44
(b) Power & Water	2.88	3.20
(c) Rent including lease rentals	1.60	1.51
(d) Repairs and maintenance	19.81	27.88
(e) Royalty	0.03	0.02
(f) Rates and taxes	0.38	0.35
(g) Insurance	15.26	14.52
(h) Net loss / (gain) on foreign currency transactions net off *	0.00	(0.00)
(i) Legal and other professional charges	2.29	1.93
(j) Travelling Expenses	0.38	1.18
(k) Donation	-	5.00
(l) Corporate Social Responsibility	1.23	1.44
(m) Open Access Charges	0.04	(0.91)
(n) Other General Expenses	3.75	7.12
(o) Provision for doubtful debts	-	18.89
(p) Safety and Security	0.81	0.70
(q) Branding Expenses	3.25	3.29
(r) Share Service cost	1.69	2.27
(s) Fixed Assets written off	3.68	-
Total	64.11	95.83

* Less than Rs.50,000.



JSW HYDRO ENERGY LIMITED

(Formerly known as Himachal Baspa Power Company Limited)

Notes to the unaudited condensed consolidated Interim financial statements for the nine months ended 31st December,2020

Note 26. Tax expense

(₹ Crore)

Particulars	For the Nine Months Ended 31st December,2020	For the Nine Months Ended 31st December,2019
a) Current Tax	107.76	49.47
Total	107.76	49.47



JSW HYDRO ENERGY LIMITED

(Formerly Known as Himachal Baspa Power Company Limited)

Notes to Unaudited Condensed Consolidated Interim Financial Statements for the Nine Months Ended 31 December, 2020

Note 27. Categories Fair Value of Financial Instruments as at 31st December, 2020

(₹ Crore)

As at 31 st December, 2020	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets					
Financial assets carried at fair value through profit or loss (FVTPL)					
Investment in mutual fund units	481.54	481.54	-	481.54	-
Financial assets carried at amortised cost					
Security deposits	0.63	0.63	-	-	0.63
Trade receivables #	146.99	146.99	-	-	-
Receivables-Service concession agreement #	183.26	183.26	-	-	-
Cash and cash equivalents and other bank balances #	110.18	110.18	-	-	-
Interest Receivable #	1.51	1.51	-	-	-
Unbilled revenue #	90.46	90.46	-	-	-
Total Financial assets	1014.57	1014.57	-	481.54	0.63
Financial liabilities					
Financial Liabilities carried at amortised cost					
Borrowings	5,164.13	5164.13	-	-	5164.13
Rent and Other Deposits #	0.02	0.02	-	-	-
Trade Payables #	19.60	19.6	-	-	-
Payable for capital projects#	122.25	122.25	-	-	-
Other payable#	894.75	894.75	-	-	-
Lease Liability	26.59	26.59	-	-	26.59
Total Financial liabilities	6227.34	6227.34	-	-	5,190.72

(₹ Crore)

As at 31 st March, 2020	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets					
Financial assets carried at fair value through profit or loss (FVTPL)					
Investment in mutual fund units	203.84	203.84		203.84	-
Financial assets carried at amortised cost					
Security deposits	0.59	0.59	-	-	0.59
Trade receivables #	308.15	308.15	-	-	-
Receivables-Service concession agreement #	216.80	216.80	-	-	-
Cash and cash equivalents and other bank balances #	35.29	35.29	-	-	-



JSW HYDRO ENERGY LIMITED

(Formerly Known as Himachal Baspa Power Company Limited)

Notes to Unaudited Condensed Consolidated Interim Financial Statements for the Nine Months Ended 31 December, 2020

As at 31 st March, 2020	Carrying amount	Fair value	Level 1	Level 2	Level 3
Unbilled revenue #	5.33	5.33	-	-	
Total Financial assets	770.00	770.00	-	203.84	0.59
Financial liabilities					
Financial Liabilities carried at amortised cost					
Borrowings	5,423.75	5423.75	-	-	5,423.75
Rent and Other Deposits #	0.02	0.02	-	-	-
Trade Payables #	75.13	75.13	-	-	-
Payable for capital projects#	279.21	279.21	-	-	-
Other payable#	670.98	670.98	-	-	-
Lease Liability	26.69	26.69	-	-	26.69
Total Financial liabilities	6475.78	6475.78	-	-	5,450.44

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

Note 28. Fair Value Hierarchy of Financial Instruments

The carrying amount of current investments, Trade Receivable, 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.

(₹ Crore)

Particulars	As at 31 Dec 2020	As at 31 March 2020	Level	Valuation Technique
Financial assets				
Investment in mutual fund units	481.54	203.84	2	Cost is considered as per NAV as on 31 st Dec,2020
Security deposits	0.63	0.59	3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
	482.17	204.43		
Financial liabilities				
Borrowings	5164.13	5423.75	3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
Lease Liability	26.59	26.69	3	
	5,190.72	5,450.44		



JSW HYDRO ENERGY LIMITED

(Formerly Known as Himachal Baspa Power Company Limited)

Notes to Unaudited Condensed Consolidated Interim Financial Statements for the Nine Months Ended 31 December, 2020

Note 29. Segment Reporting

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

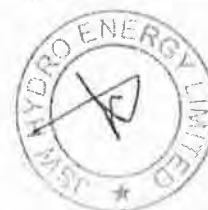
Customer contributing more than 10% of revenue

(₹ Crore)

Particulars	For the nine months ended 31 st December, 2020	For the nine months ended 31 st December, 2019
PTC India Limited	882.70	927.15
Himachal Pradesh State Electricity Board	216.55	188.41
Total	1099.25	1115.56

Note 30. Earnings per share

Particulars	For the nine months ended 31 st December, 2020	For the nine months ended 31 st December, 2019
Profit for the year (crore) - (A)	250.97	191.83
Weighted average number of equity shares for basic & diluted EPS - (B)	1,25,00,50,000	1,25,00,50,000
Earnings Per Share – Basic and Diluted (C) - (A/B)	2.01	1.53
Nominal value of an equity share (D)	10	10



JSW HYDRO ENERGY LIMITED

(Formerly Known as Himachal Baspa Power Company Limited)

Notes to Unaudited Condensed Consolidated Interim Financial Statements for the Nine Months Ended 31 December, 2020

Note 31. Related party disclosure**a) List of Related parties**

A)	List of Related Parties
	Related parties with whom the Parent Company has entered into transactions during the period:
I	Holding Company
1	JSW Energy Ltd.
II	Enterprises over which key management personnel and relatives of such personnel exercise significant influence
1	JSW Steel Limited
2	Jindal Education Trust (Jindal Vidya Mandir and Jaypee Pvt ITI)
3	JSW IP Holdings Private Limited
4	JSW Global Business Solutions Limited
5	JSW Foundation
III	Fellow Subsidiaries
1	JSW Power Trading Company Ltd.
2	JSW Energy (Barmer) Limited
IV	Enterprise over which KMP and Relative of such personnel (of Holding Company) exercises significant influence
1	JSW Realty Infrastructure Pvt Ltd
2	JSW Paints Pvt Limited
V	Key Managerial Personnel
1	Mr. Prashant Jain - Chairman
2	Mr. Jyoti Kumar Agarwal - Non Executive Director (Up to 15 September, 2020)
3	Mr. Gyan Bhadra Kumar - Whole Time Director {KMP}
4	Mr. Sanjeev Kango - Company Secretary & Chief Financial Officer {KMP}
5	Ms. Sheila Sangwan - Woman & Independent Director (upto 7th September, 2020)
6	Mr. Rakesh Nath- Independent Director (upto 7th September, 2020)
7	Mr. Pritesh Vinay - (from 16th September, 2020)
8	Mr. Nirmal Kumar Jain - Non Executive Director (upto 20th May, 2020)
9	Ms. Seema Jajodia- Woman Director
10	Mr. Sharad Mahendra - Non Executive Director (upto 9th June, 2020)



JSW HYDRO ENERGY LIMITED

(Formerly Known as Himachal Baspa Power Company Limited)

Notes to Unaudited Condensed Consolidated Interim Financial Statements for the Nine Months Ended 31 December, 2020

b) Transaction with related parties

(₹ crore)

Sl No	Transaction during the year	For the nine months ended 31 st December, 2020	For the nine months ended 31 st December, 2019
1	Sale of power / Material		
	JSW Power Trading Company Limited	-	1.34
2	Interest on Debentures		
	JSW Energy Limited	-	23.18
3	Service Received		
	JSW Global Business Solutions Limited	1.68	2.27
4	Purchase of Fuel / Goods		
	JSW Steel Limited	2.66	1.08
	JSW Paints Pvt Limited	0.03	-
5	Advertisement/Sponsorship/Branding expense		
	JSW IP Holdings Private Limited	3.25	3.29
6	Reimbursement received from / (paid to) {net}::		
	JSW Energy Limited	(3.62)	(2.84)
	JSW Steel Limited	(1.08)	(1.06)
	JSW Power Trading Company Limited	(0.02)	(0.02)
	Jindal Education Trust (Jindal Vidya Mandir and Jaypee Pvt ITI)	(0.48)	(0.62)
	JSW Realty Infrastructure Pvt Ltd*	-	0.00
7	Donation/CSR Expenses		
	Jankalyan Electoral Trust	-	5.00
	JSW Foundation	1.32	0.19
8	Redemption of 13% non-convertible debentures:		
	JSW Energy Limited	-	384.50
9	Debt service reserve account Guarantee		
	JSW Energy Limited	(62.46)	(48.00)
10	Purchase of Equity Share Capital in JSWEKL		
	JSW Energy Limited	-	26.35

* Less than Rs. 50,000



JSW HYDRO ENERGY LIMITED

(Formerly Known as Himachal Baspa Power Company Limited)

Notes to Unaudited Condensed Consolidated Interim Financial Statements for the Nine Months Ended 31 December, 2020

C) Amount due/to from related parties

(₹ crore)

SI No	Closing Balances	As at 31 st December, 2020	As at 31 st March, 2020
1	Trade (Payables) / Receivables		
	JSW Energy Limited	-	(1.70)
	JSW Steel Limited	(2.52)	(0.20)
	JSW Ispat Special Products Limited	(2.70)	
2	Deposit With		
	JSW IP Holdings Private Limited	0.07	0.07
3	Equity Share Capital		
	JSW Energy Limited	1,250.05	1,250.05
4	Loan and Advances		
	JSW IP Holdings Private Limited		0.02
5	Financial Liabilities		
	South West Mining Limited		7.00
	JSW Energy Limited	80.00	220.02
6	Debt service reserve account Guarantee		
	JSW Energy Limited	113.60	176.07

Note 32. Commitments

(₹ Crore)

Particulars	As at 31 st December, 2020	As at 31 st March, 2020
Estimated amount of Capital contracts remaining to be executed to the extent not provided for	1438.45	14.50
Total	1438.45	14.50



JSW HYDRO ENERGY LIMITED

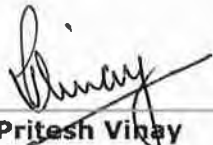
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Notes to Unaudited Condensed Consolidated Interim Financial Statements for the Nine Months Ended 31 December, 2020


Note 33. Contingent Liabilities

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

* Himachal Pradesh State Electricity Board Limited (HPSEBL) has made a claim against JPVL, as seen in its letter dated November 6, 2012, for expenditures incurred for a survey and investigation work in connection with the Baspa II Project amounting to Rs. 127.84 Crore. Pursuant to this letter an application was filed with the High Court of Himachal Pradesh to restrain HPSEBL from recovering the claimed amount from the energy bills of petitioner company. The court has accepted the plea and directed our Company to deposit Rs.25.00 crore as security deposit. Our Company has complied, and has disclosed this under Long term loans and advances.


For and on behalf of the Board of Directors

Pritesh Vinay
Director
[DIN: 08868022]



Prashant Jain
Chairman
[DIN: 01281621]

Place: Mumbai
Date: 28.01.2021



Sanjeev Kango
Company Secretary &
Chief Financial officer

INDEPENDENT AUDITORS' REPORT

To the Members of JSW Hydro Energy Limited

Report on the Audit of the Standalone Financial Statements

Opinion

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

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

Basis for Opinion

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

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

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

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

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

h

Responsibilities of the Management for the Standalone Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements


1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by sub-section (3) of Section 143 of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The standalone balance sheet, the standalone statement of profit and loss including other comprehensive income, the standalone statement of cash flow and the standalone statement of changes in equity dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e. On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of sub-section (2) of Section 164 of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of sub-section (16) of Section 197 of the Act, as amended:

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

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

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 36 of the standalone financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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



Vipul K Choksi
Partner
M. No.37606
UDIN: 20037606AAAAA06181
Place: Mumbai
Date: 19.05.2020

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment on the basis of available information.
- (b) The Company has a program of verification to cover all the items of property, plant and equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company (except the title deeds of certain immovable properties are held in the name of the erstwhile promoter) as at the balance sheet date. In respect of immovable properties of land that have been taken on lease and disclosed as property, plant and equipment or right of use assets in the standalone financial statements, the lease agreements are in the name of the Company (except the title deeds of certain lease agreements are held in the name of the erstwhile promoter) where the Company is the lessee in the agreement.
- (ii) The inventory has been physically verified by the Company at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, reporting under paragraph 3 (iii) (a), (b) and (c) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantee or security to the parties covered under section 185 of the act. Based on our audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the management, the Company has complied with the provisions of section 186 of the Act in respect of the investment made by it.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly, reporting under paragraph 3 (v) of the Order is not applicable to the Company.
- (vi) The maintenance of cost records has been specified by the Central Government under Section 148 of the Act. We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-section (1) of Section 148 of the Act and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not required to make a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us, and the records of the company examined by us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax, goods and service tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us, there are no undisputed amounts payable in respect of income tax, service tax, goods and service tax, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.

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

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

*Net of amounts paid under protest

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to the banks and dues to debenture holders during the year. The Company has not taken any loans from financial institutions and government.
- (ix) In our opinion and according to the information and explanations given by the management, monies raised by the company by way of debt instruments in the nature of non-convertible debentures and term loans were applied for the purposes for which they were raised. According to the information and explanations given by the management, the Company has not raised any money way of initial public offer/further public offer and hence not commented upon.
- (x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the Management, we report that no material fraud by the Company and on the Company by its officer or employees has been noticed or reported during the year.
- (xi) Based on the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the Management, we report that the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule (V) to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, reporting under paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, transactions during the year with the related parties were approved by the Audit Committee and are in compliance with section 177 of the Act where applicable and since the said transactions were in the ordinary course of business of the company and were at arm's length basis, the provisions of section 188 are not applicable, and the details have been disclosed in the standalone financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Company has not made any preferential allotment/private placement of shares or fully or partly convertible debentures during the year.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements, in our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under paragraph 3 (xvi) of the Order is not applicable to the Company.

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



Vipul K Choksi

Partner

M. No.37606

UDIN: 20037606AAAAA06181

Place: Mumbai

Date: 19.05.2020

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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

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

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

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

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

Opinion

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

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



Vipul K Choksi
Partner
M. No.37606
UDIN: 20037606AAAAA06181
Place: Mumbai
Date: 19.05.2020

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

(₹ Crore)

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

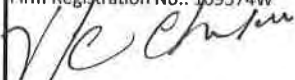
See accompanying notes to the standalone financial statements

As per our attached report of even date

For Shah Gupta & Co

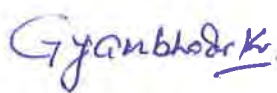
Chartered Accountants

Firm Registration No.: 109574W



Vipul K Choksi
Partner
M No. 37606

For and on behalf of Board of Directors



Gyan Bhadra Kumar
Whole Time Director
[DIN: 03620109]



Prashant Jain
Chairman
[DIN: 01281621]



Sanjeev Kango
Company Secretary &
Chief Financial Officer

Place: Mumbai

Date: -19th May, 2020

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

(₹ Crore)

Particulars	Note No.	For the year Ended 31st March ,2020	For the year Ended 31st March,2019
I Revenue from operations	20	1,263.69	1,243.97
II Other income	21	11.58	31.77
III Total income (I + II)		1,275.27	1,275.74
IV Expenses			
(a) Employee benefits expense	22	51.43	46.20
(b) Finance costs	23	550.00	611.66
(c) Depreciation and amortisation expenses	24	433.89	432.32
(d) Other expenses	25	133.15	126.88
Total expenses (IV)		1,168.47	1,217.06
V Profit/(loss) before exceptional item and tax (III-IV)		106.80	58.68
VI Exceptional items		-	-
VII Profit before tax (V - VI)		106.80	58.68
VIII Tax Expense			
Current tax		18.39	14.52
Deferred tax		(15.42)	(30.16)
IX Deferred Tax (recoverable)/adjustable in future tariff		15.42	(5.09)
	26	18.39	(20.73)
X Profit for the year (VII-VIII)		88.41	79.41
XI Other comprehensive income		(0.45)	(0.84)
(i) Items that will not be reclassified to profit or loss Remeasurements of the net defined benefit liabilities / (asset)		(0.55)	(1.07)
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.10	0.23
XII Total comprehensive income for the year (X + XI)		87.96	78.57
XIII Earnings per equity share of ₹ 10 each :			
Basic	35	0.71	0.64
Diluted		0.71	0.64

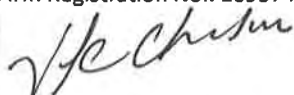
See accompanying notes to the standalone financial statements

As per our attached report of even date

For Shah Gupta & Co

Chartered Accountants

Firm Registration No.: 109574W



Vipul K Choksi

Partner

M No. 37606

For and on behalf of Board of Directors



Gyan Bhadra Kumar

Whole Time Director

[DIN: 03620109]



Prashant Jain

Chairman

[DIN: 01281621]



Sanjeev Kango

Company Secretary &

Chief Financial Officer

Place: Mumbai

Date: 19th May, 2020

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

(₹ Crore)

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

See accompanying notes to the standalone financial statements

Note:

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

As per our attached report of even date

For Shah Gupta & Co

Chartered Accountants

Firm Registration No.: 109574W



Vipul K Choksi

Partner

M No. 37606

Place: Mumbai

Date: 19th May, 2020

For and on behalf of Board of Directors



Gyan Bhadra Kumar

Whole Time Director

[DIN: 03620109]



Prashant Jain

Chairman

[DIN: 01281621]



Sanjeev Kango

Company Secretary &

Chief Financial Officer

JSW HYDRO ENERGY LIMITED
(Formerly known as Himachal Baspa Power Company Limited)

Standalone Statement of changes in equity for the year ended 31st March, 2020

a. Equity share capital (₹ Crore)

Balance at the 1st April, 2018	1,250.05
Changes in equity share capital during the FY 2018-19	-
Balance at the 1st April, 2019	1,250.05
Changes in equity share capital during the FY 2019-20	-
Balance at the 31st March, 2020	1,250.05

b. Other equity (₹ Crore)

Particulars	Reserves & surplus			Capital Contribution by parent company	Total
	Equity-settled employee benefits reserve	Debenture redemption reserve	Retained earnings		
Balance as at 1st April, 2019	0.24	38.45	306.32	156.14	501.15
Profit for the year	-	-	88.41	-	88.41
Recognition of Share based payment	0.21	-	-	-	0.21
Transfer from Debenture redemption reserve	-	(38.45)	38.45	-	-
Other comprehensive income for the year, net of income tax	-	-	(0.45)	-	(0.45)
Total comprehensive income for the year ended 31st March'20	0.45	-	432.73	156.14	589.32

(₹ Crore)

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

See accompanying notes to the standalone financial statements

As per our attached report of even date

For Shah Gupta & Co

Chartered Accountants

Firm Registration No.: 109574W



Vipul K Choksi

Partner

M No. 37606

Place: Mumbai

Date: 19th May, 2020

For and on behalf of Board of Directors



Gyan Bhadra Kumar

Whole Time Director

[DIN: 03620109]



Prashant Jain

Chairman

[DIN: 01281621]



Sanjeev Kango

Company Secretary &

Chief Financial Officer

JSW HYDRO ENERGY LIMITED

(Formerly Known as Himachal Baspa Power Company Limited)

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

Note 1: General information

- a) JSW Hydro Energy Limited (Formerly Known as Himachal Baspa Power Company Limited) is a public limited Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. It is 100% subsidiary of M/s JSW Energy Limited. The registered office of the Company is located at Sholtu Colony, P.O. Tapri, Dist. Kinnaur, 172104 (HP).
- b) The Company is primarily engaged in the business of generation and sale of power.
- c) The company has continued its operations during lockdown due to outbreak of COVID-19 as the electricity generation is considered as one of the essential services by the Government. The Company substantial generation capacities are tied up under long term power purchase agreements, which insulates revenue of the company under such contracts. The notices of applying force majeure clause under the power supply agreements from some of the customers have been appropriately responded under legal advice that the prevailing situation is outside the ambit of force majeure clause. This position is further supported by clarification from Ministry of Power that the DISCOMs will have to comply with obligation to pay fixed capacity charges as per the power purchase agreement. Based on initial assessment, the Management does not expect any medium to long-term impact on the business of the Company. The Company has evaluated the possible effects on the carrying amounts of property, plant and equipment, inventory, loans, receivables and debt covenants basis the internal and external sources of information and determined, exercising reasonable estimates and judgements, that the carrying amounts of these assets are recoverable. Having regard to above, and the company's liquidity position, there is no uncertainty in meeting financial obligations over the foreseeable future.

Note 2.1: Statement of compliance

- a) These standalone financial statements have been prepared in accordance with the Indian accounting standards (referred to as "Ind AS") prescribed under section 133 of the Company act,2013 read with the Companies (India Accounting Standards) rules as amended from time to time.
- b) The standalone Financial Statements were approved for issue by the Board of Directors on 19th May, 2020

2.2 Recent India Accounting Standards (Ind AS)

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1,2020.

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2.3 Applicability of new Ind AS: Initial application of an Ind AS

Ind AS 116-Leases

The Company applied Ind AS 116-Leases first time. Ind AS 116 Leases was notified on March 30, 2019 by the Ministry of Corporate Affairs. It replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases (i.e. leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right of use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right of use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right of use asset.

The standard permits two possible methods of transition i.e. Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, and Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application. The Company adopted Ind AS 116 using the modified retrospective approach on transition Therefore, the comparative information was not restated and continues to be reported under Ind AS 17 .There was no impact on transition on the opening balance sheet as at April 1, 2019. The new standard has no material impact on the revenue recognised during the year

Note 3: Significant accounting policies

3.1 Basis of preparation of financial statements:

- a) In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its Financial Statements as per the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1st April, 2016. Accordingly, the Company has prepared these Standalone Financial Statements which comprise the Standalone Balance Sheet as at 31st March, 2020, the Standalone Statement of Profit and Loss, the Standalone Statement of Cash Flows and the Standalone Statement of Changes in Equity for the year ended 31st March, 2020, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Standalone Financial Statements").
- b) The Standalone Financial Statements of the Company are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) on the accrual basis of accounting and historical cost convention except for certain material items

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

- c) The Standalone Financial Statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest crore, except otherwise indicated.
- d) Current and non-current classification
The company presents assets and liabilities in the balance sheet passed on current / non-current classification.

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

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

All other assets are classified as non-current.

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

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

All other liabilities are classified as non-current.

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

3.2 Use of estimates & judgements

- a) The preparation of the Standalone Financial Statements requires that the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the Financial Statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the Standalone Financial Statements is made relying on these estimates.
- b) The estimates and judgements used in the preparation of the Standalone Financial Statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future

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periods. The critical accounting judgements and key estimates followed by the Company for preparation of Standalone Financial Statements is described in note 27.

3.3 Property, plant and equipment

- a) The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to statement of profit and loss in the period in which the costs are incurred.
- b) An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.
- c) Assets in the course of construction are capitalised in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences.
- d) Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the standalone balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold or Leasehold land is stated at historical cost.

3.4 Intangible assets

- a) Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.
- b) Certain computer software costs are capitalized and recognized as Intangible assets based on materiality, accounting prudence and significant benefits expected to flow therefrom for a period longer than one year.
- c) An intangible asset is derecognised on disposal, or when no further economic benefits are expected from use or disposal. Gain / (loss) on de-recognition are recognized in profit or loss.

3.5 Depreciation and Amortisation

- a) Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values as per the provisions of Part B of Schedule II of the Companies Act, 2013 based on the useful life, rate and residual value notified for accounting purposes by CERC Tariff regulation 2014.
- b) Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end

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of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

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

Rate of depreciation are given below:

Particulars	Depreciation rate (Per Annum)
Plant & Machinery	5.28%
Lease hold Land	3.34%
Buildings	3.34%
Furniture's & Fixtures	6.33%
Vehicles	9.50%
Office equipment's	6.33%
Computer & Software	15%

3.6 Impairment of tangible and intangible assets other than goodwill

- a) At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.
- b) Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

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- c) Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.
- d) If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.
- e) When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.7 Borrowing costs

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

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

3.8 Cash and cash equivalents

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

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3.9 Revenue recognition

Sale of Power

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

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

Interest income

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

Interest or Surcharge on delayed payments or overdue trade receivables is recognised when significant certainty as to measurability or 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 Standalone Financial Statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

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

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

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

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

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3.11 Employee benefits

The Company has following post-employment plans:

a) Defined-benefit plan - gratuity

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

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

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

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

Re-measurement comprising of actuarial gains and losses arising from

- (a) Re-measurement of Actuarial (gains) / losses
- (b) Return on plan assets, excluding amount recognized in effect of asset ceiling
- (c) Re-measurement arising because of change in effect of asset ceiling are recognised in the period in which they occur directly in Other comprehensive income. Re-measurement is not reclassified to profit or loss in subsequent periods.

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

b) Defined-contribution plan – provident fund

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

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

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

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the Balance sheet date determined based on an actuarial valuation.

3.12 Share-based payment arrangements

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

3.13 Taxation

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

a) Current tax

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

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b) Deferred tax

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

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

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

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

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

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

iii) Current and deferred tax for the year

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

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3.14 Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

3.15 Provisions, contingencies and commitments

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

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

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

A disclosure for contingent liabilities is made when there is

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- (b) a present obligation that arises from past events but is not recognized because:
 - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) the amount of the obligation cannot be measured with sufficient reliability.

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

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

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

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

3.16 Financial instruments

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

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

Financial assets

(i) Initial recognition and measurement:

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

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

(ii) Subsequent measurement

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

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

Classification of financial assets

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

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

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

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

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

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

All other financial assets are subsequently measured at fair value.

Effective interest method

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

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

Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or

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

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

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

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

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

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

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

Impairment of financial assets

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

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

Derecognition of financial assets

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

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part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

3.17 Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

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

Financial liabilities

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

Financial liabilities at FVTPL

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

A financial liability is classified as held for trading if:

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

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A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

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

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

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

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

Financial liabilities subsequently measured at amortised cost

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

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through

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the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

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

Reclassification of financial assets and liabilities

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

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

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

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

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

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

3.18 Leases

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

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

- c) The Company as lessee

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

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

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

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

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

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

3.19 Service concession arrangements

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

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

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

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

Financial asset model:

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

- (a) specific or determinable amount;

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

Intangible asset model:

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

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

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

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

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

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

3.20 Inventories

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

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

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Note 4. Property, plant & equipment

(₹ Crore)

Description of Assets	Land - Freehold	Land - Leasehold	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Right of Use Assets	Total
I. Gross carrying value									
Balance as at 1st April, 2019	77.40	8.77	33.73	7,509.95	4.39	1.21	3.67	-	7,639.12
Additions	-	-	-	0.77	0.55	0.06	0.07	34.35	35.80
Disposals/Adjustment	-	(8.77)	-	-	-	-	(0.24)	-	(9.01)
Balance as at 31st March, 2020	77.40	-	33.73	7,510.72	4.94	1.27	3.50	34.35	7,665.91
II. Accumulated depreciation and impairment for the year 2019-20									
Balance as at 1st April, 2019	-	1.23	3.05	915.00	3.14	0.20	1.40	-	924.02
Depreciation expense for the year	-	-	1.12	397.09	0.43	0.08	0.29	1.41	400.42
Disposals/Adjustment	-	(1.23)	-	-	-	-	(0.14)	-	(1.37)
Balance as at 31st March, 2020	-	-	4.17	1,312.09	3.57	0.28	1.55	1.41	1,323.07
Net carrying value as at 31st March, 2020 (I-II)	77.40	-	29.56	6,198.63	1.37	0.99	1.95	32.94	6,342.84

(₹ Crore)

Description of Assets	Land - Freehold	Land - Leasehold	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Right of Use Assets	Total
I. Gross carrying value									
Balance as at 1st April, 2018	77.40	8.77	33.73	7,509.86	4.25	0.99	3.45	-	7,638.45
Additions	-	-	-	0.09	0.14	0.22	0.22	-	0.67
Balance as at 31st March, 2019	77.40	8.77	33.73	7,509.95	4.39	1.21	3.67	-	7,639.12
II. Accumulated depreciation and impairment for the year 2018-19									
Balance as at 1st April, 2018	-	0.94	1.92	518.48	2.61	0.13	1.07	-	525.15
Depreciation expense for the year	-	0.29	1.13	396.52	0.53	0.07	0.33	-	398.87
Balance as at 31st March, 2019	-	1.23	3.05	915.00	3.14	0.20	1.40	-	924.02
Net carrying value as at 31st March, 2019 (I-II)	77.40	7.54	30.68	6,594.95	1.25	1.01	2.27	-	6,715.10

Note:

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

Note 5. Capital work in progress

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

(₹ Crore)

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

Footnote:

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

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Note 6. Intangible assets

(₹ Crore)

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

(₹ Crore)

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

*Refer Note 32 (Service concession arrangement)

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Note 7. Other financial assets

(₹ Crore)

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Current	Non-Current	Total	Current	Non-Current	Total
(a) Service concession receivable	-	216.80	216.80	-	221.47	221.47
(b) Security Deposits						
- Unsecured, considered good						
(i) Government/Semi-Government Authorities	-	0.49	0.49	-	0.43	0.43
(ii) Others	-	0.09	0.09	-	0.09	0.09
	-	0.58	0.58	-	0.52	0.52
(c) Revenue receivable						
- Unbilled revenue	5.32	-	5.32	-	-	-
	5.32	-	5.32	-	-	-
(d) Other bank balances						
-In margin money for security against entry tax	-	2.01	2.01	-	3.75	3.75
	-	2.01	2.01	-	3.75	3.75
Total	5.32	219.39	224.71	-	225.74	225.74

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Note 8. Other non-current and current assets

(₹ Crore)

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Current	Non- Current	Total	Current	Non- Current	Total
(a) Capital Advances	-	0.03	0.03	0.79	-	0.79
(b) Prepayments	9.19	0.50	9.69	10.50	0.44	10.94
(c) Deposit with Government/Semi Government	-	25.00	25.00	-	25.00	25.00
(d) Entry tax receivable	19.88	-	19.88	19.88	-	19.88
(e) Advance to Vendor	2.91	-	2.91	-	-	-
(f) Others	0.96	-	0.96	2.65	-	2.65
Total	32.94	25.53	58.47	33.82	25.44	59.26

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Note 9. Inventories

(₹ Crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Stores and spares	11.46	10.98
Total	11.46	10.98

Basis of valuation: Refer note 3.20 (Inventories)

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

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Note 10. Investment

(₹ Crore)

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Current	Non- Current	Total	Current	Non- Current	Total
(A) Investment in equity instruments						
JSW Energy (Kuther) Limited	-	68.86	68.86	-	-	-
Investments carried at:						
(B) Fair value through Profit and Loss						
(a) Investments in mutual funds						
i) Aditya Birla Sunlife Liquid Growth	4.25	-	4.25	16.02	-	16.02
ii) Kotak Liquid Regular Plan Growth	-	-	-	27.02	-	27.02
iii) HDFC Liquid Fund Regular Growth	23.31	-	23.31	53.06	-	53.06
iv) Franklin India Treasury -SIP Growth	-	-	-	10.96	-	10.96
v) Aditya Birla Sunlife Overnight Regular Growth	84.40	-	84.40	-	-	-
vi) Kotak Overnight Fund Growth	34.15	-	34.15	-	-	-
vii) HDFC Overnight Fund	57.73	-	57.73	-	-	-
Total	203.84	68.86	272.70	107.06	-	107.06

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Note 11. Trade receivables

(₹ Crore)

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Current	Non-Current	Total	Current	Non-Current	Total
(a) Unsecured, considered good						
(i) Trade Receivables considered good - Secured;	235.15	-	235.15	-	-	-
(ii) Trade Receivables considered good - Unsecured;	73.00	-	73.00	198.59	-	198.59
Total	308.15	-	308.15	198.59	-	198.59

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

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

JSW HYDRO ENERGY LIMITED**(Formerly known as Himachal Baspa Power Company Limited)**

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

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

Particulars	As at 31st March, 2020	As at 31st March, 2019
Cash and cash equivalents		
(a) Balances with banks		
(i) In Current accounts	0.47	26.51
(ii) In Deposit accounts with maturity less than 3 months at inception	-	19.60
(b) Cash on hand	0.01	0.03
Total	0.48	46.14

(₹ Crore)

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

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

Note 13. Equity share capital

(₹ Crore)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares	Amount	No. of shares	Amount
Authorised: Equity shares of ₹ 10 each with voting rights	1,250,050,000	1,250.05	1,250,050,000	1,250.05
Issued, Subscribed and Fully Paid: Equity shares of ₹ 10 each with voting rights	1,250,050,000	1,250.05	1,250,050,000	1,250.05
	1,250,050,000	1,250.05	1,250,050,000	1,250.05

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

Particulars	As at 31st March, 2020	As at 31st March, 2019
	No. of Shares	No. of Shares
Balance as at the beginning of the year	1,250,050,000	1,250,050,000
Issued during the year	-	-
Balance as at the end of the year	1,250,050,000	1,250,050,000

b) Terms & Rights attached to equity shares :

(i) The Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share.

(ii) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to the shareholding. However, no such preferential amount exists currently.

c) Details of shareholding more than 5% shares in the company are set out below :

Particulars	No. of Shares	No. of Shares
1 JSW Energy Limited & its nominees	1,250,050,000 100%	1,250,050,000 100%

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

Note 14. Other Equity

Particulars	As at 31st March, 2020	As at 31st March, 2019
Equity-settled employee benefits reserve	0.45	0.24
Debenture redemption	-	38.45
Retained earnings	432.73	306.32
Capital contribution by parent company	156.14	156.14
Total comprehensive income	589.32	501.15

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

Notes:

(1) Retained earning

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

(2) Equity -settled employee benefit reserve

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

(3) Debenture redemption reserve

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

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

Note 15. Borrowings

(₹ Crore)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Current	Non Current	Current	Non Current
Measured at amortised cost				
Un Secured Borrowings:				
i Debentures				
Non-convertible Debentures	-	-	-	384.50
Secured Borrowings:				
i Term loans				
From Banks	288.24	5,172.13	256.10	5,461.90
	288.24	5,172.13	256.10	5,846.40
Less: unamortised borrowing cost	4.79	31.83	5.04	36.63
Less: Current maturities of long term debt (included in note no 16)	283.45	-	251.06	-
Total	-	5,140.30	-	5,809.77

(i) Terms of Redemptions of Debentures:

Nil (Previous Year 3,84,00,000 no.) @ 13% unsecured non convertible debentures of Rs. 100 each are redeemable at par at the end of 10 years from the date of issue i.e. 01.09.2015.

ii) Term of Repayment of Rupee Term Loans :

Particulars	As at 31st March, 2020	As at 31st March, 2019
From Banks :		
2 - 3 Years	639.93	594.98
4 - 5 Years	501.51	684.73
6 - 10 Years	834.21	985.26
Above 10 Year	3,196.48	3,196.93
Total Borrowings from Banks	5,172.13	5,461.90

Reconciliation at the beginning of the year (Including current maturities)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balance as at the beginning of the year (including current maturities)	6060.83	6785.48
Cash flows (repayment)/proceeds)	(642.12)	(730.46)
Non cash changes		
1 Amortised borrowings cost	5.04	5.81
Balance as at the end of the year (Including current maturities)	5,423.75	6,060.83

(iii) Details of Security :

Rupee Term Loan aggregating to ₹ 5,423.75 crore (Previous Year ₹ 5,676.33 crore) are secured on a pari passu basis by (a) a first charge on all immovable assets of the Karcham Wangtoo and Baspa II hydro electric plant of the Company (the Projects), (b) a first charge on all moveable assets of the Projects, (c) a first charge on all project related documents licenses, permits, approvals, rights, titles, interest etc pertaining to the Projects, and (d) first charge on book debts, operating cash flows, receivable, commissions & revenue (both present & future) and bank accounts of the Projects.

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

Note 16. Other financial liabilities

(₹ Crore)

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

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

** Refer Note 2.3 Applicability of new Ind AS

JSW HYDRO ENERGY LIMITED**(Formerly known as Himachal Baspa Power Company Limited)**

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

Note 17. Provisions**(₹ Crore)**

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Current	Non-Current	Total	Current	Non-Current	Total
Provision for employee benefits						
(i) Provision for gratuity*	1.17	2.54	3.71	1.14	1.31	2.45
(ii) Provision for compensated absence*	0.22	2.14	2.36	0.22	1.92	2.14
Total	1.39	4.68	6.07	1.36	3.23	4.59

* Refer Note 36 (Employee benefit plans)

JSW HYDRO ENERGY LIMITED**(Formerly known as Himachal Baspa Power Company Limited)**

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

Note 18. Trade payables**(₹ Crore)**

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Current	Non-Current	Total	Current	Non-Current	Total
Trade Payables						
(a) Total outstanding dues of micro and small enterprises *	0.55	-	0.55	0.78	-	0.78
(b) Total outstanding dues of creditors other than micro and small enterprises	74.58	-	74.58	49.46	-	49.46
Total	75.13	-	75.13	50.24	-	50.24

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

JSW HYDRO ENERGY LIMITED**(Formerly known as Himachal Baspa Power Company Limited)**

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

Note 19. Other non-current and current liabilities

(₹ Crore)

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Current	Non-Current	Total	Current	Non-Current	Total
(a) Employee recoveries and employer contributions	0.41	-	0.41	0.36	-	0.36
(b) Statutory dues	2.24	-	2.24	7.20	-	7.20
(c) Advance against depreciation	-	-	-	0.25	-	0.25
Total	2.65	-	2.65	7.81	-	7.81

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

Note 20. Revenue from operations

(₹ Crore)

Particulars	For the year Ended 31st March ,2020	For the year Ended 31st March,2019
Disaggregation of revenue from contract with customers:		
(1) Sale of power (Own generation)	1,236.00	1,217.82
Total revenue from contract with customers (A)	1,236.00	1,217.82
(2) Income from service concession arrangement	27.69	26.15
Income from service concession arrangement (B)	27.69	26.15
Total (A) + (B)	1,263.69	1,243.97

(a) Details of revenue from contract with Customer

Particulars	For the year Ended 31st March ,2020	For the year Ended 31st March,2019
Total Revenue from contract with customers as above	1,236.00	1,217.82
Add: Rebate on prompt payment	9.79	15.77
Less: Incentive	78.21	63.71
Total Revenue from contract with customers as per contracted price	1,167.58	1,169.89

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

Note 21. Other income

(₹ Crore)

Particulars	For the year Ended 31st March ,2020	For the year Ended 31st March,2019
a) Interest Income earned on financial assets that are not designated as at FVTPL		
i On Bank deposits	2.40	2.44
ii Other Financial Assets	0.01	13.21
b) Others		
i Net Gain on sale of current investments designated as at FVTPL	6.33	9.45
ii Profit on sale of capital assets (net of loss on assets sold / scrapped / written off)	0.01	-
iii Net gain on foreign currency transaction *	0.00	0.00
iv Domestic Scrap Sales	0.01	0.38
v Sale of Carbon credit	2.07	1.02
vi Provision no longer required written back	0.17	4.45
vii Miscellaneous income	0.58	0.82
Total	11.58	31.77

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

JSW HYDRO ENERGY LIMITED**(Formerly known as Himachal Baspa Power Company Limited)**

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

Note 22. Employee benefits expense**(₹ Crore)**

Particulars	For the year Ended 31st March ,2020	For the year Ended 31st March,2019
(a) Salaries and wages	45.55	41.82
(b) Contribution to provident and other funds *	3.63	1.75
(c) Share based payment **	0.30	0.16
(d) Staff welfare expenses	1.95	2.47
Total	51.43	46.20

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

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

JSW HYDRO ENERGY LIMITED**(Formerly known as Himachal Baspa Power Company Limited)**

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

Note 23. Finance costs**(₹ Crore)**

Particulars	For the year Ended 31st March ,2020	For the year Ended 31st March,2019
(a) Interest expense		
i Interest on Debentures	23.18	72.18
ii Interest on Term Loan	515.02	529.69
iii Interest cash credit	0.05	0.01
(b) Unwinding of interest on Financial liabilities carried at Amortised cost	4.61	4.61
(c) Other borrowing costs	4.73	5.17
(d) Interest on lease liabilities	2.41	-
Total	550.00	611.66

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

Note 24. Depreciation and amortisation expense

(₹ Crore)

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

JSW HYDRO ENERGY LIMITED

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

Note 25. Other expenses

(₹ Crore)

Particulars	For the year Ended 31st March ,2020	For the year Ended 31st March,2019
(a) Stores and spares consumed	18.58	13.02
(b) Power & Water	4.81	5.30
(c) Rent including lease rentals	2.15	4.47
(d) Repairs and maintenance	42.82	47.22
(e) Royalty	0.04	0.09
(f) Rates and taxes	0.44	0.36
(g) Insurance	19.43	19.30
(h) Net loss / (gain) on foreign currency transactions net off)**	(0.00)	0.01
(i) Legal and other professional charges	2.63	1.90
(j) Travelling Expenses	1.51	1.16
(k) Donation	5.00	0.15
(l) Corporate Social Responsibility *	3.45	4.09
(m) Open Access Charges	0.07	14.10
(n) Miscellaneous receivable balance written off	-	0.83
(o) Other General Expenses	5.38	8.22
(p) Provision for doubtful debts	18.89	-
(q) Safety and Security	1.24	1.31
(r) Branding Expenses	3.72	2.42
(s) Share Service cost	2.99	2.93
Total	133.15	126.88

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

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

JSW HYDRO ENERGY LIMITED

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

Note 26. Tax expense

(₹ Crore)

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

* Refer note 33 for details of Tax expenses

JSW HYDRO ENERGY LIMITED

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

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

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

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

Critical judgements in applying accounting policies

Service concession arrangements

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

Revenue recognition

- a) In case of BASPA, revenue from sale of power is accounted for on the basis of billing to Himachal Pradesh State Electricity Board Limited (HPSEBL) as per Tariff approved by Himachal Pradesh Electricity Regulatory Commission (HPERC) in accordance with the provisions of the Long Term Power Purchase Agreement (LTPPA) dated 4th June 1997, Amendment No. 1 dated 7th January 1998, executed between the Company and HPSEBL.
- b) In case of KARCHAM Wangtoo, revenue from sale of power is accounted as under:
 - i) The long term PPA sales are accounted on the basis of applicable CERC regulations and respective Tariff orders/ Tariff petition as filled to Central Electricity Regulatory Commission for determining the tariff of Karcham Wangtoo plant
 - ii) Sale of power under Short Term through the Power Exchange is accounted for on the basis of billing to various buyers under the terms of the PPA and the Power Exchange.

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

Key sources of estimation uncertainties

Impairment of property plant and equipment

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

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

Contingencies

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

Fair value measurements

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

Defined benefit plans

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

Shared based payments

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

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

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

Evaluation of arrangements to determine whether it contains lease:

The management has critically evaluated the terms of the contract (including by obtaining independent legal advice) with respect to Karcham Wangtoo Hydro Plant to determine whether the contract is, in substance, with a customer or with multiple state electricity utility companies, and the customer is merely acting as an 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 nor as replaced Appendix "C" of Ind AS 17, "Determining whether an Arrangement contains a Lease"

Service concession arrangements:

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

Note 28. Balance Confirmation

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

JSW HYDRO ENERGY LIMITED

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Notes to Standalone Financial Statements for the year ended 31st March, 2020**Note 29. Financial Instruments: Classifications and fair value measurements**

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

(₹ Crore)

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

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

(₹ Crore)

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

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

Financial risk management objectives

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

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

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

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

Foreign currency risk management

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

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

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

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

Interest rate risk management

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

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

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

Interest rate sensitivity analysis

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

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

(₹ Crore)

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

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

Credit risk management

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

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

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

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

Liquidity risk management

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

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

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(₹ Crore)

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

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(₹ Crore)

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

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

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Power offtake risk management

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

Note 30 Capital management

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

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

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

Gearing ratio

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

(₹ Crore)

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

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

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

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

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

Ageing of Trade receivable:

(₹ Crore)

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

Note 32. Service concession arrangement

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

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

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

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

Based on the aforesaid tariff structure, the right to consideration gives rise to an intangible asset and financial receivable and accordingly, both the intangible asset and financial receivable models are applied.

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

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

Note 33. Tax expenses**(₹ Crore)**

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

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

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

Deferred tax assets / (liabilities)

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

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

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

Note 34. Operating segment

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

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

Customer contributing more than 10% of revenue

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

Note 35. Earnings per share

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

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Notes to Standalone Financial Statements for the year ended 31st March, 2020**Note 36. Employee benefit Plans:****Defined benefits plans:-****(a) Defined contribution plans – Provident fund:**

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

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

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

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

(b) Defined benefits plans - Gratuity:

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

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

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

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

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

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

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

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

(₹ Crore)

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

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Notes to Standalone Financial Statements for the year ended 31st March, 2020Changes in the defined benefit obligation and fair value of plan assets as at 31st March, 2019

(₹ Crore)

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

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

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

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

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

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

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

Sensitivity Analysis:

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

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

The following are the maturity analysis of projected benefit obligations:

(₹ Crore)

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

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

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

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Compensated Absences

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

Note 37. Employee share based payment plan:**i) JSWEL EMPLOYEES STOCK OWNERSHIP PLAN – 2016**

- a) The Company has the share option plan schemes for permanent employees of the Company in the identified grades of employees for respective plans / schemes including any director except promoter or independent directors, nominee directors and non-executive directors or a director who either himself or through relatives or through anybody directly or indirectly holds more than 10% of the outstanding equity shares of the parent Company.
- b) The award value shall be determined as percentage of Total Fixed Pay. The grant shall be at such price as may be determined by the ESOP Committee and shall be specified in the Grant letter. The option shall not be transferable and can be exercised only by the employees of the Company.
- c) The number of options to be granted to each eligible employees is determined by dividing the Award Value (amount equivalent to percentage of Annual Fix Pay) by the Fair Value of option provided. The Fair Value of option on the date of each grant is determined by using Black Scholes model.

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

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

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

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Notes to Standalone Financial Statements for the year ended 31st March, 2020**ESOP 2016 (Grant Date: 1st Nov , 2018)**

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

The Method of settlement for above grants are as below:

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

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

JSW HYDRO ENERGY LIMITED

(Formerly Known as Himachal Baspa Power Company Limited)

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

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

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

Note 38. Lease

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

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

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

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

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

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

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

JSW HYDRO ENERGY LIMITED

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

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

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

(₹ Crore)

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

Note 40. Commitments

(₹ Crore)

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

Note 41. Contingent liabilities

(₹ Crore)

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

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

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

JSW HYDRO ENERGY LIMITED

(Formerly Known as Himachal Baspa Power Company Limited)

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

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

Note 42. Related party disclosure

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

JSW HYDRO ENERGY LIMITED

(Formerly Known as Himachal Baspa Power Company Limited)

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

(₹ crore)

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

JSW HYDRO ENERGY LIMITED

(Formerly Known as Himachal Baspa Power Company Limited)

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

(₹ crore)

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

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

(₹ crore)

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

Note:

- i) No amounts in respect of related parties have been written off / written back during the year, nor has any provision been made for doubtful debts / receivables during the year, except as discussed above
- ii) Related party relationships have been identified by the management and relied upon by the Auditors
- iii) Related party transactions have been disclosed on basis of value of transactions in terms of the respective contracts.

JSW HYDRO ENERGY LIMITED

(Formerly Known as Himachal Baspa Power Company Limited)

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

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

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

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

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

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

Note 44. Remuneration to Auditors (excluding GST)

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

JSW HYDRO ENERGY LIMITED

(Formerly Known as Himachal Baspa Power Company Limited)

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


Note 45. Investment in Equity

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

For and on behalf of the Board of Directors



Gyan Bhadra Kumar
Whole Time Director
[DIN:03620109]



Prashant Jain
Chairman
[DIN: 01281621]



Sanjeev Kango
Company Secretary &
Chief Financial officer

REPORT ON REVIEW OF UNAUDITED CONDENSED STANDALONE INTERIM FINANCIAL STATEMENTS

To
The Board of Directors
JSW Hydro Energy Limited

We have reviewed the accompanying **Unaudited Condensed Standalone Interim Financial Statements** of JSW Hydro Energy Limited ("the Company") which comprise of the Unaudited Condensed Standalone Interim Balance Sheet as at December 31, 2020, the Unaudited Condensed Standalone Interim Statement of Profit and Loss (including Other comprehensive income), the Unaudited Condensed Standalone Interim Statement of Cash Flow and the Unaudited Condensed Standalone Interim Statement of Changes in Equity for the nine months period ended December 31, 2020 and selected explanatory notes (together hereinafter referred to as the "the Unaudited Condensed Standalone Interim Financial Statements"). The Unaudited Condensed Standalone Interim financial statements have been prepared by the Company for the purpose of raising Green Bonds in the United States.

Managements Responsibility for the Unaudited Condensed Standalone Interim Financial Statements

The Company's Board of Directors is responsible for the preparation of these Unaudited Condensed Standalone Interim Financial Statements in accordance with the requirements of Indian Accounting Standard 34–Interim Financial Reporting ("Ind AS 34"), specified under Section 133 of the Companies Act, 2013 (the "Act"), read with the relevant rules issued there under and other recognised accounting principles and policies.

Auditor's Responsibility for the Unaudited Condensed Standalone Interim Financial Statements

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing issued by the ICAI and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Unaudited Condensed Standalone Interim Financial Statements are not prepared, in all material respects in accordance with the requirements of Ind AS 34 as specified under Section 133 of the Act, read with relevant rules issued there under and other recognized accounting practices and policies.

Other matters

The accompanying Unaudited Condensed Standalone Interim Financial Statements have been prepared by the Company solely for the purpose of raising Green Bonds in the United States. Accordingly, this report should not be used, referred to or distributed for any other purpose.

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

Vipul K Choksi

Vipul K Choksi
Partner
M. No. 37606
UDIN: 21037606AAAABL7077
Place: Mumbai
Date: April 28, 2021



JSW HYDRO ENERGY LIMITED
(Formerly known as Himachal Baspa Power Company Limited)
Unaudited Condensed Standalone Interim Balance Sheet

(₹ Crore)

	Particulars	Note No.	As at 31st December, 2020	As at 31st March, 2020
A	ASSETS			
1	Non-current assets			
	(a) Property, plant and equipment	4	6,039.03	6,342.84
	(b) Capital work-in-progress	5	21.42	17.97
	(c) Intangible assets	6	760.20	784.34
	(d) Financial assets			
	(i) Investments	10	369.35	68.86
	(ii) Other financial assets	7	189.90	219.39
	(e) Other non-current assets	8	26.16	25.53
	(f) Income tax assets		34.48	34.04
	Total non-current assets		7,440.54	7,492.97
2	Current assets			
	(a) Inventories	9	13.96	11.46
	(b) Financial assets			
	(i) Investments	10	481.54	203.84
	(ii) Trade receivables	11	146.99	308.15
	(iii) Cash and cash equivalents	12	52.90	0.48
	(iv) Bank balances other than (iii) above	12	33.19	31.84
	(v) Other financial assets	7	91.97	5.32
	(c) Other current assets	8	36.75	32.94
	Total current assets		857.30	594.03
	Total Assets (1+2)		8,297.84	8,087.00
B	EQUITY AND LIABILITIES			
1	Equity			
	(a) Equity share capital	13	1,250.05	1,250.05
	(b) Other equity	14	840.59	589.32
	Total equity		2,090.64	1,839.37
	Liabilities			
2	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	15	4,837.01	5,140.30
	(ii) Other financial liabilities	16	395.16	26.54
	(b) Provisions	17	6.62	4.68
	Total non-current liabilities		5,238.79	5,171.52
3	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	15	25.00	-
	(ii) Trade payables			
	(a) Total outstanding dues of micro and small enterprises	18	1.52	0.55
	(b) Total outstanding dues of creditors other than micro and small enterprises	18	18.07	74.58
	(iii) Other financial liabilities	16	860.98	996.94
	(b) Other current liabilities	19	2.37	2.65
	(c) Provisions	17	1.73	1.39
	(d) Current tax liabilities (Net)		58.74	-
	Total current liabilities		968.41	1,076.11
	Total Equity and Liabilities (1+2+3)		8,297.84	8,087.00

See accompanying notes to unaudited condensed standalone interim financial statements

As per our attached report of even date

For Shah Gupta & Co

Chartered Accountants

Firm Registration No.: 109574W

Vipul K. Choksi

Partner

M No. 37606



For and on behalf of Board of Directors

Prifesh Vinay

Director

[DIN:08868022]

Prashant Jain

Chairman

[DIN: 01281621]



Sanjeev Kango

Company Secretary &
Chief Financial Officer

Place: Mumbai

Date: April 28, 2021

Place: Mumbai

Date: 28.01.2021

JSW HYDRO ENERGY LIMITED
(Formerly known as Himachal Baspa Power Company Limited)
Unaudited Condensed Standalone Interim Statement of Profit & Loss

(₹ Crore)

Particulars	Note No.	For the Nine Months ended 31st December,2020	For the Nine Months ended 31st December,2019
I Revenue from operations	20	1,099.25	1,115.56
II Other income	21	33.20	8.00
III Total Income (I + II)		1,132.45	1,123.56
IV Expenses			
(a) Employee benefits expense	22	39.68	39.07
(b) Finance costs	23	343.30	421.24
(c) Depreciation and amortisation expenses	24	326.28	326.12
(d) Other expenses	25	64.06	95.80
Total expenses (IV)		773.32	882.23
V Profit/(loss) before exceptional item and tax (III-IV)		359.13	241.33
VI Exceptional items		-	-
VII Profit before tax (V - VI)		359.13	241.33
VIII Tax Expense			
Current tax		107.76	49.47
Deferred tax		(63.45)	(44.35)
IX Deferred Tax (recoverable from)/adjustable in future tariff	26	63.45	44.35
		107.76	49.47
X Profit for the period (VII-VIII)		251.37	191.86
XI Other comprehensive income		(0.29)	-
(i) Items that will not be reclassified to profit or loss			
Remeasurements of the net defined benefit liabilities / (asset)		(0.41)	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.12	-
XII Total comprehensive income for the period (X + XI)		251.08	191.86
XIII Earnings per equity share of ₹ 10 each :			
Basic		2.01	1.53
Diluted		2.01	1.53

See accompanying notes to unaudited condensed standalone Interim financial statements

As per our attached report of even date

For Shah Gupta & Co

Chartered Accountants

Firm Registration No.: 109574W

Vipul K Choksi

Partner

M No. 37606



For and on behalf of Board of Directors

Pritesh Vinay

Director

(DIN:08868022)

Prashant Jain

Chairman

(DIN: 01281621)



Sanjeev Kango

Company Secretary &
Chief Financial Officer

Place: Mumbai

Date: April 28, 2021

Place: Mumbai

Date: 28.01.2021

JSW HYDRO ENERGY LIMITED
(Formerly known as Himachal Baspa Power Company Limited)
Unaudited Condensed Standalone Interim Statement of Cash Flow

(₹ Crore)

Particulars	For the nine months ended 31st December, 2020		For the nine months ended 31st December, 2019	
I CASH FLOW FROM OPERATING ACTIVITIES				
Profit before Tax		359.13		241.33
Adjusted for:				
Depreciation and amortisation	326.28		326.12	
Interest Income	(4.77)		(1.84)	
Net Gain from current investments designated at FVTPL	(8.00)		(4.73)	
Excess provision no longer required written back	(18.00)		-	
Profit on sale of capital assets (net of loss on assets sold / scrapped / written off)	(0.05)		-	
Share based payment expenses	0.19		0.12	
Finance costs	343.30		421.24	
Fixed Assets written off	3.68			
		642.63		740.91
Operating profit before working capital changes		1001.76		982.24
Adjustment for:				
Decrease / (Increase) in Trade and other receivables	157.35		(173.16)	
Increase / (Decrease) in Trade payables & Other Liabilities	200.01		274.84	
Decrease / (Increase) in Loans & advances and other current and non-current assets	(50.74)		6.30	
Decrease / (Increase) in Inventories	(2.50)		(5.19)	
		304.12		102.79
Cash generated from operations		1305.88		1085.03
Direct taxes paid		(49.46)		(12.28)
NET CASH FLOW FROM OPERATING ACTIVITIES		1256.42		1072.75
II CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant & equipment including CWIP and capital advances		(5.41)		(36.37)
Investment made in Mutual Fund		(275.82)		30.84
Investment made in Equity in Jsw Energy (Kutehr) Limited		(300.48)		(26.35)
Net Gain from current investments		6.12		4.52
NET CASH USED IN INVESTING ACTIVITIES		(575.59)		(27.36)
III CASH FLOW FROM FINANCING ACTIVITIES				
Borrowings repaid		(263.24)		(640.60)
Payment of Lease liabilities		(0.68)		(1.62)
Finance costs paid		(364.49)		(421.54)
NET CASH USED IN FINANCING ACTIVITIES		(628.41)		(1,063.76)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (I+II+III)		52.42		(18.37)
CASH AND CASH EQUIVALENTS - At the beginning of the period		0.48		46.14
CASH AND CASH EQUIVALENTS - At the end of period		52.90		27.77

See accompanying notes to unaudited condensed standalone Interim financial statements

As per our attached report of even date

For Shah Gupta & Co

Chartered Accountants

Firm Registration No.: 109574W

Vipul K Choksi
Partner
M No. 37606



Place: Mumbai

Date: April 28, 2021

For and on behalf of Board of Directors

Pritesh Vinay
Director
[DIN:08868022]

Prashant Jain
Chairman
[DIN: 01281621]



Sanjeev Kango
Company Secretary &
Chief Financial Officer

Place: Mumbai

Date: 28.01.2021

JSW HYDRO ENERGY LIMITED
(Formerly known as Himachal Baspa Power Company Limited)

Unaudited Condensed Standalone Interim Statement of changes in equity for the nine months ended 31st December, 2020

a. Equity share capital (₹ Crore)

Balance at the 1st April, 2019	1,250.05
Changes in equity share capital during the FY 2019-20	-
Balance at the 1st April, 2020	1,250.05
Changes in equity share capital during the period	-
Balance at the 31st December, 2020	1,250.05

b. Other equity (₹ Crore)

Particulars	Reserves & surplus			Capital Contribution by parent company	Total
	Equity-settled employee benefits reserve	Debenture redemption reserve	Retained earnings		
Balance as at 1st April, 2020	0.45	-	432.73	156.14	589.32
Profit for the period	-	-	251.37	-	251.37
Recognition of Share based payment	0.19	-	-	-	0.19
Other comprehensive income for the period, net of income tax	-	-	(0.29)	-	(0.29)
Total comprehensive income for the nine months ended 31st December '20	0.64	-	683.81	156.14	840.59

Particulars	Reserves & surplus			Capital Contribution by parent company	Total
	Equity-settled employee benefits reserve	Debenture redemption reserve	Retained earnings		
Balance at 1st April, 2019	0.24	38.45	306.32	156.14	501.15
Profit for the year	-	-	191.86	-	191.86
Recognition of Share based payment	0.12	-	-	-	0.12
Transfer from Debenture redemption reserve	-	(38.45)	38.45	-	-
Total comprehensive income for the nine months ended 31st December, 2019	0.36	-	536.63	156.14	693.13

See accompanying notes to unaudited condensed standalone Interim financial statements

As per our attached report of even date

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

Ballesh Vinay

Ballesh Vinay
Director
[DIN:08868022]

Prashant Jain

Prashant Jain
Chairman
[DIN: 01281621]



Sanjeev Kango
Sanjeev Kango
Company Secretary &
Chief Financial Officer

Place: Mumbai
Date: April 28, 2021

Place: Mumbai
Date: 28.01.2021

JSW HYDRO ENERGY LIMITED

(Formerly Known as Himachal Baspa Power Company Limited)

Notes to Unaudited Condensed Standalone Interim Financial Statements for the Nine months ended 31st December, 2020

Note 1. General information

- a) JSW Hydro Energy Limited (Formerly Known as Himachal Baspa Power Company Limited) is a public limited Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. It is 100% subsidiary of M/s JSW Energy Limited. The registered office of the Company is located at Sholtu Colony, P.O. Tapri, Dist. Kinnaur, 172104 (HP).
- b) The Company is primarily engaged in the business of generation and sale of power.
- c) The company has continued its operations during lockdown due to outbreak of COVID-19 as the electricity generation is considered as one of the essential services by the Government. The Company substantial generation capacities are tied up under long term power purchase agreements, which insulates revenue of the company under such contracts. The notices of applying force majeure clause under the power supply agreements from some of the customers have been appropriately responded under legal advice that the prevailing situation is outside the ambit of force majeure clause. This position is further supported by clarification from Ministry of Power that the DISCOMs will have to comply with obligation to pay fixed capacity charges as per the power purchase agreement. Based on initial assessment, the Management does not expect any medium to long-term impact on the business of the Company. The Company has evaluated the possible effects on the carrying amounts of property, plant and equipment, inventory, loans, receivables and debt covenants basis the internal and external sources of information and determined, exercising reasonable estimates and judgements, that the carrying amounts of these assets are recoverable. Having regard to above, and the company's liquidity position, there is no uncertainty in meeting financial obligations over the foreseeable future.

Note 2. Statement of compliance

- a) These Unaudited Condensed standalone Interim financial statements have been prepared in accordance with the Indian accounting standard 34 "Interim Financial reporting" (referred to as "Ind AS 34") prescribed under section 133 of the Company act,2013 read with the Companies (India Accounting Standards) rules as amended from time to time.

Note 3. Significant accounting policies

3.1 Basis of preparation of financial statements:

- a) The company has prepared these Unaudited Condensed Standalone Interim Financial Statements which comprise the Unaudited Condensed Standalone Interim Balance sheet as at 31st December 2020, the Unaudited Condensed Standalone Interim statement of Profit & Loss for the nine months ended 31st December 2020, the Unaudited Condensed Standalone Interim statement of Cash Flows for the nine months ended 31st December 2020 and the Unaudited Condensed Standalone Interim statement of Changes in Equity for the nine months ended 31st December,2020 and other explanatory information(together hereinafter referred to as the "Unaudited Condensed Standalone Interim Financial Statements" or Standalone financial Statement).



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Notes to Unaudited Condensed Standalone Interim Financial Statements for the Nine months ended 31st December, 2020

- b) The Unaudited Condensed Standalone Interim Financial Statements have been prepared by the Company for the purpose of raising U.S. dollar Green Bonds.
- c) The Standalone Financial Statements of the Company are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) on the accrual basis of accounting and historical cost convention except for certain material items that have been measured at fair value as required by the relevant Ind AS.
- d) The Unaudited Condensed Standalone Interim Financial Statement do not include all the information and disclosures normally included in annual financial statements. Accordingly, these statements are to be read in conjunction with annual financial statements for the year ended 31st March, 2020 and any public announcement made during reporting period.
- e) Accounting Policies and methods of computation followed in the Unaudited Condensed Interim Financial Statements are same as compared with the annual financial statements for the year ended 31st March, 2020.
- f) The Standalone Financial Statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest crore, except otherwise indicated.
- g) No reportable subsequent event has occurred till the date of issue of these standalone financial statements

3.2 Critical accounting judgements and key sources of estimation uncertainty

- a) In the course of applying the policies outlined, 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.
- b) 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.
- c) The areas where estimates are significant to the Unaudited Condensed Standalone Interim Financial Statements, or areas involving a high degree of judgement or complexity, are same as those disclosed in the annual financial statements for the year ended 31st March 2020.



JSW HYDRO ENERGY LIMITED
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Notes to the unaudited condensed standalone Interim financial statements for the nine months ended 31st December, 2020

Note 4. Property, plant & equipment

(₹ Crore)

Description of Assets	Property, plant & equipment										Total	
	Land - Freehold	Land - Leasehold	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Right of Use Assets				
I. Gross carrying value												
Balance as at 1st Apr, 2020	77.40	-	33.73	7,510.72	4.94	1.27	3.50	34.35			7,665.91	
Additions	-	-	-	0.59	0.52	0.00	-	-			1.11	
Disposals/Adjustment	-	-	(4.10)	(0.02)	-	-	(0.03)	-			(4.15)	
Balance as at 31st December, 2020	77.40	-	29.63	7,511.29	5.46	1.27	3.47	34.35			7,662.87	
II. Accumulated depreciation and impairment for the period												
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 period	-	-	0.84	298.81	0.21	0.06	0.23	1.06			301.21	
Disposals/Adjustment	-	-	(0.42)	(0.00)	-	-	(0.02)	-			(0.44)	
Balance as at 31st December, 2020	-	-	4.59	1,610.90	3.78	0.34	1.76	2.47			1,623.84	
Net carrying value as at 31st December, 2020 (I-II)	77.40	-	25.04	5,900.39	1.68	0.93	1.71	31.88			6,039.03	

(₹ Crore)

Description of Assets	Property, plant & equipment										Total
	Land - Freehold	Land - Leasehold	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Leasehold Improvements			
I. Gross carrying value											
Balance as at 1st April, 2019	77.40	8.77	33.73	7,509.95	4.39	1.21	3.67	34.35			7,639.12
Disposals	-	(8.77)	-	0.77	0.55	0.06	0.07	-			35.80
Balance as at 31st March, 2020	77.40	-	33.73	7,510.72	4.94	1.27	3.50	34.35			7,665.91
II. Accumulated depreciation and impairment for the year 2019-20											
Balance as at 1st April, 2019	-	1.23	3.05	915.00	3.14	0.20	1.40	-			924.02
Depreciation expense for the year	-	-	1.12	397.07	0.43	0.08	0.29	1.41			400.42
Disposals/Adjustment	-	(1.23)	-	-	-	-	(0.14)	-			(1.37)
Balance as at 31st March, 2020	-	-	4.17	1,312.08	3.57	0.28	1.55	1.41			1,323.07
Net carrying value as at 31st March, 2020 (I-II)	77.40	-	29.56	6,198.63	1.37	0.99	1.95	32.94			6,342.84

Note 5. Capital work in progress

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

(₹ Crore)

Balance as at 31st March, 2020	17.97
Balance as at 31st December, 2020	21.42



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Notes to the unaudited condensed standalone Interim financial statements for the nine months ended 31st December, 2020

Note 6. Intangible assets

(₹ Crore)

Description of Assets	Computer Software	Service Concession Arrangement intangibles	Total
I. Gross Carrying Value			
Balance as at 1st April, 2020	1.42	935.82	937.24
Additions	-	0.93	0.93
Balance as at 31st December, 2020	1.42	936.75	938.17
II. Accumulated amortisation and impairment for the Period			
Balance as at 1st April, 2020	0.42	152.48	152.90
Amortisation expense for the year	0.14	24.93	25.07
Balance as at 31st December, 2020	0.56	177.41	177.97
Net carrying value as at 31st December, 2020 (I-II)	0.86	759.34	760.20

(₹ Crore)

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



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Notes to the unaudited condensed standalone Interim financial statements for the nine months ended 31st December, 2020

Note 7. Other financial assets

(₹ Crore)

Particulars	As at 31st December, 2020			As at 31st March, 2020		
	Current	Non-Current	Total	Current	Non-Current	Total
(a) Service concession receivable	-	183.26	183.26	-	216.80	216.80
(b) Security Deposits						
- Unsecured, considered good						
(i) Government/Semi-Government Authorities	-	0.52	0.52	-	0.49	0.49
(ii) Others	-	0.09	0.09	-	0.09	0.09
	-	0.61	0.61	-	0.58	0.58
(c) Revenue receivable						
- Unbilled revenue	90.46	-	90.46	5.32	-	5.32
- Interest receivable	1.51	-	1.51	-	-	-
	91.97	-	91.97	5.32	-	5.32
(d) Other bank balances						
- Bank Deposits with Original maturity more than Twelve Months	-	4.34	4.34	-	-	-
- In margin money for security	-	1.69	1.69	-	2.01	2.01
	-	6.03	6.03	-	2.01	2.01
Total	91.97	189.90	281.87	5.32	219.39	224.71



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Notes to the unaudited condensed standalone Interim financial statements for the nine months ended 31st December,2020

Note 8. Other non-current and current assets

(₹ Crore)

Particulars	As at 31st December, 2020			As at 31st March,2020		
	Current	Non-Current	Total	Current	Non-Current	Total
(a) Capital Advances	-	0.78	0.78	-	0.03	0.03
(b) Prepayments	14.77	0.38	15.15	9.19	0.50	9.69
(c) Deposit with Government/Semi Government	-	25.00	25.00	-	25.00	25.00
(d) Entry tax receivable	19.88	-	19.88	19.88	-	19.88
(e) GST Input Tax	0.11	-	0.11	-	-	-
(f) Advance to Vendor	1.99	-	1.99	2.91	-	2.91
(g) Others	-	-	-	0.96	-	0.96
Total	36.75	26.16	62.91	32.94	25.53	58.47



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Notes to the unaudited condensed standalone Interim financial statements for the nine months ended 31st December,2020

Note 9. Inventories

(₹ Crore)

Particulars	As at 31st December, 2020	As at 31st March,2020
(a) Stores and spares	13.81	11.46
(b) Inventory Medicines	0.15	-
Total	13.96	11.46



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Notes to the unaudited condensed standalone Interim financial statements for the nine months ended 31st December, 2020

Note 10. Investment

(₹ Crore)

Particulars	As at 31st December, 2020			As at 31st March, 2020		
	Current	Non-Current	Total	Current	Non-Current	Total
(A) Investment in equity Instruments						
JSW Energy (Kutehr) Limited		369.35	369.35		68.86	68.86
Investments carried at:						
(B) Fair value through Profit and Loss						
i) Aditya Birla Sunlife Liquid Growth	131.32	-	131.32	4.25	-	4.25
ii) Kotak Liquid Regular Plan Growth	95.41	-	95.41	-	-	-
iii) HDFC Liquid Fund Regular Growth	-	-	-	23.31	-	23.31
iv) SBI premier Liquid fund- Regular plan - Growth	254.81	-	254.81	-	-	-
v) Aditya Birla Sunlife Overnight Regular Growth	-	-	-	84.40	-	84.40
vi) Kotak Overnight Fund Growth	-	-	-	34.15	-	34.15
vii) HDFC Overnight Fund	-	-	-	57.73	-	57.73
Total	481.54	369.35	850.89	203.84	68.86	272.70



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Notes to the unaudited condensed standalone Interim financial statements for the nine months ended 31st December, 2020

Note 11. Trade receivables

(₹ Crore)

Particulars	As at 31st December, 2020			As at 31st March, 2020		
	Current	Non- Current	Total	Current	Non- Current	Total
(i) Trade Receivables considered good - Secured;	69.31	-	69.31	235.15	-	235.15
(ii) Trade Receivables considered good - Unsecured;	77.68	-	77.68	73.00	-	73.00
Total	146.99	-	146.99	308.15	-	308.15



JSW HYDRO ENERGY LIMITED**(Formerly known as Himachal Baspa Power Company Limited)**

Notes to the unaudited condensed standalone Interim financial statements for the nine months ended 31st December, 2020

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

Particulars	As at 31st December, 2020	As at 31st March, 2020
Cash and cash equivalents		
(a) Balances with banks		
(i) In Current accounts	52.88	0.47
(b) Cash on hand	0.02	0.01
Total	52.90	0.48
Bank balances other than above		
(i) Earmarked balances with banks		
- Margin money for Security against Entry Tax	33.19	31.84
Total	33.19	31.84



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Notes to the unaudited condensed standalone Interim financial statements for the nine months ended 31st December, 2020

Note 13. Equity share capital

(₹ Crore)

Particulars	As at 31st December, 2020		As at 31st March, 2020	
	No. of shares	Amount	No. of shares	Amount
Authorised: Equity shares of ₹ 10 each with voting rights	1,250,050,000	1,250.05	1,250,050,000	1,250.05
Issued, Subscribed and Fully Paid: Equity shares of ₹ 10 each with voting rights	1,250,050,000	1,250.05	1,250,050,000	1,250.05
	1,250,050,000	1,250.05	1,250,050,000	1,250.05
a) Reconciliation of the number of shares outstanding at the beginning and end of Period:				
Particulars	As at 31st December, 2020		As at 31st March, 2020	
	No. of Shares		No. of Shares	
Balance as at the beginning of the year	1,250,050,000		1,250,050,000	
Issued during the period	-		-	
Balance as at the end of the period	1,250,050,000		1,250,050,000	
b) Terms & Rights attached to equity shares :				
(i) The Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share.				
(ii) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to the shareholding. However, no such preferential amount exists currently.				
c) Details of shareholding more than 5% shares in the company are set out below :				
Particulars	No. of Shares		No. of Shares	
1 JSW Energy Limited & its nominees	1,250,050,000		1,250,050,000	
	100%		100%	



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Notes to the unaudited condensed standalone Interim financial statements for the nine months ended 31st December, 2020

Note 14. Other Equity

(₹ Crore)

Particulars	As at 31st December, 2020	As at 31st March, 2020
Equity-settled employee benefits reserve	0.64	0.45
Retained earnings	683.81	432.73
Capital contribution by parent company	156.14	156.14
Total comprehensive income	840.59	589.32



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Notes to the unaudited condensed standalone Interim financial statements for the nine months ended 31st December, 2020

Note 15. borrowings

(₹ Crore)

Particulars	As at 31st December, 2020		As at 31st March, 2020	
	Current	Non Current	Current	Non Current
Secured Borrowings:				
i) Term loans				
From Banks	306.74	4,865.40	288.24	5,172.13
	306.74	4,865.40	288.24	5,172.13
Less: Unamortised borrowing cost	4.61	28.39	4.79	31.83
Less: Current maturities of long term debt (included in note no 16)	302.13	-	283.45	-
	-	4,837.01	-	5,140.30
ii) Short Term Borrowings(WCDL)				
From Banks	25.00	-	-	-
Total	25.00	4,837.01	-	5,140.30

Movement in borrowings during the nine months ended 31st December, 2020

Particulars	Rupee Long Term Loan
Opening Balance as at 1st April 2020	5,460.37
Less: Repayment	288.24
Total Borrowing as at 31st December, 2020	5,172.13

Pursuant to the COVID 19 pandemic, the Reserve Bank of India (RBI), vide its notification reference RBI/2019-20/186 dated 27 March 2020, announced a "COVID 19 Regulatory Package" to mitigate the adverse impact of the pandemic and ensure continuity of viable business. As per this package banks were inter alia permitted to grant a moratorium of three months on the payment of all installment (Principal and Interest) on the Term loan falling due between 1 March 2020 and 31st May 2020 the same has been extended for the further three months by the RBI, vide its notification reference RBI/2019-20/244 dated 23 May 2020 till 31st August 2020. The Company opted to avail the package relating to the term loans from 1 March 2020 to 31st May 2020 and the same was approved by the lenders in line with RBI's notification. Accordingly, the condensed financial statement has been prepared giving to the above.



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Notes to the unaudited condensed standalone Interim financial statements for the nine months ended 31st December,2020

Note 16. Other financial liabilities

(₹ Crore)

Particulars	As at 31st December, 2020	As at 31st March,2020
Non-Current		
(a) Deposits received	0.02	0.02
(b) Lease Liabilities	26.32	26.52
(c) Other payable	368.82	-
	395.16	26.54
Current		
(a) Current maturities of long-term debt	302.13	283.45
(b) Interest accrued but not due on borrowings	21.94	43.13
(c) Lease Liabilities	0.27	0.17
(d) Payable for capital project	32.66	49.39
(e) Other payable	503.98	620.80
	860.98	996.94
Total	1,256.14	1,023.48



JSW HYDRO ENERGY LIMITED**(Formerly known as Himachal Baspa Power Company Limited)**

Notes to the unaudited condensed standalone Interim financial statements for the nine months ended 31st December, 2020

Note 17. Provisions**(₹ Crore)**

Particulars	As at 31st December, 2020			As at 31st March, 2020		
	Current	Non-Current	Total	Current	Non-Current	Total
Provision for employee benefits						
(i) Provision for gratuity	1.17	3.64	4.81	1.17	2.54	3.71
(ii) Provision for compensated absence	0.56	2.98	3.54	0.22	2.14	2.36
Total	1.73	6.62	8.35	1.39	4.68	6.07



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Notes to the unaudited condensed standalone Interim financial statements for the nine months ended 31st December, 2020

Note 18. Trade payables

(₹ Crore)

Particulars	As at 31st December, 2020			As at 31st March, 2020		
	Current	Non-Current	Total	Current	Non-Current	Total
Trade Payables						
(a) Total outstanding dues of micro and small enterprises	1.52	-	1.52	0.55	-	0.55
(b) Total outstanding dues of creditors other than micro and small enterprises	18.07	-	18.07	74.58	-	74.58
Total	19.59	-	19.59	75.13	-	75.13



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Notes to the unaudited condensed standalone Interim financial statements for the nine months ended 31st December, 2020

Note 19. Other current liabilities

(₹ Crore)

Particulars	As at 31st December, 2020			As at 31st March, 2020		
	Current	Non-Current	Total	Current	Non-Current	Total
(a) Employee recoveries and employer contributions	0.49	-	0.49	0.41	-	0.41
(b) Statutory dues	1.88	-	1.88	2.24	-	2.24
Total	2.37	-	2.37	2.65	-	2.65



JSW HYDRO ENERGY LIMITED**(Formerly known as Himachal Baspa Power Company Limited)**

Notes to the unaudited condensed standalone Interim financial statements for the nine months ended 31st December, 2020

Note 20. Revenue from operations**(₹ Crore)**

Particulars	For the Nine Months ended 31st December, 2020	For the Nine Months ended 31st December, 2019
Disaggregation of revenue from contract with customers:		
(1) Sale of power (Own generation)	1,080.12	1,094.74
Total revenue from contract with customers (A)	1,080.12	1,094.74
(2) Income from service concession arrangement	19.13	20.82
Income from service concession arrangement (B)	19.13	20.82
Total (A) + (B)	1,099.25	1,115.56



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Notes to the unaudited condensed standalone Interim financial statements for the nine months ended 31st December, 2020

Note 21. Other income

(₹ Crore)

Particulars	For the Nine Months ended 31st December, 2020	For the Nine Months ended 31st December, 2019
a) Interest Income earned on financial assets that are not designated as at FVTPL		
i On Bank deposits	1.61	1.83
ii Other Financial Assets	3.16	0.01
b) Others		
i Net Gain on sale of current Investments designated as at FVTPL	8.00	4.73
ii Profit on sale of capital assets (net of loss on assets sold / scrapped / written off)	0.05	-
iii Net gain on foreign currency transaction *	-	0.00
iv Domestic Scrap Sales	-	0.02
v Sale of Carbon credit	1.73	1.00
vi Provision no longer required written back	18.00	-
vii Miscellaneous income	0.65	0.41
Total	33.20	8.00

* Less than 50000



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Notes to the unaudited condensed standalone Interim financial statements for the nine months ended 31st December, 2020

Note 22. Employee benefits expense

(₹ Crore)

Particulars	For the Nine Months ended 31st December, 2020	For the Nine Months ended 31st December, 2019
(a) Salaries and wages	34.32	34.51
(b) Contribution to provident and other funds	2.89	2.75
(c) Share based payment	0.20	0.12
(d) Staff welfare expenses	2.27	1.69
Total	39.68	39.07



JSW HYDRO ENERGY LIMITED**(Formerly known as Himachal Baspa Power Company Limited)**

Notes to the unaudited condensed standalone Interim financial statements for the nine months ended 31st December, 2020

Note 23. Finance costs**(₹ Crore)**

Particulars	For the Nine Months ended 31st December, 2020	For the Nine Months ended 31st December, 2019
(a) Interest expense		
i Interest on Debentures	-	23.18
ii Interest on Term Loan	335.22	389.04
iii Interest cash credit	0.03	0.05
(b) Unwinding of interest on Financial liabilities carried at Amortised cost	3.47	3.46
(c) Other borrowing costs	2.78	3.70
(d) Interest on lease liabilities	1.80	1.81
Total	343.30	421.24



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Notes to the unaudited condensed standalone Interim financial statements for the nine months ended 31st December,2020

Note 24. Depreciation and amortisation expense

(₹ Crore)

Particulars	For the Nine Months ended 31st December,2020	For the Nine Months ended 31st December,2019
(a) Depreciation on property, plant and equipment	301.21	301.01
(b) Amortization on Intangible assets	25.07	25.11
Total	326.28	326.12



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Notes to the unaudited condensed standalone Interim financial statements for the nine months ended 31st December, 2020

Note 25. Other expenses

(₹ Crore)

Particulars	For the Nine Months ended 31st December, 2020	For the Nine Months ended 31st December, 2019
(a) Stores and spares consumed	7.03	7.44
(b) Power & Water	2.88	3.20
(c) Rent including lease rentals	1.60	1.51
(d) Repairs and maintenance	19.81	27.88
(e) Royalty	0.03	0.02
(f) Rates and taxes	0.36	0.35
(g) Insurance	15.26	14.52
(h) Net loss / (gain) on foreign currency transactions net off) *	0.00	(0.00)
(i) Legal and other professional charges	2.26	1.90
(j) Travelling Expenses	0.38	1.18
(k) Donation	-	5.00
(l) Corporate Social Responsibility	1.23	1.44
(m) Open Access Charges	0.04	(0.91)
(n) Other General Expenses	3.75	7.12
(o) Provision for doubtful debts	-	18.89
(p) Safety and Security	0.81	0.70
(q) Branding Expenses	3.25	3.29
(r) Share Service cost	1.69	2.27
(s) Fixed Assets written off	3.68	-
Total	64.06	95.80

*Less than Rs.50000



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Notes to the unaudited condensed standalone Interim financial statements for the nine months ended 31st December,2020

Note 26. Tax expense

(₹ Crore)

Particulars	For the Nine Months ended 31st December,2020	For the Nine Months ended 31st December,2019
(a) Current Tax	107.76	49.47
Total	107.76	49.47



JSW HYDRO ENERGY LIMITED

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Notes to Unaudited Condensed Standalone Interim Financial Statements for the Nine months ended 31st December, 2020**Note 27. Categories Fair Value of Financial Instruments as at 31st December, 2020**

(₹ Crore)

As at 31 st December, 2020	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets					
Financial assets carried at fair value through profit or loss (FVTPL)					
Investment in mutual fund units	481.54	481.54	-	481.54	-
Financial assets carried at amortised cost					
Security deposits	0.61	0.61	-	-	0.61
Trade receivables #	146.99	146.99	-	-	-
Receivables-Service concession agreement #	183.26	183.26	-	-	-
Cash and cash equivalents and other bank balances #	92.12	92.12	-	-	-
Interest Receivable #	1.51	1.51	-	-	-
Unbilled revenue #	90.46	90.46	-	-	-
Total Financial assets	996.49	996.49	-	481.54	0.61
Financial liabilities					
Financial Liabilities carried at amortised cost					
Borrowings	5,164.14	5,164.14	-	-	5,164.14
Rent and Other Deposits #	0.02	0.02	-	-	-
Trade Payables #	19.59	19.58	-	-	-
Payable for capital projects#	32.66	32.66	-	-	-
Other payable#	894.74	894.74	-	-	-
Lease Liability	26.59	26.59	-	-	26.59
Total Financial liabilities	6,137.74	6137.74	-	-	5,190.73



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 31st December, 2020

(₹ Crore)					
As at 31 st March, 2020	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets					
Financial assets carried at fair value through profit or loss (FVTPL)					
Investment in mutual fund units	203.84	203.84	-	203.84	-
Financial assets carried at amortised cost					
Security deposits	0.58	0.58	-	-	0.58
Trade receivables #	308.15	308.15	-	-	-
Receivables-Service concession agreement #	216.80	216.80	-	-	-
Cash and cash equivalents and other bank balances #	34.33	34.33	-	-	-
Unbilled revenue #	5.32	5.32	-	-	-
Total Financial assets	769.02	769.02	-	203.84	0.58
Financial liabilities					
Financial Liabilities carried at amortised cost					
Borrowings	5,423.75	5423.75	-	-	5,423.75
Rent and Other Deposits #	0.02	0.02	-	-	-
Trade Payables #	75.13	75.13	-	-	-
Payable for capital projects#	49.39	49.13	-	-	-
Other payable#	663.93	663.93	-	-	-
Lease Liability	26.69	26.69	-	-	26.69
Total Financial liabilities	6,238.91	6238.91	-	-	5,450.44

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



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Notes to Unaudited Condensed Standalone Interim Financial Statements for the Nine months ended 31st December, 2020**Note 28. Fair Value Hierarchy of Financial Instruments**

The carrying amount of current investments, Trade Receivable, 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.

(₹ Crore)

Particulars	As at 31 Dec 2020	As at 31 March 2020	Level	Valuation Technique
Financial assets				
Investment in mutual fund units	481.54	203.84	2	Cost is considered as per NAV as on 31 st December,2020/31 st March,2020
Security deposits	0.61	0.58	3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
	482.15	204.42		
Financial Liabilities				
Borrowings	5,164.14	5,423.75	3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
Lease Liability	26.59	26.69	3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
	5,190.73	5,450.44		

Note 29. Segment Reporting

The Chairman of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The C/ODM 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".

Customer contributing more than 10% of revenue

(₹ Crore)

Particulars	For the nine months ended 31st Dec, 2020	For the nine months ended 31st Dec, 2019
PTC India Limited	882.70	927.15
Himachal Pradesh State Electricity Board	216.55	188.41
Total	1099.25	1115.56



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Notes to Unaudited Condensed Standalone Interim Financial Statements for the Nine months ended 31st December, 2020**Note 30. Earnings per share**

Particulars	For the nine months ended 31 st December, 2020	For the nine months ended 31 st December, 2019
Profit for the year (crore) - (A)	251.37	191.86
Weighted average number of equity shares for basic & diluted EPS - (B)	1,25,00,50,000	1,25,00,50,000
Earnings Per Share - Basic and Diluted (C) - (A/B)	2.01	1.53
Nominal value of an equity share (D)	10	10

Note 31. Related party disclosure**a) List of Related parties**

A)	List of Related Parties
	Related parties with whom the Company has entered into transactions during the period:
I	Holding Company
1	JSW Energy Ltd.
II	Subsidiary
	JSW Energy (Kutehr) Limited
III	Enterprises over which key management personnel and relatives of such personnel exercise significant influence
1	JSW Steel Limited
2	Jindal Education Trust (Jindal Vidya Mandir and Jaypee Pvt ITI)
3	JSW IP Holdings Private Limited
4	JSW Global Business Solutions Limited
5	JSW Foundation
IV	Fellow Subsidiaries
1	JSW Power Trading Company Ltd.
2	JSW Energy (Barmer) Limited
V	Enterprise over which KMP and Relative of such personnel (of Holding Company) exercises significant influence
1	JSW Realty Infrastructure Pvt Ltd
2	JSW Paints Pvt Limited
VI	Key Managerial Personnel
1	Mr. Prashant Jain - Chairman
2	Mr. Jyoti Kumar Agarwal - Non Executive Director (Up to 15 September, 2020)
3	Mr. Gyan Bhadra Kumar - Whole Time Director {KMP}
4	Mr. Sanjeev Kango - Company Secretary & Chief Financial Officer {KMP}
5	Ms. Sheila Sangwan - Woman & Independent Director (upto 7th September, 2020)
6	Mr. Rakesh Nath- Independent Director (upto 7th September, 2020)
7	Mr. Pritesh Vinay - (from 16th September, 2020)
8	Mr. Nirmal Kumar Jain - Non Executive Director (upto 20th May, 2020)
9	Ms. Seema Jajodia- Woman Director
10	Mr. Sharad Mahendra - Non Executive Director (upto 9th June, 2020)



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Notes to Unaudited Condensed Standalone Interim Financial Statements for the Nine months ended 31st December, 2020**b) Transaction with related parties**

(₹ crore)

SI No	Transaction during the year	For the nine months ended 31 st December, 2020	For the nine months ended 31 st December, 2019
1	Sale of power /Material		
	JSW Power Trading Company Limited	-	1.34
2	Interest on Debentures		
	JSW Energy Limited	-	23.18
3	Service Received		
	JSW Global Business Solutions Limited	1.68	2.27
4	Purchase of Fuel / Goods		
	JSW Steel Limited	-	1.08
	JSW Paints Pvt Limited	0.03	
5	Advertisement/Sponsorship/Branding expense		
	JSW IP Holdings Private Limited	3.25	3.29
6	Reimbursement received from / (paid to) {net}::		
	JSW Energy Limited	(3.62)	(2.84)
	JSW Steel Limited	(1.08)	(1.06)
	JSW Power Trading Company Limited	(0.02)	(0.02)
	Jindal Education Trust (Jindal Vidya Mandir and Jaypee Pvt ITI)	(0.48)	(0.62)
	JSW Realty Infrastructure Pvt Ltd*		0.00
7	Donation/CSR Expenses		
	Jankalyan Electoral Trust	-	5.00
	JSW Foundation	1.23	0.19
8	Redemption of 13% non-convertible debentures:		
	JSW Energy Limited	-	384.50
9	Investment Equity Share Capital		
	JSW Energy Limited (Purchase of equity investment in JSW Energy (Kutehr) Limited	-	26.35
	JSW Energy (Kutehr) Limited	300.48	-
10	Debt service reserve account Guarantee		
	JSW Energy Limited	(62.46)	(48.00)

*Less than Rs.50,000



JSW HYDRO ENERGY LIMITED

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Notes to Unaudited Condensed Standalone Interim Financial Statements for the Nine months ended 31st December, 2020**C) Amount due/to from related parties**

(₹ crore)

SI No	Closing Balances	As at 31 st December, 2020	As at 31 st March, 2020
1	Trade (Payables) / Receivables		
	JSW Energy Limited	-	(1.70)
	JSW Steel Limited	(0.22)	(0.32)
2	Deposit With		
	JSW IP Holdings Private Limited	0.07	0.07
3	Equity Share Capital		
	JSW Energy Limited	1,250.05	1,250.05
4	Loan and Advances		
	JSW IP Holdings Private Limited	-	0.02
5	Other receivable		
	JSW Energy (Kutehr) limited	-	0.11
6	Equity Share Capital		
	JSW Energy (Kutehr) limited	369.35	68.86
7	Debt service reserve account Guarantee		
	JSW Energy Limited	113.60	176.07

Note 32. Commitments

(₹ Crore)

Particulars	As at 31 st December, 2020	As at 31 st March, 2020
Estimated amount of Capital contracts remaining to be executed to the extent not provided for	4.64	14.50
Total	4.64	14.50

Note 33. Contingent Liabilities

(₹ Crore)

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

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



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Notes to Unaudited Condensed Standalone Interim Financial Statements for the Nine months ended 31st December, 2020

Company to deposit Rs.25.00 Crore as security deposit. Our Company has complied, and has disclosed this under Long term loans and advances.

34. Investment in Equity

During the Quarter ended 31st December 2019, the Group has purchased 100% equity of JSW Energy (Kutehr) Limited from the parent Company, JSW Energy Limited for a consideration of Rs. 26.34 Cr. Company has further acquired Equity of Rs 343.01 Cr in form of right issue. Hence total Equity investment of Rs 369.35 Cr made as on 31st December,2020.


For and on behalf of the Board of Directors


Pritesh Vinay
Director
[DIN:08868022]


Prashant Jain
Chairman
[DIN: 01281621]

Place: Mumbai
Date:28.01.2021




Sanjeev Kango
Company Secretary &
Chief Financial officer

ISSUER

JSW Hydro Energy Limited
Sholtu Colony, P.O. Tapri
Dist. Kinnaur – 172104 (HP) India

PRINCIPAL PAYING AGENT

Deutsche Bank Trust Company Americas
60 Wall Street, 24th Floor
MS NYC60-2405
New York, NY 10005
United States of America

REGISTRAR AND TRANSFER AGENT

Deutsche Bank Trust Company Americas
60 Wall Street, 24th Floor
MS NYC60-2405
New York, NY 10005
United States of America

TRUSTEE

DB Trustees (Hong Kong) Limited
Level 60, International Commerce Centre
1 Austin Road West, Kowloon
Hong Kong

LEGAL ADVISERS

*To the Issuer as to
U.S. federal securities law and English law*

Linklaters Singapore Pte. Ltd.
One George Street #17-01
Singapore 049145

*To the Issuer as to
Indian law*

Cyril Amarchand Mangaldas
4th floor, Prius Platinum
D-3, District Centre, Saket
New Delhi – 110 017
India

*To the Joint Bookrunners as to
U.S. federal securities law and English law*

Milbank LLP
30/F Alexandra House
18 Chater Road, Central
Hong Kong

*To the Joint Bookrunners as to
Indian law*

Talwar Thakore & Associates
3rd Floor Kalpataru Heritage
127 M G Road, Fort
Mumbai – 400 001
India

To the Trustee as to English law

Allen & Overy LLP
#09-01 OUE Bayfront
50 Collyer Quay
Singapore 049321

INDEPENDENT AUDITORS

Shah Gupta & Co.
38, Bombay Mutual Building
2nd Floor, Dr. D N Road, Fort,
Mumbai – 400 001
India

