

Notes to the standalone financial statements for the year ended March 31, 2024

Corporate information

SEIL Energy India Limited (formerly Sembcorp Energy India Limited) ('the Company') was incorporated on January 8, 2008 as a public limited company. The Company has been established for developing, constructing, commissioning, operating and maintaining a coal based thermal power plant at Pynampuram and Nelatur Villages, Muthukur Mandal, Nellore District in the state of Andhra Pradesh (hereinafter referred to as "SEIL-P1"). The Company successfully commenced full commercial operations of SEIL-P1 with capacity of 1,320-megawatt (2 X 660 megawatt) on *March 02, 2015* for unit I and *September 15, 2015* for unit II.

On October 31, 2018, the Regional Director (RD), Ministry of Corporate Affairs, Hyderabad had approved the scheme of amalgamation (the Scheme) of Sembcorp Gayatri Power Limited (SGPL), wholly owned subsidiary of the Company. The appointed date as per the Scheme was April 1, 2017. Erstwhile SGPL (hereinafter referred to as "SEIL-P2") has been operating and maintaining a 1,320-megawatt (2 X 660 megawatt) coal based thermal power plant at Ananthavaram- Village / Varkavipudi Panchayat, TP Gudur- Mandal,, Nellore District in the state of Andhra Pradesh. The commercial operations of SEIL-P2 commenced on *November 17, 2016*, for unit I and on *February 21, 2017*, for unit II.

1. Material accounting policies

1.1) Statement of compliance

The standalone financial statements of the Company ("financial statements") have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as amended from time to time.

These financial statements have been prepared by the Company on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in these financial statements.

The financial statements were authorised for issue by the Company's Board of Directors on *May 21, 2024*.

1.2) Functional and presentation currency

These financial statements are

presented in Indian Rupees (₹) which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

All amounts disclosed in the financial statements, which also include the accompanying notes have been rounded off to the nearest million as per the requirement of Schedule III to the Companies Act 2013, unless otherwise stated.

1.3) Basis of preparation and presentation

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the time of their acquisition. Fair value is the price that would be received to sell an asset or paid

to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for net realisable value in Ind AS 2 or value in use in Ind AS 36 that have some similarities to fair value but are not fair value.

1.4) Use of estimates and judgements

The preparation of the financial statements are in conformity with the recognition and measurement principles of Ind AS

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which requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities as at the date of the financial statements.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of those estimates. Changes in estimates are reflected in the financial statements in the year in which changes are made, if material, their effects are disclosed in the notes to the financial statements. Information about significant areas of assumptions, estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are:

i) Impairment of investments in subsidiaries

In case of investments made by the Company in its subsidiary, the Management assesses whether there is any indication of impairment in the value of investments. The carrying amount is compared with the recoverable value of investment in subsidiary.

The Company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is recorded in the Statement of Profit and Loss.

When the impairment loss subsequently reverses, the carrying

amount of the Investment is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the cost of the Investment. A reversal of an impairment loss is recognised immediately in Statement of Profit or Loss.

ii) Impairment of trade receivable and unbilled receivables

The Company has measured the lifetime expected credit loss by using practical expedients. It has accordingly used a provision matrix derived by using a flow rate model to measure the expected credit losses for trade receivables. Further, need for incremental provisions have been evaluated on a case to case basis where forward-looking information on the financial health of a customer is available and in cases where there is an ongoing litigation/dispute.

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a significant financing component. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

iii) Useful lives of property, plant and equipment and intangible assets

The Company reviews the useful life of property, plant and

equipment and intangible at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

iv) Recognition of deferred tax assets and liabilities

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, unutilised business loss, carry forward of unabsorbed depreciation and tax credits. Deferred tax assets are recognised to the extent there is reasonable certainty of future taxable income which will be available against the deductible temporary differences, unused tax losses and carry forward of unabsorbed depreciation. The Company uses judgement to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.

v) Defined benefit plans

The liabilities and costs arising from defined benefit plan is determined based on actuarial valuation. The actuarial valuation include making assumptions relating to discount rate, trends in salary escalation and mortality rates. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long-term nature, such estimates are subject to significant uncertainty.

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vi) Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events, and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. The Company uses significant judgements to disclose contingent liabilities and the actual outflow of resources on future date may therefore vary from the amount disclosed. Contingent assets are neither recognised nor disclosed in the financial statements.

vii) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, adjusted with an option to extend or terminate the lease if the use of such option is reasonably certain. In assessing whether the Company

is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

viii) Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

ix) Impairment of property, plant and equipment

Determining whether property, plant and equipment are impaired requires an estimation of the value in use of the relevant cash generating units. The value in use calculation is based on a Discounted Cash Flow model over the estimated useful life of the Power Plants. Further, the cash flow projections are based on

estimates and assumptions relating to tariff, operational performance of the Plants, life extension plans, market prices of coal and other fuels, exchange variations, inflation, terminal value etc. which are considered reasonable by the Management.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of tangible and intangible assets are recognised in the Statement of Profit and Loss.

1.5) Current and non-current classification

All assets and liabilities are classified into current and non-current.

Assets

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

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

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

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Liabilities

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

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

Current liabilities include the current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

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

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

1.6) Revenue recognition

Revenue from contracts with customers is recognised when

control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company is engaged in generation of electricity and revenue from operations are primarily from sale of electricity. Revenue from sale of electricity is recognised net of cash discount, rebate, etc. when the power is supplied as it best depicts the value to the customer and complete satisfaction of performance obligation. Variable Consideration forming part of the total transaction price including compensation on account of change in law will be allocated and recognised when the terms of variable payment relate specifically to the Company's efforts to satisfy the performance obligation i.e. in the year of occurrence of event linked to variable consideration.

The difference between the revenue recognised and amount invoiced has been presented as deferred revenue/ unbilled revenue.

Income from power generation

Revenue from the sale of electricity is recognised from the time when production output is delivered to the power network. Revenue from energy units sold as per the terms of the Power Purchase Agreements ('PPA') and Letter of Intent ('LOI') (collectively hereinafter referred to as 'the PPAs') is recognised on an accrual basis and includes unbilled receivables accrued up to the end of the accounting year. Revenue from energy units sold on a merchant basis is recognised in accordance with billings made to customers based on the units

of energy delivered and the rate agreed with the customers.

Revenue/charges from unscheduled interchange for the deviation in generation with respect to scheduled generation are recognised/ charged at rates notified by Central Electricity Regulatory Commission ('CERC') from time to time as revenue from sale of electricity or adjusted with revenue from sale of electricity.

Other Income

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Dividend income from investments is recognised when the Company's right to receive payment has been established. 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.

Claims i.e. late payment interest/ surcharge recoverable from customers, insurance claims and liquidated damages, are accounted for to the extent it is probable

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that the entity will collect the consideration.

Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract assets are transferred to receivables when the rights become unconditional.

Trade Receivables

A receivable represents the company right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract Liabilities in respect of advance from customers is disclosed under "other current liabilities". Contract liabilities are recognised as revenue when the performance obligation is satisfied.

1.7) Property, plant and equipment and depreciation

i) Recognition and measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of self-constructed item of property, plant and equipment comprises the cost of materials,

direct labour and any other costs directly attributable to bringing the assets to its location and working condition for their intended use, and estimated costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Tangible assets under construction are disclosed as capital work-in-progress. Software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Cost of other item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any costs directly attributable to bringing the item to its location and working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Fiscal benefits as available under various industrial promotional schemes are presented by deducting from the carrying amount of the property, plant and equipment when there is a reasonable assurance that the Company will comply with the conditions attached to the benefit.

When parts of an item of property plant and equipment that are significant in value and have different useful lives as compared to main asset, they are recognised separately.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment measured as per the previous GAAP and use that carrying value as the

deemed cost of the property, plant and equipment.

ii) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment is recognised in the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company and its costs can be measured reliably. The costs of periodic overhauling and day-to-day servicing of property, plant and equipment are recognised as an expense when incurred.

iii) Depreciation

Depreciation commences when an asset is ready for its intended use. Freehold land and assets held for sale is not depreciated.

Depreciation on property, plant and equipment is provided on straight line method based on the useful life as specified in Schedule II of the Act, except in respect of the following category of assets, in whose case the estimated useful life of the assets has been assessed based on technical assessment, taking into account the nature of asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, maintenance etc.

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Category	Life as per Schedule II	Useful lives
Infrastructure (Roads, Drains, Compound wall, Green belt etc.)	3-30 years	1-30 years
Office buildings	60 years	3-60 years
Factory buildings	30 years	1-30 years
Office equipment	5 years	2-10 years
Plant and equipment	40 years	1-30 years
Computers	3-6 years	3-6 years

The residual values, useful lives, and methods of depreciation of property, plant and equipment are reviewed at end of each financial year and adjusted prospectively, if appropriate.

The residual values are not more than 5% of the original cost of the asset

iv) Disposals

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use. Gains or losses arising from the retirement or disposal of property, plant and equipment are determined as the difference between the net sale proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss on the date of retirement or disposal.

1.8) Intangible assets

Intangible assets other than

Goodwill are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably. Intangible assets that are acquired are recognised at cost initially and carried at cost less accumulated amortisation and accumulated impairment loss, if any. Cost comprises the purchase price and cost directly attributable to bringing the asset to its location and working condition for its intended use. The intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an impairment.

The intangible assets are amortised over the useful economic life as given below:

Category	Life considered
Computer software	1 -10 years

Amortisation methods, estimated useful life and residual values are reviewed at each reporting date and adjusted if appropriate.

Amortisation is recognised on straight-line method over their estimated useful lives and is generally recognised in the statement of profit and loss.

Goodwill represents the cost of business acquisition in excess of the Company's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Goodwill has indefinite useful life and tested for impairment annually.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets measured as per

the previous GAAP and use that carrying value as the deemed cost of intangible assets.

1.9) Inventories

Inventories which comprise of coal, fuels, stores and spares are carried at the lower of cost and net realisable value. Cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. In determining the cost, weighted average cost method is used. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and selling expenses.

1.10) Foreign currency transactions

Foreign currency transactions are recorded using the exchange rates prevailing on the dates of the respective transactions or at rates that closely approximate the rate at the date of the transaction. Exchange differences arising on foreign currency transactions settled during the year are recognised in the statement of profit and loss unless it relates to a long term foreign currency monetary item.

Monetary assets and liabilities denominated in foreign currency outstanding as at the balance sheet date are restated at the exchange rate prevalent at the date of the balance sheet. The resultant exchange differences are recognised in the statement of profit and loss unless it relates to a long-term foreign currency monetary item. Non-monetary assets are recorded at the rate prevailing on the date of the transaction and are not re-translated.

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1.11) Employee benefits

Short-term employee benefits

All employee benefits expected to be settled wholly within twelve months from the reporting date are classified as short-term employee benefits. An employee who has rendered services to the Company during an accounting period, the Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense or as required under Ind AS 19 which permits the inclusion of the benefits in the cost to be recognised as an asset. Employee benefits such as salaries, wages and bonus etc. are recognised in the statement of profit and loss in the period in which the employee renders the related service.

A liability is recognised for the amount expected to be paid after deducting any amount already paid under short-term cash bonus or profit-sharing plans, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. If the amount already paid exceeds the undiscounted amount of the benefits, the Company recognises that excess as an asset / prepaid expense to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

Defined benefit plans:

For defined benefit retirement plans, the cost of providing benefits is determined based on an independent actuarial valuation, which is done based on project unit credit method as at the end of each financial year. The Company recognises the net

obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset), which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognised in other comprehensive income are not to be subsequently reclassified to the statement of profit and loss. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

A net defined benefit asset arise where a defined benefit plan has been overfunded or where actuarial gains have arisen. Such asset is recognised as the future economic benefits are available to the Company in the form of a reduction in future contributions.

Defined contribution plans:

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no legal or constructive obligation to pay any further amounts. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the

deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Compensated absences:

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

Bonus plans:

The Company recognises a liability and an expense for bonus. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Share based payment transactions:

The Company has not issued any shares / stock options on its shares. The erstwhile ultimate holding company had however issued certain restricted stock units, options on its own shares to certain employees of the Company which are in the nature of equity settled awards. Share-

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based payment expenses are recognised over the period during which the employees provide the relevant services. The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

1.12) Borrowing costs

Borrowing costs include interest, other cost that an entity incur in connection with the borrowing of fund. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the statement of profit and loss over the tenure of the loan.

Borrowing costs allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset up to the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the statement of

profit and loss during extended periods when active development activity on the qualifying assets is interrupted. Interest income earned on temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Interest expense on borrowings is recorded using the effective interest rate (EIR). EIR is the rate that discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate to the gross carrying amount of the financial assets. When calculating the EIR the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

1.13) Financial instruments

i) Recognition and initial measurement

Financial assets and liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. A Financial asset and liability are initially measured at its fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit and loss.

Trade receivables are initially recognised at their transaction price as they do not contain significant financing component.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

ii) Financial assets - Classification and subsequent measurement:

a) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income

Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss

Financial assets are subsequently measured at fair value through profit or loss unless it is measured at amortised cost or at fair value

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through other comprehensive income on initial recognition.

iii) Financial liabilities - Classification and subsequent measurement:

Financial liabilities are subsequently carried at amortised cost using the effective interest method, except for contingent consideration recognised in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

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 and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter 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 Fair Value Through Profit and Loss (FVTPL). Interest income is recognised in statement of profit and loss and is included in the "other income" line item.

iv) De-recognition of financial instruments

a. Financial asset

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters transaction whereby it transfers assets recognised on its balance sheet but retains either all or substantially all the risks and rewards of the transferred assets, the transferred assets are not derecognised.

On de-recognition 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 and loss if such gain or loss would have otherwise been recognised in profit and loss on disposal of that financial asset.

b. Financial liability

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or the same expires.

The Company also derecognises a financial liability when its terms are

modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

v) Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount and intends to settle them on a net basis or to realise the asset and settle the liability simultaneously.

1.14) Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1:** Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

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- **Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

When the fair values of financial assets and financial liabilities recorded in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk volatility and discount rates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

1.15) Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Derivatives are initially measured at fair value on the date on which derivative contract is entered. Subsequently to initial recognition, derivatives are re-measured at fair value at

the end of each reporting period, and changes therein are generally recognised in the statement of profit and loss.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

i) Financial assets or financial liabilities, at fair value through profit or loss

In case of certain forward exchange contracts, the Company designates only the changes in fair value of the spot element of a forward contract as a hedging instrument. The change in fair value of the forward element of forward exchange contracts (forward points) is separately accounted for as a cost of hedging and recognised in a costs of hedging reserve within equity.

Any derivative that is either not designated a hedge or is so designated but is ineffective as per Ind AS 109, is categorised as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognised initially at fair value and attributable transaction costs are recognised in net profit in the consolidated statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting gains or losses are included in the

consolidated statement of profit and loss.

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at FVPL. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

ii) Cash flow hedge accounting

Where a derivative is designated as a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability, or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised directly in other comprehensive income and presented in the hedge reserve in equity. The ineffective portion of changes in the fair values of the derivative is recognised immediately in the statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively.

If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedge reserve till the period the hedge was effective remains in cash flow hedge reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedge reserve is transferred to the net profit in the statement of profit and loss upon

Material accounting policies

the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedge reserve is reclassified to net profit in the statement of profit and loss.

1.16) Impairment

i) Financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses ('ECL') to be measured through a loss allowance. The Company recognises lifetime expected losses for trade receivables including unbilled receivables and contract assets that do not contain significant financing component. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

The allowance for doubtful debts/ advances or impairment of assets is made on case to case basis by considering relevant available information.

ii) Non-financial assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever carrying amounts is more than recoverable amount. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent

of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit ('CGU') to which the asset belongs.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset neither exceeds its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. Goodwill has indefinite useful life and tested for impairment annually.

1.17) Investment in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any as per IND AS 27. Where an indication of impairment exists, the carrying amount of the investment is

assessed. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

1.18) Leases

The Company's lease asset classes primarily consist of leases of land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset

At the date of commencement of the lease, the Company recognizes a Right Of Use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include

Material accounting policies

the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the lessee's incremental borrowing rate. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company

changes its assessment of whether it will exercise an extension or a termination option.

1.19) Income taxes

Tax expense (tax income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income). Current tax and deferred tax are recognised in the statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

i) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax reflects the best estimate the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of allowances and disallowances which is exercised while determining the provision for income tax.

Minimum alternate tax (MAT) on

the book profits or the Corporate tax payable on taxable profit is charged to the statement of profit and loss as current tax.

ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- a. Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.
- b. Temporary differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.
- c. Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset with

Material accounting policies

deferred tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle deferred tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be realized. Future taxable profits are determined based on business plans. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets include Minimum Alternative Tax (MAT) paid, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with the asset will be realized. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be

used.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in the statement of profit and loss.

1.20) Provisions and contingent liabilities

A provision is recognised when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting obligations under a contract exceed the economic benefits expected to be received, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

1.21) Dividend distribution to equity shareholders of the company

Dividends and interim dividends payable to the Company's shareholders are recognised as changes in equity in the period in which they are approved by the shareholders and the Board of Directors respectively. A corresponding amount is recognised directly in equity.

1.22) Earnings per share

The basic earnings per share ('EPS') is computed by dividing the net profit or loss after tax attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Material accounting policies

1.23) Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

1.24) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks, short term deposits with original maturity less than 3 months which are unrestricted for withdrawal and usage. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

1.25) Business combinations

i) Business combinations (other than common control business combinations):

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of entities comprises the fair values of the assets transferred, liabilities incurred to the former owners of the acquired business, equity interests issued by the Company, and fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Company recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in the statement of profit and loss or other comprehensive income, as appropriate.

ii) Common control business combinations

Business combinations arising from

transfers of interests in entities that are under the control of the shareholder that controls the Company are accounted for as if the acquisition had occurred at the beginning of the preceding period in the financial statements or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved, and they appear in the standalone financial statements of the Company in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve.

1.26) Government grants

The Company recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants received in relation to assets are presented as a reduction to the carrying amount of the related asset.

1.27) New and amended standards adopted by the Company

New standards and interpretations Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There is no such notification which would have been applicable from April 01, 2024.

SEIL ENERGY INDIA LIMITED (Formerly known as Sembcorp Energy India Limited)

Notes to the standalone financial statements (continued)

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

2.1 Property, plant and equipment and capital work-in-progress

Particulars	Free-hold Land	Roads	Right of use assets (refer note 2.1.1 below)	Office buildings	Factory buildings	Furniture and fittings	Vehicles	Office equipment	Electrical installations	Plant and equipment	Computers	Total	Capital work-in-progress
Gross carrying amount													
Balance as at April 1, 2022	2,634.37	2,317.81	731.80	1,516.66	799.22	90.69	88.58	123.72	95.93	184,350.33	124.34	192,873.45	159.48
Additions	-	28.23	12.03	13.15	1.84	4.01	2.39	9.00	-	107.53	12.08	190.26	303.17
Disposals	-	-	-	(3.71)	(0.72)	(7.26)	(2.47)	(12.18)	-	(1.10)	(22.22)	(49.66)	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	(156.26)
Balance as at March 31, 2023	2,634.37	2,346.04	743.83	1,526.10	800.34	87.44	88.50	120.54	95.93	184,456.76	114.20	193,014.05	306.39
Additions	12.78	-	76.89	-	-	1.19	-	1.40	-	19.09	9.52	120.87	778.90
Disposals	-	-	(96.24)	-	-	(0.01)	-	(10.04)	-	-	(15.58)	(121.87)	-
Capitalised during the year	-	41.33	-	1.72	-	2.44	-	4.01	-	736.21	-	785.71	(792.05)
Decapitalised during the year (refer note 2.48)	-	-	-	-	-	-	-	-	-	(1,261.64)	-	(1,261.64)	-
Reclass	-	8.37	-	(219.69)	200.11	(9.86)	5.22	5.77	(95.93)	100.28	5.73	-	-
Balance as at March 31, 2024	2,647.15	2,395.74	724.48	1,308.13	1,000.45	81.20	93.72	121.68	-	184,050.70	113.87	192,537.12	293.24
Accumulated depreciation													
Balance as at April 1, 2022	-	1,347.98	80.38	162.86	179.59	48.53	51.07	108.30	81.86	41,678.76	94.46	43,833.79	-
Depreciation for the year	-	180.91	40.50	29.53	32.85	9.70	10.05	4.32	1.45	5,610.75	14.09	5,934.15	-
Disposals	-	-	-	(3.53)	(0.69)	(6.67)	(2.22)	(11.53)	-	(0.67)	(21.10)	(46.41)	-
Balance as at March 31, 2023	-	1,528.89	120.88	188.86	211.75	51.56	58.90	101.09	83.31	47,288.84	87.45	49,721.53	-
Depreciation for the year	-	179.90	40.03	20.78	31.82	8.76	9.01	5.89	-	5,621.17	11.85	5,929.21	-
Disposals	-	-	(77.84)	-	-	(0.01)	-	(9.90)	-	-	(14.80)	(102.55)	-
Reclass	-	(5.76)	-	(59.83)	47.53	(3.53)	4.97	(1.73)	(83.31)	96.06	5.60	-	-
Balance as at March 31, 2024	-	1,703.03	83.07	149.81	291.10	56.78	72.88	95.35	-	53,006.07	90.10	55,548.19	-
Net block													
As at March 31, 2023	2,634.37	817.15	622.95	1,337.24	588.59	35.88	29.60	19.45	12.62	137,167.92	26.75	143,292.52	306.39
As at March 31, 2024	2,647.15	692.71	641.41	1,158.32	709.35	24.42	20.84	26.33	-	131,044.63	23.77	136,988.93	293.24

Notes to the standalone financial statements

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

Notes:

2.1.1 In earlier years, the Company had entered into an agreement with Andhra Pradesh Industrial Infrastructure Corporation Limited ('APIIC') for occupation of two tranches of land for SEIL-P1. One tranche of land was transferred to the Company as freehold land. For the other tranche of land, admeasuring acre 680.55 cents, a lease deed for a period of 21 years was entered with APIIC on November 25, 2009. As per the lease deed, APIIC had agreed to sell the land even during the subsistence of the lease deed on securing necessary clearances and approvals for such sale on mutually agreed terms and conditions. All the requirements of the

agreement including the payment of consideration of ₹ 612.50 million has been complied with by the Company to purchase the land. The said consideration was paid on November 12, 2009 and the same had been considered as cost of land. The delay from APIIC is of administrative in nature and said sale will happen in due course of time.

During the earlier years, APIIC had raised a demand amounting to ₹ 19.81 million for lease rentals (including interest) pertaining to previous years which was paid by the Company. On transition to Ind AS 116 the Company had categorised the payment of

consideration of ₹ 612.50 million as Right of Use (ROU) assets and recognised the present value of the remaining lease payment as ROU assets and lease liability accordingly are being amortised over its useful life.

2.1.2 Refer note 2.28(e) and 2.29 for capital commitments.

2.1.3 Title deeds of certain portions of land in the name of the Company are under dispute. It has been legally advised that the Company has valid title in its name for the aforesaid immovable properties and that it will be able to defend any counter claim to such property (refer note 2.28(e)).

2.1.4 : Capital Work-in-progress details as on March 31, 2024

(a) Aging of CWIP

Details	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	193.66	25.63	35.93	38.02	293.24
Projects temporarily suspended	-	-	-	-	-

b) There are no projects in progress or projects temporarily suspended under capital work in progress whose completion is overdue or has exceeded its cost compared to the original plan as at March 31, 2024.

Capital Work-in-progress details as on March 31, 2023

(c) Aging of CWIP

Details	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	213.97	46.74	33.44	12.24	306.39
Projects temporarily suspended	-	-	-	-	-

d) There are no projects in progress or projects temporarily suspended under capital work in progress whose completion is overdue or has exceeded its cost compared to the original plan as at March 31, 2023.

Notes to the standalone financial statements

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

2.1.5 : Additions in capital work-in-progress includes directly attributable expenses capitalised as under:

(c) Aging of CWIP

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Legal and professional expenses	1.49	2.26
Salaries, allowance and bonus	-	19.84
Total	1.49	22.10

2.1.6 :Details of Title deeds not in the name of the Company are as follows:

Relevant item in the Balance sheet and Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Property, Plant and equipment: Land measuring acres 46.64 cents under Freehold land	42.21	Nelcast Energy Corporation Limited (NECL) & Sembcorp Gayatri Power Limited (SGPL)	No	July 09, 2010	Title deeds of the entire land in the name of NECL & SGPL were transferred to the Company by virtue of a merger order pursuant to the scheme of amalgamation of SGPL into the Company. However, land measuring to acres 46.64 cents is pending for mutation in the name of the Company due to certain disputes and also administrative delays. In respect of such disputes, the Company has been legally advised that it has valid title in its name for the aforesaid immovable properties and that it will be able to defend any counter claim to such property (refer note 2.28(e)).
Property, Plant and equipment: Land measuring acres 40.80 cents under Freehold land	36.72	Andhra Pradesh Industrial Infrastructure Corporation (APIIC)	No	April 08, 2013	Agreement for sale of land is executed with APIIC by the Company, however, the sale deed is yet to be executed in the name of the Company on account of certain administrative delays.

Title deeds in respect of land not in the name of the Company consists of around 4% (87.44 acres) out of the total freehold land forming part of note 2.1.

Notes to the standalone financial statements

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

2.2 Other intangible assets and Goodwill

Particulars	Other intangible assets (Softwares)	Goodwill
Gross carrying amount		
Balance as at April 01, 2022	113.22	1,234.20
Additions	9.31	-
Balance as at March 31, 2023	122.53	1,234.20
Additions	6.42	-
Balance as at March 31, 2024	128.95	1,234.20
Accumulated amortisation		
Balance as at April 01, 2022	103.27	-
Amortisation for the year	6.61	-
Balance as at March 31, 2023	109.88	-
Amortisation for the year	9.81	-
Balance as at March 31, 2024	119.69	-
Carrying amounts (net)		
As at March 31, 2023	12.65	1,234.20
As at March 31, 2024	9.26	1,234.20

2.3 Other financial assets

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good)		
Non-current		
Security deposits	19.57	10.59
Others:		
Margin money deposits and other deposits with banks*	722.02	985.60
Interest accrued on bank deposits	36.60	23.21
Interest accrued on Others	2.59	-
Late payment surcharge receivables	41.00	68.90
	821.78	1,088.30
Current		
Others:		
Interest accrued on bank deposits	2.32	0.65
Late payment surcharge receivables	939.43	1,096.30
	941.75	1,096.95

* includes reserved against margin money for bank guarantees, other commitments.

Notes to the standalone financial statements

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

2.4 Non-current tax assets

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good) Advance income taxes	1,030.07	1,075.19
	1,030.07	1,075.19

2.5 Other assets

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good) Non-current		
Capital advances	14.01	270.22
Less: Provision	(5.06)	(5.06)
Balance with government authorities paid under protest	392.80	197.31
Contribution to gratuity fund (net) (refer note 2.34)	-	10.19
Prepayments	15.47	18.97
	417.22	491.63
Current		
Advance to suppliers and service providers	2,048.09	2,551.80
Balance with government authorities (refer note 2.43)	5,752.34	3,851.71
Prepayments	387.40	345.19
	8,187.83	6,748.70

2.6 Inventories

Particulars	As at March 31, 2024	As at March 31, 2023
(Valued at lower of cost and net realisable value)		
Coal and Fuel*	5,882.26	7,619.28
Stores and spares	2,465.17	2,395.08
	8,347.43	10,014.36

* includes materials-in-transit amounting to ₹ 2,713.12 million, (March 31, 2023: ₹ 3,455.14 million).

Notes to the standalone financial statements

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

2.7 Investments

	Number of shares/ units		As at March 31, 2024	As at March 31, 2023
	As at March 31, 2024	As at March 31, 2023		
A) Non-current investments:				
Investments in subsidiaries				
(Unquoted, valued at cost unless stated otherwise)				
Equity instruments:				
TPCIL Singapore Pte Limited	368,489	49,000	5.41	2.92
Less: Provision for Impairment in the value of Investments			(5.41)	-
			-	2.92
B) Current investments:				
Quoted, debt securities				
Mutual fund securities valued at FVTPL				
SBI Liquid Fund - Direct Plan - Growth	102,134	44,680	385.99	157.44
			385.99	157.44
Aggregate fair value of unquoted investments			5.41	2.92
Aggregate fair value and market value of quoted investments			385.99	157.44
Aggregate provision for impairment in value of investments			5.41	-
Movement in provision for impairment in value of investments:				
Opening balance			-	-
Provision made during the year			5.41	-
Closing balance			5.41	-

2.8 Trade receivables

	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Non-current		
- Billed	1,111.54	3,215.18
Less: Expected credit loss allowance	-	(6.51)
Total receivables	1,111.54	3,208.67
Current		
- Billed	29,029.29	31,230.35
- Unbilled [^]	5,724.82	6,255.24
Less: Expected credit loss allowance	(217.50)	(200.69)
Less: Other deductions	(1,449.43)	-
Total receivables	33,087.18	37,284.90

Notes to the standalone financial statements

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

Current portion	33,087.18	37,284.90
Non-current portion	1,111.54	3,208.67
Break-up of security details		
Trade receivables considered good – secured	-	-
Trade receivables considered good – unsecured	35,865.65	40,700.77
Trade receivables which have significant increase in credit risk	-	-
Trade receivables – credit impaired	-	-
Total	35,865.65	40,700.77
Less: allowance for expected credit loss	(217.50)	(207.20)
Other deductions	(1,449.43)	-
Total trade receivables	34,198.72	40,493.57

^The receivable is 'unbilled' because the Company has not yet issued an invoice to the customer, however, the balance has been included under trade receivables as it is an unconditional right to consideration.

Trade receivables aging schedule	As at March 31, 2024	As at March 31, 2023
Outstanding for following periods from the due date of receipt		
(i) Undisputed trade receivables -considered good		
Unbilled receivables	5,724.82	6,255.24
Not due	12,273.13	24,450.61
Less than 6 months	17,191.75	9,807.38
6 months -1 year	386.63	27.09
1-2 years	77.42	28.40
2-3 years	26.36	97.79
More than 3 years	185.54	34.26
Total	35,865.65	40,700.77

The Company does not have any disputed trade receivables outstanding as at March 31, 2024 and March 31, 2023.

Notes:

(i) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person nor any trade receivables are due from firms or private companies in which any director is a partner, a director or a member.

(ii) The Company's exposure to credit and currency risk and loss allowance related to trade receivables are disclosed in note 2.40

2.9 Cash and bank balances

	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents:		
Balance with banks:		
On current accounts	739.42	725.62
Deposits with original maturity of less than three months	1,000.01	304.30
	1,739.43	1,029.92

Notes to the standalone financial statements

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

2.10 Equity share capital

	As at March 31, 2024	As at March 31, 2023
Authorised Equity shares		
15,000,000,000 (March 31, 2023: 15,000,000,000) number of equity shares of ₹ 10 each	150,000.00	150,000.00
	150,000.00	150,000.00
Issued, subscribed and fully paid up		
4,612,244,574 (March 31, 2023: 5,433,668,574) number of equity shares of ₹ 10 each, fully paid up	46,122.45	54,336.69
	46,122.45	54,336.69

(i) Movements in equity share capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
Shares outstanding at the beginning of the year	5,433,668,574	54,336.69	5,433,668,574	54,336.69
Shares issued during the year	-	-	-	-
Shares Bought back (refer note 2.47)	(821,424,000)	(8,214.24)	-	-
Shares outstanding at the end of the year	4,612,244,574	46,122.45	5,433,668,574	54,336.69

(ii) Shares of the Company held by Holding Company

	As at March 31, 2024	As at March 31, 2023
Tanweer Infrastructure SAOC, the Holding Company along with its nominees #	4,612,244,574	5,433,668,574

(iii) Details of shareholders holding more than 5% shares in the Company

Name of shareholders	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares				
Tanweer Infrastructure SAOC, the Holding Company along with its nominees #	4,612,244,574	100.00%	5,433,668,574	100.00%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Notes to the standalone financial statements

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

(iv) Details of shareholding of promoters and changes during the year

	As at March 31, 2024		
	Number of shares	% holding in the class	% change
Tanweer Infrastructure SAOC, the Holding Company along with its nominees #	4,612,244,574	100.00%	-
	As at March 31, 2023		
	Number of shares	% holding in the class	% change
Tanweer Infrastructure SAOC, the Holding Company along with its nominees #	5,433,668,574	100.00%	100.00%

(v) Terms and rights attached to equity shares:

Equity shares of the Company have par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of Share holders in the ensuing Annual General Meeting, except in the case of Interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(vi) There are no shares allotted as fully paid up by way of bonus shares or allotted as fully paid up pursuant to contract without payment being received in cash during the period of five years immediately preceding the reporting date.

2.11 Other equity

Securities premium	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	40,207.03	40,207.03
Less: Premium paid upon Buyback of equity shares (refer note 2.47)	(10,349.94)	-
Less: Transaction cost relating to Buy-back of equity shares (refer note 2.47)	(1,436.12)	-
Less: Transfer to Capital redemption reserve upon Buyback of equity shares (refer note 2.47)	(8,214.24)	-
Balance at end of the year	20,206.73	40,207.03
	As at March 31, 2024	As at March 31, 2023
Capital reserve on amalgamation		
Balance at the beginning of the year	16,013.56	16,013.56

Notes to the standalone financial statements

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

Balance at end of the year	16,013.56	16,013.56
Capital redemption reserve		
Balance at the beginning of the year	-	-
Add: Appropriation from Securities premium upon Buy-back of equity shares (refer note 2.47)	8,214.24	-
Balance at end of the year	8,214.24	-
Deemed equity contribution		
Balance at the beginning of the year	1,092.44	1,092.44
Balance at end of the year	1,092.44	1,092.44
Share-based payments reserve		
Balance at the beginning of the year	118.77	143.06
Add: Share-based payments charged to profit or loss	-	97.13
Less: Adjustment for recharge for share-based payments	-	(121.42)
Balance at end of the year	118.77	118.77
Retained earnings		
Balance at the beginning of the year	5,344.27	(870.30)
Add: Profit for the year	22,806.59	6,214.57
Less: Dividend paid	(5,325.00)	-
Less: Interim Dividend paid	(9,147.45)	-
Balance at end of the year	13,678.41	5,344.27

The final dividend on equity share is recorded as a liability on the date of approval by the shareholders and interim dividend is recorded as liability on the date of declaration by the Company's Board of Directors. The Company declares and pays dividend in India rupees.

The details of distribution of dividend made are as under:

Particulars	As at March 31, 2024	As at March 31, 2023
Interim Dividend for FY 2023-24	9,147.45	-
- ₹ 0.58 per equity share, approved by Board of Directors on December 14, 2023		
- ₹ 1.30 per equity share, approved by board of Directors on February 22, 2024		

Notes to the standalone financial statements

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

Interim Dividend for FY 2022-23 - ₹ 0.98 per equity share, approved by Board of Directors on May 24, 2023	5,325.00	-
Other comprehensive income (OCI)		
i) Remeasurement of post-employment benefit obligations		
Balance at the beginning of the year	(49.40)	(74.06)
Items that will not be reclassified to profit or loss		
- Remeasurements of post-employment benefit obligations	(7.43)	24.66
Balance at the end of the year	(56.83)	(49.40)
ii) Effective portion of cash flow hedges		
Balance at the beginning of the year	-	86.67
Add: Change in fair value, net of tax	-	(86.67)
Balance at the end of the year	-	-
iii) Hedge Reserve - cost of Hedging		
Balance at the beginning of the year	-	58.04
Add: Change in fair value, net of tax	-	(58.04)
Balance at the end of the year	-	-
Total Other Equity	59,267.32	62,726.67

Nature and purpose of other equity

Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of Section 52 of the Companies Act, 2013.

Capital reserve on amalgamation

Capital reserve on amalgamation is the difference between the consideration for acquisition of Sembcorp Gayatri Power Limited (SEIL-P2) and the amount of share capital and security premium of SEIL-P2 as per Ind AS 103 (Appendix C), Business combinations of entities under common control.

Capital redemption reserve

Capital Redemption Reserve represents the statutory reserve created on buy back of shares. It is not available for distribution.

Deemed equity contribution

Deemed equity contribution represents fair value of interest free ₹ denominated notes from erstwhile Holding Company

Share-based payments reserve

Share based payments reserve represents expense recognised over the vesting period of the awards during which the employees provide the relevant services, based on grant-date fair value of equity-settled share-based payment arrangements.

Retained earnings

Retained earnings mainly represents all current and prior periods profits as disclosed in the statement of profit and loss less dividend distribution and transfers to general reserve.

Notes to the standalone financial statements

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

Other comprehensive income (OCI)

Remeasurement of post-employment benefit obligations

Remeasurement of post-employment benefit obligations represents remeasurement gain/(loss) relating of post-employment benefit obligations.

Effective portion of cash flow hedges

This comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instrument related to hedged transactions that have not yet occurred.

Hedge reserve-Cost of Hedging

This mainly represents the net change in fair value of forward element of the hedging instrument.

2.12 Long term Borrowings

	As at March 31, 2024	As at March 31, 2023
Unsecured From banks		
Rupee term loans	44,206.66	34,747.76

Details of repayment terms and other details are given below:

Rupee term loans carries an interest rate in the range of 8.79% to 9.39% p.a. (March 31, 2023: 7.81% to 9.32% p.a.) Rupee term loans are secured by corporate guarantee of erstwhile Holding Company Sembcorp Utilities Pte Ltd.

During the year, the Company has used the borrowings from banks and financial institutions for the specific purpose for which it was drawn.

2.13 Other financial liabilities

	As at March 31, 2024	As at March 31, 2023
Current - Others		
Amount payable for purchase of property, plant and equipment	5.03	458.66
Amount payable for purchase of property, plant and equipment (dues of micro and small enterprises)	1.55	0.16
Interest accrued on borrowings (refer note 2.12)	12.50	7.36
Retention money payable	126.32	7,202.36
Accrued employee liabilities	784.09	182.40
Other payables	219.18	319.44
	1,148.67	8,170.38

The Company's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in note 2.40

2.14 Provisions

	As at March 31, 2024	As at March 31, 2023
Non-current		
Provision for employee benefits		
- Gratuity (net) (refer note 2.34)	0.69	-

Notes to the standalone financial statements

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

- Compensated absences (refer note 2.34)	62.32	-
	63.01	-
Current		
Provision for employee benefits		
- Compensated absences (refer note 2.34)	10.70	66.88
Provision for Contingency (refer note 2.43)	2,004.91	-
	2,015.61	66.88

2.15 Deferred tax liabilities

Deferred tax asset and liabilities attributable to the following

	As at March 31, 2024	As at March 31, 2023
Deferred tax liabilities on:		
Property, Plant and Equipment and Intangible assets	18,366.99	17,075.94
Fair value adjustment of current investments	0.62	1.01
Unamortised part of borrowing costs	53.84	43.94
ROU assets	21.71	10.57
	18,443.16	17,131.46
Deferred tax assets on:	54.74	52.15
Expected credit loss allowance		
Expenses deductible in future	630.75	-
Provision for employee benefits	215.19	56.70
Temporary diff on carrying value of Trade receivables	46.30	225.61
Interest carried forward under Section 94B of the Income-tax act, 961	1,154.92	2,665.06
Business carry forward loss and Unabsorbed depreciation	5,397.52	10,950.04
Lease liabilities	22.84	14.21
	7,522.26	13,963.77
Net deferred tax liability/ (asset)	10,920.90	3,167.69

Notes to the standalone financial statements

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

2.16 Other liabilities

	As at March 31, 2024	As at March 31, 2023
Current		
Contract liabilities	88.69	42.37
Dues to statutory authorities	172.46	292.56
Liability towards unspent corporate social responsibility (refer note 2.36)	38.16	58.17
Other payables (refer note 2.46)	2,548.96	5,558.57
	2,848.27	5,951.67

2.17 Short-term borrowings

	As at March 31, 2024	As at March 31, 2023
Unsecured		
Current maturities of long-term borrowings	4,481.15	3,018.97
Working capital demand loans (refer note (i) below)	10,410.09	5,948.00
Commercial papers (refer note (ii) below)	8,434.56	23,552.94
	23,325.80	32,519.91

Notes:

Details of repayment terms and other details are given below:

(i) Working capital demand loans carries an interest rate in the range of 7.85% to 8.50% p.a. Out of the total working capital demand loans outstanding as on March 31, 2024 ₹ 9,420.09 million are secured by the Corporate Guarantee of erstwhile Holding Company "Sembcorp Utilities Pte Ltd" and the remaining loans of ₹ 990.00 million are drawn on unsecured basis.

(ii) Commercial papers carries an interest rate in the range of 8.03% to 8.30% p.a and same was secured by the Corporate Guarantee of erstwhile Holding Company "Sembcorp Utilities Pte Ltd". Out of the total outstanding commercial papers, ₹ 3,800.00 million, which was utilised for working capital was issued on unsecured basis.

(iii) During the year, the Company has used the borrowings from banks and financial institutions for the specific purpose for which it was drawn.

(iv) During the previous year, the Company prepaid its term loans aggregating to ₹ 63,301.00 million with an intent to simplify the financing terms and reduce the interest cost. Source of funds for prepayment of the above said term loans includes internal accruals, new long-term loans and also bridge finance with issuance of commercial papers of ₹ 20,000.00 million with maturity of upto 1 year. The Company has replaced ₹ 14,750.00 million of commercial papers borrowing with long-term sources. The balance will be replaced on maturity of Commercial papers.

Notes to the standalone financial statements

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

2.18 Trade payables

	As at March 31, 2024	As at March 31, 2023
Total outstanding dues to micro and small enterprises (refer note 2.35)	102.18	82.74
Total outstanding dues to other than micro and small enterprises		
- others	4,334.74	5,068.40
	4,436.92	5,151.14
Trade payables aging schedule		
Particulars	As at March 31, 2024	As at March 31, 2023
Outstanding for following periods from due date of payment		
(i) Undisputed micro and small enterprises		
Unbilled payables	5.55	49.86
Not due	96.63	32.88
Less than 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	102.18	82.74
(ii) Undisputed Others		
Unbilled payables	2,975.22	4,483.17
Not due	1,359.52	585.23
Less than 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	4,334.74	5,068.40

The Company's exposure to currency and liquidity risks related to trade payables are disclosed in note 2.40

The Company does not have any disputed trade payables outstanding as at March 31, 2024 and March 31, 2023.

2.19 Current tax liabilities

Provision for taxes (net of advance tax: ₹63.14 million, (March 31, 2023: ₹ 63.14 million)	149.48	149.48
	149.48	149.48

Notes to the standalone financial statements

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023
2.20 Revenue from operations		
Sale of electricity	98,075.95	93,734.04
Other operating revenues:		
-Sale of fly ash	247.25	151.96
	98,323.20	93,886.00
a. Reconciliation of revenue from electricity recognised with the contracted price is as follows:		
Contract price	98,540.15	95,355.54
Adjustments for:		
Rebates	(48.37)	(241.42)
Deviation settlement charges	(244.83)	(1,153.96)
Commission/ penalty charges	(171.00)	(226.12)
	98,075.95	93,734.04
b. Changes in contract liabilities*		
Balance at the beginning of the year	42.37	24.71
Add: Amount received during the year	2,007.49	220.69
Less: Amount recognised as revenue/other adjustments during the year	(1,961.17)	(203.03)
Balance at the end of the year	88.69	42.37
* Contract liabilities include unearned income and advance from customer.		
c. Transaction Price - Remaining Performance Obligation		
The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts as the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date.		
d. Refer note 2.32 for Revenue disaggregation by geography		
2.21 Other income		
Interest income from financial assets measured at amortised cost	342.67	300.64
Interest income from Others	37.40	-
Net gain on financial assets measured at FVTPL	79.47	77.39
Late payment surcharges recovered from customers	1,959.28	2,701.65
Unwinding of discount on trade & late payment surcharge receivables (refer note 2.45)	712.05	1,008.26
Insurance claims recovered including interest*	678.75	43.10
Gain on derivative contracts, net at FVTPL	-	18.70
Liabilities no longer required, written back (refer note 2.48)	8,411.72	-

Notes to the standalone financial statements

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Gain on sale of property, plant and equipment (net)	13.32	-
Gain on foreign exchange fluctuations (net)	101.68	-
Scrap sales	47.60	76.81
Miscellaneous income	0.20	0.09
	12,384.14	4,226.64

* Company has received arbitration award from Arbitral Tribunal on May 29, 2023 with regard to loss of profit claim against Insurance Company including interest aggregating to ₹ 672.13 million.

2.22 Cost of fuel

Coal and fuel cost	59,148.33	65,178.26
	59,148.33	65,178.26

2.23 Transmission charges

Transmission charges	1,092.13	3,806.83
	1,092.13	3,806.83

2.24 Employee benefits expense

Salaries, wages and bonus	1,810.43	1,586.04
Contribution to provident and other funds (refer note 2.34)	73.14	93.91
Employee share based expenses (refer note 2.42)	-	97.13
Staff welfare expenses	98.39	104.65
	1,981.96	1,881.73

2.25 Finance costs

Interest expense on financial liabilities measured at amortised cost	5,954.64	6,485.83
Unwinding of discount on lease liabilities (refer note 2.31)	5.77	5.62
Other borrowing costs	1,131.68	1,464.11
	7,092.09	7,955.56

2.26 Depreciation and amortisation expense

Depreciation on property, plant and equipment (refer note 2.1)	5,889.18	5,893.65
Depreciation on right to use assets (refer note 2.1 and 2.31)	40.03	40.50
Amortisation on intangible assets (refer note 2.2)	9.81	6.61
	5,939.02	5,940.76

Notes to the standalone financial statements

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

2.27 Other expenses		
Consumption of stores, spares and consumables	1,167.81	877.39
Repairs and maintenance		
- Buildings and civil works	80.48	80.89
- Plant and equipment	1,086.39	1,083.19
- Others	6.25	8.19
Claims Settled (refer note 2.48)	826.78	-
IT maintenance expenses	196.77	126.34
Travelling and conveyance	35.64	40.49
Insurance	357.92	429.49
Vehicle hire charges	57.90	57.39
Security charges	48.28	59.42
Legal and professional expenses	83.93	235.83
Remuneration to auditors -Statutory audit fee including limited reviews	8.85	3.63
Remuneration to auditors - Other services	0.89	6.52
Remuneration to auditors- Reimbursement of expenses	0.42	0.67
Technical support services (refer note 2.44)	492.63	111.98
Health and safety expenses	28.74	50.30
Expenditure on corporate social responsibility (refer note 2.36)	148.26	92.00
Rates and taxes	12.74	20.27
Rent (refer note 2.31)	1.31	2.39
Training and seminar	2.16	6.19
Printing and stationery	4.26	2.89
Directors' sitting fee	11.36	7.79
Commission charges	146.01	151.88
Communication expenses	13.32	14.83
Advertisement expenses	9.16	9.58
Loss on foreign currency transactions and translation (net)	-	265.59
Property, plant and equipment written off	0.92	3.25
Provision for Impairment in the value of Investments (refer note 2.7)	5.41	-
Doubtful receivables and advances written off	1.37	-
Miscellaneous expenses	44.95	41.09
	4,880.91	3,789.47

Notes to the standalone financial statements

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

2.28 Contingent liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
I) Claims against the Company not acknowledged as debt in respect of:		
(i) Income tax	730.83	730.83
(ii) Stamp duty (refer note a below)	-	-
(iii) Buildings and other construction works cess (BOCW Cess)	287.21	287.21
(iv) Entry tax	130.21	150.62
(v) Service tax (refer note b below)	-	798.13
(vi) Township construction contract works (refer note c below)	-	149.92
(vii) Goods and services tax (refer note d below)	1,108.27	1,108.27
(viii) Others (refer note e, f and g below)	Amount not ascertainable	Amount not ascertainable
	2,256.52	3,224.98
II) Bank guarantees with customs and others		
Bank guarantees with customs and excise	3,674.41	3,827.83
Bank guarantees for PPA and other commitments	7,480.14	7,778.18
	11,154.55	11,606.01

Notes:

a. Based on the Warranty and Indemnity agreement dated February 1, 2014 entered between the Company and NCC Limited ('EPC Contractor') and other counterparts, the liability, if any arising on account of dispute relating to the Company, would be to the account of EPC Contractor. Accordingly, there would not be any impact on the financial position of the Company on account of Stamp duty relating to the Company.

b. Service tax dept. (Central), vide order dated December 20, 2019 levied Service tax of ₹ 798.13 million on liquidated damages & reimbursement of expenses. The Company filed an Appeal before the CESTAT on May 05, 2020.

During the year, CESTAT vide its order dated April 21, 2023, allowed the Appeal in favour of the Company in respect of service tax demand of ₹ 796.80 million on Liquidated Damages (LD). However, appeal pertaining to reimbursement of expenses amounting to ₹ 1.33 million was rejected. Further, as per Circular No. 214/1/2023 of Service tax dated February 28, 2023, no taxes is leviable on LD. On the tax issue of ₹ 1.33 million on reimbursement of expenses, the Company decided not to file further appeal and booked an expense of ₹ 4.12 million inclusive of interest and penalty cost. Consequently, the contingent liability on this matter is reduced to nil.

c. The Company had given the contract for construction of township at Nellore for an amount of ₹ 454.06 million. The contract was completed on October 31, 2017 and the full and final settlement was agreed with the vendor on December 15, 2017. In the earlier years, the vendor sought additional compensation of ₹ 149.91 million from the Company for additional work executed, damages, loss of profits and recovery of liquidated damages etc., and also filed proceedings application under Section 11 of Arbitration and Conciliation Act, 1996 against the Company before the Hon'ble High Court of Telangana. The Company had also contested the matter and has obtained legal opinion on the validity of the claims.

During the year, Hon'ble High Court had dismissed the application of proceeding on January 25, 2024. Subsequently Vendor filed petition with Hon'ble Supreme Court of India and same was dismissed subsequent to the year end on April 15, 2024 and therefore the contingent liability is reduced to nil.

Notes to the standalone financial statements

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

d. In the previous year, Assistant Commissioner, State Tax, Nellore levied GST of ₹ 1,108.27 million on the transmission charges vide order dated March 31, 2022. The Company filed an appeal against said order before the Additional Commissioner (Appeal), State tax, Tirupati on June 24, 2022. The Appeal was rejected vide order dated October 30, 2023 and a demand for an amount of ₹ 1,108.27 million comprising of Tax, interest and penalty was confirmed.

The Company has filed a Writ Petition on November 14, 2023 before the Hon'ble High Court of Andhra Pradesh and has been granted interim stay. Based on the facts of the matter and advice from Tax consultant, the Company does not expect this matter to have any implication on the standalone financial statements of the Company and is confident of a favourable outcome.

e. The Company is contesting legal cases in local courts against the claims made on certain part of the project lands, under dispute and amount is not ascertainable.

f. The Company has a process whereby periodically all long-term contracts including derivative contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that there are no material foreseeable losses on such long-term contracts and derivatives contracts which needs to be provided for in the books of account.

g. The Honourable Supreme Court has passed a decision on February 28, 2019 in relation to inclusion of certain allowances in "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Company is awaiting further clarifications from the judiciary/department in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgement to the Company, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, as till the date of approval of these financial statements.

III) Electricity duty demand:

During the earlier years, the Company had received an intimation from the Director of Electrical Safety and Chief Electrical Inspector, Government of Andhra Pradesh ('GoAP'), whereby GoAP had demanded electricity duty on generation and sale of power amounting to ₹ 1,493.68 million for period from December, 2014 to March, 2018. Based on the internal assessment and external legal advice received by the Company, the management has responded that the provisions of Electricity Duty Act, and Rules, 1939 in respect of payment of electricity duty are not applicable to the Company and accordingly no adjustments have been made in financial statement of the Company for the year ended March 31, 2024.

The Company has filed writ petition with Hon'ble High Court of Andhra Pradesh against the said demand from the authorities which has been admitted by the Hon'ble High Court for hearing.

2.29 Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 29.94 million (March 31, 2023: ₹ 463.98 million).

2.30 Earnings per share

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net profit for the year	22,806.59	6,214.57
Weighted average number of equity shares outstanding during the year	5,204,747,131	5,433,668,574
Earnings per equity share (face value of share ₹10 each)		
- Basic and diluted (refer note below)	4.38	1.14

Note: The Company did not have any potentially dilutive securities in any of the years presented.

Notes to the standalone financial statements

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

2.31 Right-of-use assets and leases

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2024 and March 31, 2023:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	622.95	651.42
Additions	76.89	12.03
Depreciation	(40.03)	(40.50)
Write-off of ROU asset	(18.40)	-
Closing balance	641.41	622.95

The aggregate depreciation expense on right-of-use assets is included under depreciation and amortisation expense in the statement of profit and loss.

The following is the movement in lease liabilities during the year ended March 31, 2024 and March 31, 2023

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	56.47	61.39
Additions	76.89	12.03
Write back of lease liabilities	(27.44)	-
Unwinding of discount on lease liabilities	5.77	5.62
Payment of lease liabilities	(20.93)	(22.57)
Closing balance	90.76	56.47

The following is the breakup of current and non current lease liabilities as at March 31, 2024 and March 31, 2023

Particulars	As at March 31, 2024	As at March 31, 2023
Non current	75.97	36.99
Current	14.79	19.48
Total	90.76	56.47

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2024 and March 31, 2023

Particulars	As at March 31, 2024	As at March 31, 2023
Within one year	22.36	23.06
After one year but not more than five years	84.46	36.76
More than 5 years	11.57	11.57

Notes to the standalone financial statements

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

2.32 Segment reporting

The Company is engaged in the business of generation of power, which in the context of Ind AS 108 - "Operating Segments", notified by the Companies (Indian Accounting Standards) Rules, 2015 is considered the only operating segment. Since the operations of the Company exist in India and Bangladesh and all its assets are located only in India, disclosures under paragraphs 32-34 of Ind AS 108 are not required. Revenue to specific customers exceeding 10% of total revenue for the years ended March 31, 2024 and March 31, 2023 were as follows:

Customer name	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Revenue	%	Revenue	%
Telangana State Government utilities	31,605.15	32.23%	31,401.97	33.45%
Andhra Pradesh State Government utilities	24,228.59	24.70%	10,499.27	11.18%
Bangladesh Power Development Board	13,245.88	13.51%	12,359.28	13.16%
PTC India Limited	10,730.50	10.94%	16,338.76	17.40%
Geographical segments	For the year ended March 31, 2024		For the year ended March 31, 2023	
Revenues, net				
India	85,077.32		81,526.72	
Bangladesh	13,245.88		12,359.28	
Total	98,323.20		93,886.00	

The total of non-current assets other than tax assets, broken down by location of the assets, is shown below:

Notes to the standalone financial statements

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

Non-current assets	As at March 31, 2024	As at March 31, 2023
India	140,876.17	149,637.28
Bangladesh	-	-
Total non-current assets	140,876.17	149,637.28

2.33 Changes in liabilities arising from financing activities

Particulars	Lease liabilities	Long-term borrowings*	Short-term borrowings	Total
As at April 1, 2022	(61.39)	(74,766.96)	(10,222.04)	(85,050.39)
Net cash flows	22.57	37,023.04	(19,286.16)	17,759.45
Foreign exchange movement and borrowing cost	-	(22.81)	7.26	(15.55)
Remeasurement of lease liabilities	(12.03)	-	-	(12.03)
Unwinding of discount on lease liabilities	(5.62)	-	-	(5.62)
As at March 31, 2023	(56.47)	(37,766.73)	(29,500.94)	(67,324.14)
Net cash flows	20.93	(10,960.50)	10,656.29	(283.28)
Foreign exchange movement and borrowing cost	-	39.42	-	39.42
Additions to lease liabilities	(76.89)	-	-	(76.89)
Write-back of lease liabilities	27.44	-	-	27.44
Unwinding of discount on lease liabilities	(5.77)	-	-	(5.77)
As at March 31, 2024	(90.76)	(48,687.81)	(18,844.65)	(67,623.22)

*Includes current maturities of Long-term borrowings.

Notes to the standalone financial statements

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

2.34 Assets and liabilities relating to employee benefits

i) Defined contribution plan

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contribution to provident fund charged to the statement of profit and loss is ₹ 62.20 million (March 31, 2023: ₹ 65.99 million).

ii) Defined benefit plan

The Company provides gratuity for its employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees' last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India. Liability with regard to this plan is determined by an actuarial valuation as at the end of the period and are charged to the statement of profit and loss.

A) Funding

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

The following tables summaries the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Particulars	As at March 31, 2024	As at March 31, 2023
B) Reconciliation of the present value of defined benefit obligation		
Balance at the beginning of the year (As reported earlier)	156.16	169.04
Current service cost	20.39	25.20
Past service cost	(8.58)	-
Interest cost	11.16	12.02
Benefits paid	(7.54)	(6.94)
Actuarial (gains)/loss recognised in the other comprehensive income		
- experience adjustments	4.26	(3.58)
- changes in financial assumptions	3.90	(2.93)
- demographic assumptions	-	(3.40)
Liabilities assumed/ (Settled)	-	(33.25)
Balance at the end of the year	179.75	156.16
C) Reconciliation of the present value of plan assets		
Balance at the beginning of the year	166.35	139.91
Contributions made into the plan by employer	10.29	25.19
Benefits paid	(7.54)	(6.94)
Expected return on plan assets	12.03	10.05
Actuarial loss on plan assets	(2.07)	(1.86)
Balance at the end of the year	179.06	166.35
Net defined benefit obligation/(asset)	0.69	(10.19)
Disclosure in the balance sheet:		
Non-current	(0.69)	10.19
Current	-	-

Notes to the standalone financial statements

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
D) Expense recognized in the statement of profit and loss		
Current service cost	20.39	25.20
Past service cost	(8.58)	-
Interest cost on obligation	11.16	12.02
Interest income on plan assets	(12.03)	(10.05)
	10.94	27.17
Remeasurements recognised in Other comprehensive income		
Actuarial loss on defined benefit obligation	8.16	(9.91)
Actuarial loss on planned asset	2.07	1.86
	10.23	(8.05)

E) Plan assets comprise of the following:

Particulars	As at March 31, 2024	As at March 31, 2023
New Group Gratuity Cash Accumulation Plan with LIC	179.06	166.38

F) Summary of actuarial assumptions

Demographic assumptions		
Particulars	As at March 31, 2024	As at March 31, 2023
Attrition rate		
21 - 30 years	10.00%	10.00%
31 - 50 years	5.00%	5.00%
51 year and above	10.00%	10.00%
Financial assumptions		
Discount rate	7.20%	7.45%
Future salary growth rate	8.00%	8.00%

The estimates of future salary increase considered in actuarial valuation, takes account of inflation seniority, promotion and other relevant factors such as supply and demand in the employment market.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amount shown below:

Notes to the standalone financial statements

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
	Increase/ (Decrease) in liability	Increase/ (Decrease) in liability
Impact of the change in discount rate		
0.50% increase	(7.66)	(6.96)
0.50% decrease	8.24	7.50
Impact of the change in salary growth rate		
0.50% increase	6.71	7.43
0.50% decrease	(6.60)	(6.95)

G) Asset-liability matching strategy

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance company, as part of the policy rules, makes payment of all gratuity payables falling due during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

H) Maturity profile of the defined benefit obligation

Expected cash flows for the following years (valued on undiscounted basis) :

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Within 1 year	19.90	12.80
2 to 5 years	63.41	55.03
6 to 9 years	56.54	51.90
For year 10 and above	256.95	250.99

iii) Compensated absences

The accrual for unutilised leave is determined for the entire available leave balance standing to the credit of the employees at the year-end. The value of such leave balances that are eligible for carry forward, is determined by an actuarial valuation as at the end of the year and is charged to the statement of profit and loss amounting to ₹ 15.88 million (March 31, 2023: ₹ Nil million).

Notes to the standalone financial statements

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

A) Summary of actuarial assumptions		
Particulars	As at March 31, 2024	As at March 31, 2023
Financial assumptions		
Discount rate (p.a.)	7.20%	7.45%
Expected salary increase (p.a.)	8.00%	8.00%
Demographic assumptions		
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult table	Indian Assured Lives Mortality (2012-14) Ult table
Withdrawal rate		
21-30	10%	10%
31-50	5%	5%
51 & Above	10%	10%
Retirement age	60/64 years	60/64 years

2.35) Details of dues to micro and small enterprises as defined under Micro, Small and Medium Enterprises Act, 2006

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at **March 31, 2024** has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') is not expected to be material.

Particulars	As at March 31, 2024	As at March 31, 2023
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	102.18	82.74
- Interest	-	-
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006);	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purposes of disallowances as a deductible expenditure under the MSMED Act, 2006;	-	-

This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 and has been determined to the extent such parties have been identified on the basis of information available with the Company.

Notes to the standalone financial statements

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

2.36) Details of Corporate social responsibility expenditure

As per Section 135 of the Companies Act 2013, the Company has formed a Corporate Social Responsibility ('CSR') Committee. The CSR Committee approved CSR Policy where certain focus areas out of list of activities covered in Schedule VII of the Companies Act 2013, have been identified to incur CSR expenditure. Nature of CSR activities are Health, Education, Skill and Entrepreneurship Development programmes and Other emergency interventions.

Amount spent during the year on:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Amount required to be spent by the Company during the year	148.26	92.00
Amount of expenditure incurred during the year relating to F.Y 2021-22	-	12.04
Amount of expenditure incurred during the year relating to F.Y 2022-23	58.17	33.83
Amount of expenditure incurred during the year relating to F.Y 2023-24	110.10	-
Amount of shortfall for the year	38.16	58.17
Amount of cumulative shortfall at the end of the year	38.16	58.17
Nature of CSR activities	Promoting sports, education, medical and other social projects	
Details of related party transactions, e.g. Contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard	NA	NA
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	NA	NA

The Company has incurred ₹ 168.27 million (March 31, 2023: ₹ 45.87 million) during the year towards certain activities in relation to Health, Education and Skill and Entrepreneurship Development programmes. The shortfall is on account of delay in executing certain ongoing projects and has been deposited with a designated bank account.

Notes to the standalone financial statements

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

2.37 Income tax expense

i) Income tax recognised in statement of profit and loss

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax	-	-
Deferred tax	7,756.01	2,256.60
Total	7,756.01	2,256.60
Tax effect on items classified under other comprehensive income	(2.80)	43.73
	7,753.21	2,300.33

ii) Reconciliation of effective tax rate

Particulars	As at March 31, 2024	As at March 31, 2023
Profit before tax (a)	30,562.60	8,471.17
Enacted tax rates in India (b)	25.17%	25.17%
Expected tax expenses (c=a*b)	7,692.00	2,132.02
Permanent difference		
Effect of expenses disallowed under Income tax act, 1961	38.91	23.97
Others	25.10	100.61
Total tax expense	7,756.01	2,256.60

iii) Movement in deferred tax assets and liabilities for the year 2023-24:

Particulars	Opening balance	Recognised/(reversed) through statement of profit and loss	Recognised through OCI	Closing balance
Deferred tax liabilities (DTL)				
Property, Plant and Equipment and Intangible assets	17,075.94	1,291.05	-	18,366.99
Unamortised part of borrowing costs	43.94	9.90	-	53.84
Fair value adjustment of current investments	1.01	(0.39)	-	0.62
On ROU assets	10.57	11.14	-	21.71
	17,131.46	1,311.70	-	18,443.16

Notes to the standalone financial statements

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

Deferred tax asset (DTA)				
Expected credit loss allowance	52.15	2.59	-	54.74
Expenses deductible in future	-	630.75		630.75
Provision for employee benefits	56.69	155.70	2.80	215.19
Temporary diff on carrying value of Trade receivables	225.61	(179.31)	-	46.30
Interest carried forward under Section 94B of the Income-tax act, 1961	2,665.06	(1,510.14)	-	1,154.92
Business carry forward loss and Unabsorbed depreciation	10,950.05	(5,552.53)	-	5,397.52
Lease liabilities	14.21	8.63	-	22.84
	13,963.77	(6,444.31)	2.80	7,522.26
Net deferred tax liabilities	3,167.69	7,756.01	(2.80)	10,920.90

Movement in deferred tax assets and liabilities for the year 2022-23:

Particulars	Opening balance	Recognised/(reversed) through statement of profit and loss	Recognised through OCI	Closing balance
Deferred tax liability (DTL)				
Property, Plant and Equipment and Intangible assets	15,625.43	1,450.51	-	17,075.94
Unamortised part of borrowing costs	76.16	(32.22)	-	43.94
Fair value adjustment of current investments	6.70	(5.69)	-	1.01
On ROU assets	11.23	(0.66)	-	10.57
	15,719.52	1,411.94	-	17,131.46

Deferred tax asset (DTA)

Expected credit loss allowance	294.09	(241.94)	-	52.15
Provision for employee benefits	168.88	(128.80)	16.61	56.69
Temporary diff on carrying value of Trade receivables	-	225.61	-	225.61
Interest carried forward under Section 94B of the Income-tax act, 1961	3,557.47	(892.41)	-	2,665.06
Business carry forward loss and Unabsorbed depreciation	10,702.29	247.76	-	10,950.05
Unrealised Forex loss on capital creditor	53.64	(53.64)	-	

Notes to the standalone financial statements

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

Lease liabilities	15.45	(1.24)	-	14.21
On Hedge reserve	60.34	-	(60.34)	-
	14,852.16	(844.66)	(43.73)	13,963.77
Net deferred tax liabilities	867.36	2,256.60	43.73	3,167.69

2.38 Capital management

The Company aims to maintain sound capital base so as to maintain investor, creditor and market confidence and to sustain future development and growth of its business, while at the same time maintaining an appropriate dividend policy to reward shareholders. The Management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Company's Gearing ratio as at the balance sheet date is as follows:

Particulars		As at March 31, 2024	As at March 31, 2023
Total borrowings		67,532.46	67,267.67
Cash and cash equivalents		(1,739.43)	(1,029.92)
Net Debt	A	65,793.03	66,237.75
Total equity	B	105,389.77	117,063.36
Gearing ratio	(A/B)	0.62	0.57

2.39 Ratios : The following are analytical ratios for the year ended March 31, 2024 and March 31, 2023

Particulars	Numerator	Denominator	For the year ended March 31, 2024	For the year ended March 31, 2023	Variance (Refer note 2.39.1.)
a) Current ratio (times)	Current assets	Current liabilities	1.55	1.08	43%
b) Debt equity ratio (times)	Total Debt= Long term and short term loan	Total equity	0.64	0.57	12%
c) Debt service coverage ratio (times)	Earnings before interest, depreciation, tax and exceptional item (EBIDTA)	Interest expense + Principal repayment for the next year of borrowings excluding working capital loan	4.38	2.16	103%
d) Return on equity (%)	Net profit after taxes	Average Shareholder's Equity	20.50%	5.45%	276%
e) Inventory turnover ratio (in days)	Cost of fuel & spares consumption	Average Inventory	56	48	16%

Notes to the standalone financial statements

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

f) Trade receivables turnover ratio (in days)	Revenue	Average trade receivables	139	150	-7%
g) Trade payables turnover ratio (in days)	Cost of fuel & Transmission charges	Average trade payables	29	26	10%
h) Net capital turnover ratio (times)	Revenue	Working capital	5.24	21.82	-76%
i) Net profit ratio (%)	Net profit after taxes	Revenue	23.20%	6.62%	250%
j) Return on capital employed (%)	Earnings before interest & taxes (EBIT)	Capital employed	20.48%	8.76%	134%
k) Return on investments (%)	Earnings before interest & taxes (EBIT)	Closing total Assets	19.35%	7.93%	144%

2.39.1 During the Financial year ended March 31, 2024

- Increase in revenue in current year due to new long term power purchasing agreement executed with a customer to provide a capacity of 625 MW w.e.f February 01, 2023.
- Recognition of income and write-back of liabilities as per the arbitration settlement with EPC contractor.
- Decrease in shares due to buyback of shares

2.40 Financial instruments - Fair values and risk management

A) Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows:

As at March 31, 2024:	Note	Carrying amount				Fair value		
		FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Investments - Mutual funds	2.7	385.99	-	-	385.99	385.99	-	-
Trade receivables	2.8	-	-	34,198.72	34,198.72	-	-	-
Cash and cash equivalents	2.9	-	-	1,739.43	1,739.43	-	-	-
Other financial assets	2.3	-	-	1,763.53	1,763.53	-	-	-
		385.99	-	37,701.68	38,087.67	385.99	-	-
Borrowings	2.12 & 2.17	-	-	67,532.46	67,532.46	-	-	-
Trade payables	2.18	-	-	4,436.92	4,436.92	-	-	-
Lease Liabilities	2.31	-	-	90.76	90.76	-	-	-
Other financial liabilities	2.13	-	-	1,148.67	1,148.67	-	-	-
		-	-	73,208.81	73,208.81	-	-	-

Notes to the standalone financial statements

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

As at March 31, 2023:	Note	Carrying amount				Fair value		
		FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Investments - Mutual funds	2.7	157.44	-	-	157.44	157.44	-	-
Trade receivables	2.8	-	-	40,493.57	40,493.57	-	-	-
Cash and cash equivalents	2.9	-	-	1,029.92	1,029.92	-	-	-
Other financial assets	2.3	-	-	2,185.25	2,185.25	-	-	-
		157.44	-	43,708.74	43,866.18	157.44	-	-
Borrowings	2.12 & 2.17	-	-	67,267.67	67,267.67	-	-	-
Trade payables	2.18	-	-	5,151.14	5,151.14	-	-	-
Lease Liabilities	2.31	-	-	56.47	56.47	-	-	-
Other financial liabilities	2.13	-	-	8,170.38	8,170.38	-	-	-
		-	-	80,645.66	80,645.66	-	-	-

Note:

Investments in subsidiaries have been accounted at historical cost. Since these are scoped out of Ind AS 109 for the purpose of measurement, the same are not disclosed in the table above.

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

Valuation techniques and significant unobservable inputs

Investment in mutual funds:

The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

Forward exchange/ option contracts, Swap contracts and Commodity hedge contracts:

Foreign exchange forward/ option contracts, Interest rate swaps and commodity hedge contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity.

Notes to the standalone financial statements

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

B) Financial risk management objectives and policies

The Company's activities exposed it to market risk (including interest rate risk, foreign currency risk and commodity price risk), credit risk and liquidity risk.

As part of the Company's Enterprise Risk Management framework, treasury policies and financial authority limits are documented and reviewed periodically. The policies set out the parameters for management of Company's liquidity, counterparty risk, foreign exchange and derivative transactions and financing.

The Company uses foreign exchange contracts, foreign exchange swaps, interest rate swaps, and various financial instruments to manage exposures to interest rate and foreign exchange risks arising from operating and financing activities. The Company uses commodity hedge contract to manage exposure for international coal prices. All such transactions must involve underlying assets or liabilities and no speculative transactions are allowed.

The financial authority limits/seek to limit and mitigate transactional risks by setting out the threshold of approvals required for entering into contractual obligations.

a) Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and commodity prices (coal) will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and reduce market risk exposures within acceptable parameters.

(i) Interest rate risk

The Company's exposure to market risk for changes in interest rate environment mainly relates to its debt obligations.

The Company's policy is to maintain an efficient and optimal interest cost structure using a mix of fixed and variable rate debts and long-term and short-term borrowings.

The Company's borrowings majorly consists of project funding loans and working capital loans having variable rate of interest.

The interest rate profile of the Company's interest-bearing instruments as reported to management is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Fixed rate borrowings	18,844.65	29,500.94
Variable rate borrowings	48,687.81	37,766.73
Total	67,532.46	67,267.67

Sensitivity analysis

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Company's profit before tax for the year ended March 31, 2024 and March 31, 2023 would decrease / increase as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Fixed rate borrowings		
Interest rate increases by 50 basis points	(94.22)	(147.50)

Notes to the standalone financial statements

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

Interest rate decreases by 50 basis points	94.22	147.50
Variable rate borrowings		
Interest rate increases by 50 basis points	(243.44)	(188.83)
Interest rate decreases by 50 basis points	243.44	188.83

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The majority of the Company's assets are located in India. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to its operating and financing activities. The functional currency of the Company is Indian rupee. The currencies in which these transactions are primarily denominated in US dollars (USD) and Singapore dollar (SGD).

The Company evaluates the exposure and enters into foreign currency derivative instruments like forward contracts, cross currency swaps to mitigate the exposure.

The summary quantitative data about the Company's exposure to currency risk (based on notional reports) is as follows:

Particulars	Currency	As at March 31, 2024		As at March 31, 2023	
		Indian Rupees	Foreign currency	Indian Rupees	Foreign currency
Financial assets					
Trade receivables	USD	14,800.71	177.52	10,427.78	126.83
Total financial assets		14,800.71		10,427.78	
Financial liabilities					
Trade payables	USD	(2,767.67)	(33.26)	(3,025.20)	(36.80)
Trade payables	SGD	-	-	(133.25)	(2.15)
Other financial liabilities	USD	-	-	(4,328.50)	(52.65)
Total financial liabilities		(2,767.67)		(7,486.95)	
Net exposure in respect of recognised assets/ (liabilities)		12,033.04		2,940.83	

Sensitivity analysis:

A reasonably possible strengthening /(weakening) of Indian rupee against US dollar as at balance sheet date would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast purchases.

Notes to the standalone financial statements

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

Particulars	Profit/(loss)		Equity increase/(decrease), net of tax	
	Strengthening	Weakening	Strengthening	Weakening
USD (5% movement)				
As at March 31, 2024	(601.65)	601.65	(601.65)	601.65
As at March 31, 2023	(153.70)	153.70	(153.70)	153.70
SGD (5% movement)				
As at March 31, 2024	-	-	-	-
As at March 31, 2023	6.66	(6.66)	6.66	(6.66)

b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer, employee or counterparty to a financial instrument fails to meet its contractual obligation leading to financial loss. The Company is exposed to credit risk from its operating activities primarily for trade and unbilled receivables, and from its financing activities, including short-term deposits with banks, and other financial assets.

The carrying amounts of the financial assets as disclosed in note 2.8 represent the maximum credit risk exposure.

Trade receivables and Late payment surcharges receivables

The Company has exposure to credit risk from a limited customer group on account of specialised nature of business, i.e. sale of power. The Company ensures concentration of credit does not significantly impair the financial assets since the customers to whom the exposure of credit is taken are well established and reputed undertakings which are sovereign backed and other large corporates.

Customer credit risk is managed by the Company subject to the Company's established policy, procedures and control relating to the customer credit risk management. Credit quality of a customer is assessed based on their past performance. Outstanding customer receivables are regularly monitored and taken up on case to case basis.

The Company has adopted a policy of dealing with credit worthy counter parties as a means of mitigating the risk of financial loss from defaults. The Company's exposure and credit worthiness of its customers are continuously monitored.

The Company also establishes an allowance for impairment that represents its estimate of expected credit losses in respect of Trade receivables and Late payment surcharge receivables.

Impairment :

The movement in Allowance for expected credit loss in respect of Trade receivables and Late payment surcharges receivables during the year is as follows:

Particulars	Allowance for expected credit loss	
	As at March 31, 2024	As at March 31, 2023
Trade receivables and Late payment surcharges receivables		
Balance at the beginning of the year	207.20	1,004.01
Movement in loss allowance	10.30	(796.81)
Balance at the end of the year	217.50	207.20

Notes to the standalone financial statements

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

Other financial assets/ derivative assets

Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks and financial institutions (including derivatives contracts), investments in mutual funds.

Credit risk on cash and cash equivalents, other bank balances and derivative assets are limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. Given the high credit ratings of these banks and financial institution, the Company does not expect these banks and financial institutions to fail in meeting their obligations.

Credit risk arising from investment in mutual funds is limited and there is no collateral held against these because the counterparties are recognised financial institutions with high credit ratings assigned by the various credit rating agencies. The mutual funds are valued at market price prevailing at reporting date which represents the fair value.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financing activities. The Company's approach to managing liquidity is to ensure, as far as possible that it will have sufficient liquidity to meet its liability when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are adequate and available to the Company to meet its obligations.

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

As at March 31, 2024						
Particulars	Carrying value	Contractual cash flows (Gross)			Total	
		within 12 months	1-5 years	More than five years		
Borrowings - long-term (including current maturities and interest accrued on borrowings)*	48,700.31	8,823.23	44,188.88	7,630.59	60,642.70	
Borrowings - short-term (excluding current maturities)	18,844.65	18,960.09	-	-	18,960.09	
Trade payables	4,436.92	4,436.92	-	-	4,436.92	
Other financial liabilities (excluding interest accrued on borrowings)	1,136.17	1,136.17	-	-	1,136.17	
	73,118.05	33,356.41	44,188.88	7,630.59	85,175.88	

Notes to the standalone financial statements

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

As at March 31, 2023					
Particulars	Carrying value	Contractual cash flows (Gross)			Total
		within 12 months	1-5 years	More than five years	
Borrowings - long-term (including current maturities and interest accrued on borrowings)*	37,774.09	6,436.69	38,577.60	8,818.95	53,833.24
Borrowings - short term (excluding current maturities)	29,500.94	30,468.37	-	-	30,468.37
Trade payables	5,151.14	5,151.14	-	-	5,151.14
Other financial liabilities (excluding interest accrued on borrowings)	8,163.02	8,163.02	-	-	8,163.02
	80,589.19	50,219.22	38,577.60	8,818.95	97,615.77

*Contractual cash flows includes contractual interest payments based on the interest rate prevailing at the reporting date.

The above excludes lease liabilities. refer note 2.31 for contractual cash flows relating to leases.

2.41 Related party disclosure

a) List of related parties

Name of the party	Nature of relationship
Sembcorp Industries Ltd, Singapore	Ultimate Holding Company (upto January 18, 2023)
Sembcorp Utilities Pte Ltd, Singapore	Holding Company (upto January 18, 2023)
TPCIL Singapore Pte Ltd, Singapore	Subsidiary
Sembcorp Green Infra Limited, India	Entity under common control (upto January 18, 2023)
Sembcorp India Private Limited, India	Entity under common control (upto January 18, 2023)
Osara Corporation SAOC	Ultimate Holding Company (w.e.f January 19, 2023)
Tanweer Infrastructure SAOC., Oman	Holding Company (w.e.f January 19, 2023)
Wong Kim Yin	Chairman (upto January 20, 2023)
Vipul Tuli	Managing Director (upto January 18, 2023)
Looi Lee Hwa	Director (upto November 30, 2022)
Eugene Chee Mun Zheng Zhiwen Cheng	Director (upto January 20, 2023)
Juvenil Jani	Chief Financial Officer (upto December 31, 2022)
Narendra Ande	Company Secretary (upto February 28, 2023)
Tareq Mohamed Sultan Al Mugheiry	Chairman (w.e.f March 02, 2023)
Hamad Mohammad Hamood Al Waheibi	Director (w.e.f March 02, 2023)
Cyrus Erach Cooper	Director (w.e.f January 20, 2023)
Raghav Trivedi	Whole Time Director and CEO (w.e.f January 20, 2023)
Ajay Bagri	Chief Financial Officer (w.e.f January 20, 2023)
Rajeev Ranjan	Company Secretary (w.e.f March 01, 2023)
Radhey Shyam Sharma	Independent Director
Kalaikuruchi Jairaj	Independent Director
Sangeeta Talwar	Independent Director

Notes to the standalone financial statements

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

b) The following are the transactions with related parties during the year		
	For the year ended March 31, 2024	For the year ended March 31, 2023
Rent and utility expense Sembcorp India Private Limited	-	16.61
Consultancy expenses Sembcorp India Private Limited Sembcorp Utilities Pte Ltd	-	21.67 92.41
Payment of Dividend Tanweer Infrastructure SAOC	14,472.45	-
Buy back of shares Tanweer Infrastructure SAOC	18,564.18	-
Investment in subsidiary TPCIL Singapore Pte Ltd, Singapore	2.49	-
Reimbursement of expenses Tanweer Infrastructure SAOC Sembcorp Utilities Pte Ltd	8.68 -	- 3.68
Sitting fee Tanweer Infrastructure SAOC	5.00	-
Share based expenses reimbursement Sembcorp Utilities Pte Ltd	-	97.13
Salaries to Key managerial person*		
Vipul Tuli	-	86.13
Juvenil Jani	-	24.32
Narendra Ande	-	4.83
Raghav Trivedi	29.23	39.26
Ajay Bagri	8.82	7.50
Rajeev Ranjan	2.59	0.80
Sitting fees to Directors (including taxes)		
Radhey Shyam Sharma	2.12	2.60
Kalaikuruchi Jairaj	2.12	2.60
Sangeeta Talwar	2.12	2.60

* Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long-term employee benefits recognised as per Ind AS 19 - Employee Benefits in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

Notes to the standalone financial statements

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

2.42 Share-based Payments

The employees of the Company participates in Share based plans of erstwhile ultimate holding company, Sembcorp Industries Limited (SCI) for its share-based remuneration arrangements which include Restricted Share Plan (SCI RSP) and Performance Share Plan (SCI PSP), collectively known as 'Share Plans 2010 and Share Plans 2020'. The SCI RSP is for directors and employees of the Company, whereas the SCI PSP is primarily for key executives of the Company. The details of share plans are as follows:

a) SCI Restricted Share Plan (RSP)

The number of the restricted share awards granted are based on the achievement of stretched financial and nonfinancial targets for the preceding calendar year, with emphasis on organisational transformation to meet future challenges and adherence to environment, health and safety standards. For the grant awarded during the year, a third of the SCI RSP awards granted will vest immediately with the remaining two-thirds of the awards vesting over the following two years in equal tranches.

b) SCI Performance Share Plan (PSP)

Awards granted under the SCI PSP are performance-based and performance targets set under the SCI PSP are intended to be based on medium-term corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth. The performance targets are stretched targets aimed at sustaining long-term growth.

The following is the summary of movement in RSP and PSP:

Particulars	March 31, 2024		March 31, 2023	
	RSP	PSP	RSP	PSP
Outstanding at the beginning of the year	-	-	776,817	3,059,452
Granted during the year	-	-	375,300	1,130,100
Vested during the year	-	-	(468,983)	(51,600)
Shares for transferred employees	-	-	(610,011)	(3,256,200)
Forfeited / lapsed during the year	-	-	(73,123)	(881,752)
Outstanding at the end of the year	-	-	-	-

Information on outstanding and exercisable RSP and PSP is as set out below:

Particulars	March 31, 2024		March 31, 2023	
	RSP	PSP	RSP	PSP
Options outstanding at the end of the year				
Number of options outstanding	-	-	-	-
Remaining contractual life in years	-	-	-	-
Risk free interest rate (depending on maturity)	-	-	0.00%	0.00%
Expected dividend yield shares	-	-	0.00%	0.00%
Weighted average price (SGD)	-	-	2.02	2.11

Notes to the standalone financial statements

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

The fair values of the PSP and RSP are estimated using a Monte Carlo simulation at the grant dates. The Company had charged ₹. Nil million (March 31 2023: ₹. 97.13 million) on account of share based payment based on the fair value of the performance shares and restricted shares at the grant date and is being expensed over the vesting period.

The Company has discontinued the Share based plans from the date of change in ownership (January 19, 2023)

2.43 : The Company is entitled to claim refund of GST Input Tax credit against export of electricity. GST Authorities had disputed the refund application on various grounds i.e. non-submission of shipping bill, mismatch of Regional Energy Account (REA), method of determining zero-rated turnover etc. Based on advice from the Tax consultant, the Company has filed Writ Petitions/Appeals at various levels in this matter.

Based on the Circular No. 175/07/2022-GST dated July 06, 2022, by the Ministry of Finance, Government of India, Hon'ble High Court of Andhra Pradesh, Amravati issued favourable judgement for Writ petitions filed by the Company allowing REA to be considered as proof of export for the purpose of GST refund on August 26, 2022. Subsequently, the Company has received the refund of ₹ 1,184 million during the year.

Currently, Company has a balance of ₹ 5,748.01 million (March 31, 2023: ₹ 3,848.89 million) of Goods and Service Tax (GST) input tax. Accordingly, Management is of the view that as eligibility of refund has been established, no further adjustment is required in the financial results of the Company for the year ended March 31, 2024.

2.44 : In the previous year ended March 31, 2023, the erstwhile holding company (Sembcorp Utilities Pte Ltd. (SCU)) transferred 100% of its shareholding in the Company, in favour of Tanweer Infrastructure SAOC, Oman on January 19, 2023 through Share Purchase Agreement (SPA) and the Company became wholly owned subsidiary of Tanweer Infrastructure SAOC.

Also the Company had entered into a technical service agreement with one of the Indian Subsidiary of SCU, to receive certain service in connection with the operation and maintenance of the Plant and transferred certain employees to said Indian Subsidiary.

2.45 : Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 (LPSC Rules, 2022) ('Rules') were notified by the Ministry of Power on June 03, 2022. These rules provide a mechanism for settlement of outstanding due of Generating Companies, Inter-state transmission licensee and Electricity Trading licensees. As per the said rules, the total outstanding dues including late payment surcharges upto the date of the said notification were rescheduled and the due dates redetermined for payment by Discoms in equated monthly instalments in the manner prescribed in the said Rules.

Necessary adjustments on account of the above has been accounted in the previous year's financial statements towards "Loss on derecognition of financial asset", "Impairment Loss/ (Reversal) on Financial Assets (Net)" and "Unwinding of discount on trade & late payment surcharge receivables (as disclosed in other income)" amounting to ₹1,885.67 million, ₹364.65 million and ₹ 1,008.26 million respectively. Based on the redetermined due dates, certain receivables which are scheduled to realize beyond 12 months from the balance sheet date are classified as non-current trade receivables. During the year an amount of ₹ 712.05 million has been recognised towards "Unwinding of discount on trade & late payment surcharge receivables" (as disclosed in other income).

Notes to the standalone financial statements

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

2.46 : As per the Mega Power Projects Policy 2009, the Company needs to enter into a long term PPAs for a minimum of 85% of the net capacity to avail the customs/excise duty benefits on procurement of capital equipment for power generation. As per the policy and notifications issued by Ministry of Power, Company need to comply with the same by January 09, 2026. During the earlier years, the Company determined that the duty benefit will not be available for ₹ 2,047.64 million due to absence of long term PPAs and consequently provided for the same towards cost of Property, plant & equipment. This Provision is based on the estimation that available capacities would be tied-up in future and management will evaluate the same at every reporting date.

2.47 : The Company bought back 821,424,000 equity shares (15.12% of the total paid up equity share capital at ₹ 22.60 per equity share) on December 11, 2023 and extinguished the equity shares on December 21, 2023. Capital redemption reserve of ₹ 8,214.24 million was created to the extent of share capital extinguished. Premium on buyback of ₹ 10,349.94 million & the tax on buy-back of ₹ 1,436.12 million were adjusted from the securities premium.

2.48 : In the earlier years, an EPC contractor had invoked Arbitration proceedings and filed their statement of claims aggregating ₹ 15,579.00 million. The Company filed its statement of defence along with counter claims aggregating ₹ 10,127.00 million and US\$ 9.04 million (equivalent ₹ 753.70 million).

During the year, the Company had received Arbitral Award ("award") dated September 14, 2023 from the Arbitral Tribunal. As per the award, the Arbitral Tribunal unanimously allowed the Company's counter claims aggregating ₹ 6,614.53 million and also accepted the EPC contractor's claims aggregating ₹ 1,012.30 million along with interest @12% p.a from the date of invocation of arbitration to date of payment. The Arbitral Tribunal also awarded ₹ 200.00 million as reimbursement of arbitration cost along with interest @12% p.a after due period of 3 months from the date of award, in favour of the EPC contractor. Further, the Arbitral Tribunal has directed the EPC Contractor to reimburse the Labour cess paid in the past/ payable in future, if any, by the Company. In line with the Arbitral Award, the Company has paid an amount of ₹ 1,468.12 million (Net of applicable taxes) to the EPC contractor on December 14, 2023.

Based on the unanimous Arbitral Award and legal opinions obtained from two national legal firms on this and other related matters, the Company has accounted for the liabilities write back and other claims relating to the EPC contractor and its sub-contractor(s) in the Statement of Profit and Loss Account and as adjustment to Property, Plant & Equipment (PPE) as given below:

Particulars	For the year ended March 31, 2024		Total
	Profit & Loss A/c	Property, Plant & Equipment	
Liquidated damages	1,766.86	1,115.64	2,882.50
Retention Money	6,644.86*	503.70	7,148.56
Mutual settlement	-	(357.70)	(357.70)
Interest and differential insurance paid	(541.17)	-	(541.17)
Capital advance written off	(114.72)	-	(114.72)
Capital creditor written back	330.37	-	330.37
Provision for Arbitration Cost (Incl. Interest)	(207.10)	-	(207.10)
Provision for Interest on Settlement Amount	(294.17)	-	(294.17)
Total	7,584.93	1,261.64	8,846.57

*including ₹. 3,416.52 million, equivalent US\$ 40.98 million

Notes to the standalone financial statements

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

The Company has filed a petition under Section 34 of the Arbitration and Conciliation Act, 1996 ("Arbitration Act") on December 13, 2023 with the District Judge of the Hon'ble City Civil Court, Hyderabad seeking to partially set aside the Impugned Arbitral Award to the extent that it deals with the interest allowed @12% p.a from the date of invocation of arbitration to date of payment on liability of ₹ 357.70 million (a component of award, decided through mutual settlement, referred as settlement amount) and allows the arbitration costs of ₹ 200.00 million along with interest @12% p.a after due period of 3 months from the date of Award, in favour of the EPC contractor.

In December, 2023, the EPC contractor also filed a petition under Section 34 of Arbitration Act challenging the Arbitral award. The Company has filed a counter reply against the above petition on April 16, 2024 and its next hearing is scheduled on July 23, 2024. Based on the external legal opinions on the tenability of the petition filed by EPC contractor, on the aforesaid matter, Management believes that it has good grounds to defend the Section 34 Petition filed by the EPC Contractor and considers this as a Claim against the Company not acknowledged as debt and consequential impact, if any, of the aforesaid petition will be dealt on the conclusion of this case.

2.49 : The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

2.50 : Relationship with struck off companies:

Name of the struck off company	Nature of transaction with struck off company	Balance Outstanding	Relationship with the struck off company, if any, to be disclosed
Vijpraba Promoters Private Limited	Payables	As at March 31, 2024 - Nil As at March 31, 2023 - ₹ 0.005*	Not applicable

* The transactions was written back by the Company during the current year, as the vendor was struck off.

2.51 :The standalone financial statements of the Company for the year ended March 31, 2023 were audited by M/s Price Waterhouse Chartered Accountants LLP, Chartered Accountants, the predecessor auditor, who have expressed an unmodified opinion vide their report dated May 24, 2023.

2.52 :Additional regulatory information required by Schedule III

I) There are no charges or satisfactions which are yet to be registered with the Registrar of Companies beyond the statutory period.

II) The Company is in compliance with number of layers of Companies in accordance with clause 87 of Section 2 of the Act read with the Companies (Restriction of number of Layers) Rules, 2017 during the year ended March 31, 2024 and March 31, 2023.

III) The Company has not invested or traded in Crypto Currency or Virtual Currency during the year ended March 31, 2024 and March 31, 2023.

Notes to the standalone financial statements

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

IV) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder during the year ended March 31, 2024 and March 31, 2023.

V) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority during the year ended March 31, 2024 and March 31, 2023.

VI) During the year ended March 31, 2024 and March 31, 2023, the Company has not surrendered or disclosed as income any transactions not recorded in the books of accounts in the course of tax assessments under the Income Tax Act, 1961 (such as search or survey or any other relevant provisions of the Income Tax Act, 1961).

VII) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous financial year.

VIII) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

IX) During the year ended March 31, 2024 and March 31, 2023, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries,

X) During the year ended March 31, 2024 and March 31, 2023, the Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

For and on behalf of the Board of Directors of SEIL Energy India Limited

(formerly Sembcorp Energy India Limited)

**Tareq Mohamed
Sultan Al Mugheiry**
Chairman
DIN: 10040158

Raghav Trivedi
Whole Time Director
and CEO
DIN: 03485063

Ajay Bagri
Chief Financial Officer

Rajeev Ranjan
Company Secretary
Membership No: F6785

Place: Nellore

Date: May 21, 2024