Notes to the standalone financial statements

for the year ended March 31, 2023

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 1,320-megawatt (2 X 660 megawatt) 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 had successfully commenced full commercial operations of SEIL-P1 in September 2015.

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), one of the 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 had commenced on November 17, 2016, for unit I and on February 21, 2017, for unit II.

1. Basis of preparation, measurement and significant accounting policies

1.1. Basis of preparation and 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), Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

These financial statements have been prepared by the Company on a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date, March 31, 2023.

The financial statements were authorised for issue by the Company's Board of Directors on May 24, 2023.

1.2. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR) rounded off to the nearest million to two decimal places except when otherwise indicated, which is the functional and presentation currency of the Company.

1.3. Basis of measurement

These financial statements have been prepared on the historical cost basis, except for the following:

- Certain financial assets and liabilities and contingent consideration is measured at fair value
- Financial instruments comprising mutual funds,
- Derivatives instruments i.e. cross currency swap, interest rate swaps, forward contracts and options,
- Defined benefit plans - plan assets
- Share based payments

1.4. New and amended standards adopted by the Company

The Company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing April 1, 2022.

Notes to the standalone financial statements

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The Ministry of Corporate Affairs has vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective April 1, 2022. Below is a summary of such amendments:

Title	Key requirements
Ind AS 16, Property, Plant and Equipment	Proceeds before intended use of property, plant and equipment The amendment clarifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly).
Ind AS 37, Provisions,	Onerous Contracts – Cost of fulfilling a contract
Contingent Liabilities and Contingent Assets	The amendment explains that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.
Ind AS 103, Business combinations	References to the conceptual framework The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.
Ind AS 109, Financial Instruments	Fees included in the 10% test for derecognition of financial liabilities The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

1.5. New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective April 1, 2023. The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the company's accounting policy already complies with the now mandatory treatment.

1.6. Use of estimates and judgements

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

Notes to the standalone financial statements

for the year ended March 31, 2023

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 subsidiaries, the Management assesses whether there is any indication of impairment in the value of investments. The carrying amount is compared with the present value of future net cash flow of the subsidiaries.

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 financing transaction. 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. Valuation of deferred tax assets and liabilities

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent there is reasonable certainty of future taxable income which will be available against the deductible temporary differences, unused tax losses and depreciation carry-forwards.

v. Defined benefit plans

The obligation arising from defined benefit plan is determined based on actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates, and life expectancy. 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, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

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.

The Company uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed

Notes to the standalone financial statements

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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. 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, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. 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.

1.7. 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:

i. It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle.

ii. It is held primarily for the purpose of being traded.

iii. It is expected to be realised within 12 months after the reporting date; or

iv. 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.

Notes to the standalone financial statements

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

All other assets are classified as non-current.

Liabilities

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

i. It is expected to be settled in the Company's operating cycle.

ii. It is held primarily for the purpose of being traded.

iii. It is due to be settled within 12 months after the reporting date; or

iv. 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.

1.8. 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.

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

Other Income

Interest income from financial assets at fair value through profit or loss is disclosed as interest

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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).

Dividends

Dividends are received from financial assets at fair value through profit or loss. Dividends are recognised as other income in profit or loss when the right to receive payment is established.

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.

1.9. 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. Cost includes expenditure that is directly attributable to the acquisition of the asset. Any trade discounts and rebates are deducted in arriving at the purchase price.

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 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 directly attributable cost of bringing the item to its 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 PPE when there is a reasonable assurance that the Company will comply with the conditions attached to the benefit.

Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment.

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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 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.

Category	Life as per Schedule II	Life considered
Thermal power plants	40 years	30 years
Office equipments	5 years	3 years to 5 years
Site equipment (included in plant and machinery)	15 years	3 years to 15 years
Furniture and fixtures	10 years	5 years to 10 years

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

1.10. Intangible assets

Intangible assets other than Goodwill are recognized 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 recognized at cost initially and carried at cost less accumulated amortization and accumulated impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. The intangible assets are

Category	Life considered
Computer software	3 -5 years

amortised over the estimated useful lives as given below:

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

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the 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.

Notes to the standalone financial statements

for the year ended March 31, 2023

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.

1.11. 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.

Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs.

1.12. Foreign currency transactions

Foreign currency transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. 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 that are denominated in foreign currency are translated 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.

1.13. 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. 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

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on project unit credit method as at the balance sheet date. 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.

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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 has 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-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.

1.14. Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred. 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.

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1.15. 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.

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

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 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 measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. 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.

iii. Financial liabilities - Classification and subsequent measurement:

Financial liabilities are classified as either financial liabilities at FVTPL or ‘other financial liabilities.

a. Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the statement of profit and loss.

b. Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees 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 financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

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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.

b. Financial liability

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

The Company also derecognise 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.

1.16. 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.

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 judgements 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.

1.17. Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Derivatives are initially measured at fair value. Subsequently to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the statement of profit and loss.

At inception of designated hedging relationships,

Notes to the standalone financial statements

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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 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.

1.18. 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.

Notes to the standalone financial statements

for the year ended March 31, 2023

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 there is any indication that their carrying amounts may not be recoverable. 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.

1.19. Investment in subsidiaries

Investment in subsidiaries are measured at cost as per Ind AS 27 - Separate Financial Statements.

1.20. Leases

The Company's lease asset classes primarily consist of leases for 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 (ROU) 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 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 recognized 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

Notes to the standalone financial statements

for the year ended March 31, 2023

(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 amortized 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.

1.21. 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 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 realised simultaneously.

Notes to the standalone financial statements

for the year ended March 31, 2023

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 utilised. 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 realised; 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 realised. 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.

1.22. 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.

1.23. Dividends

Dividends and interim dividends payable to the Company's shareholders are recognized as changes in equity in the period in which they are approved by the shareholders and the Board of Directors respectively.

1.24. 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

Notes to the standalone financial statements

for the year ended March 31, 2023

weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.25. 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.

1.26. 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 which are unrestricted for withdrawal and usage. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

1.27. 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.

Notes to the standalone financial statements

(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	Freehold Land	Roads	Right of use assets (refer note no 2.31)	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, 2021	2,613.10	2,317.81	751.97	1,516.66	796.08	90.58	87.57	113.51	95.93	1,81,880.32	117.49	1,90,381.02	599.41
Additions	21.27	-	2.85	-	3.14	0.11	2.69	10.21	-	2,470.01	12.10	2,522.38	498.79
Disposals	-	-	(23.02)	-	-	-	(1.68)	-	-	-	(5.25)	(29.95)	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	(938.72)
Balance as at March 31, 2022	2,634.37	2,317.81	731.8	1,516.66	799.22	90.69	88.58	123.72	95.93	1,84,350.33	124.34	1,92,873.45	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 period	-	-	-	-	-	-	-	-	-	-	-	-	(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	1,84,456.76	114.20	1,93,014.05	306.39
Accumulated depreciation													
Balance as at April 1, 2021	-	1,159.32	76.02	133.22	156.23	38.77	42.67	103.37	74.07	35,308.03	84.42	37,176.12	-
Depreciation for the year	-	188.66	27.38	29.64	23.36	9.76	10.00	4.93	7.79	6,370.73	15.03	6,687.28	-
Disposals	-	-	(23.02)	-	-	-	(1.60)	-	-	-	(4.99)	(29.61)	-
Balance as at March 31, 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 period	-	180.91	40.5	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	-
Net block													
As at March 31, 2022	2,634.37	969.83	651.42	1,353.80	619.63	42.16	37.51	15.42	14.07	1,42,671.57	29.88	1,49,039.66	159.48
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	1,37,167.92	26.75	1,43,292.52	306.39

Note 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 to the Company on such mutually agreed terms and conditions. Further, in the unlikely event of not transferring the land through sale to the Company, APIIC agreed to renew the lease for a further period on such mutually agreed terms and conditions. All the requirements of the agreement including the payment of consideration of Rs. 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 Company had complied with all the requirements for purchase of land and paid the full consideration. The delay from APIIC is of administrative in nature and said sale will happen in due course of time. During the earlier year, APIIC had raised a demand amounting to Rs. 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 categorized the payment of consideration of Rs. 612.50 million as right of use(ROU) assets and recognized the present value of the remaining lease payment as ROU assets and lease liability accordingly and being amortised over its useful life.

Note 2: Refer note 2.28 and 2.29 for Contractual commitments/ obligations.

Note 3: Title deeds of certain portions of land in the name of the Company are under dispute. 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).

Note 4: During the previous year, the management has carried out a review of useful life of its Thermal Power Plant assets and determined the revised useful life to be 30 years from 25 years based on a technical assessment performed by an external consultant. This is considered as change in estimate and accounted prospectively from October 01, 2021 onwards. As a result of this change, the depreciation expense for the previous year was reduced by Rs. 685.76 million, while annual depreciation is reduced by Rs. 1,375.29 million from FY 22-23 year onwards.

Notes to the standalone financial statements

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Note 5 : Capital Work-in-progress details as on March 31, 2023

(a) Aging of CWIP

Details	Amount in CWIP for a period of				
	Less than 1year	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	-	-	-	-	-

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, 2023

Capital Work-in-progress details as on March 31, 2022

(c) Aging of CWIP

Details	Amount in CWIP for a period of				
	Less than 1year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	100.05	39.31	13.81	6.31	**159.48**
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, 2022

Note 6 : Additions in capital work-in-progress includes directly attributable expenses capitalised as under

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Legal and professional expenses	2.26	1.38
Salaries, allowance and bonus	19.84	31.90
Miscellaneous expenses	-	1.10
Total	**22.10**	**34.38**

Notes to the standalone financial statements

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Note 7 :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 (in millions)	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
Land measuring acres 48.535 cents under Freehold land	43.93	Nelcast Energy Corporation Limited & Sembcorp Gayatri Power Limited (SGPL)	No	July 09, 2010	Title deeds of entire land in the name of Nelcast Energy Corporation Limited & SGPL were transferred to SEIL by virtue of merger order pursuant to the scheme of amalgamation of SGPL into SEIL. However, in respect of land of Acres 48.535 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).
Land measuring acres 40.80 cents under Freehold land	36.72	Andhra Pradesh Industrial Infrastructure Corporation (APIIC)	No	April 08, 2013	As per the terms of agreement for sale of land entered with APIIC by NCC Power Projects Limited (erstwhile SGPL), the sale deed will be executed after commissioning the plant. However, The said 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% (89.34 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 1, 2021	**110.34**	**1,234.20**
Additions	2.88	-
Disposals	-	-
Balance as at March 31, 2022	**113.22**	**1,234.20**
Additions	9.31	-
Disposals	-	-
Balance as at March 31, 2023	**122.53**	**1,234.20**
Accumulated amortisation		
Balance as at April 1, 2021	**98.15**	-
Amortisation for the year	5.12	-
Balance as at March 31, 2022	**103.27**	-
Amortisation for the year	6.61	-
Balance as at March 31, 2023	**109.88**	-
Net block		
As at March 31, 2022	**9.95**	**1,234.20**
As at March 31, 2023	**12.65**	**1,234.20**

Assessment of the carrying value of goodwill and property, plant and equipment relating to SEIL-P2:

The carrying value of property, plant and equipment (PPE) and goodwill relating to SEIL-P2 which was acquired by the Company in an earlier year amounting to Rs 76,500.86 million (March 31, 2022: Rs 79,407.83 million) and Rs 1,234.20 (March 31, 2022: Rs 1,234.20 million) respectively.

The goodwill represents the excess of consideration paid over the net assets acquired under the Scheme of Amalgamation of 'Nelcast Energy Corporation Limited (Nelcast)' with Sembcorp Gayatri Power Limited (SEIL-P2) approved by the High Court of Madras on October 12, 2011. Nelcast was the 100% subsidiary of SEIL-P2. The Company opted to apply Ind AS 103 exemption for the business combinations which occurred prior to transition into Ind AS and accordingly, amalgamation of Nelcast with the Company and the resultant Goodwill has not been restated.

The said PPE and goodwill are considered as part of one cash generating unit (CGU) for the purpose of assessment of their recoverable amount. The recoverable amount of the said CGU is based on discounted value of estimated cash flows over the remaining useful life of 24 years.

Revenue, plant load factor, coal prices, margins and cash flow projections have been estimated based on past experience and after considering the financial budgets/ forecasts approved by the management. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources. These assumptions are reviewed annually as part of management's budgeting and strategic planning cycles.

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

Key assumptions used in the value-in-use calculations:

Assumption	Basis
Cash flow projections period	Remaining useful life of PPE assumed 24 years (March 31, 2022: 25 years) Refer note 2.1 for change in useful of PPE
Weighted average cost of capital % (WACC) post tax	10.58% (March 31, 2022: 9.38%)
Revenue and margins	Primarily based on the forecasted combination of long-term and short-term contracts and electricity spot prices with reference to estimated demand and supply of electricity as well as margin.

As at March 31, 2023 the estimated recoverable amount of the CGU exceeds its carrying amount and accordingly no adjustment is required to such carrying amount. The management has also performed sensitivity analysis of the key assumptions applied and no impairment would need to be recognised in the event of a reasonable change in the underlying key assumptions as there exists significant headroom between the recoverable amount and carrying amount.

2.3 Other financial assets
(Unsecured, considered good)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Security deposits	10.59	10.67
Others:		
Margin money deposits and other deposits with banks*	985.60	2,745.35
Interest accrued on bank deposits	23.21	66.67
Late payment surcharge receivables	68.90	-
	1,088.30	**2,822.69**
Current		
Others:		
Interest accrued on bank deposits	0.65	23.40
Late payment surcharge receivables	1,096.30	1,821.16
	1,096.30	**1,844.56**

* includes reserved against margin money for bank guarantees, other commitments and debt service reserves on long-term borrowings.

2.4 Non-current tax assets
(Unsecured, considered good)

Particulars	As at March 31, 2023	As at March 31, 2022
	1,075.19	977.66
Advance income taxes	1,075.19	977.66

Notes to the standalone financial statements
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2.5 Other assets
(Unsecured, considered good)

Particulars	As at March 31, 2023	As at March 31, 202
Non-current		
Capital advances	270.22	183.17
Less: Provision for capital advance	(5.06)	(5.06)
Balance with government authorities paid under protest (refer note 2.28)	197.31	119.98
Contribution to gratuity fund (net) (refer note 2.34 and 2.46)	10.19	-
Prepayments	18.97	22.49
	491.63	**320.58**
Current		
Advance to suppliers and service providers	2551.80	3,291.59
Balance with government authorities (refer note 2.44)	3851.71	2,527.95
Prepayments	345.19	448.26
	6,748.70	**6,267.80**

2.6 Inventories

Particulars	As at March 31, 2023	As at March 31, 2022
(Valued at lower of cost and net realisable value)		
Coal and Fuel*	7,619.28	5,053.01
Stores and spares	2,395.08	2,269.48
	10,014.36	**7,322.49**

* includes materials-in-transit amounting to Rs.3,455.14 million, (March 31, 2022: Rs. 3,244.39 million)

2.7 Investments

Particulars	Number of shares/ units		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
A) Non-current investments: **Investments in subsidiaries** (Unquoted, valued at cost unless stated otherwise)				
Equity instruments:				
TPCIL Singapore Pte Limited	49,000	49,000	2.92	2.92
			2.92	**2.92**
B) Current investments: **Quoted, debt securities** Mutual fund securities valued at FVTPL				
UTI Liquid Cash Fund - Direct Plan - Growth	-	1,44,422	-	503.75
Axis Liquid Fund - Direct Plan - Growth	-	1,84,487	-	436.14
SBI Liquid Fund - Direct Plan - Growth	44,680	1,48,770	157.44	495.86
Nippon India Liquid Fund - Direct Plan - Growth	-	96,973	-	505.04
IDFC Cash Fund - Direct Plan - Growth	-	2,06,348	-	530.51
			157.44	**2,471.30**
Aggregate fair value of unquoted investments			2.92	2.92
Aggregate fair value and market value of quoted investments			157.44	2,471.30
Aggregate provision for impairment in value of investments			-	-

Notes to the standalone financial statements

for the year ended March 31, 2023

2.8 Trade receivables

Particulars	As at March 31, 2023	As at March 31, 202
Trade receivable - unsecured, considered good		
Non-current		
– Billed	3,215.18	-
Less: allowance for expected credit loss	(6.51)	-
Total receivables	**3,208.67**	**-**
Current		
– Billed*	31,230.35	32,755.65
- Unbilled^	6,255.24	5,034.10
Less: allowance for expected credit loss	(200.69)	(1,004.01)
Total receivables	**37,284.90**	**36,785.74**
Current portion	37,284.90	36,785.74
Non-current portion	3,208.67	-
Break-up of security details		
Trade receivables considered good – secured	-	-
Trade receivables considered good – unsecured	40,700.77	37,789.75
Trade receivables which have significant increase in credit risk	-	-
Trade receivables – credit impaired	-	-
Total	**40,700.77**	**37,789.75**
Loss allowance	(207.2)	(1,004.01)
Total trade receivables	**40,493.57**	**36,785.74**

^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.

* includes receivables against which the company holds revolving letter of credit from customers.

Trade receivables aging schedule	As at March 31, 2023	As at March 31, 2022
Outstanding for following periods from the due date of receipt		
(i) Undisputed trade receivables -considered good		
Unbilled receivables	6,255.24	5,034.10
Not due	24,450.61	4,122.12
Less than 6 months	9,807.38	15,894.52
6 months -1 year	27.09	6,074.95
1-2 years	28.40	5,976.68
2-3 years	97.79	5.66
More than 3 years	34.26	681.72
Total	**40,700.77**	**37,789.75**

The Company does not have any disputed trade receivables outstanding as at March 31, 2023 and March 31, 2022.

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 2.41

(iii) The carrying amounts of the trade receivables include receivables which are subject to a factoring arrangement. Under this arrangement, Company has transferred the relevant receivables to the factor in exchange for cash and is prevented from selling or pledging the receivables. However, Company has retained late payment and credit risk. The Company therefore continues to recognise the transferred assets in their entirety in its balance sheet. The amount repayable under the factoring agreement is presented as secured borrowing. The Company considers that the held to collect business model remains appropriate for these receivables and hence continues measuring them at amortised cost.
The relevant carrying amounts are as follows:

Notes to the standalone financial statements

for the year ended March 31, 2023

Particulars	As at March 31, 2023	As at March 31, 2022
Total transferred trade receivables	-	2,990.48
Associated secured borrowing (refer note 2.17)	-	2,990.48

2.9 Cash and bank balances

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents:		
Balance with banks:		
On current accounts	725.62	443.17
Deposits with original maturity of less than three months	304.30	4,314.81
	1,029.92	**4,757.98**
Bank balances other than those disclosed above		
Deposits due to mature after three months but before twelve months from the reporting date	-	**2,039.50**

2.10 Equity share capital

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised		
Equity shares		
15,000,000,000 (March 31, 2022: 15,000,000,000) number of equity shares of Rs.10 each	150,000.00	150,000.00
	150,000.00	150,000.00
Issued, subscribed and fully paid up		
5,433,668,574 (March 31, 2022: 5,433,668,574) number of equity shares of Rs.10 each, fully paid up	54,336.69	54,336.69
	54,336.69	**54,336.69**

(i) Movements in equity share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	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 outstanding at the end of the year	**5,433,668,574**	**54,336.69**	**5,433,668,574**	**54,336.69**

(ii) Shares of the company held by holding company

Particulars	As at March 31, 2023	As at March 31, 2022
Sembcorp Utilities Pte. Ltd., the holding company along with its nominees #	-	5,43,36,68,574
Tanweer Infrastructure SAOC, the holding company along with its nominees	5,43,36,68,574	-

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

Name of shareholders	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares				
Sembcorp Utilities Pte. Ltd., the holding company along with its nominees #	-	-	5,433,668,574	100.00%
Tanweer Infrastructure SAOC, the holding company along with its nominees #	5,433,668,574	100.00%	-	0.00%

Notes to the standalone financial statements
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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.

(iv) Details of shareholding of promoters

Particulars	As at March 31, 2023		As a March 31, 2022	
	Number of shares	Percentage of total number of shares	Number of shares	Percentage of total number of shares
Sembcorp Utilities Pte. Ltd., the holding company along with its nominees #	-		5,433,668,574	100%
Tanweer Infrastructure SAOC, the holding company along with its nominees #	5,433,668,574	100.00%	-	-

(refer note 2.46)

Terms and rights attached to equity shares:

Equity shares of the Company have par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. 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.

2.11 Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
Securities premium		
Balance at the beginning of the year	40,207.03	40,207.03
Add: Additions during the year	-	-
Balance at end of the year	**40,207.03**	**40,207.03**
Capital reserve on amalgamation		
Balance at the beginning of the year	16,013.56	16,013.56
Add: Additions during the year	-	-
Balance at end of the year	**16,013.56**	**16,013.56**
Fair value of interest free INR denominated notes from erstwhile holding company		
Balance at the beginning of the year	1,092.44	1,390.14
Add/ deletions: Additions during the year	-	(297.70)
Balance at end of the year	**1,092.44**	**1,092.44**
Share-based payments reserve		
Balance at the beginning of the year	143.06	
Add: Share-based payments charged to profit or loss	97.13	136.20
Add: Adjustment for recharge for share-based payments	(121.42)	6.86
Balance at end of the year	**118.77**	**143.06**
Retained earnings		
Balance at the beginning of the year	(870.30)	(2,293.95)
Add: Profit for the year	6,214.57	1,423.65
Balance at end of the year	**5,344.27**	**(870.30)**

Notes to the standalone financial statements

for the year ended March 31, 2023

Other comprehensive income (OCI)

Particulars	As at March 31, 2023	As at March 31, 2022
Remeasurement of post-employment benefit obligations		
Balance at the beginning of the year	(74.06)	(29.86)
Items that will not be reclassified to profit or loss		
- Remeasurements of post-employment benefit obligations	24.66	(44.20)
Balance at the end of the year	**(49.40)**	**(74.06)**
Effective portion of cash flow hedges		
Balance at the beginning of the year	86.67	(41.64)
Add: Change in fair value, net of tax	(86.67)	128.31
Balance at the end of the year	**-**	**86.67**
Hedge Reserve - cost of Hedging		
Balance at the beginning of the year	58.04	-
Add: Change in fair value, net of tax	(58.04)	58.04
Balance at the end of the year	**-**	**58.04**
Total Other Equity	**62,726.67**	**56,656.44**

Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions 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.

Other reserves

Other reserves include all other transactions with the owners in their capacity as owners, impact of changes in the ownership interest do not result in loss of control and fair value adjustments.

Retained earnings

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

Other comprehensive income (OCI)

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.

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

2.12 Long term Borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Secured From banks		
Rupee term loans	-	54,290.83
Foreign currency non repatriable (FCNR) term loan*	-	15,382.15
Unsecured From banks		
Rupee term loans	34,747.76	-
	34,747.76	**69,672.98**

Details of securities given, repayment terms and other details are given below:

Long-term borrowings in the Company	Interest rate and repayment terms of the long-term borrowings	Security terms of the long-term borrowings
	Secured loans	
Rupee term loans of Rs. NIL (March 31, 2022: 32,232.39 million) from banks for SEIL – P1	The Rupee Term Loans in respect of facility - I and II carry an interest of SBI MCLR plus 1.25% p.a. Interest rate applicable during the year was 7.75% to 9.15% (March 31, 2022: 8.20% to 8.25% p.a.). Rupee Term Loan facility -I from banks are repayable in 79 quarterly structured unequal instalments commenced from December 31, 2016 and Rupee Term Loan facility - II from banks are repayable in 77 quarterly structured unequal instalments commenced from June 30, 2017.	First ranking pari passu charge of registered mortgage of freehold land of 160 sq. mtrs. in Sudhagad Taluka, Raigad, Maharashtra and equitable mortgage of 800.80 acres of owned land and 680.55 acres of lease land situated at Pynampuram and Nelatur Villages, Muthukur Mandal in the state of Andhra Pradesh and first ranking pari passu charge over all the present and future assets (both tangible and intangible) of SEIL P1. NIL (March 31 2022: 643,970,442) equity shares of Rs.10 each of the Company, fully paid up are pledged by the holding company.
Rupee term loans of Rs. NIL (March 31, 2022: 25,947.69 million) from banks for SEIL - P2	Rupee term loans carry an interest of SBI one year MCLR plus 1.25% p.a. Interest rate applicable during the year is 8.25% to 8.60% (March 31, 2022: 8.20% to 9.15% p.a.). Rupee term loans facilities are repayable in 78 quarterly structured unequal instalments commenced from September 30, 2017	First ranking pari passu charge of registered mortgage of freehold land of 150 sq. mtrs. in Sudhagad Taluka, Raigad, Maharashtra and equitable mortgage over 1,216.88 acres of owned land situated at Pynampuram Village, Muthukur Mandal, SPSR Nellore District in the state of Andhra Pradesh and first ranking pari passu charge over all the present and future assets (both tangible and intangible) of SEIL - P2. Further, the holding company has pledged NIL (March 31 2022: 408,480,080) equity shares of Rs. 10 each of the Company for borrowings availed by SEIL – P2 and also have given corporate guarantees to cover the outstanding balance.
Foreign currency non repatriable (FCNR) term loan of Rs. NIL (March 31, 2022: 16,586.88 million) for SEIL - P1 and P2	FCNR term loans tenure is 7 to 365 days from the date of conversion and these loans are repayable in one lump sum on the date of maturity. As per the terms of FCNR term loan agreements, the company can rollover the facility (or) can convert it into Rupee term loans. The business model of the company is either to rollover or conversion into Rupee term loans. The company has classified the borrowings in the financial statements as per the original Rupee term loan agreement and repayments during the year have been honored as per original Rupee term loan agreement. The rate of interest applicable on these FCNR term loans is at 12 months LIBOR plus Spread plus Hedging cost plus upfront conversion cost (All in cost is in range of 7.75% to 7.93% (March 31, 2022: 7.42% to 7.93% p.a.). The Company has obtained hedge contract on principle and interest payable.	The FCNR is secured as per the rupee term loan with respective lenders as mentioned above.
	UNSECURED LOANS	
Rupee term loans of Rs. 37,766.73 million (March 31, 2022: NIL) from banks	During the year Rupee term loans carries interest rate in the range of 7.81% to 9.32% p.a) (March 31, 2022: NIL.)	Rupee term loans are secured by corporate guarantee of erstwhile holding company Sembcorp Utilities Pte Ltd.

* As on March 31, 2022, the Company had converted Rupee term loan of Rs. 16,513.18 million of SEIL-P1 for a period of 90 to 363 days.

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

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

2.13 Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Derivative liabilities on fair valuation of financial instruments^		
Derivatives designated as cash flow hedge		
- Fair value of forward contracts	-	250.50
Others		
Amount payable for purchase of property, plant and equipment [refer note 2.28 (III)]	458.66	453.76
Amount payable for purchase of property, plant and equipment (dues of micro and small enterprises)	0.16	5.20
Interest accrued on borrowings (refer note 2.12)	7.36	3.95
Amount payable for Retention money payable [refer note 2.28 (III)]	7202.36	6,887.61
Accrued employee liabilities	182.40	609.23
Other payables (refer note 2.46)	319.44	-
	8,170.38	**8210.25**

^ The Company exposure to currency and liquidity risk related to above derivative assets are disclosed in note 2.41

2.14 Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Provision for employee benefits		
- Gratuity (net) (refer note 2.34 and 2.46)	-	29.13
	-	**29.13**
Current		
Provision for employee benefits		88.94
- Compensated absences (refer note 2.46)	66.88	
	66.88	**88.94**

2.15 Deferred tax liabilities

Deferred tax asset and liabilities attributable to the following

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax liabilities on:		
Excess of depreciation on Property, plant and equipment under Income Tax law over depreciation provided in accounts	17,075.94	15,625.43
Fair value adjustment of current investments	1.01	6.71
Unamortised part of prepayment expenses	43.94	76.16
Lease liabilities	10.57	11.23
	17,131.46	**15,719.53**
Deferred tax assets on:		
Allowance for expected credit loss	52.15	294.10
Provision for employee benefits	56.70	168.88
Temporary diff on carrying value of Trade receivables	225.61	-
Interest carried forward under Section 94B of the Income-tax law	2,665.06	3,557.47
Business carry forward loss and Unabsorbed depreciation	10,950.04	10,702.28
Unrealised Forex loss on capital creditor	-	53.64
Lease liability	14.21	15.46
Hedge reserve	-	60.34
	13,963.77	**14,852.17**
Net deferred tax liability/ (asset)	**3,167.69**	**867.36**

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

2.16 Other liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Contract liabilities	42.37	24.71
Dues to statutory authorities	292.56	220.50
Liability towards corporate social responsibility	58.17	12.04
Other payables [refer note 2.28 (III)]	5,558.57	5,558.51
	5,951.67	**5,815.76**

2.17 Short-term borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
Current maturities of long-term borrowings	-	5,093.98
Working capital demand loans	-	4,749.72
Bills discounting (refer note no. 2.8)	-	2,990.48
Unsecured		
Current maturities of long-term borrowings	3,018.97	-
Working capital demand loans	5,948.00	-
Commercial papers	23,552.94	2,481.84
	32,519.91	**15,316.02**

Details of securities given, repayment terms and other details are given below:

Short-term borrowings in the company	Interest rate and repayment terms of the short-term borrowings	Security terms of the short-term borrowings
	SECURED LOANS	
Working capital demand loans from banks including buyer's credit of Rs. NIL (March 31 2022: 4,749.72 million) for SEIL – P1 and P2	During the year working capital demand loans carries interest rate in the range of 4.80% to 9.10% p.a. (March 31, 2022: 4.00% to 7.00% p.a.) and tenure upto 180 days from the date of draw down and cash credits are repayable on demand.	Short-term borrowings for SEIL-P1 Secured by mortgage pari passu first charge of registered mortgage of freehold land of 160 sq. mt. in Sudhagad Taluka, Raigad, Maharashtra and equitable mortgage of 800.80 acres of owned land and 680.55 acres of land under lease situated at Pynampuram and Nelatur Villages, Muthukur Mandal in the state of Andhra Pradesh and first pari passu charge over all the present and future assets (both tangible and intangible) of the SEIL – P1. Borrowings to the extent of Rs. 2,000 million from Development Bank of Singapore Limited is secured by corporate bank guarantee from Sembcorp Utilities Pte, Ltd. Short-term borrowings for SEIL-P2 Secured by first ranking pari passu charge of registered mortgage of freehold land of 150 sq. mtrs at Village Zaap, Sudhagad Taluka, Raigad, Maharashtra and equitable mortgage over 1,216.88 acres of owned land situated at Pynampuram Village, Muthukur Mandal, SPSR Nellore District in the state of Andhra Pradesh and first ranking pari passu charge over all the present and future assets (both tangible and intangible) of SEIL – P2 The fund based working capital facilities from Development Bank of Singapore and Hongkong and Shanghai Banking Corporation Limited are secured by the Corporate guarantee of Sembcorp Utilities Pte Ltd. Federal Bank working capital limits of Rs. 4,000 million is unsecured facility Working Capital limits of Standard Chartered Bank of Rs 3,000 million is secured by Corporate Guarantee of Sembcorp utilities Pte Ltd.

Notes to the standalone financial statements
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Details of securities given, repayment terms and other details are given below: (Contd.)

UNSECURED LOANS		
Working capital demand loans from banks of Rs. 5,948.00 million (March 31, 2022: NIL)	During the year working capital demand loans carries interest rate in the range of 8.00% to 9.65% p.a. (March 31, 2022: NIL) and tenure upto 180 days from the date of draw down and cash credits are repayable on demand.	Working capital demand loans are secured by Corporate Guarantee of erstwhile holding company Sembcorp utilities Pte Ltd.
Commercial papers of Rs. 23,552.94 million (March 31, 2022: 2,481.84 million).	During the year Commercial paper carries an interest rate in the range of 3.95% to 8.87% p.a. (March 31, 2022: 4.35% to 4.45%).	Commercial papers are secured by Corporate Guarantee of erstwhile holding company Sembcorp utilities Pte Ltd.

The Company has borrowings from banks on the basis of security of current assets and the quarterly returns or statements of current assets filed are in agreement with the books of accounts.

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

During the year, the Company prepaid its term loans aggregating to Rs. 63,301 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 Rs. 20,000 million with maturity of upto 1 year. The Company intends to replace the commercial papers borrowing with funds from long-term sources.

2.18 Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues to micro and small enterprises (refer note 2.35)	82.74	25.54
Total outstanding dues to other than micro and small enterprises		
- related parties (refer note 2.42)	-	65.38
- others	5,068.40	4,761.15
	5,151.14	**4,852.07**

Trade payables aging schedule

Particulars	As at March 31, 2023	As at March 31, 2022
Outstanding for following periods from due date of payment		
(i) Undisputed micro and small enterprises		
Unbilled payables	49.86	12.12
Not due	32.88	13.42
Less than 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	**82.74**	**25.54**
(ii) Undisputed Others		
Unbilled payables	4,483.17	3,191.93
Not due	585.23	1,633.10
'Less than 1 year	-	-

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Trade payables aging schedule (Contd.)

Particulars	As at March 31, 2023	As at March 31, 2022
1-2 years	**-**	**1.50**
2-3 years	-	-
More than 3 years	-	-
Total	**5,068.40**	**4,826.53**

The Company's exposure to currency and liquidity risks related to trade payables are disclosed in note 2.41.
The Company does not have any disputed trade payables outstanding as at March 31, 2023 and March 31, 2022.

2.19 Current tax liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for taxes (net of advance tax: Rs.63.14 million, (March 31, 2022: Rs. 63.14 million)	149.48	149.48
	149.48	**149.48**

2.20 Revenue from operations

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of electricity	93,734.04	76,766.78
Other operating revenues:		
-Sale of fly ash	151.96	124.22
	93,886.00	**76,891.00**
a. Reconciliation of revenue from electricity recognised with the contracted price is as follows:		
Contract price	95,355.54	77,193.58
Adjustments for:		
Rebates	(241.42)	(60.85)
Deviation settlement charges	(1,153.96)	(662.27)
Unearned income	-	296.32
Commission/ penalty charges	(226.12)	-
	93,734.04	**76,766.78**
b. Changes in contract liabilities*		
Balance at the beginning of the year	24.71	313.47
Add: Amount received during the year	220.69	166.42
Less: Amount recognised as revenue/other adjustments during the year	(203.03)	(455.18)
Balance at the end of the year	**42.37**	**24.71**

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

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

2.21 Other income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income from financial assets measured at amortised cost	300.64	264.67
Net gain on financial assets measured at FVTPL	77.39	81.62
Late payment surcharges recovered from customers	2,701.65	989.50
Unwinding of discount on trade & late payment surcharge receivables (refer note 2.48)	1,008.26	-
Insurance claims recovered	43.10	-
Gain on derivative contracts, net at FVTPL	18.70	29.98
Gain on sale of property, plant and equipment, net	-	0.42
Scrap sales	76.81	55.33
Miscellaneous income	0.09	0.18
	4,226.64	**1,421.70**

2.22 Cost of fuel

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Coal and fuel cost	65,178.26	46,729.68
	65,178.26	**46,729.68**

2.23 Transmission charges

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Transmission charges	3,806.83	3,113.82
	3,806.83	**3,113.82**

2.24 Employee benefits expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	1,586.04	2,166.92
Contribution to provident and other funds (refer note 2.34)	93.91	80.83
Employee share based expenses (refer note 2.43)	97.13	136.20
Staff welfare expenses	104.65	92.62
	1,881.73	**2,476.57**

2.25 Finance costs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense on financial liabilities measured at amortised cost	6,485.83	10,187.00
Unwinding of discount on lease liabilities (refer note 2.31)	5.62	6.41
Other borrowing costs	1,464.11	699.31
	7,955.56	**10,892.72**

2.26 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment	5,893.65	6,659.90
Depreciation on right to use assets (refer note 2.31)	40.50	27.38
Amortisation on intangible assets	6.61	5.12
	5,940.76	**6,692.40**

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

2.27 Operating and other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Consumption of stores, spares and consumables	877.39	925.86
Repairs and maintenance		
- Buildings and civil works	80.89	50.05
- Plant and equipment	1,083.19	1,058.02
- Others	8.19	14.95
IT maintenance expenses	126.34	125.01
Travelling and conveyance	40.49	21.43
Insurance	429.49	475.62
Vehicle hire charges	57.39	54.62
Security charges	59.42	56.44
Legal and professional expenses (refer note 2.37)	246.65	272.59
Technical support services (refer note 2.46)	111.98	-
Health and safety expenses	50.30	38.15
Expenditure on corporate social responsibility (refer note 2.36)	92.00	52.58
Rates and taxes	20.27	27.32
Rent (refer note 2.31)	2.39	3.56
Training and seminar	6.19	10.92
Printing and stationery	2.89	3.05
Directors' sitting fee	7.79	6.37
Commission charges	151.88	12.13
Communication expenses	14.83	13.50
Advertisement expenses	9.58	6.35
Loss on foreign currency transactions and translation (net)	265.59	132.38
Property, plant and equipment written off	3.25	0.26
Miscellaneous expenses	41.09	38.51
	3,789.47	**3,399.67**

2.28 Contingent liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
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	150.62	150.62
(v) Service tax (refer note b below)	798.13	798.13
(vi) Township construction contract works (refer note c below)	149.92	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
	3,224.98	**3,224.98**
II) Bank guarantees with customs and others		
Bank guarantees with customs and excise	3,827.83	8,345.24
Bank guarantees for PPA and other commitments	7,778.18	8,714.90
	11,606.01	**17,060.14**

Notes to the standalone financial statements

for the year ended March 31, 2023

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. During the previous year, order has been passed by the office of the Principal Commissioner of Central Tax, Hyderabad consequent to the audit memo and show cause notice issued in the previous years towards levy of service tax on liquidated damages claim on EPC Contractor by SEIL. The order was issued for tax demand, interest and penalty of Rs. 796.80 million and Rs. 1.33 million respectively towards service tax on liquidated damages and reimbursement of expenses to SCU respectively. The Company has filed appeal with the appellate tribunal on March 20, 2020 and also deposited 7.5% tax thereon and the hearing is currently awaited. CESTAT vide its order dated April 21, 2023, allowed the appeal in favour of the company in respect of service tax demand of Rs.796.80 million on Liquidated damages. However, the appeal in the matter of applicability of service tax under reverse charge mechanism on reimbursement of expenses to Sembcorp Utilities Pte ltd amounting to Rs. 1.33 Million was rejected.

c. The Company had earlier entered into a contract with a vendor for construction of township at Nellore for an amount of Rs. 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. Final payment was released by the Company on November 15, 2018. During the earlier years, the vendor sought additional compensation of Rs. 149.91 million (approx.) from the Company for additional work executed, damages, loss of profits, recovery of liquidated damages etc., sought appointment of an arbitrator 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 is contesting the matter and has obtained legal opinion on the validity of the claims. As per the legal opinion, Company has a good arguable case in its favour and no adjustment required in books of accounts.

d. During the year, Assistant Commissioner (State Tax), Nellore in its order has confirmed a demand for Goods & Services Tax (GST) for an amount of Rs. 639.18 million (of which Rs. 366.67 million pertains to FY 2017-18 and Rs. 272.51 million for FY 2018-19) along with interest of Rs. 405.17 million and penalty of Rs. 63.92 million aggregating to a total tax demand of Rs. 1,108.27 million against the earlier Show Cause Notices (SCNs) issued for levy of GST on Transmission charges incurred and reimbursed by the Company. The Company has obtained an expert opinion and filed its reply to the said authorities contending that such transmission charges are not subject to GST. Considering the facts of the case and expert opinion obtained, the company believes it has a good case in its favour and no adjustments are required in the financial statements.

e. The Company is contesting legal cases in the local courts against the claims made on certain portion 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 which needs to be provided for in the books of account and the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on derivative contracts.

g. On February 28, 2019, the Hon'ble Supreme Court of India has delivered a judgment clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. However, considering that there are numerous interpretative issues relating to retrospective application of this judgement, the Company has assessed the impact of the matter and concluded that there is no material impact on the financial statements. The Company will evaluate its position and update its provision, if required, on receiving further clarity on the subject.

III) Liquidated damages and bank guarantee encashment:

In earlier years the Company raised a claim of Rs. 2,882.50 million and of US$ 9.04 million towards liquidated damages on one of its EPC contractor for delay in the achievement of provisional acceptance for which the Company had to incur additional cost to commence operations and encashed performance bank guarantee of Rs. 516.00 million on April 19, 2017 and Rs. 2,915.00 million on November 3, 2017 respectively. Also, a claim of US $ 40.97 million was raised on EPC equipment suppliers consortium towards the delay in agreed delivery schedule and non-achievement of project provisional acceptance.

The EPC contractor had invoked Arbitration proceedings and filed its statement of claims of Rs. 15,579.00 million with interest. The Company filed its statement of defence along with a counter claim of Rs. 10,127.00 million and US$ 9.04 million.

The tribunal has noted the statements made by the counsels for the parties that they intend to settle certain claims and counter claims and post negotiations they will file application before the tribunal. Based on the statement of defence filed by the Company and legal counsel view, the Company believes it has a good case in its favour and no adjustment is required in the financial statements.

Notes to the standalone financial statements

for the year ended March 31, 2023

IV) Electricity duty demand:

During earlier years, the Company received an intimation from the Chief Electrical Inspector, Government of Andhra Pradesh ('GoAP') , whereby GoAP had demanded electricity duty on generation and sale of electrical energy amounting to Rs.1,493.62 million. Based on the internal assessment and legal opinion obtained advice received by the Company, the management believes 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 has been made in financial statements of the Company for the year ended March 31, 2023.

2.29 Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs.463.98 million (March 31, 2022: Rs. 192.07 million).

2.30 Earnings per equity share

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net profit for the year	6,214.57	1,423.65
Number of equity shares		
Number of shares at the beginning of the year	5,433,668,574	5,433,668,574
Weighted average number of equity shares outstanding during the year	**5,433,668,574**	**5,433,668,574**
Earnings per equity share (face value of share Rs.10 each)		
- Basic and diluted (refer note below)	1.14	0.26

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

2.31 Right-of-use assets and leases

The amount recognised in the Balance Sheet for the right-of-use assets and lease liability are as follows:

Particulars	Gross carrying amount	Accumulated depreciation	Net carrying amountss
As at March 31, 2023			
Leasehold land	628.57	42.70	585.87
Buildings	103.72	71.46	32.26
Vehicle	11.54	6.72	4.82
Total	**743.83**	**120.88**	**622.95**
As at March 31, 2022			
Leasehold land	622.50	12.93	609.57
Buildings	97.76	63.61	34.15
Vehicle	11.54	3.84	7.70
Total	**731.80**	**80.38**	**651.42**

Lease liability (Financial liability)	As at March 31, 2023	As at March 31, 2022
Present value of lease liability		
Current	19.48	17.49
Non- current	36.99	43.90
Maturity analysis - Undiscounted cash flows		
0 - 1 year	23.06	27.40
1 - 5 years	36.76	51.77
More than 5 years	11.57	18.21

The amount recognised in the statement of profit and loss for the year ended March 31, 2023 for the right-of-use assets and lease liability are as follows:

Notes to the standalone financial statements

for the year ended March 31, 2023

Leasehold land and buildings	Depreciation charged on right-of-use assets	Unwinding of Interest expense on lease liabilities
Vehicle	2.88	0.65
Leasehold land	26.04	0.58
Buildings	11.57	4.39
Total	**40.49**	**5.62**

The amount recognised in the statement of profit and loss for the year ended March 31, 2022 for the right-of-use assets and lease liability are as follows:

Leasehold land and buildings	Depreciation charged on right-of-use assets	Unwinding of Interest expense on lease liabilities
Vehicle	2.88	0.91
Leasehold land	13.13	0.49
Buildings	11.37	5.01
Total	**27.38**	**6.41**

Further, the Company incurred Rs. 2.39 million (March 31, 2022: Rs. 3.56 million) towards expenses relating to short-term leases and leases of low-value assets for the year ended March 31, 2023.

Lease contracts entered by the Company majorly pertains to land taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the lease contracts. The total cash outflow for leases is Rs. 22.57 million (March 31, 2022: Rs. 17.79 million) for the year ended March 31, 2023.

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, 2023 and March 31, 2022 were as follows:

Customer name	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Revenue	**%**	**Revenue**	**%**
Telangana State Government utilities	31,401.97	33.45%	30,226.32	39.37%
Indian Energy Exchange (IEX)	15,978.47	17.02%	22,416.67	29.20%
Andhra Pradesh State Government utilities	10,499.27	11.18%	7,310.80	9.52%
PTC India Limited	16,338.76	17.40%	-	-
Bangladesh Power Development Board	12,359.28	13.16%	10,174.18	13.25%

Geographical segments

Revenues, net	For the year ended March 31, 2023	For the year ended March 31, 2022
India	81,526.72	66,716.82
Bangladesh	12,359.28	10,174.18
Total	**93,886.00**	**76,891.00**

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

Non-current assets	As at March 31, 2023	As at March 31, 2022
India	149,637.28	153,589.48
Bangladesh	-	-
Total non-current assets	**149,637.28**	**153,589.48**

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

2.33 Changes in liabilities arising from financing activities

Particulars	Lease liabilities	Borrowings	Total
As at April 1, 2021	**(72.77)**	**(132,372.57)**	**(132,445.34)**
Net cash flows	2.12	46,186.01	46,188.13
Foreign exchange movement and borrowing cost	-	1,197.56	1,197.56
Remeasurement of lease liabilities	2.85	-	2.85
Unwinding of discount on lease liabilities	6.41	-	6.41
As at March 31, 2022	**(61.39)**	**(84,989.00)**	**(85,050.39)**
Net cash flows	22.57	17,736.88	17,759.45
Foreign exchange movement and borrowing cost	-	(15.55)	(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)**	**(67,267.67)**	**(67,324.14)**

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 Rs. 65.99 million (March 31, 2022: Rs. 65.76 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 recognized 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, 2023	As at March 31, 2022
B. Reconciliation of the present value of defined benefit obligation		
Balance at the beginning of the year (As reported earlier)	169.04	103.25
Current service cost	25.20	17.37
Interest cost	12.02	7.01
Benefits paid	(6.94)	(5.06)
Actuarial (gains)/loss recognised in the comprehensive income		
- experience adjustments	(3.58)	(0.77)
- changes in financial assumptions	(2.93)	46.32
- demographic assumptions	(3.40)	0.92
Liabilities assumed/ (Settled) (Refer note 2.46)	(33.25)	-
Balance at the end of the year	**156.16**	**169.04**

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

	Particulars	As at March 31, 2023	As at March 31, 2022
C.	**Reconciliation of the present value of plan assets**		
	Balance at the beginning of the year	139.91	118.54
	Contributions made into the plan by employer	25.19	16.39
	Benefits paid	(6.94)	(5.06)
	Expected return on plan assets	10.05	8.18
	Actuarial loss on plan assets	(1.86)	1.86
	Balance at the end of the year	**166.35**	**139.91**
	Net defined benefit obligation/(asset)	**(10.19)**	**29.13**
	Disclosure in the balance sheet:		
	Non-current	10.19	(29.13)
	Current	-	-

D. Expense recognized in the statement of profit and loss

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	25.20	17.37
Interest cost on obligation	12.02	7.01
Interest income on plan assets	(10.05)	(8.18)
	27.17	**16.20**
Remeasurements recognised in Other comprehensive income		
Actuarial loss on defined benefit obligation	(9.91)	46.47
Actuarial loss on planned asset	1.86	(1.86)
	(8.05)	**44.61**

E. Plan assets comprise of the following:

Particulars	As at March 31, 2023	As at March 31, 2022
New Group Gratuity Cash Accumulation Plan with LIC	166.38	139.91

F. Summary of actuarial assumptions

Demographic assumptions

Particulars	As at March 31, 2023	As at March 31, 2022
Attrition rate		
21 - 30 years	10.00%	8.00%
31 - 50 years	5.00%	2% - 4%
51 year and above	10.00%	2.00%
Financial assumptions		
Discount rate	7.45%	7.25%
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
for the year ended March 31, 2023

Particulars	Change in assumption		Increase in assumption		Decrease in assumption	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
			Increase/(Decrease) in liability		Increase/(Decrease) in liability	
Discount rate	0.50%	0.50%	(6.96)	(9.80)	7.50	10.70
Salary growth rate	0.50%	0.50%	7.43	10.58	(6.95)	(9.78)

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 March 31, 2023	As at March 31, 2022
Within 1 year	12.80	6.29
2 to 5 years	55.03	34.62
6 to 9 years	51.90	59.53
For year 10 and above	250.99	394.95

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 Rs.Nil million (March 31, 2022: Rs. 29.25 million).

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, 2023 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, 2023	As at March 31, 2022
the amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	82.74	25.54
- 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;	-	-

Notes to the standalone financial statements

for the year ended March 31, 2023

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

Particulars	As at March 31, 2023	As at March 31, 2022
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.

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, 2023	For the year ended March 31, 2022
Amount required to be spent by the Company during the year	92.00	56.11
Less: Excess amount available for set off from FY 2020-21	-	3.53
Net Amount required to be spent by the Company during the year	92.00	52.58
Amount of expenditure incurred during the year relating to F.Y 2021-22	12.04	40.54
Amount of expenditure incurred during the year relating to F.Y 2022-23	33.83	-
Amount of shortfall for the year	58.17	12.04
Amount of cumulative shortfall at the end of the year	58.17	12.04

The Company has incurred Rs. 45.87 million (March 31, 2022: Rs 40.54 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.

2.37 Auditor's remuneration (including taxes)

Particulars	As at March 31, 2023	As at March 31, 2022
- Statutory audit fee	3.63	3.30
- Other services	6.52	6.02
- Reimbursement of expenses	0.67	0.19
	10.82	**9.51**

2.38 Deferred tax

i) Movement in temporary differences

Particulars	As at April 01, 2022	Impact in Profit and loss	Impact in OCI	As at March 31, 2023
Deferred tax liabilities (DTL)				
Excess of depreciation allowable under Income-tax law over depreciation provided in books	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**

Notes to the standalone financial statements

for the year ended March 31, 2023

2.38 Deferred tax (Contd.)

i) Movement in temporary differences

Particulars	As at April 01, 2022	Impact in Profit and loss	Impact in OCI	As at March 31, 2023
Deferred tax asset (DTA)				
Allowance for expected credit loss	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 law	3,557.47	(892.41)	-	2,665.06
Unabsorbed depreciation/carried forward tax losses	10,702.29	247.76	-	10,950.05
Unrealised Forex loss on capital creditor	53.64	(53.64)	-	-
Lease liability	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**

Particulars	As at April 01, 2021	Impact in Profit and loss	Impact in OCI	As at March 31, 2022
Deferred tax liabilities (DTL)			-	15,625.43
Excess of depreciation allowable under Income-tax law over depreciation provided in books	14,229.25	1,396.18	-	76.16
Unamortised part of borrowing costs	104.88	(28.72)	-	6.70
Fair value adjustment of current investments	10.13	(3.43)	-	11.23
On ROU assets	-	11.23	-	15,719.52
	14,344.26	**1,375.26**		
Deferred tax asset (DTA)			-	
Allowance for expected credit loss	195.42	98.67	-	294.09
Provision for employee benefits	46.22	122.66	-	168.88
Interest carried forward under Section 94B of the Income-tax law	3,495.69	61.78	-	3,557.47
Unabsorbed depreciation/carried forward tax losses	10,606.93	95.36	-	10,702.29
Unrealised Forex loss on capital creditor	-	53.64	-	53.64
Lease liability	-	15.45	60.34	15.45
On Hedge reserve	-	-	60.34	60.34
	14,344.26	**447.56**	**(60.34)**	**14,852.16**
Net deferred tax assets	**-**	**927.70**	**(60.34)**	**867.36**

ii) Tax Expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax (credit)	-	(252.15)
Deferred tax expense	2,256.60	927.70
Total	**2,256.60**	**675.55**
Tax effect on items classified under other comprehensive income	**43.73**	**(60.34)**
	2,300.33	**615.21**

Notes to the standalone financial statements

for the year ended March 31, 2023

iii) Reconciliation of effective tax rate

Particulars	As at March 31, 2023	As at March 31, 2022
Profit before tax (a)	8,471.17	2,099.20
Domestic tax rate	25.17%	25.17%
Tax using the Company's domestic tax rate	**2,132.02**	**528.33**
Effect of		
Non deductible expenses(i.e., deemed interest expenses masala bond, loss on sale of assets)	23.97	116.13
Deferred Tax asset not created on temporary differences / unabsorbed depreciation or carried forward losses	-	-
Deferred tax not recognised on Capital loss on sale of Investment	-	615.62
Utilisation of unrecognised Deferred tax asset	-	(256.56)
Income taxes related to prior years	-	(252.15)
Others	100.61	(75.82)
Income tax expense (b)	**2,256.60**	**675.55**

2.39 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 seeks to maintain a balance between the higher returns that might be possible with highest levels of borrowings and the advantages and security afforded by a sound capital position. Capital is defined as equity attributable to the equity holders. Debt consists of non-current borrowings, current borrowings and current maturities of long-term borrowings.

The Company's debt to equity ratio as at the balance sheet date is as follows:

Particulars		As at March 31, 2023	As at March 31, 2022
Debt	A	67,267.67	84,989.00
Total equity	B	117,063.36	110,993.13
Total debt and equity		**184,331.03**	**195,982.13**
Debt-to-equity ratio	**(A/B)**	**0.57**	**0.77**

Notes to the standalone financial statements

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2.40 Ratios

The following are analytical ratios for the year ended March 31, 2023 and March 31, 2022

Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022	Variance
a. Current ratio (times)	Current assets	Current liabilities	1.08	1.79	-39%
Decreased due to prepayment of long term borrowings from surplus funds and additional short term borrowings					
b. Debt equity ratio (times)	Total Debt= Long term and short term loan	Total equity	0.57	0.77	-25%
Improvement in debt equity ratio is due to prepayment of rupee term loans in the current year					
c. Debt service coverage ratio (times)	Earnings before interest, depreciation, tax and exceptional item	Interest expense + Principal repayment for the next year of borrowings excluding working capital loan	2.16	1.39	55%
Increase in debt service coverage ratio due to prepayment of rupee term loans in the current year					
d. Return on equity (%)	Net profit after taxes	Average Shareholder's Equity	5.45%	1.29%	322%
Increase in return on equity is due to higher profits in the current year					
e. Inventory turnover ratio (in days)	Cost of fuel & spares consumption	Average Inventory	48	46	5%
f. Trade receivables turnover ratio (in days)	Revenue	Average trade receivables	150	164	-9%
g. Trade payables turnover ratio (in days)	Cost of fuel & Transmission charges	Average trade payables	26	25	8%
h. Net capital turnover ratio (times)	Revenue	Working capital	21.82	2.84	669%
Increased due to prepayment of long term borrowings from surplus funds and additional short term borrowings.					
i. Net profit ratio (%)	Net profit after taxes	Revenue	6.62%	1.85%	258%
Increase in net profit ratio is due to higher profits in the current year					
j. Return on capital employed (%)	Earnings before interest & taxes (EBIT)	Capital employed	8.76%	6.60%	33%
Increase in return on capital employed is due to higher EBIT in the current year					
k. Return on investments (%)	Earnings before interest & taxes	Closing total Assets	7.93%	6.01%	32%
Increase in return on investments is due to higher EBIT in the current year					

Notes to the standalone financial statements

for the year ended March 31, 2023

2.41 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, 2023:

Details	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 bank balances	2.9	-	-	-	-	-	-	-
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**	-		

As at March 31, 2022:

Details	Note	Carrying amount				Fair value		
		FVTPL	**FVTOCI**	**Amortised cost**	**Total**	**Level 1**	**Level 2**	**Level 3**
Investments - Mutual funds	2.7	2,471.30	-	-	2,471.30	2,471.30	-	-
Trade receivables	2.8	-	-	36,785.74	36,785.74	-	-	-
Cash and cash equivalents	2.9	-	-	4,757.98	4,757.98	-	-	-
Other bank balances	2.9	-	-	2,039.50	2,039.50	-	-	-
Other financial assets	2.3	-	-	4,667.25	4,667.25	-	-	
		2,471.30	-	**48,250.47**	**50,721.77**	**2,471.30**	-	
Borrowings	2.12 & 2.17	-	-	84,989.00	84,989.00	-	-	-
Trade payables	2.18	-	-	4,852.07	4,852.07	-	-	-
Lease Liabilities	2.31	-	-	61.39	61.39	-	-	-
Other financial liabilities	2.13	-	250.50	7,959.75	8,210.25	-	250.50	-
			250.50	**97,862.21**	**98,112.71**	-	**250.50**	

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.

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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.

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 enters into cross currency interest rate swaps to reduce its exposure to interest rate volatility. In accordance with the Company's policy the duration of such cross currency interest rate swaps must not exceed the tenure of the underlying debt.

The Company has entered into cross currency interest rate swap to hedge the interest rate exposure and currency exposure for external commercial borrowings and forward contracts / options for payments of interest and principle for FCNR term loans.

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, 2023	As at March 31, 2022
Variable rate instruments		
Long term borrowings	37766.73	74766.96
	37766.73	**74766.96**

(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:

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for the year ended March 31, 2023

2.41 Financial instruments - Fair values and risk management (contd.)

Particulars	Currency	As at March 31, 2023		As at March 31, 2022	
		Indian Rupees	Foreign Currency	Indian Rupees	Foreign Currency
Financial assets					26.19
Trade receivables	USD	10,427.78	126.83	1,985.30	
Total financial assets		**10,427.78**		**1,985.30**	
Financial liabilities					(219.24)
Borrowings - ECB, FCNR and Buyer's credit	USD	-	-	(16,620.31)	(51.70)
Trade payables	USD	(3,025.20)	(36.80)	(3,930.22)	(1.16)
Trade payables	SGD	(133.25)	(2.15)	(64.65)	(52.65)
Other financial liabilities	USD	(4,328.50)	(52.65)	(3,991.04)	
Total financial liabilities		**(7,486.95)**		**(24,606.22)**	
Net financial liabilities		**2,940.83**		**(22,620.92)**	
Less: Derivatives					219.24
Foreign exchange forward contracts (against FCNR)	USD	-	-	16,620.31	
		-		16,620.31	15.45
Net deferred tax liabilities		**2,940.83**	927.70	**(6,000.61)**	3,167.69

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.

Particulars	Profit/(loss)		Equity increase/(decrease), net of tax	
	Strengthening	Weakening	Strengthening	Weakening
USD (5% movement) As at March 31, 2023 As at March 31, 2022	 (153.70) 296.80	 153.70 (296.80)	 (153.70) 296.80	 153.70 (296.80)
SGD (5% movement) As at March 31, 2023 As at March 31, 2022	 6.66 3.23	 (6.66) (3.23)	 6.66 3.23	 (6.66) (3.23)

iii) Derivative financial instruments:

Cash Flow Hedges:

Cross currency interest rate swaps:

The Company has entered into currency swap contracts to cover the currency risk on USD external commercial borrowings. The Company has also entered into interest rate swap contracts, under which the Company agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Company to mitigate the risk of changing interest rates on the cash flow exposures on the variable rate loan.

Commodity hedge contracts:

The Company uses commodity hedge contracts to hedge the price risk of forecasted coal purchase transactions. The prices of imported coal purchases are linked to price fluctuations in international coal market. These contracts enable the Company to mitigate the risk of changing coal prices and corresponding cash outflows.

Forward contracts:

The Company uses foreign exchange forward contracts to hedge the currency risk on Interest portion of foreign currency denominated loans. These contracts enable the Company to mitigate the risk of change in foreign exchange rates and corresponding cash outflows.

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Fair value hedges:

Forward contracts

The fair value of foreign exchange contracts which are not designated as cash flow hedges are accounted for based on the difference between the contractual price and the current market price.

The following table gives details in respect of outstanding nominal value and hedge contract details:

Particulars	Fair value of derivative asset/ (liability) (Rs in million)		Nominal values in Foreign currency (USD)		Nominal values	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Derivatives designated as cash flow hedges: Forward contracts In USD		(-0.82)		1.33		102.07
Derivatives not designated as cash flow hedge: Forward contracts and swaps In USD		(-249.68)		219.23		16976.25

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 it 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 surcharges 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, 2023	As at March 31, 2022
Trade receivables and Late payment surcharges receivables		
Balance at the beginning of the year	1,004.01	541.39
Movement in loss allowance	(796.81)	462.62
Balance at the end of the year	**207.20**	**1,004.01**

Notes to the standalone financial statements

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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.

The fair value of foreign exchange contracts and foreign exchange swaps are accounted for based on the difference between the contractual price and the current market price. The fair value of interest rate swaps and cross currency swaps are the indicative amounts that the Company is expected to receive or pay to terminate the swap counterparties at the balance sheet date.

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, 2023

Particulars	Carrying value	Contractual cash flows (Gross)			
		within 12 months	1-5 years	More than five years	Total
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**

As at March 31, 2022

Particulars	Carrying value	Contractual cash flows (Gross)			
		within 12 months	1-5 years	More than five years	Total
Borrowings - long-term (including current maturities and interest accrued on borrowings)*	74,770.91	11,149.66	40,845.47	67,808.77	119,803.90
Borrowings - short-term (excluding current maturities)	10,222.04	10,222.04	-	-	10,222.04
Trade payables	4,864.11	4,864.11	-	-	4,864.11
Other financial liabilities (excluding interest accrued on borrowings)	8,206.30	8,206.30	-	-	8,206.30
	98,063.36	**34,442.11**	**40,845.47**	**67,808.77**	**143,096.35**

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

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2.42 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	Subsidiary (Upto December 22, 2021)
Sembcorp Green Infra Limited, India	Entity under common control (w.e.f December 23, 2021 and Upto January 18, 2023)
Sembcorp India Private Limited, India	Entity under common control (Upto January 18, 2023)
Tanweer Infrastructure SAOC., Oman	Holding company (w.e.f January 19, 2023)
Osara Corporation SAOC	Ultimate 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 (w.e.f May 1, 2021 and 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

b) The following are the transactions with related parties during the year

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Rent and utility expense		
Sembcorp India Private Limited	16.61	18.83
Consultancy expenses		
Sembcorp India Private Limited	21.67	-
Sembcorp Utilities Pte Ltd	92.41	178.67
Bank guarantee fees/ commission		
Sembcorp Utilities Pte Ltd	-	212.75
Interest expense on INR Denominated notes (without giving effect to fair valuation)		
Sembcorp Utilities Pte Ltd	-	3,140.73
Reimbursement of expenses		
Sembcorp Green Infra Limited	-	0.41
Sembcorp Utilities Pte Ltd	3.68	4.94
Share based expenses reimbursement		
Sembcorp Utilities Pte Ltd	97.13	136.20

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b) The following are the transactions with related parties during the year (Contd.)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Repayment of INR Denominated notes		
Sembcorp Utilities Pte Ltd	-	42,400.00
Interest paid on INR Denominated notes (Net of TDS)		
Sembcorp Utilities Pte Ltd	-	9,548.63
Sale of investment in subsidiary		
Sembcorp Utilities Pte Ltd	-	52,321.20
Salaries to Key managerial person*		
Vipul Tuli	86.13	155.34
Juvenil Jani	24.32	36.42
Narendra Ande	4.83	6.42
Raghav Trivedi	39.26	-
Ajay Bagri	7.50	-
Rajeev Ranjan	0.80	-
Sitting fees to Directors (including taxes)		
Radhey Shyam Sharma	2.60	2.12
Kalaikuruchi Jairaj	2.60	2.12
Sangeeta Talwar	2.60	2.12

* 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.

c) Details of related party balances are as under:

Particulars	As at March 31, 2023	As at March 31, 2022
Related party payables		
Sembcorp Utilities Pte Ltd (Trade payables)	-	64.65
Corporate guarantee given for external commercial borrowings/term loans		
Sembcorp Utilities Pte Ltd	-	25,947.69
(Represents the amount of facility outstanding)		

2.43 Share-based Payments

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)

The SCI PSP is targeted at senior management who shoulder the responsibility for the Company's performance and who are able to drive the growth of the Company to deliver long-term shareholder value. 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.

Notes to the standalone financial statements

for the year ended March 31, 2023

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

Particulars	March 31, 2023		March 31, 2022	
	RSP	PSP	RSP	PSP
Outstanding at the beginning of the year	776,817	3,059,452	990,435	458,752
Granted during the year	375,300	1,130,100	176,422	3,033,800
Vested during the year	(468,983)	(51,600)	(390,040)	(433,100)
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	-	-	**776,817**	**3,059,452**

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

Particulars	March 31, 2023		March 31, 2022	
	RSP	PSP	RSP	PSP
Options outstanding at the end of the year				
Number of options outstanding	-	-	776,817	3,059,452
Remaining contractual life in years	-	-	0.00-1.25	0.00-4.06
Risk free interest rate (depending on maturity)	0.00%	0.00%	0.47% – 96%	0.4% – 1.3%
Expected dividend yield shares	0.00%	0.00%	3.50%-4.20%	3.50%-4.20%
Weighted average price (SGD)	2.02	2.11	1.75	1.71

The fair values of the PSP and RSP are estimated using a Monte Carlo simulation at the grant dates. The Company had charged Rs.97.13 million (March 31 2022: Rs. 136.20 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.

2.44 The Company has accounted Rs 3,848.89 million (March 31, 2022: Rs. 2,525.86 million) as Goods and service tax (GST) input tax credit for claiming refund against export of electricity made to Bangladesh. However, the input tax credit refund has been disputed by GST Authorities primarily for non-submission of shipping bill as a proof of export for which representation has been filed by the Company with Ministry of Finance and seeking assistance from Ministry of Power for resolution of the matter. The Company has also filed writ petitions with High Court of Andhra Pradesh, seeking relief against the order of GST Authorities in which they have rejected GST refund applications of the Company. During the previous year, the Company had also received notice from the office of the Commissioner of Central Tax, Guntur Commissionerate (Anti Evasion) requesting the Company to reverse the input tax credit ('ITC') availed in earlier years. Company had provided relevant replies to the department for the notice so received, stating that the sale of electricity to Bangladesh qualifies as an export and eligible for ITC.

Based on representation from Ministry of Power that there is no requirement of furnishing the shipping bill, Ministry of Finance through GST policy wing has issued a circular number 175/07/2022- GST dated July 06, 2022, prescribing the procedure for filing refund of unutilised input tax credit on account of export of electricity. Company has also received favourable judgement from Hon'ble AP High court for the writ petition filed and with the issuance of this circular, favourable judgement from AP High court and based on legal opinion taken, management is of the view that eligibility of refund has been established and no adjustment is required in the financial statements of the Company for the year ended March 31, 2023.

2.45 During the previous year, the Company pursuant to a share purchase agreement dated December 10, 2021 had sold its 100% investments in Sembcorp Green Infra Limited (SGIL) to erstwhile holding company Sembcorp Utilities Pte Limited (SUPL) for a consideration of Rs. 52,321.20 million and recognised a loss on sale of investment of Rs. 2,446.02 million.

2.46 Pursuant to Share Purchase Agreement (SPA), the erstwhile holding company Sembcorp Utilities Pte. Ltd. (SCU) transferred 100% of it's shareholding in SEIL in favour of Tanweer Infrastructure SAOC, Oman on January 19, 2023. Consequently, the Company is now a wholly owned subsidiary of Tanweer Infrastructure SAOC. The Company entered into a technical service agreement with one of the Indian Subsidiaries of SCU to receive certain services in connection with the operation and maintenance of the Plant. During the year, the Company transferred certain employees to the said Indian subsidiary along with related employee liabilities.

2.47 The Company has assessed the impact of Covid-19 on the financial statements, business operations, liquidity position and cash flows and has concluded no adjustments are required on the carrying amount of assets and liabilities as at March 31,2023. The Company will continue to closely monitor the situation arising on account of Covid-19 pandemic considering both internal and external factors.

2.48 Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 (LPSC Rules, 2022) were notified by the Ministry of

Notes to the standalone financial statements

for the year ended March 31, 2023

Power on June 03, 2022 and are applicable to outstanding dues of generating companies. 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 made in the 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 Rs. 1,885.67 million, Rs. 364.65 million and Rs. 1,008.26 million respectively. Based on the redetermined due dates, certain receivables which are scheduled to realise beyond 12 months from the balance sheet date are classified as non-current trade receivables.

2.49 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 for capital equipment procured for power generation. During the previous year, the Company determined that the duty benefit will not be available for Rs. 2,047.64 million due to absence of long term PPAs and consequently provided for the same towards cost of PPE. In case of the remaining unfilled conditions, the Company believes it will be able to comply with the conditions attached to benefit.

2.50 The Board of Directors at its meeting held on May 24, 2023 has declared an interim dividend of Rs. 0.98 (9.8%) per equity share of par value of Rs. 10 each amounting to Rs. 5,325.00 million for the financial year ended March 31, 2023.

2.51 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.

2.52 Relationship with struck off companies:

Name of the struck off company	Nature of transaction with struck off company	Balance Outstanding	Relationship with the stuck off company, if any, to be disclosed
Madras Building Products Private Limited	Advance from customer	As at March 31, 2023 - (Nil) As at March 31, 2022 - (0.00)	Not applicable
G8ARK factories private limited	Advance from customer	As at March 31, 2023 - (Nil) As at March 31, 2022 - (0.01)	Not applicable
Omega power erectors private limited	Payable towards repairs and maintenance expense	As at March 31, 2023 - (Nil) As at March 31, 2022 - (0.05)	Not applicable

2.53. 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, 2023 and March 31, 2022.

iii. The Company has not invested or traded in Crypto Currency or Virtual Currency during the year ended March 31, 2023 and March 31, 2022.

iv. Details of benami property held : 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, 2023 and March 31, 2022.

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, 2023 and March 31, 2022.

vi. During the year ended March 31, 2023 and March 31, 2022, 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 year.

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

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, 2023 and March 31, 2022, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries,

x. During the year ended March 31, 2023 and March 31, 2022, the Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or

xi. b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

For **Price Waterhouse Chartered Accountants LLP**
Firm registration number: 012754N/N500016

Sougata Mukherjee
Partner
Membership No: 057084

Place: Gurugram
Date: May 24, 2023

for and on behalf of the Board of Directors of
SEIL Energy India Limited
(formerly Sembcorp Energy India Limited)
CIN: U40103HR2008PLC095648

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 24, 2023