sembcorp

POWERING A SUSTAINABLE FUTURE

Sembcorp Energy India Limited

ANNUAL REPORT 2020-21

POWERING A
SUSTAINABLE
FUTURE

SEMBCORP ENERGY INDIA

Remains resolutely focused on aiding the country's transition towards a cleaner and sustainable future, with a portfolio of viable and sustainable energy solutions.

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Prioritising health, safety and environment

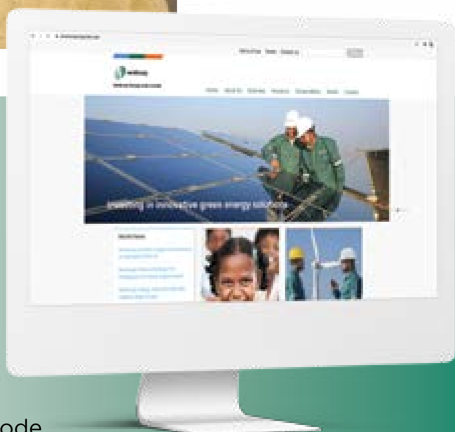
Our Company uses sea water, which eliminates the need to use precious ground water. Moreover, 100% of our Company's coal is transported through coastal and trans-ocean shipping, and last-mile connectivity through the two closed-pipe coal conveyor belt systems.

26.

Corporate Social Responsibility

Sembcorp Energy India (SEIL) as a responsible independent power producer, holds a strong commitment to corporate responsibility and sustainable operations.

30.



Scan QR code to visit our website

Corporate Information

Board of Directors

Wong Kim Yin
Chairman

Vipul Tuli
Managing Director

Looi Lee Hwa
Director

Eugene Cheng
Director

Radhey Shyam Sharma
Independent Director

Sangeeta Talwar
Independent Director

Kalaikuruchi Jairaj
Independent Director

Key Managerial Personnel

Juvenil Ashwinkumar Jani
Chief Financial Officer

Narendra Ande
Company Secretary

Rupee Lenders

State Bank of India
Bank of Baroda
Punjab National Bank
Union Bank of India
IndusInd Bank
Standard Chartered Bank
DBS Bank India Limited
The Hongkong and Shanghai Banking Corporation Limited
Bank of India

ECB Lenders

Mega International Commercial Bank Company Limited
Hua Nan Commercial Bank Limited
Bank of China
Sumitomo Mitsui Banking Corporation
DBS Bank
Mizuho Bank

Statutory Auditors

B S R & Associates LLP
Chartered Accountants,
Hyderabad

Audit Committee

Radhey Shyam Sharma
Chairman

Sangeeta Talwar
Member

Kalaikuruchi Jairaj
Member

Looi Lee Hwa
Member

Nomination and Remuneration Committee

Sangeeta Talwar
Chairman

Radhey Shyam Sharma
Member

Kalaikuruchi Jairaj
Member

Corporate Social Responsibility Committee

Sangeeta Talwar
Chairman

Radhey Shyam Sharma
Member

Kalaikuruchi Jairaj
Member

Vipul Tuli
Member

Stakeholders' Relationship Committee

Kalaikuruchi Jairaj
Chairman

Radhey Shyam Sharma
Member

Vipul Tuli
Member

Registered & Corporate Office

5th Floor, Tower C,
Building No 8, DLF Cybercity,
Gurugram - 122002, Haryana

Plant location

Project 1:
Pyanampuram/ Nelaturu Village,
Muthukur Mandal,
Nellore – 524344,
Andhra Pradesh

Project 2:
Ananthavaram Village,
Varakavipudi Panchayat,
TP Gudur Mandal,
Nellore – 524344,
Andhra Pradesh


SALISBURY

Urbanisation, decarbonisation and electrification continue to emerge as megatrends in the post-pandemic world.

As the world recuperates from the COVID-19 pandemic, the road to economic recovery is likely to be centred around safe, secure, and environmentally and socially responsible endeavours.

We, at Sembcorp, are committed to partner the nation towards this transition, with our sustainable business solutions.

Rising with Resilience

"I am happy to inform you that in FY 2020-21, we delivered another year of resilient performance despite the challenging macro environment. We registered a record high PAT of ₹ 8,437 Mn, while EBITDA stood at ₹ 40,832 Mn, up 15% from FY 2019-20. Return on equity for FY 2020-21 was 11%, up from 4% in FY 2019-20."

- Vipul Tuli,
Managing Director

A year of growth

- FY 2019-20
- FY 2020-21

	FY 2019-20	FY 2020-21
Net Block* (₹ in million)	2,52,198	2,41,382
EBITDA (₹ in million)	35,504	40,832
Profit after Tax (₹ in million)	3,082	8,437
Net Worth* (₹ in million)	74,673	83,897
ROCE* (%)	9	11

*rounded off to nearest decimal
All the above numbers are on consolidated basis.

Highlights of FY 2020-21:

SEMBCORP COMMEMORATES COMPLETION OF

800MW

SECI WIND CAPACITY

On July 29, 2020, Sembcorp dedicated the 800MW SECI WIND project to the nation

Tamil Nadu

SECI I

Gujarat

SECI II & III

Rajasthan

Location

1,730MW

TOTAL RENEWABLE ENERGY CAPACITY OF SEMBCORP IN INDIA*

* Post completion

400MW

SECI SOLAR POWER PROJECT

On 8th January 2021, Sembcorp has won a bid for a new 400 MW Capacity Solar power project through its renewables subsidiary, Sembcorp Green Infra.

The

1st IPP

TO COMMISSION FULL CAPACITY FROM FIRST THREE SECI AUCTIONS

Power from these assets will light up more than

6,00,000

homes and reduce CO_2 emissions by over 2 million tonnes/annum

Message from Managing Director

"Sembcorp has committed to focus on sustainability, a 'brown to green' transition to a lower carbon future, and on achieving 10GW operational renewables capacity by 2025."

Dear Shareholders,

Our world is going through profound changes in response to the uncertain times we are living in. Humbled by a global pandemic, we are all learning to adapt to new challenges as they emerge. Yet, this year also demonstrated the resilience of the Sembcorp business and team, and brought sharper clarity to our strategic direction.

FY 2020-21 posed many challenges for the power sector. The mid-year collapse of demand, the challenges of keeping plants operational amid a countrywide lockdown, and the liquidity crunch among customers, all tested its mettle. But the sector stayed true to its responsibility as an 'essential service', and rose to the challenge of ensuring that the nation got the uninterrupted power it needed. While meeting its commitments, the power sector suffered many fatalities, and we must acknowledge the sacrifices and contributions of the power sector's frontline warriors. The brunt was borne by our customers, India's public-facing distribution companies, whose staff for the large part continued their duties despite the pandemic.

Health, safety and environment

At Sembcorp, we implemented SOPs to ensure the safety of our people and disruption-free operations across all plants. Maintenance was carried out as scheduled, including a capital overhaul at Nellore and major repairs and upgrades across several of our wind sites. Along with operational efficiencies, we prioritised the health, safety and well-being of our employees, subcontractors, and all related personnel diligently. We implemented Behaviour-Based Safety (BBS) programmes at our plants to further strengthen our safety culture. We also continued to focus on ensuring the highest standards of environmental management in our operational areas and on reducing carbon emissions for a sustainable future.

FY 2020-21 performance

I am happy to inform you that in FY 2020-21, we delivered another year of resilient performance despite the challenging macro environment. We registered a record high PAT of ₹ 8,437 Mn, while EBITDA stood at ₹ 40,832 Mn, up 15% from FY 2019-20. Return on equity for FY 2020-21 was 11%, up from 4% for FY 2019-20. The PAT comprises ₹ 2,123 Mn of underlying, and ₹ 6,314 Mn of one-time profits, largely due to the recognition of pending change in law claims in our thermal business.

- Our thermal business delivered strong plant availability of 90.7% and a plant load factor of 79% despite the drop in demand, significant merchant exposure, and a capital overhaul.
- The renewables business achieved full commissioning of its mega SECI II and III projects, totalling 550 MW. It also delivered an energy-based availability of 92.4%, one of the highest in the industry despite the lockdown. These gains helped us partly offset the lower revenues due to low wind through the year. We also started our next phase of growth, winning a 400-MW solar power project and signing a PPA with SECI to supply the Rajasthan discoms.

Liquidity remained a concern due to poor collections by the discoms, but we were able to manage working capital requirements despite increase in working capital by ₹ 9,861 Mn over the previous year, due to strong policy support from the Government of India in the form of its innovative Atmanirbhar Scheme that injected receivables-linked funds for liquidity to discoms that committed to improve benchmarks.

Strategic direction and growth

FY 2020-21 also brought focus and a new strategic direction for the company. Our parent, Sembcorp Group, has separated out its marine unit, Sembcorp Marine Ltd., and is now a focused energy and urban solutions company. Sembcorp has committed to focus on sustainability, a "brown to green" transition to a lower carbon future, and on achieving 10GW operational renewables capacity by 2025. Accordingly, Sembcorp Energy India Ltd.'s strategic priorities are to:

"I would also express my sincere gratitude to our customers and partners for their continued trust and cooperation and thank our Board of Directors and our promoters for their constant support and guidance."

- Grow our renewables capacity through value creating investments, including greenfield, expansions and acquisitions
- Continue to build capabilities for better asset performance and returns, for the India business and Sembcorp globally
- Deliver the highest sustainable efficiency and returns from our conventional thermal business.

We expect to pursue these priorities against the backdrop of significant regulatory changes expected in the Indian power sector in the next two years. During this period, demand for power is expected to outstrip supply, and renewable energy is projected to grow to over 10% of total power consumed. High import tariffs of 40% on solar equipment have been announced from April 2022 to encourage domestic manufacturing, and free interstate transmission, which subsidises renewables, is scheduled to expire in June 2023. Considering all these factors, tariffs for renewable energy will inevitably rise. This will present challenges for securing offtake by discoms who are already struggling to stay viable. However, it would also accelerate innovation in technology to reduce costs, and adoption of round-the-clock solutions that help mitigate the costs of renewables intermittency.

The Government's continuing strong priority for renewables may also provide an impetus to the pending distribution sector policy reforms, including introduction of retail competition, higher renewable purchase obligations, and stricter financial norms.

Acknowledgements

I would like to gratefully recognise the contributions of the management team at all levels, who have shown exceptional dedication and professionalism, and a willingness to do whatever it takes to deliver results. I would also express my sincere gratitude to our customers and partners for their continued trust and cooperation and thank our Board of Directors and our promoters for their constant support and guidance.

The next few years hold great promise for the growth of Sembcorp India into a strong anchor presence in renewables and a centre for capabilities for Sembcorp Group as it becomes a leading Asian renewables and sustainable solutions player, delivering reliable and efficient energy solutions to millions of people.

Vipul Tuli
Managing Director

Board of Directors

Mr. Wong Kim Yin
Chairman

Mr. Vipul Tuli
Managing Director

Ms. Looi Lee Hwa
Director

Mr. Eugene Cheng
Director

Mr. Radhey Shyam Sharma
Independent Director

Ms. Sangeeta Talwar
Independent Director

Mr. Kalaikuruchi Jairaj
Independent Director

Mr. Wong Kim Yin
Chairman

Wong Kim Yin is Group President and CEO of Sembcorp Industries.

He has over 20 years of leadership experience in the energy sector and investment management. Formerly the Group Chief Executive Officer of Singapore Power (SP Group), a leading energy utilities group in the Asia Pacific, he led the company's transformation towards an increased focus on sustainability and innovation.

Prior to joining the SP Group, Mr Wong was Senior Managing Director, Investments, at Temasek International, and was responsible for investments in the energy, transportation and industrial sectors. And before joining that, he was with The AES Corporation, a global power company listed on the New York Stock Exchange, managing project development, and mergers and acquisitions across the Asia Pacific.

He is also the Chairman of Skills Future Singapore, a government agency focused on lifelong learning under the Singapore Ministry of Education. He is a Director of SeaTown Holdings, China Venture Capital Fund Corporation, DSO National Laboratories, and the Inland Revenue Authority of Singapore.

He holds a Bachelor of Science degree in Computer Science & Information Systems from the National University of Singapore and a Master's Degree in Business Administration from the University of Chicago Booth School of Business.

Mr. Vipul Tuli
Managing Director

Vipul Tuli is the Managing Director of our Company. He also chairs the Power Committee at FICCI. He holds a bachelor's degree in technology (chemical engineering) from the Indian Institute of Technology, New Delhi, and a postgraduate diploma in management from the Indian Institute of Management, Kolkata.

He has been associated with SEIL since 2015 in various positions, including as the Chief Executive Officer & Country Head, India, as Managing Director of Sembcorp's thermal businesses in India, and as the head of group strategy at SCI. Prior to joining the Sembcorp Group, he was associated with McKinsey & Company, Inc. since 1992, where he worked across the energy, chemicals and infrastructure sectors. He has also advised government institutions across Asia on issues of energy policy, organisation, industry structure and regulation.

Ms. Looi Lee Hwa
Director

Looi Lee Hwa is a Non-Executive Director on our Board. She holds a bachelor's degree in law from the National University of Singapore. She is the General Counsel at SCI. Prior to joining the Sembcorp Group, she was associated with Neptune Orient Lines Limited and Chartered Semiconductor Manufacturing Ltd.

Eugene Cheng
Director

Eugene Cheng joined Sembcorp in March 2021 and oversees the Group's finance, strategy, portfolio, and commercial functions. He brings with him extensive experience in financial and strategic leadership across the aviation, offshore oil and gas, marine engineering and logistics industries. Prior to joining Sembcorp, Eugene Cheng was Chief Corporate Officer of SATS where he oversaw key business functions such as business development, strategic investments and mergers and acquisitions (M&A), as well as corporate strategy. Mr Cheng also served as group Chief Corporate Officer of IMC Industrial Group. He was an investment banker with JP Morgan and Citigroup, specialising in M&A advisory, corporate financing and capital raising.

Eugene Cheng holds a Bachelor's (First Class Honours) degree and is a Master of Accountancy from Nanyang Technological University.

Mr. Radhey Shyam Sharma
Independent Director

Radhey Shyam Sharma is an Independent Director on our Board. He holds a bachelor's degree in arts from the University of Delhi. He is a qualified cost accountant and is also an associate member of the Indian Institute of Bankers. Mr. Sharma has been previously associated with ONGC Limited as its Chairman And Managing Director.

Ms. Sangeeta Talwar
Independent Director

Sangeeta Talwar is an Independent Director on our Board. She holds a bachelor's degree in arts from the University of Delhi and holds a postgraduate diploma in management from the Indian Institute of Management, Kolkata. She has also completed the executive development programme from the Wharton School, University of Pennsylvania. Ms. Talwar is currently a designated partner at Flyvision Consulting LLP. She has, in the past, been associated with Nestle India Limited as its Executive Vice President, marketing, Mattel Inc. as its Managing Director, India, Tata Tea Limited as its Executive Director, marketing, and NDDB Dairy Services as its Managing Director.

Mr. Kalaikuruchi Jairaj
Independent Director

Kalaikuruchi Jairaj is an Independent Director on our Board. He holds a bachelor's degree in economics and in law from the Bangalore University and a Master's Degree in Economics from the Delhi School of Economics. Mr. Jairaj is also a postgraduate in public administration from the Woodrow Wilson School of Public and International Affairs, Princeton University, as well as from the Kennedy School of Government, Harvard University. He was an additional chief secretary in the Government of Karnataka, and was the chairman of the Bangalore Electricity Supply Company Limited.

He was associated with the World Bank as its senior public sector management specialist. Further, Mr. Jairaj was the President of the All India Management Association, Delhi.

Senior Leadership Team

Mr. Vipul Tuli
Managing Director

Mr. Juvenil Ashwinkumar Jani
Chief Financial Officer

Mr. Raghav Trivedi
Business Head - Thermal

Mr. A. Nithyanand
Business Head - Renewables

Mr. V. Kalyan Kumar
Head - Human Resource

Mr. Rajesh Zoldeo
Chief Commercial Officer

Mr. Ramesh Raman
Head - Operations & Maintenance - Thermal

Mr. Ankur Rajan
Chief Operating Officer – Renewables

Industry Overview

Steady growth in demand and supply

During FY 2020-21, under exceptional circumstances stemming from the COVID-19 pandemic, strict lockdowns were implemented in the country, resulting in significant drop in electricity demand. As the lockdown measures were softened there has been a steady recovery in demand. In fact, following September 20, the monthly demand has been higher than that in 2019. Further, although overall demand growth in FY 2020-21 was negative at -1.2%, it is significantly better than the GDP contraction of -7.3%. In FY 2021-22, with GDP growth expectations of 9.5%, electricity demand is also expected to rebound at a rate over 5% to 6%.

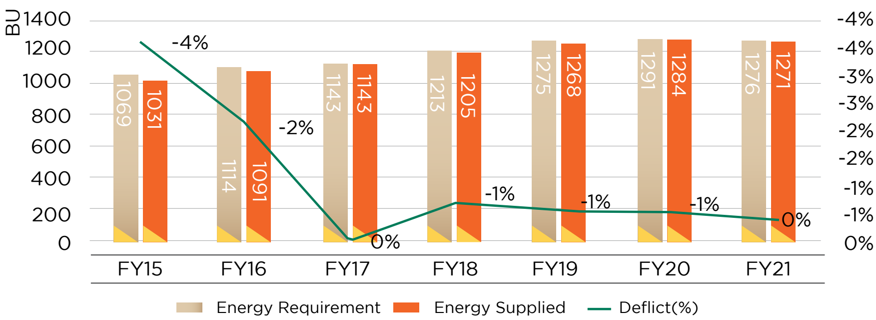
Long-term demand growth is also expected to remain high, as a result of the following factors:

- Changes in working culture which would result in increase in domestic power consumption and Government policy initiatives, which would mandate providing uninterrupted electricity access to all along with increasing per capita electricity consumption.
- Shift from other fuels to electricity, agricultural applications, transportation and cooking, etc. As per the latest study, the share of electricity in India's energy mix stands at 17%, which will move closer to 25% as that in developed countries.

On the supply side, despite its inherent systemic risks, the country has been witnessing growth on the back of technological advancements in renewables and continued Government support.

With a total generation capacity of over 382 GW as of March 2021, India has emerged as the world's third-largest electricity producer. Of its total installed capacity, around 47% is contributed by the private sector.

Steady growth in demand[1]



Capacity addition and energy mix continue to reflect the green transition

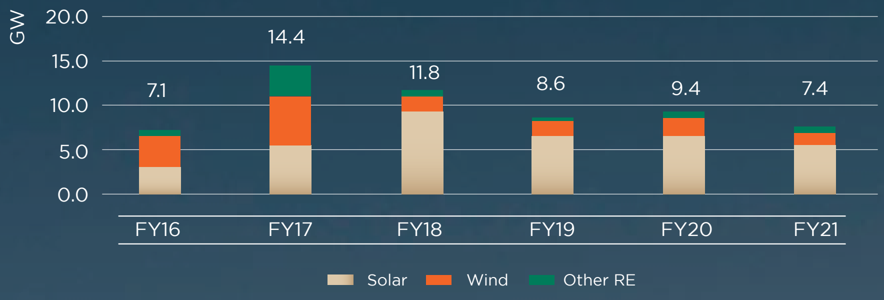
Of the total generation capacity of 12 GW added in FY 2020-21, the 7.4 GW addition of RE commanded a lion's share of 61%, followed by 4.2 GW of coal-based capacity. Within RE, solar capacity addition continued to dominate, accounting for 74% (or 5.5 GW). Compared to FY 2019-20, the RE capacity addition, however, remains lower as a result of relaxed timelines for project commissioning allowed by the GoI due to COVID-19.

Renewable capacity addition higher than thermal capacity[2]

Particulars	Installed Capacity	Addition	Retirement	Net Addition
Mar'2020	**3,70,106**			
Coal		4,890	730	4,160
Gas		36	68	-31
Diesel		0	0	0
Nuclear		0	0	0
Hydro		510	0	510
Renewables		7,406	0	7,406
Mar'2021	**3,82,151**			

[1]CEA [2]CEA

Renewable capacity addition[7]



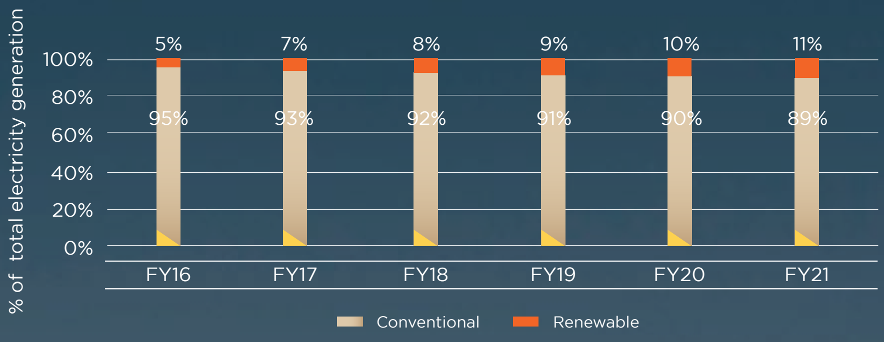
India also achieved an impressive solar rooftop capacity addition of 1.9 GW led by Maharashtra and Gujarat. This was against the backdrop of encouraging policies and emerging business environment for solar rooftop.

A strong marker of a low risk perception among developer and investors of the Indian market, FY 2020-21 saw the discovery of an unprecedented tariff of ₹ 1.99 / kWh. This year also had its share of challenges in terms of delays in project implementation due to restrictions related to COVID-19. The year saw around 14.2 GW of RE capacity getting auctioned, dominated by grid-scale solar PV (9.4GW) followed by wind-solar hybrid (2.6GW) and wind (2.2GW).

The year also saw low wind generation across states due to lower wind resource. It underlies the importance of wind resource measurements over longer period. However, even with a low wind season year, share of RE in overall energy mix steadily increased, reaching 11% in FY 2020-21 from a meagre 5% just five years back in FY 2015-16.

[7]CEA

Steadily rising share of RE in energy mix[8]



While renewable energy has enormous environmental and energy security benefits, it poses a challenge due to its variable generation profile. Such increasing penetration of renewable energy presents a challenge in planning as well as operation of grid. Thus, its benefits can be fully utilised only by striking a right balance with other dispatchable generation sources such as thermal. Such optimum balance will ensure economical, clean and reliable power supply, and will stir growth in the economy.

Renewable power procurement is gradually shifting from standalone wind or solar projects to hybrid projects blended with other sources to procure Peak/Round The Clock (RTC) power. So far 5,850 MW of hybrid bids have been successfully auctioned. FY 2020-21 also witnessed a surge in 'RE plus storage' auction announcements. Going forward, RE project auction activity is expected to lean towards innovative project designs with the inclusion of energy storage and/or hybrid generation source. Such hybrid projects coupled with storage are expected to enable efficient grid integration of renewables and will also tackle intermittency issues with renewables.

[8] CEA

Recent policy initiatives to address major issues in the sector

Relief package to tackle impact of COVID-19 lockdown:

Recognising the fact that the power sector would play a key role in economic recovery post pandemic, and as the COVID-19 lockdown dented liquidity position of discoms impairing their ability to pay to generating companies, special interventions were made by the Government. To maintain liquidity position for the power sector, the following relief measures were introduced under the "Atmanirbhar Bharat" scheme:

- Liquidity package of ₹ 1.25 lakh crore to discoms for clearing pending dues to generating companies.
- Moratorium for discoms to pay fixed charges for power procurement and transmission charges to CPSUs.
- Payment security maintained by discoms with Gencos was temporarily reduced by by 50%.
- Maintained continuity of coal supply to generators.
- Extended the timelines for commissioning of RE projects.

Introduction of RTM and G-TAM on power exchange:

In terms of operations, the balancing requirement of variable renewable generation is already leading to emergence of a new market. The un-requisitioned surplus capacity of generators is used as ancillary services; such surplus may not always be available. The discoms need liquid intra-day market to manage variable generation and load. The central electricity regulator has introduced a real-time electricity market (RTM) which caters to the real-time energy needs by bringing the power trade a lot closer to the actual power flow. Both buyers and sellers get opportunities to optimally manage their portfolio through a transparent and efficient mechanism. In addition, it also assists to integrate the intermittent or variable renewable energy into the grid. Within a year of its launch the average cleared volume has more than doubled from ~700 MW in June 2020 to 1,900 MW in May 2021.

Going forward, more renewable hybrid projects would come up and total installed capacity would be more than the contracted capacity leaving a sizeable generation surplus. Such renewable normal power exchange platforms would lose their green attribute. With the introduction of a separate green term ahead market, renewable power would now be able to sold on an exchange platform. This also provides another alternative for discoms and corporate consumers to meet their renewable purchase obligations (RPO). Volumes in G-TAM underwent an initial increase and a subsequent decline due to higher agricultural demand and lean solar and wind season from December 2020 to February 2021. Development of markets like G-TAM is expected to create opportunities for development of merchant RE capacities in the country.

Proposed amendments in Electricity Act:

The power sector has evolved since introduction of the Electricity Act 2003, requiring certain changes to improve discom finances, refining the institutional structurer. The Government has proposed an amendment in the Electricity Act, 2003, laying the ground for landmark structural reforms. Major amendments proposed are:

- Delicensing of distribution business – Provision to operate private and multiple discoms in same areas, such delicensing of the distribution business is expected to unlock several benefits such as increase in demand, new PPA opportunities, promotion of competition, encouragement for innovative products in the market.
- No scheduling in absence of payment security as per PPA – to improve cash flows for generating companies.
- ARR Filing of ARR mandated and SERCs to suo-moto fix tariff if no filing is made within the prescribed timelines – to improve liquidity position of discoms.
- Granting mandates to state commissions to fix RPO and penalties as per the trajectory prescribed by the Central Government.
- Enhancing trade of cross-border electricity opening new market opportunities for export of power.

These provisions, if passed, would have a very positive and long-term impact on the power sector.

Optimum dispatch through national merit order:

A national level merit order, the SCED Security Constrained Economic Dispatch (SCED), for ISTS-connected plants was introduced last year. So far, participation in the SCED has been on a voluntary basis, however, with its success, the CERC has proposed to extend it as compulsory for all plants. Such national level economic dispatch of power provides a win-win situation for both discoms and generators, resulting in the formation of a pooled market model. The proposed model will operate on principles of merit-based economic dispatch (MBED) and provide easier access to power markets. Grandfathering the existing contracts, the MBED will help discoms meet the residual demand through the pooled market and help in optimisation of the cost of power.

Scaling up domestic solar manufacturing:

India has set an ambitious target of 450 GW of solar capacity by 2030 to meet its energy needs and spur economic growth. Whereas the manufacturing capacity in India is only 2.5 GW for solar cell and 9-10 GW for solar module in comparison to annual demand of 30 GW. Considering such a gap between demand and supply, India needs to develop domestic solar manufacturing capacities and reduce its dependence on imports. To scale up the domestic solar manufacturing and compete with international players, the Government has imposed a Basic Custom Duty (BCD) of 40% on modules and 25% on cells, from April 2022. This would although increase the tariffs by 25-50 paise per unit, but this step would have a positive impact on domestic equipment manufacturers.

Issuance of Electricity (Rights of Consumers) Rules, 2020:

To empower consumers and hold discoms accountable to provide reliable and quality power, the Government has issued Electricity (Rights of Consumers) Rules, 2020. These rules cover various areas including discom obligations, metering arrangements, release of new connections and modifications of existing connections, grievance redressal and compensation mechanisms. To ensure compliance, the Government will apply penalties that will be credited to the consumer's account. These rules are also an important step towards furthering the ease of doing business across the country. Implementation of these Rules will also ensure that new electricity connections, refunds and other services are given in a time-bound manner.

WIND

1,695
Total power generation capacity (MW)

35
Wind energy assets

SOLAR

435*

Total power generation capacity (MW)

*including under construction

CONVENTIONAL

2,640

Total power generation capacity (MW)

2

Supercritical thermal plants

Our Business

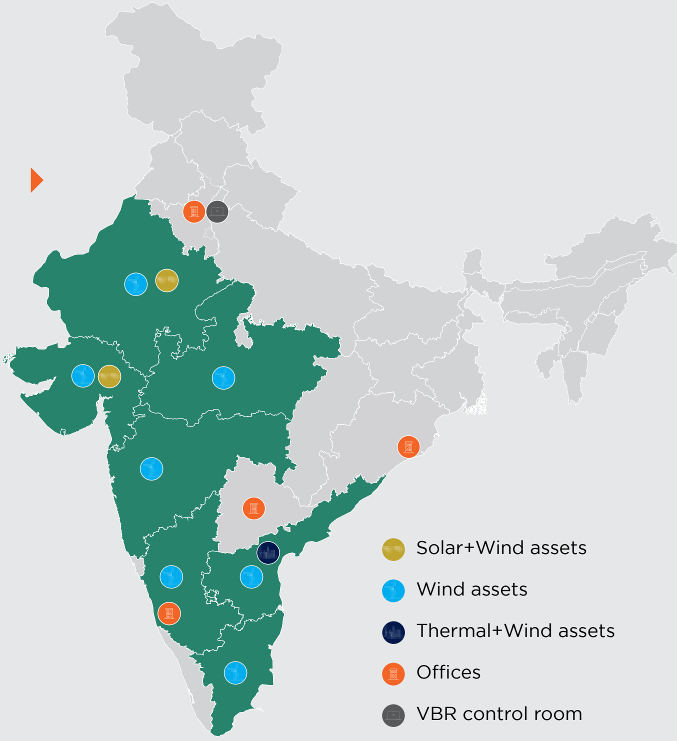
Sembcorp Energy India Limited (Sembcorp India) is a leading independent power company, with a successful track record of identifying, developing and operating power generation assets across the thermal and renewable power sectors in India.

Sembcorp India is promoted by Sembcorp Utilities Pte. Ltd., which is part of the Sembcorp Group and a wholly-owned subsidiary of Sembcorp Industries. Sembcorp Industries is a leading provider of sustainable solutions, driven by its purpose to do good and play its part in building a sustainable future.

Leveraging its promoter experience, expertise and global track record, Sembcorp delivers innovative solutions that support the energy transition and sustainable development in the regions it operates. By focusing on growing its renewables and sustainable urban solutions businesses, it aims to transform its portfolio towards a greener future.

Sembcorp Group has a balanced energy portfolio of over 12,700MW, with more than 3,200MW of renewable energy capacity comprising solar, wind and energy storage globally. The company also has a proven track record of transforming raw land into sustainable urban developments, with a project portfolio spanning over 11,000 hectares across Asia.

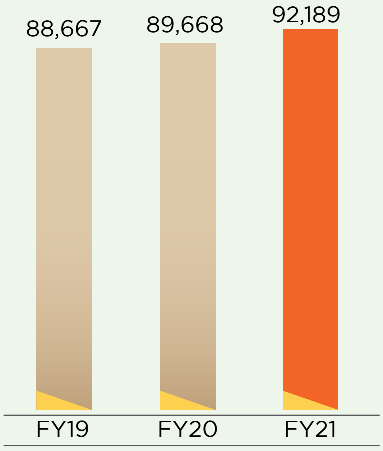
Powering the nation



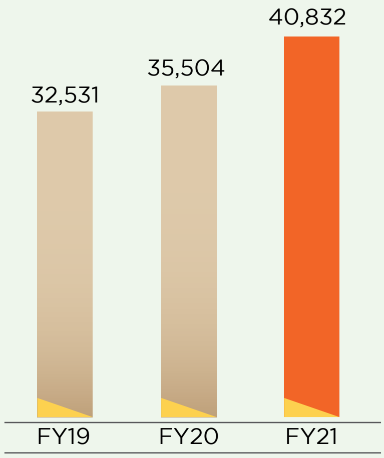
Evaluating Performances

India results (₹ million)

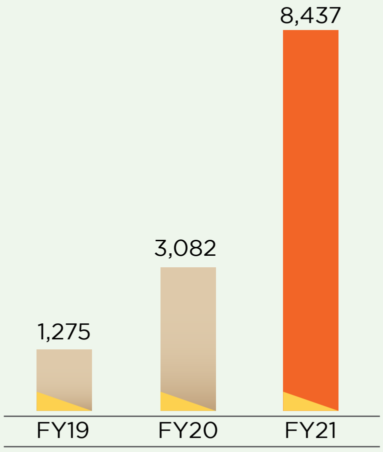
Turnover



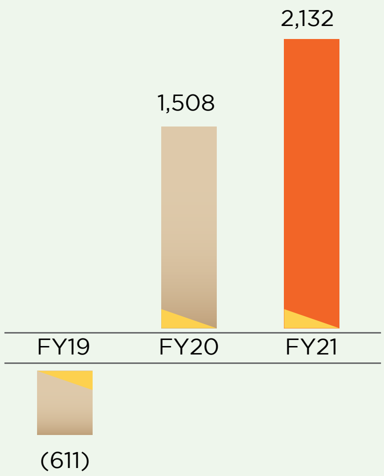
EBITDA



Net Profit

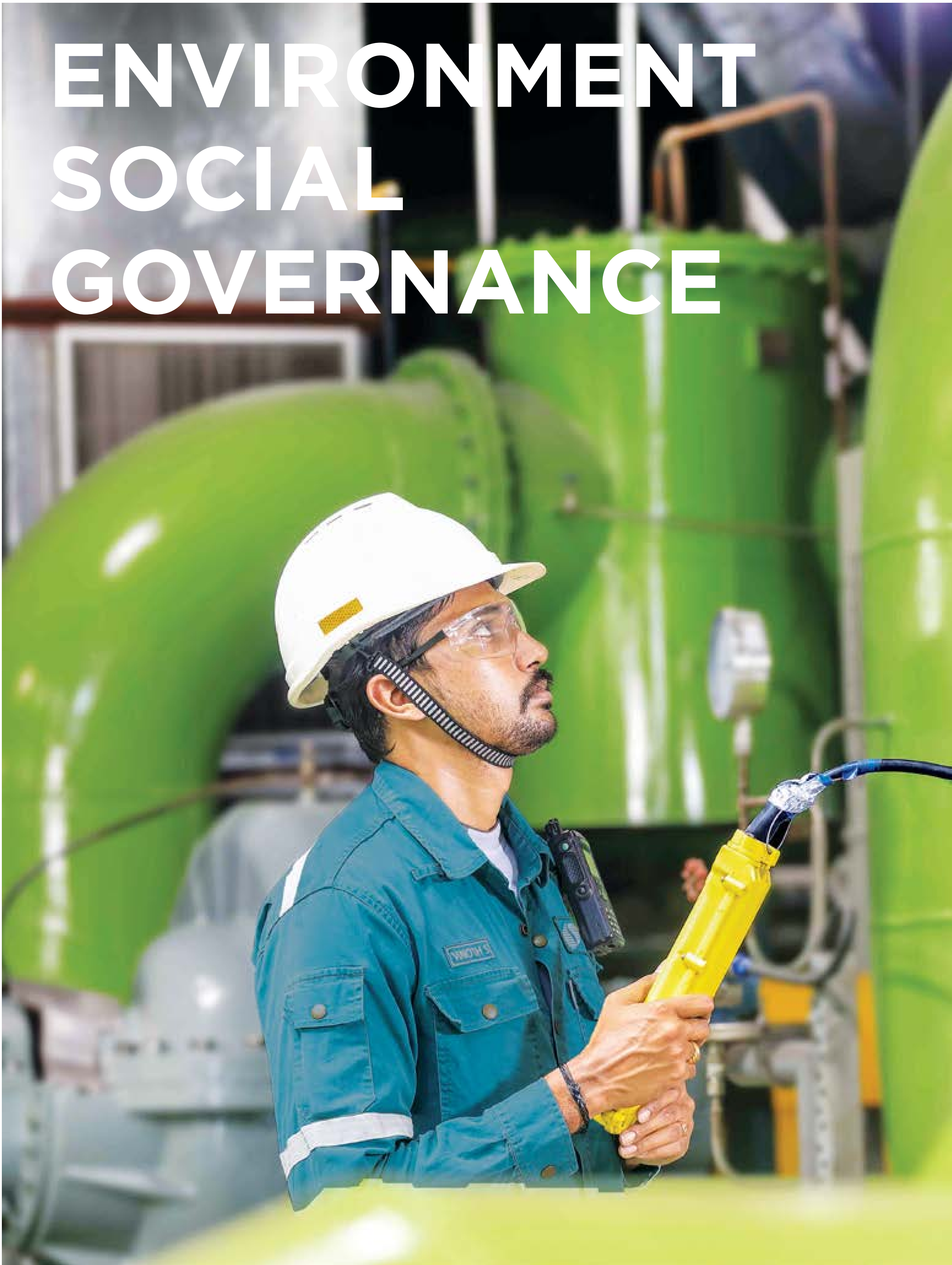


Net Profit before exceptional items*



* Exceptional items are Insurance and prior period Change in Law for Thermal
** Exceptional items majorly are LDs, Insurance claim, MIM loss & gain and O&M reversal

ENVIRONMENT SOCIAL GOVERNANCE



Sembcorp India realises its responsibility to sustain best practices across its operational domains. From safeguarding the natural environment to ensuring lasting relationships with stakeholders and upholding the highest standards of corporate governance, we are diligently focused on fulfilling our role as a responsible entity. We, therefore, proactively aim to implement and comply with acceptable Environment Social Governance norms to augur value creation.

Prioritising Health, Safety and Environment

Environment

Our Company's thermal power assets located on the east coast of southern India at Nellore are designed in accordance with a promise to conserve environmental sustainability. These assets are based on the supercritical power generation technology, which makes them operate at lower emission levels compared to subcritical power plants. Our Company uses sea water, which eliminates the need to use precious ground water. Moreover, 100% of our Company's coal is transported through coastal and trans-ocean shipping, and last-mile connectivity through the two closed-pipe coal conveyor belt systems. This assures safety, backup, reliability of coal logistics and environmental compliance. The assets are actively monitored for emissions as per the guidelines set by the MoEF and CC, CPCB, and APPCB.

Your Company completed the statutory requirement of developing a dense green belt in and around its area of operations. More than 1,27,000 species have been planted. The Conocarpus Erectus and Casurina plant selections are based on eco-suitability and sustainability with environmental merits.

At Sembcorp India we have adopted scientific methods like establishment of dust extraction, dry fog dust suppression, dust suppression, stockpile dust suppression and application of bio-pesticides for greenbelt development. Peripheral planting along the inside of the compound wall has been taken up with three tiers of plantations. We have developed 405 acres at SEIL P1 and 340 acres at SEIL P2 afforestation. We have conducted environment mock drill on chemical spillage and response, and have taken proactive steps in streamlining waste management.

100%
Coal is transported through coastal and trans-ocean shipping

1,27,000
Species of plants have been planted

48,127 CUBIC METER
ETP/STP water used for greenbelt watering in FY 2020-21

ISO Certification:

Business	ISO 9001	ISO 14001	ISO 45001
Energy			
Sembcorp Energy India Limited	✓	✓	✓
Sembcorp Green Infra Limited	✓	✓	✓

Health

The health, safety and well-being of our employees, subcontractors and all related personnel are critical to our business growth. We have made health, safety and environment the core values of our Company and have implemented high standards of safety measures to ensure healthy and safe working conditions for all employees, contractors, visitors, and customers at our plant.

To strengthen our safety culture, we ensure that all hazards and risks are identified, and control measures implemented to reduce risks to as low as reasonably practicable, investigate all near-misses and first aid learning events, and implement corrective and preventive actions. We sincerely endeavour to continually improve our work practices. As a part of our continuous effort to build a safe workplace, we have implemented the Behaviour-Based Safety (BBS) programme at our plants and plan to include psychological safety and human performance principles to further strengthen our safety culture.

Informal discussions with contractors, associates and front-line engineers were initiated to understand and resolve safety concerns and expectations with the onset of the COVID-19 pandemic. Online session for employees on **'Effect of COVID and Long Social Isolation'** and **'Situational Awareness and Mindfulness'** were conducted by a psychologist. The COVID-19 protocol was also strengthened at both plants and the township.

Engaging with employees about safety protocols

Across our units, we curated programmes directed to ensure continuous management of safety at all our premises. Some of the programmes initiated were:

- Monthly safety theme communicated through daily mailers, HSE video quiz and Toolbox Talk for greater awareness among employees and associates
- Monthly safety video quiz for better understanding of combination of causes that lead to disasters and share learnings from them. This had significant impact on employee awareness and helped in reinforcement of safety system
- Skip level safety townhalls are being conducted with employees and associates by the senior management to enhance psychological safety and action points are being implemented
- Various safety competitions and safety awareness training programmes are also being conducted for township housewives, SHE ambassadors and children

Regular training camps

To strengthen the safety process and achieve employee safety, regular training programmes were conducted during the year. A yearly calendar is prepared for HSE departmental activities and inspections to ensure tracking. Some of the highlights are:

- Training of departmental safety champions completed. Twenty-two safety champions from P-1 and 18 safety champions from P-2 will work closely with safety team to further improve safety systems.
- Trade-wise safety training and assessment conducted for grinder, welder, gas cutter, rigger and electricians by joint assessment team of mechanical, electrical and safety teams.
- Monthly fire mock drills are conducted.
- Mandatory safety training for employees and associates are conducted on recruitment.
- Organised Road Safety Month 2021 Campaign and awareness campaigns at plants and township.
- First aid training camps were conducted for AMC workers by Apollo specialist doctors.
- Half-yearly mock drills were conducted to continually strengthen the onsite emergency response plan.

114

Workers trained by doctors during first aid camps

Timely audits

As part of our strong governance framework, we remain committed to strengthen our internal processes and commitments. Third-party audits also form an important aspect to assessment to validate our ongoing commitment towards making a sustainable entity. During the year, we conducted department wise internal and technical audits. All audit findings were communicated to concerned departments for closure as per timeline. Process Safety Gap Assessment Audits are also conducted by an external agency. Illumination Survey, Noise Survey, Fire Safety Audit, TG Floor Stability and H2 HAZOP study were also conducted during the year.

Rewarded for commitment

Sembcorp India was awarded four Green Triangles after three levels of evaluation at the National Safety Council (NSC) with 91% score. BBS performance significantly improved. The Safety Index increased to 93%. Sembcorp received the ‘Behaviour Based Safety (BBS) Corporate Recognition Award’ for the third consecutive year (2018-2020). The corporate award was given in a virtual event organised by the Forum of Behavioural Safety, India.

COMMITTING OUR ENERGY FOR GOOD

Sembcorp energy India, as a responsible independent power producer, holds a strong commitment to corporate responsibility and sustainable operations. We are driven by our purpose to play our part in building a sustainable future. In addition to generating enough power from our operations in SPSR Nellore District to light up ~2.64 million households, our community initiatives and interventions are designed and implemented to deliver long-term value to our communities.

Our focus areas and progress

Sembcorp's CSR activities are making a sustainable difference by aligning all its initiatives with the United Nations Sustainable Development Goals (UNSDGs).

MEDICAL SUPPORT FOR LOCAL COMMUNITIES

Healthcare

Sembcorp endeavours to bring quality healthcare closer to local communities through its health interventions.

Total beneficiaries

49,700

Sembcorp's Arogya programme

Continuing our commitment to sustainable community development, Sembcorp rolled out Mobile Medical Unit (MMU) services in Maharashtra, Andhra Pradesh, Karnataka and Rajasthan as part of our Arogya programme. The aim is to provide primary preventive healthcare services to underprivileged communities, covering more than 45 villages across the four states, benefitting 1,00,000 individuals.

The programme helps improve access to basic primary healthcare services and promotes health awareness among communities within our areas of operations. It facilitates medical camps and provides free medicines and treatment for common ailments like cough, cold, fever, and covers both communicable and non-communicable diseases. If necessary, chronic cases are referred to the nearest primary healthcare centres for follow-up.

Communities Emergency Medical Services

Emergency care is one of the foremost priorities that we identified to serve the communities. In scenarios where every second can save a life, such as road accidents, pregnancy-related emergencies, snake bites, burns, poison intake cases among others, emergency medical services are of utmost importance. Over 70 such cases saw timely intervention, as a precursor to hospitalisation, thereby helping save several lives.

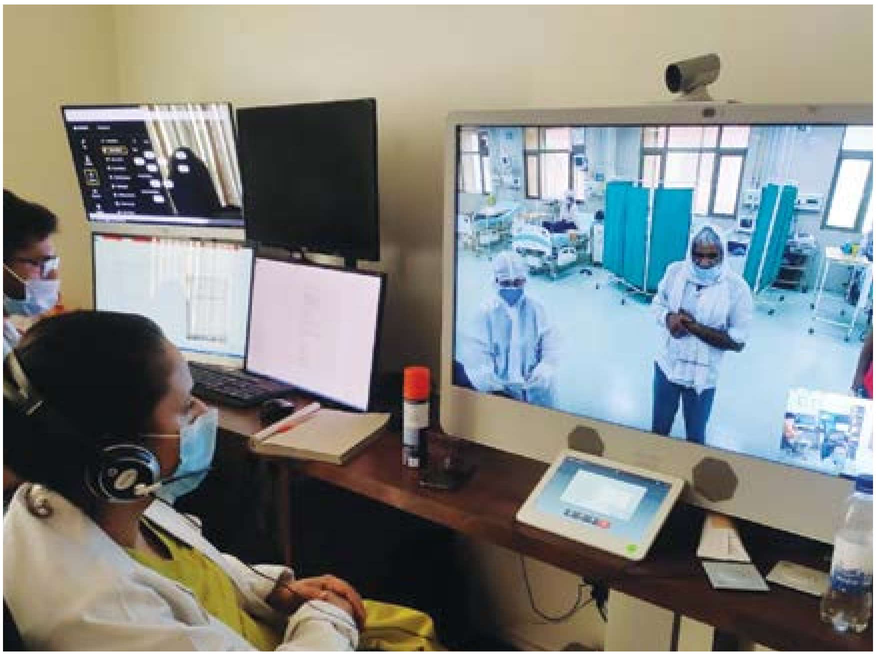
HELPING LOCAL COMMUNITIES
DURING PANDEMIC

Our medical infrastructure development support for COVID-19

Tele-ICU consultant support through NGO, I am Gurgaon

Sembcorp initially supported Medeor Hospital, Gurugram, with Tele-ICU equipment to improve the medical infrastructure of hospitals and help them handle the COVID-19 challenges better. Under this consultancy, we provided proactive and holistic care for critically ill patients, via video chat and minimised the risk to bedside nurses, while maintaining a high level of patient care. Later, we shifted our support to GH Akola & Jalgaon, MH. Equipment will be finally shifted to COVID-19 treatment hospital at Tuticorin.

Tele-ICU equipment assisted the doctors to attend 90 patients virtually, 71 of which were emergency calls. Patients' real-time conditions were discussed and monitored through Tele-ICU in more than 6,000 instances. We have also donated ICU ventilators, RT PCR system and antigen test kits to St. Ann's Sacred Heart Hospital, Tuticorin.



Upgrade for COVID-19 treatment hospital, Tuticorin, Tamil Nadu

Medical infrastructure support in terms of high flow oxygen and ICU ventilator, RT PCR system and Antigen Test kits, Safety protection kits and laptops for video conferencing with doctors.

Enzymes Linked Immune Sorbent Assay (ELISA) testing machine at IRCS, NHQ, Delhi

We supported Indian Red Cross national headquarters with ELISA for processing blood and antibodies in COVID-19 blood samples, and helped reduce blood contact through an automated process.

1. We provided equipment and infrastructure support to site-level Primary Healthcare Centre (PHC) and Government hospital (GH).
2. We gave safety kits, thermal scanner, oximeter, centrifuge machine (for blood test) and nebulisers at various PHC and GH near the operating assets.
3. We provided 9 Haematology Analysers to COVID hospitals to serve COVID-19 patients at CHC and PHC.

Conducted test for COVID-19 symptomatic personnel to contain the spread of the virus in 10 local communities.

1. Conducted awareness campaigns in villages and facilitated COVID-19 tests for members of the community with symptoms
2. Distributed 10,000 reusable masks stitched by women trained at SEDC among the community to mitigate COVID-19 transmission, in addition more than 16,000 masks were distributed in other parts of the country
3. Conducted 40 community sanitisation drives in 25 villages covering 5,500 families in the vicinity of our power generation site in Nellore
4. Distributed more than 23,000 PPE kits, multivitamin tablets, sanitisers and soaps in the communities. In addition, sanitisation drives were organised in the villages to minimise the spread of the pandemic.
5. Extended medical support to the migrant workers' COVID Care centre at Krishnapatnam.
6. Distributed 18.7 tonne of rice and 30.7 tonne of wheat in 56 villages around various SGIL operating sites.
7. Distributed 63,000 food packets and meal kits among communities

STAKEHOLDERS' TESTIMONIALS

Health camps

Sembcorp recently conducted medical camps in Nellore. As part of these camps, medicines were provided free of cost to local communities from surrounding villages. More than 250 people benefited from the free medical check-ups.

Community Emergency Ambulance Service is a boon for us. It bridges our access to hospitals in case of emergencies such as road accidents, snake bites, poisoning, and labour pain among others. In such scenarios it is indeed a lifeline for us.

Name: Nellore Nagaiah

Age: 54 years

Resident of: Isakadoruvu village Mandapam Panchayat (Farmer)

The ambulance service is a noble initiative from Sembcorp that the local community has immense faith in. It has played a crucial life-saving role on many occasions by providing necessary connectivity and SOS medical attention.

Name: Devera Konda Kameswaramma

Age: 31 years

Resident of: C S Puram village

The RO water plants set up by Sembcorp is of great help for the residents of the nearby villages. Despite the high salinity levels of available water, the CS Puram plant is kept up and running by Sembcorp, offering easy access to safe drinking water.

Name: V. Raju

Age: 32 years

Resident of: C S Puram village (Self-employed)

The water bodies near the coast were saline and badly damaged. The raw water sources in Nelaturupalem in particular present a constant challenge and there is always a need for frequent upkeep. The households engaged in fishing are the biggest beneficiaries of this facility and we are immensely grateful to Sembcorp for its commitment to provide safe drinking water to the settlements in the neighbourhood.

Name: Kodi Veeravasamtha Rao

Age: 26 years

Resident of: Nelaturu Palem village (Self-employed)

Education

Education plays a vital role in the growth and development of any economy. To nurture young minds and educate them, we provide scholarships and infrastructure support so that they contribute to the nation's sustainable development goal of Quality Education (UNSDG# 4).

Total beneficiaries

2,740 children

Providing safe drinking water to communities

We built 13 water treatment plants at TP Gudur, Muthukur, and Nellore. These plants will make water free of excessive chemicals and contamination, enabling better health for the community, particularly benefiting pregnant women, children, and the elderly. Over the coming years, the capacity of the water treatment plants will be ramped up from 1,000 to 3,000 litre per hour, depending on the needs of the community.

Empowering women in local communities, enhancing livelihood

Women empowerment initiatives organised by Sembcorp Entrepreneurship Development Centre (SEDC) have touched the lives of 450 women in four panchayats. The Centre, in collaboration with Andhra Pradesh State Skill Development Cooperation, has rolled out a programme to provide training in stitching jute bags, for local women. Thirty women from TP Gudur Mandal are undergoing training on making various kinds of jute bags and pouches.

Sembcorp imparts vocational training to local women and youth, as part of its CSR initiative, through its SEDC in Nellore.

Support given to the TP Gudur police station

Sembcorp supported the construction of the T P Gudur Modern Police Station as part of its project commitment to the community to help in facilitating and strengthening the police in maintaining security in the area. This modern public-focused police station will encourage greater interaction of citizens with the police, while creating a congenial work environment for the men and women in uniform. This model police station built by Sembcorp is provided with the latest amenities that will help motivate the police force and further enhance the presence of the Nellore police in the district.

TP Gudur Modern Police Station's total area is 0.7 acres. The police station, built over an area of 3,000 sq. ft., is designed to include modern amenities and infrastructure to make people feel at ease and comfortable in terms of space, cleanliness, functionality and privacy. The police station is designed to be friendly for the differently-abled. It has a help desk, station head room with attached restroom, separate room for storing armour, separate room for writer, case diary file, stockroom, record room, cafeteria, separate toilets for men and women. The building is designed to provide sufficient area for police personnel.

Skill and entrepreneurship development

To empower local communities with skills and transform them into potential entrepreneurs, Sembcorp has been initiating various skill and entrepreneurship development programmes for rural women and youth. The company provides vocational training in areas of agriculture, tailoring, beauty and grooming services, making of candles, incense sticks and basic computer skills.

Sembcorp has established the SEDC in Nellore. The centre is at present imparting training in tailoring, basic computer skills, AC and refrigeration repairing and other entrepreneurship skills to aspiring women and youth. At our renewable sites, vocational trainings in tailoring, candle and incense sticks making are being imparted to the local women.

Total beneficiaries

733

(Thermal + RE)

Environment

Being responsible towards our environment

- Sembcorp's 2,640-MW supercritical power plants in Andhra Pradesh are certified under the Integrated Management System (IMS) (ISO 9001:2015, 14001:2015, 45001:2018), a globally accepted and recognised system.
- Sembcorp's supercritical power plants in Andhra Pradesh saved 12.5 crore cubic litres of potable water by using seawater and recycling water for power generation in FY 2020-21.
- Sembcorp's renewable business in India generated 3,247.217 million units of power and helped in reducing more than 2.695 million tonnes of CO_2 in FY 2020-21.
- To date, Sembcorp has planted more than 9 lakh trees that help in absorbing ~5,487 tonnes of CO_2 emissions annually.

Green Belt Initiatives

Sembcorp's supercritical power complex has been actively working towards building a green cover as a part of its environmental commitment. The company has developed a green cover by planting saplings to develop a dense green belt in and around its area of operations. In a bid to transform the power complex into one of the greenest power plants, already more than eight lakh saplings have been planted across 750 acres in the adjoining area. About 40 different plant species like Royal Palm, Palmate, Cyrus, Areca, Bauhinia, Conocarpus, etc., have been planted and nurtured in the local habitat.

Conserving Groundwater

Our supercritical power plants use seawater for generating power and eliminating the use of precious groundwater.

- Annually more than 4 billion litres of seawater are desalinated for use in our supercritical power plants for power generation.
- Over 169 million litres of effluent and sewage treated in a year, which is used for the green belt and dust suppression in one year.

Low Carbon e-Vehicles Fleet at Supercritical Power Plant

In continuation to our commitment to operate our facilities in an environmentally-friendly and sustainable manner, electric vehicles (EVs) were introduced at our supercritical power plants in Andhra Pradesh. Our EV fleet comprises a mix of e-cars, e-scooters and e-buggies. Charging facilities have also been installed within the power plant to fuel the green fleet. The green fleet is used for commuting employees for their day-to-day plant operations, making transportation clean and more energy-efficient.

Sustainability

Our long-standing commitment to sustainability is foundational to our passion to do good, to work closely with our community to improve their quality of life and empower them in an all-encompassing manner. At Sembcorp, sustainability is firmly linked to our ability to deliver long-term value and growth to all our stakeholders. During the year, we remained focused on our path towards business success, built on the foundation of operational, environmental, social and governance sustainability.

Provided

4,900

families with access to clean drinking water

Saved around

12.35

crore cubic litre of potable water by recycling sea water

Planted

9,00,000

trees to help absorb 5,487 tonnes of CO_2 emissions

Generated

~3.6

million units of clean energy in FY 2020-21

Enough to light up

~0.9

million homes

Avoided

~3.5

million tonnes of CO_2 emissions

Equivalent to

~290

million trees absorbing CO_2

2 ZERO HUNGER

Sustainable Agriculture

At our renewable energy sites, through our soil health management initiative, we are sensitising the farming community on sustainable agriculture practices. These trainings help farmers learn about cropping patterns, irrigation techniques and ways to leverage soil texture for better yields. Through this initiative, agricultural productivity and income of the local farming community has been enhanced.

Total beneficiaries

1,350

Awards and Recognition

Renewable business receives ICC Social Impact Award

Sembcorp Green Infra (SGIL), our renewable energy arm, was awarded the prestigious Indian Chamber of Commerce (ICC) Social Impact Award for its exemplary performance in implementing the Krishi Mitra – Agricultural Sustainability and Livelihood generation programme. It made sustainable agricultural practices easily accessible to rural communities around its areas of operation.

CSR awards received in our Renewable and Thermal businesses

- **ICC Social Impact Award** in **'Empowering the Rural Population'** category (large enterprise) for 2021.
- **Golden Peacock Award** for **CSR** for 2019
- Apex India Gold **CSR Excellence Award** for 2019
- **Indywood CSR Excellence Award** for 2018
- District **CSR Leadership Award** for best CSR initiative in the field of **Public Health Service** for 2017

Environment awards received in our Renewable and Thermal businesses

- **20th Greentech Environment Award 2020**: Gold Award for outstanding achievement in the area of Environment Protection
- **Golden Peacock Award for Environment Management** for 2018
- **18th Greentech Environment Gold Award** and **Apex India Environment Excellence Award, Gold** for outstanding achievement in the area of Environment Management for 2018
- Apex India **Platinum Environment Excellence Award** for 2019

Statutory Reports

Directors' Report

To
The Members
SEMBCORP ENERGY INDIA LIMITED

Your Directors take pleasure in presenting the Thirteenth Annual Report together with Audited Financial Statements of your Company for the year ended March 31, 2021.

Financial Results

(₹ in Millions)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Revenue from Operations	73,674	71,105	87,559	84,634
Other Income	4,108	3,538	4,630	5,034
Total Revenue	**77,782**	**74,643**	**92,189**	**89,668**
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	**29,576**	**23,045**	**40,832**	**35,503**
Less: Depreciation/ Amortisation/ Impairment	7,458	7,469	12,487	12,016
Profit /loss before Finance Costs, Exceptional items and Tax Expense	**22,118**	**15,576**	**28,345**	**23,487**
Less: Finance Costs	13,398	14,389	19,970	20,413
Profit /loss before Exceptional items and Tax Expense	**8,720**	**1,187**	**8,375**	**3,074**
Add/(less): Exceptional items	**-**	**-**	**-**	**-**
Profit /loss before Tax Expense	8,720	1,187	8,375	3,074
Less: Tax Expense (Current & Deferred)	-	-	(62)	(7.76)
Profit /loss for the year (1)	**8,720**	**1,187**	**8,437**	**3,082**
Other Comprehensive Income/loss (2)	**555**	**327**	**553**	**324**
Total Comprehensive Income/loss (1+2)	**9,275**	**1,514**	**8,990**	**3,406**
Less: Transfer to Reserves	Nil	Nil	Nil	Nil
Less: Dividend paid on Equity Shares	Nil	Nil	Nil	Nil
Less: Dividend Distribution Tax	Nil	Nil	Nil	Nil

Financial Performance and the State of the Company's Affairs

Standalone

On Standalone basis, total revenue of the Company during the Financial year 2020-21 increased by 4.2% to ₹ 77,782 million against ₹ 74,643 million in the previous year. The Standalone Profit after Tax for the Financial year 2020-21 increased by 634% to ₹ 8,720 million against ₹ 1,187 million in the previous year. The profitability has increased mainly due to receipt of additional revenue under Change in Law.

Consolidated

On a Consolidated basis, total revenue of the Company during the Financial Year 2020-21 increased by 2.8% to ₹ 92,189 million from ₹ 89,668 million in the previous year. The Consolidated Profit after Tax for the Financial Year 2020-21 increased by 173% to ₹ 8,437 million from ₹ 3,082 million in the previous year.

Our Business

Your Company is a leading independent power producer ("IPP") in India, led by a strong management team with extensive experience and a successful track record of developing and operating power generation assets across the thermal and renewable power sectors in India.

Your Company has a well-balanced and diversified portfolio of power assets, which together provide cash flow stability, growth and potential profitability upside. As of March 31, 2021, your Company's portfolio comprises of:

- Two fully-operational thermal power assets with four 0.66 GW supercritical coal-fired units, having a total power generation capacity of 2.64 GW, located in the state of Andhra Pradesh, India;
- Thirty-five wind energy assets with a total power generation capacity of approximately 1695 MW, located across seven states in India; and
- Four solar power assets including 400 MW under construction and 35 MW in generation, located in the states of Rajasthan and Gujarat, India.

Your Company sells power generated from its operational assets under a combination of long-term, medium term and short-term power purchase agreements ("**PPAs**") to Central Government agencies, state-owned distribution companies ('**DISCOMs**'), private customers, as well as on the spot market.

The Company did not change its nature of business during the financial year 2020-21.

Dividend

With a view to conserve resources for future business operations of the Company, your Directors do not recommend any dividend for the financial year 2020-21.

Change in Capital Structure of the Company

The issued, subscribed and paid-up equity share capital of the Company is ₹ 54,336.69 Million divided into 5,433,668,574 equity shares of ₹ 10/- each. There were no changes in the Capital structure of the Company during the financial year 2020-21.

Transfer to Reserves

During the financial year under review, no amount has been transferred to any reserves of the Company.

Subsidiaries / Joint Ventures/ Associates

Holding Company

The Company is a Wholly Owned subsidiary of Sembcorp Utilities Pte. Ltd ('SCU'), Singapore.

Subsidiaries / Joint Ventures/ Associates

As on March 31, 2021, the Company had 28 subsidiaries out of which 20 are wholly owned subsidiaries. Pursuant to the provisions of Section 129 (3) of the Companies Act, 2013, a statement containing salient features of the Financial Statements, highlights of performance of subsidiaries is attached as **Annexure – 4** to the Directors' Report of the Company in Form AOC -1. The details regarding contribution of subsidiaries to the overall performance of the Company during the Financial year have been included in Consolidated Financial statements of the Company for the Financial year 2020-21. During the year, no company ceased to be a subsidiary nor a new company became a subsidiary of the Company.

Your Company do not have investment in any Associate / Joint Venture Company as on March 31, 2021.

Your Company had complied with all applicable provisions under the Companies Act, 2013 and Foreign Exchange Management Act ("FEMA") 1999 and rules made thereunder in relation to investments received by the Company. The Company is in process of obtaining a certificate from Statutory Auditor in relation with Downstream Investment as prescribed under Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as applicable from time to time.

Internal Financial Controls

The Company's Internal Financial controls with reference to Financial Statements designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with applicable accounting principles. The company's Internal Financial controls with reference to Financial Statements include those policies and procedures that:

i. pertains to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

ii. provide reasonable assurance that, transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made in accordance with authorisations of management and Directors of the Company; and

iii. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the Company's assets that could have a material effect on the Financial Statements.

Audit Committee periodically reviews the adequacy of Internal Financial controls. During the year, such controls were tested and no reportable material weaknesses were observed.

Contracts or Arrangements with Related Parties

Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is appended in Form AOC-2 as **Annexure -2** to this Report.

Auditors and Auditors' Report

Statutory Auditors

M/s BSR & Associates LLP, Chartered Accountants (ICAI Registration No. 116231W/W-100024) were re-appointed as the Statutory Auditors of the Company to hold office for five consecutive years starting from the conclusion of the Eighth Annual General Meeting (AGM) held on September 30, 2016 until the conclusion of the thirteenth AGM of the Company to be held during the current year 2021. Accordingly, the existing Statutory Auditors are due for retirement at the ensuring Annual General Meeting.

Subject to the approval of the members of the Company, the Audit Committee and the Board of Directors during their respective meetings held on May 24, 2021 have considered and recommended the appointment of M/s Price Waterhouse Chartered Accountants LLP (Firm Registration Number: 012754N/N500016) as the Statutory Auditors of the Company, to hold office from the conclusion of the thirteenth Annual General Meeting until the conclusion of the eighteenth Annual General Meeting of the Company to be held in year 2026.

M/s Price Waterhouse Chartered Accountants LLP (Firm Registration Number: 012754N/N500016) have given their consent for the proposed appointment as Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting of the members of the Company. They have further confirmed that the said appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies act, 2013 and that they are not disqualified for appointment.

The Auditor's Reports on the Standalone and the Consolidated Financial Statements for the financial year ended March 31, 2021 does not contain any qualification, reservation or adverse remark requiring any explanations / comments by the Board of Directors.

Cost Auditor

M/s Narasimha Murthy & Co., Cost Accountants, Hyderabad were appointed as the Cost Auditor of your Company for Financial year 2020-21 in accordance with the requirement of Central Government and provisions of Section 148 of the Companies Act, 2013.

The Company has duly maintained Cost Records required under Section 148 (1) of the Act, in compliance with the cost auditing standards in accordance with the Companies (Cost Records and Audit) Rules, 2014.

An audit of Cost Records and Statements maintained by the Company will be conducted by M/s Narasimha Murthy & Co., Cost Accountants, Hyderabad. The Cost Auditor's report on Cost Records and Statements will be submitted to the statutory authorities in the prescribed form on or before the due date.

As recommended by the Audit Committee, your Board has re-appointed M/s Narasimha Murthy & Co., Cost Accountants, Hyderabad as Cost Auditors of the Company for the Financial year 2021-22 and your Board seek your ratification for the remuneration proposed to be paid to the Cost Auditors.

Secretarial Auditor

The Board of Directors of the Company have appointed M/s BS & Company Company Secretaries LLP, as the Secretarial Auditor of the Company to conduct a Secretarial Audit of records and documents of the Company for the financial year 2020-21.

Secretarial Audit Report for the financial year 2020-21 dated May 06, 2021 is annexed to the Directors' Report as **Annexure- 3**. The Audit Report does not contain any qualification, reservation or adverse comments requiring reply/ explanation by the Board of Directors.

Reporting of Frauds by the Auditors

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees or otherwise under Section 143(12) of the Companies Act, 2013.

Directors and Key Management Personnel

Directors retire by rotation

Mr. Wong Kim Yin retires by rotation as Director at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Brief details of the Directors proposed to be re-appointed are provided in the Annexure, attached to the Notice of the Annual General Meeting.

Changes in the Directors

During the year, Mr. Neil Garry McGregor resigned from the Board of the Company with effect from June 30, 2020. The Board expresses its appreciation for Mr. Neil Garry McGregor for the valuable guidance and services rendered by him during his tenure as Chairman and Director of the Company and for smooth conduct of the Board Meetings.

Mr. Wong Kim Yin has been appointed as a Director and Chairman of the Board of your Company with effect from August 11, 2020.

Mr. Bobby Kanubhai Parikh resigned as Director of the Company with effect from September 01, 2020. The Board expresses its appreciation for Mr. Parikh for valuable guidance and services rendered by him during his tenure as Director of the Company.

Mr. Eugene Chee Mun Zheng Zhiwen Cheng has been appointed as an Additional Director on the Board of your Company with effect from May 01, 2021. The Company has received a request from the Shareholder of the Company proposing his candidature for appointment as Director retirable by rotation at the ensuing Annual General Meeting. Your Board of Directors recommend for his appointment as a regular Director in the upcoming Annual General Meeting.

Independent Directors

In terms of Section 149 of the Act, Mr. Radhey Shyam Sharma, Ms. Sangeeta Talwar and Mr. Kalaikuruchi Jairaj are the Independent Directors of the Company. The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013. During the year, no new Independent Director was appointed on the Board of the Company.

During the year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses incurred by them for attending meetings of the Company.

Key Managerial Personnel (KMP)

The following personnel have been designated as the Key Managerial Personnel of the Company pursuant to Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- Mr. Vipul Tuli, Managing Director
- Mr. Juvenil Ashwinkumar Jani, Chief Financial Officer
- Mr. Narendra Ande, Company Secretary

Policy on Directors' Appointment and Remuneration

In terms of the provisions of Section 178(3) of the Act, the Nomination and Remuneration Committee is responsible for formulating the criteria for determining qualification, positive attributes and independence of a Director. The Nomination and Remuneration Committee is also responsible for recommending to the Board, a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. In line with this requirement, the Committee reviews and if deemed fit, recommends the appointments/ remunerations of the Board Members, Key Managerial Personnel and senior managerial personnel of the company from time to time.

The Board has adopted the Policy on Nomination, Remuneration and Board Diversity. The policy has been disclosed on the website of the Company as per the link given http://sembcorpenergyindia.com/AboutUs/CodeEthics

Particulars of Loans, Guarantees, Investments and Securities

The Company, being an infrastructure company, is exempt from the provisions as applicable to loans, guarantees and investments under Section 186 of the Act. However, the Company has not extended any loans or guarantees in favour of any subsidiary Company. The details of investments have been provided in the notes to the Financial Statements.

Public Deposits

During the year, the Company has not accepted any deposits from the public as defined under the Companies Act, 2013 read with the Companies (Acceptance of Deposit Rules), 2014.

Board and its Committees

Board Meetings

During the financial year ended March 31, 2021, 6 (six) meetings of the Board of Directors were held on April 03, 2020, June 01, 2020, August 11, 2020, November 09, 2020, November 13, 2020 and February 15, 2021.

Committees:

Audit Committee

The Audit Committee of the Company consists of four Directors with Mr. R. S. Sharma, Chairman and Mr. K. Jairaj, Ms. Sangeeta Talwar and Ms. Looi Lee Hwa as its other members. Majority of the Members of the Committee are Independent Directors and possess accounting and financial management knowledge. The Company Secretary of the Company is the Secretary of the Committee. Details of the meeting held during the year are given in the Corporate Governance report.

All the recommendations of the Audit Committee were accepted by the Board during the financial year ended March 31, 2021.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company consists of three Directors with Ms. Sangeeta Talwar, Chairman, Mr. R. S. Sharma and Mr. K. Jairaj as its other members. Details of NRC meeting held during the year are given in the Corporate Governance report.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee of the Company consists of four Directors with Ms. Sangeeta Talwar, Chairman, Mr. R. S. Sharma, Mr. Vipul Tuli and Mr. K. Jairaj as its other members. Details of the meeting held during the year are given in the Corporate Governance report.

Annual Evaluation of Board Performance and performance of its committees and individual directors

The Annual Performance Evaluation of the Board, Board Committees and Individual Directors for the financial year 2020-21 has been carried out by third party Independent consultant, through online survey mechanism pursuant to the provisions of the Companies Act, 2013 and the report has been submitted to Chairperson of Nomination and Remuneration Committee (NRC). The Chairperson of the NRC updated the NRC members on the evaluation report during their meeting held on March 10, 2021 and also provided an update to the Board Chairman.

Directors Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013 and to the best of their knowledge and information provided, your Directors confirm that:

a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation to material departures;

b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit / loss of the Company for that period.

c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The Directors had prepared the annual accounts on a going concern basis; and

e) The Directors had devised proper systems to ensure compliance with the provision of all applicable laws and that such systems were adequate and operating effectively.

Secretarial Standards (SS)

During the financial year, the Company has complied with the applicable Secretarial Standards i.e. SS-1 and SS-2 relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively.

Safety, Occupational Health and Environment

At your Company the Health, Safety & Well-being of our employees, subcontractors and all related personnel is paramount. We have made Health, Safety & Environment as core values of our Company. We have implemented high standards of safety measures to ensure healthy and safe working conditions for all the employees, contractors, visitors, and customers at our plant. HSE policy has been updated in line with ISO 45001:2018.

Your Company believes that it is critical to protect the health and safety of everyone involved in its operations and to carry out operations in environmentally sustainable manner. To strengthen our safety culture, we ensure that all hazards and risks are identified, and control measures implemented to reduce risks to as low as reasonably practicable, investigate all near misses & first aid learning events and implement corrective & preventive actions. We sincerely endeavour to continually improve our work practices. As a part of our continuous effort to build a safe workplace, we have implemented the BBS programme at out plants and plan to include psychological safety and human performance principles to further strengthen our Safety Culture.

We are focused to keep our employees and associates safe through our proactive HSE initiatives and interventions.

During the year 2020-21 following Occupational Health & Safety initiatives were implemented:

- Monthly Safety Theme being propagated through Daily Mailers, HSE Video Quiz and Toolbox Talk for greater awareness amongst Employees and Associates.
- Monthly Safety Video Quiz launched for better understanding of combination of causes which lead to disasters and share learnings from them. This has significant impact on employee's awareness and helps in reinforcement of Safety System.
- Skip Level Safety Townhalls being conducted with Employees and Associates by Senior Managements to enhance psychological safety and action points are implemented.
- Various safety competitions and safety awareness training Programmes being also conducted for Township housewife's, SHE Ambassadors and children.
- Training of Departmental Safety Champions Completed. 22 Safety Champions from P-1 and 18 Safety Champions from P-2 will work closely with Safety Team to further improve Safety Systems.
- Trade wise Safety Training & Assessment being conducted for Grinder, Welder, Gas Cutter, Rigger and Electricians by joint Assessment Team of Mechanical, Electrical and Safety.
- Department wise internal & Technical Audits being conducted. All audit findings are communicated to concerned department for closure as per timeline.
- SEIL was certified for IMS (9001:2015; 14001:2015 & 45001:2018).
- SEIL was awarded 4 Green Triangles after 3 levels of evaluation at National Safety Council [NSC] with 91% score.
- Half yearly Mock Drills were conducted to continually strengthen the Onsite Emergency Response Plan.
- Monthly Fire Mock Drills are being conducted.
- BBS performance significantly improved. Safety Index increased to 93%.
- Informal discussion with Contractors, Associates & Front-line Engineers initiated to understand and resolve Safety concerns & expectation.
- Online Session for Employees on "Effect of COVID and Long Social Isolation" and "Situational Awareness and Mindfulness" were conducted by Psychologist.
- Mandatory Safety Training for Employees and Associates is being being done.
- Road Safety Month 2021 Campaign being organised from 18th January 2021 to 17th February 2021. Awareness Campaigns, Trainings are being organised at Plants & Township.
- SEIL Received "Behaviour Based Safety (BBS) Corporate Recognition Award" for the 3rd consecutive years (2018-2020). The corporate Award was given in a virtual event organised by the Forum of Behavioural Safety, India.
- Illumination Survey, Noise Survey, Fire Safety Audit, TG Floor Stability and H2 HAZOP study was conducted by AP Director of Factories Authorised Competent Person.
- Process Safety Gap Assessment Audit conducted by External Agency.
- First Aid Training conducted for AMC workers by Apollo Specialist Doctors. Total 114 AMC workers trained.
- SEIL has organised various safety promotional activities like Slogan Competition, Poster Competition, safety suggestion and Safety Quiz competitions on the occasion of 50th National Safety Day / Week -2021 from 4th March to 10th March 2021. The theme "Learn from Disaster and Prepare for a Safer Future" was propagated through Daily Mailers and Video Quiz on Learnings from various Industrial Disasters. AMC contractors also distributed prizes for winner Associates for safe working.
- COVID Protocol was strengthened at both the plants and the township.
- Management Safety Walkdowns are being conducted with Line Managers and HODs. All findings are communicated to concerned department for closure with target dates.
- A Yearly Calendar is prepared for HSE departmental activities and inspections to ensure tracking.
- All Tools & Tackles being tested and certified by AP Director of Factories Authorised Competent Person.

Our Company recognises that excellence in Health, Safety and Environment is an ongoing journey and remain committed to implementing best practices, complying with the national and international HSE standards.

Environment and Sustainability – Thermal

Your Company's management processes, including its commitment to the environment and sustainability, reflect the robust governance practices of the Sembcorp Group. Our Company's operations are guided by the Group's principles for impactful outcomes, which include shared responsibility, continual improvement, openness, accountability, and statutory compliance.

Your Company's thermal power assets located on the east coast of southern India at Nellore are designed for environmental sustainability. These assets are based on supercritical power generation technology, which makes them operate at lower emission levels compared to subcritical power plants. The Company uses sea water, which eliminates the need to use precious ground water. Moreover, 100% of the Company's coal is transported through coastal and trans-ocean shipping, and last-mile connectivity through the two closed-pipe coal conveyor belt systems. This assures safety, backup, reliability of coal logistics and environmental compliance. The assets are actively monitored for emissions as per the guidelines set by the MoEF & CC, CPCB, & APPCB.

Your Company completed the statutory requirement of developing a dense green belt in and around its area of operations. More than 1,27,000 saplings have been planted. The Conocarpus Erectus and Casurina plant selections are based on eco-suitability and sustainability with environmental merits.

The Company has adopted scientific methods like establishment of Dust Extraction, Dry Fog Dust Suppression, Dust Suppression, & Stockpile Dust Suppression & Application of Bio-Pesticides for Greenbelt Development. Peripheral Planting along the inside of the compound wall has been taken-up with 3 tiers of plantations and developed 405 acres at SEIL P1 and 340 acres at SEIL P2 afforestation. We have conducted Environment Mock Drill on Chemical Spillage & Response and have taken proactive steps in streamlining Waste Management.

Your company was re-certified for ISO 14001-2018 applicable for standards in implementing the Environmental Management System.

Governance

Corporate Governance Report

Corporate Governance is the application of best management practices, continued compliances of law and adherence to the highest ethical standards to achieve the objectives of the Company of enhancing stakeholder's value and its own image. A good Corporate Governance framework incorporates a system of robust checks and balances between Key players, namely the Board, the Management, Auditors and Stakeholders.

Your Company remains resolute in its commitment to conduct business in accordance with the highest ethical standards and sound Corporate Governance practices. Your Company strongly believes that sound, robust and unambiguous system of Corporate Governance practices go a long way in retaining investor trust and preserving the interest of all existing as well as prospective Stakeholders. Further, your Company's corporate structure, business, operations, and disclosure practices are aligned to the global practices.

Your Company is committed to conduct its business fairly, ethically in compliance with the applicable laws, rules and regulations and with the highest standards of business ethics. The objective of the Company is, not only to meet the statutory requirements of the Code of Corporate Governance, but to develop such systems and follow such practices and procedures as would make the management completely transparent and accountable in its interaction with employees, shareholders, lending institutions and customers, thereby enhancing the stakeholders value and protecting the interest of stakeholders

A detailed Corporate Governance Report is attached to this report separately as **Annexure 5**.

Whistle-Blower Policy

The Whistle-Blower Policy provides a reliable avenue for persons to report any wrongdoings including suspected violation of the Company's Code of Business Conduct or any applicable law or policy without fear of reprisals when whistleblowing in good faith and ensures that arrangements are in place to facilitate independent investigation of the reported concern and for appropriate follow up actions to be taken.

The effective implementation of this Whistle-Blower Policy is overseen by the Audit Committee. The Audit Committee is assisted by the Investigation Owner(s), the Whistle-Blower Committee and Internal Audit when investigating a reported issue and taking follow up action.

The Whistle-Blower Policy applies to all persons, including Employees (i.e. the Board of Directors, officers, full-time/ part-time/ permanent/ contract employees) working for your Company and is available on the website of the company at https://sembcorpenergyindia.com/AboutUs/CodeEthics

Prevention of sexual harassment of women at the workplace

Your Company is an equal employment opportunity Company and is committed to creating a healthy working environment that enables employees to work without fear or prejudice, gender bias and sexual harassment. The Company also believes that all employees of the Company, have the right to be treated with dignity. Sexual harassment at the work place or other than work place is a grave offence and is, therefore, punishable. The Company has implemented a policy to ensure that no employee is subjected to sexual harassment at the workplace in accordance with the applicable laws.

The Company has constituted an Internal Complaints Committee under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year, no complaint was filed before the said Committee.

Risk Management

Managing Risk is an integral part of our business activity. The Company's board and management are fully committed to maintaining sound risk management systems to safeguard Company and shareholders' interests. The board and senior management of the Company set the tone at the top for proactive and transparent identification and management of risks. They encourage both business managers and risk managers to bring out risks inherent to any business activity. The risk management philosophy of the Company is that, risk or the possibility of realising outcomes worse than desired, is inherent in our business and that taking risk that is well balanced with opportunity is something to be encouraged, but there are limits to the risk that we are willing to take for sustainable results.

Risk Management Framework

The Company has implemented a comprehensive enterprise risk management framework where key risks are identified and deliberated by management with the support of the risk management function and reported regularly to the Audit Committee of the Board. Robust mechanisms and systems have been put in place to identify and manage the inherent risks in our business and strategy, and to monitor the Company's exposure to key risks that could impact the overall strategy and sustainability of the business. The purpose is to identify risks in time which have the potential effect on the Company's business or corporate standing or growth and manage them by calibrated action.

The Company has implemented an Integrated Assurance Framework (IAF) to put greater emphasis on the three lines of defence model while managing risk. Under the IAF structure, the three lines of defence work together to ensure that key strategic, financial, operational, compliance and information technology risks are reviewed and tested using a robust assurance process.

Under the Integrated Assurance Framework, Risk and Control Register have been developed to document identification, analysis and management of risks. The Risk and Control Register documents the risks, risk drivers, controls, mitigation, likelihood, consequence and risk rating, and identify the key risks of the Company. The key risks, along with mitigation measures, are presented to the Audit Committee of the Board for their review.

The risk management framework is supported by various supporting policies and procedures like Risk Management Policy, Code of Conduct, Business Continuity Plan, Crisis Management Framework etc., that provides detailed guidelines for management of the major risks. A comprehensive Risk Management Policy is in place to manage exposure to market risks like imported coal price and foreign exchange rate volatility. Adherence to polices is regularly monitored and any breach is timely notified to the higher management for taking appropriate measures.

Risk Management Governance Structure

The Board has overall responsibility for the governance of the Company's risk management. The Board approves the company's risk policies, and oversees management in the design, implementation and monitoring of risk management systems. It also has the authority to approve any deviation to risk management policies or any breach of risk limits.

The Audit Committee (AC) assists the Board in overseeing risk management for the Company. AC reviews and endorses the Company's policies, guidelines and systems to govern the process for assessing and managing risk. AC also review risk-related reports submitted to it by management. These include updates on the Company's key risks, emerging threats, reports on compliance with risk policies and any other risk-related issues as well as actions taken to monitor and manage such risk exposure / issues.

The Company has a Risk department led by the Chief Risk Officer (CRO) to assist the Audit Committee and management in risk management function. Business and functional managers are responsible for managing risks in their area of operation/ function as the first line of defence. Towards this end, business/ functional managers are identified as risk owners for the identified risks.

Business Continuity Management amid COVID-19 Flu Pandemic

The Company has activated India Business Continuity Management Team (India BCMT) as per Business Continuity Policy and Crisis Management Framework to manage the impact of ongoing COVID-19 flu pandemic. Different measures are in place to safeguard health and safety of employees, maintain operation of assets and other business activities, avoid financial distress/default and secure best possible financial outcome in the given circumstance.

Corporate Social Responsibility

Corporate Social Responsibility (CSR) is a Company's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical. Stakeholders include employees, investors, shareholders, customers, business partners, clients, civil society groups, Government and non-Government organisations, local communities, environment and society at large.

The Corporate Social Responsibility Committee had formulated and recommended to the Board, a Corporate Social Responsibility Policy ("**CSR Policy**") indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities, which was subsequently adopted by it and is being implemented by the Company. The CSR Policy including a brief overview of the projects or programmes proposed to be undertaken can be accessed at the Company's website at https://sembcorpenergyindia.com/AboutUs/CodeEthics. The updated CSR policy of the Company is under modification in pursuance with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 and other statutory modifications.

The Annual Report on CSR activities in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 is appended as **Annexure - 6** to this Report.

Human Resources

Your Company fully recognise that having a competent, highly motivated, and performance-led workforce is key to ensuring the success of our business. Our people play a vital role in ensuring sustainability of our business by delivering on our transformation strategy and goals. We recognise that Human Resources play a pivotal role in enabling smooth implementation of key strategic decisions through Employee development, Employee engagement, Compensation & benefits and Employee wellness.

Your Company is committed to equip people with the capabilities and know-how to achieve their fullest potential, while enabling them to remain agile in an evolving operating landscape. Talent strategy is supported by the Talent review and succession planning framework, Lead, Appraise and Develop (LeAD) performance management system. As the organization structure changes, efforts to induct / develop key skills to ensure productivity & to promote effectiveness in achieving business goals continues to be our focus. Your Company continues to focus on succession planning with measures initiated to have strong talent & leadership pipeline across all levels and bringing on board new expertise in areas targeted for accelerated development. In addition, focussed efforts have been put in place for Leadership Development, Mentoring of young talent, Digitalization & Analytics capability for monitoring Asset Performance and Behavioural Based Safety.

We have in place a competitive remuneration and reward system based on the key principles of equity & meritocracy linked to Business Performance. Our salary levels are reviewed regularly and benchmarked against local markets / competitors, as well as data from global market surveys and consultancy firms. Annual variable bonuses for all employees are based on business and individual performances.

Various engagement initiatives involving employees and families were rolled out. We strengthened our existing employee communication channels through structured dialogues, Town Hall meetings, video conferencing, newsletters and email circulars from our Leadership Team. Several initiatives were also undertaken to ensure that care and support is given to employees through policies which help improve quality of life for employees. A global employee engagement survey was conducted in November 2020. Employee participation rates in the engagement survey improved significantly from 81.4% in 2019 to 87% in 2020, while the employee engagement dimension scored above global industry benchmarks with significant improvement over 2019 score.

The Company recognises the impact of wellness on our employees' overall effectiveness. We adopt a holistic approach to workplace wellness encompassing the physical, social and psychological well-being of our employees. Our workplace wellness plans are supported by a dedicated budget for activities that encourage employee well-being and team bonding, Employee & family-led committees that organise a range of sports & recreational events and wellness activities. Mandatory medical screenings are organised for employees whose work may include occupational health hazards and voluntary free annual health screenings to all employees.

Several initiatives were also undertaken to ensure that care and support is given to employees through processes put in, to address operational continuity while ensuring safety and health of employees amidst the COVID-19 pandemic situation. A range of workshops and training programmes focused on nutrition, stress management, resilience, change management, collaboration & team building were held to build employee capability and to support employees' physical & mental wellbeing. The Company provided 24x7 support to manage treatment, quarantine / isolation, hospitalisation and psychological well-being of employees & families affected by COVID-19 infection. We launched global pulse surveys in April and June 2020 and conducted structured Town Hall meetings to better understand how employees were coping amid the pandemic. Findings and concerns highlighted in the first survey were followed up on. The results were reflected in improved scores from the second pulse survey, including better employee well-being, and improved commitment towards the operational & business continuity challenges and enhanced digital support given to help employees adapt to the changing work pattern / environment.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The information on the conservation of energy, technology absorption, foreign exchange earnings and outgo in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 is attached as **Annexure - 1** to this Report.

Secretarial and other Matters

Annual return

The Annual Return for the financial year 2020-21, pursuant to Section 92(3) of the Companies Act, 2013 will be made available on the website of the Company at www.sembcorpenergyindia.com

Transfer of unclaimed dividend to Investor Education and Protection Fund

The Company has not declared dividend in any previous financial years, accordingly there is no unclaimed/ unpaid dividend. So, there are no amounts transferred to IEPF during the year.

Shifting of Registered Office

Pursuant to the order passed by the Regional Director, South East Region, Hyderabad, Telangana, the Registered office of the Company have been shifted from "6-3-1090, A-5, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad-500082, Telangana" to 5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurugram - 122002, Haryana with effect from June 01, 2021.

Regulatory and Legal Matters

The business of the Company is primarily governed by the Electricity Act, 2003 (EA, 2003) and associated regulations.

The Company has not received any regulatory orders during the reporting period which has an impact the "Going Concern" status of your Company and operations in the future.

Material Changes and Commitment

There are no significant material changes or commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and date of the report.

Proceedings under Insolvency and Bankruptcy Code 2016

No application was made nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 during the year.

Details of one time settlement with the Banks

The Company has not made any one time settlement with any Banks or Financial Institutions.

Acknowledgement

Your Directors place on record their deep sense of appreciation for continuous support from Company's employees, customers, vendors, investors and lenders. Your Directors also wish to place on record their deep sense of appreciation to the government of various countries, government of India, the governments of various states in India and concerned government departments / agencies for their co-operation.

For and on behalf of the Board

Wong Kim Yin	**Vipul Tuli**
Chairman	Managing Director
(DIN: 08806258)	(DIN: 07350892)

Date: June 28, 2021
Place: Gurugram

Annexure -1

Annexures to Directors' Report

Information as per Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 forming part of the Directors' Report for the year ended March 31,2021

A. Conservation of Energy

a) Steps taken or impact on conservation of energy:

SEIL P1:

i. Main turbines and Turbine Driven Boiler Feed Pump (TDBFP) overhauling and sand blasting completed during Unit-2 overhauling. Gross Heat Rate (GHR) reduction achieved on Main Turbine & TDBFP Turbine efficiency improved.

ii. Unit-2 Condenser tubes chemical cleaning done and 18250 nos. of NDCT nozzles cleaning and rectification done resulting in vacuum improvement.

iii. Boiler & electrostatic precipitator air leak points attended during Unit-2 overhauling, which reduced the tramp air loading. Savings achieved in Fans power consumption.

iv. Corrocoating of Main Cooling Water and Auxiliary Cooling Water Pumps and its lines completed for performance improvement and to avoid leakages. Power savings achieved in CW and ACW Pumps respectively.

v. Wear resistant coating on Fire hydrant pumps done to improve performance and reliability, due to which power saving achieved per pump.

SEIL P2

i. In Ash handling system, high concentration slurry disposal system pump's stopped and bypassed by increasing capacity of charge pump and achieved power saving.

ii. Replacement of Existing lighting system with energy efficient LED. 2167 nos. of fittings replaced for reducing the power consumption.

SEIL P1 & P2

i. Stopping of Circulation Water Pumps in Part load & ambient temperature favourable conditions for energy saving without process degradation achieved significant Power savings on annual average in P1 & P2 respectively.

ii. Rectification of High energy steam/water drain passing valves and rectification of Thermal insulations to avoid energy loss resulted in GHR reduction in P1 & P2 units after overhauling.

b) Steps taken by the Company for utilizing alternate sources of energy:

i. Implementation of roof top solar power generation system in existing facilities is under consideration for utilising the alternate sources of energy.

c) Capital investment on energy conservation equipment:

Project	Energy conservation equipment	Capital investment on energy conservation equipment (₹ in millions)
P1	Installation of Additional Thermo couples in U2 FSH	10.0

B. TECHNOLOGY ABSORPTION

i) The efforts made towards technology absorption

Project	Efforts made towards technology absorption
P1	Additional Thermo couples installed in unit-2 FSH zones for tube metal temperature monitoring.
P2	SPARK – Online performance monitoring system implemented for real time performance monitoring and control.
P1 & P2	Boiler CFD Modelling developed for analysing the impact of various coal and its blend over the Boiler.
	Digitization of field readings and log sheets for quicker data analysis.

ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

SEIL P1:

i. Additional thermo couples installed for monitoring FSH tube metal temperatures to identify any short-term overheating during start-up. This will help to control firing and thereby avoiding overheating & boiler tube failure. About 2 unit outages due to Boiler Tube Leakage avoided for the year and reduced the down time.

SEIL P2:

i. SPARK (Smart Performance Analysis for Real-time KPI) – Online cloud based performance monitoring system implemented for P2 both units to improve performance by tracking critical parameters and KPI's (like THR, Boiler Efficiency, GHR, Equipment performance and their loss breakups/gaps etc.,) and to control the various controllable losses on real time. Heat rate reduction achieved on controllable losses.

SEIL P1 & P2:

i. Boiler computational fluid dynamics modelling developed to analyse various coal grades, coal blends and elevation combinations impact on the Boiler performance, slagging, erosion potentials and hot spots. Resulting in optimizing the coal blend, boiler tuning, lesser erosions, reduction in equipment failure and savings in spares with improving Boiler efficiency.

ii. Field readings log sheets digitized for the purpose of usage by Mobile app. This helped in better accessing and analysing of field's data and quicker responses optimizing preventive maintenance including savings in use of paper.

iii) In case of imported technology (Imported during the last three years reckoned from the beginning of the financial year): NIL

iv) The expenditure incurred on Research & Development:

Sr. No.	Research & Development	Expenditure on Research & Development
i.	Study and recommendation on Boiler tube failure reduction, chemical regime improvement and Oxide growth & exfoliation reduction by M/s Structural Integrity Associates Incorporation, USA	US$ 22,200

C. Foreign Exchange Earnings and Outgo

Total foreign exchange used and earned

Used :	EUR - 2,256,000 SGD - 1,514,577 USD - 398,453,816
Earned :	SGD - 7,839 USD - 235,640,858

Wong Kim Yin
Chairman
(DIN: 08806258)

Vipul Tuli
Managing Director
(DIN: 07350892)

Date: June 28, 2021
Place: Gurugram

Annexure - 2

FORM NO. AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis:

(a)	Name(s) of the related party and the nature of relationship	NIL
(b)	Nature of contracts/ arrangements/ transactions	
(c)	Duration of the contracts/arrangement/ transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date of approval by the Board	
(g)	Amount paid as advances, if	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

2. Details of material contracts or arrangement or transactions at arm's length basis:

(a)	Name(s) of the related party and the nature of relationship	NIL
(b)	Nature of contracts/ arrangements/ transactions	
(c)	Duration of the contracts/arrangement/ transactions	
(d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
(e)	Date of approval by the Board	
(f)	Amount paid as advances, if any	

Wong Kim Yin
Chairman
(DIN: 08806258)

Vipul Tuli
Managing Director
(DIN: 07350892)

Date: June 28, 2021
Place: Gurugram

Annexure -3

Form No. MR-3

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT

for the Financial Year Ended 31st March, 2021

To,
The Members,
SEMBCORP ENERGY INDIA LIMITED
Hyderabad

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sembcorp Energy India Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other documents/ records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

(1) The Companies Act, 2013 (the Act) and the rules made there under;

(2) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;

(3) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment;

We have also examined compliances with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;

During the period under review resolutions were carried through majority decisions. As confirmed by the management, there were no dissenting views expressed by any of the members or any business transacted at the meetings held during the period under review.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations and guidelines ;

1. The Company has Altered its Articles of Association subsequent to the resolution passed in the Extra Ordinary General Meeting held on 08.01.2021.

For **BS & Company Company Secretaries LLP**

Date: 06.05.2021
Place: Hyderabad

K.V.S. Subramanyam
Designated Partner
FCS No. 5400
C P No.: 4815
UDIN: F005400C000250106

Note: This report is to be read with our letter of even date which is annexed as '**Annexure**' and forms an integral part of this report.

Annexure – 3 continued

To,
The Members,
SEMBCORP ENERGY INDIA LIMITED
Hyderabad

Our report of even date is to be read along with this letter:

1. Maintenance of Secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

7. We further report that, based on the information provided by the Company, its officers, authorized representatives during the conduct of the audit in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like labour laws, Environment laws and Data protection policy.

8. We further report that the compliance by the Company of applicable fiscal laws like Direct & Indirect tax laws, Labour Laws, General and other specific Laws as may be applicable to the Company, have not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

9. Under the situation of COVID-19 pandemic prevailing during the period, secretarial audit was conducted with the verification of all the documents, records and other information electronically as provided by the management.

For **BS & Company Company Secretaries LLP**

Date: 06.05.2021
Place: Hyderabad

K.V.S. Subramanyam
Designated Partner
FCS No. 5400
C P No.: 4815
UDIN: F005400C000250106

Annexure – 4

Form AOC – 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs in millions)

S. No	Name of Subsidiaries	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Exchange Rate as at 31st March, 2021	Share capital	Reserve and surplus	Total assets	Total liabilities	Investments	Turnover	Profit/ (Loss) before Taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed dividend	% of equity shareholding
1	TPCIL Singapore Pte Ltd *	No	USD	73.50	2.92	(1.92)	1.01	0.01	-	-	(0.36)	-	(0.36)	-	100.00
2	Sembcorp Green Infra Limited	No	INR		3,492.10	20,991.93	24,956.33	472.30	22,533.60	263.80	491.59	(44.34)	535.93	-	100.00
3	Green Infra Wind Ventures Limited	No	INR		960.30	(173.02)	1,918.75	1,131.47	1,917.10	-	(36.52)	-	(36.52)	-	100.00
4	Green Infra Wind Energy Limited	No	INR		18,485.83	(630.41)	56,069.80	38,214.38	4,172.02	5,120.46	(425.67)	(96.83)	(328.84)	-	100.00
5	Green Infra Wind Farms Limited	No	INR		8.00	(46.69)	1,040.01	1,078.70	453.78	233.58	16.52	9.22	7.30	-	60.93
6	Green Infra Wind Power Limited	No	INR		302.27	(99.14)	717.54	514.41	144.37	102.13	(31.39)	(7.90)	(23.49)	-	100.00
7	Green Infra Corporate Wind Limited	No	INR		296.34	(72.58)	735.45	511.69	167.41	114.10	(23.58)	(5.94)	(17.64)	-	100.00
8	Green Infra Wind Energy Assets Limited	No	INR		19.48	325.84	889.75	544.43	307.55	97.35	(21.91)	(6.38)	(15.53)	-	100.00
9	Green Infra Wind Generation Limited	No	INR		18.74	(356.58)	1,103.90	1,441.74	8.58	175.79	(109.58)	(17.30)	(92.28)	-	70.55
10	Green Infra Wind Power Projects Limited	No	INR		17.49	137.22	1,021.36	866.65	172.63	193.52	(48.26)	(3.26)	(45.00)	-	69.06
11	Green Infra Wind Energy Project Limited	No	INR		315.50	551.58	1,367.01	499.93	457.71	205.30	41.28	(3.20)	44.48	-	100.00
12	Green Infra Wind Power Generation Limited	No	INR		1,339.29	(264.65)	7,036.00	5,961.36	136.82	1,147.09	(89.11)	(15.88)	(73.23)	-	72.09
13	Green Infra Wind Farm Assets Limited	No	INR		733.00	302.49	2,830.10	1,794.61	960.65	448.91	96.04	25.70	70.34	-	100.00
14	Green Infra Solar Energy Limited	No	INR		7.88	663.02	1,120.40	449.50	451.79	233.19	107.48	39.52	67.96	-	100.00
15	Green Infra Solar Farms Limited	No	INR		20.52	1,215.83	2,087.71	851.36	780.53	302.52	81.08	11.21	69.87	-	100.00
16	Green Infra Solar Projects Limited	No	INR		5.50	319.77	548.55	223.28	200.06	79.21	15.54	4.26	11.28	-	100.00
17	Green Infra BTV Limited	No	INR		812.50	706.75	2,454.63	935.38	151.75	349.07	(111.06)	(24.29)	(86.77)	-	90.46
18	Green Infra Wind Energy Theni Limited	No	INR		139.00	62.59	397.12	195.53	64.94	66.28	11.72	2.93	8.79	-	73.02
19	Green Infra Wind Power Theni Limited	No	INR		56.00	48.88	164.49	59.61	79.01	34.16	22.75	5.34	17.41	-	73.21
20	Green Infra Corporate Solar Limited	No	INR		1,080.65	481.19	10,829.90	9,268.06	428.85	1,809.09	(243.52)	14.52	(258.04)	-	100.00
21	Mulanur Renewable Energy Limited	No	INR		402.80	90.06	1,355.83	862.97	94.00	244.93	22.30	6.11	16.19	-	67.30
22	Green Infra Renewable Energy Limited	No	INR		2,300.00	474.51	18,008.03	15,233.52	30.78	2,415.48	178.22	46.89	131.33	-	100.00
23	Green Infra Wind Solutions Limited	No	INR		854.50	(31.94)	3,560.06	2,737.50	-	518.29	6.20	1.54	4.66	-	100.00
24	Green Infra Wind Limited*	No	INR		21.50	(23.42)	4.84	6.76	-	-	(0.08)	-	(0.08)	-	100.00
25	Green Infra Wind Technology Limited*	No	INR		0.50	(0.01)	53.99	53.50	-	-	(8.00)	-	(8.00)	-	100.00
26	Green Infra Wind Assets Limited*	No	INR		3.50	(122.65)	570.03	689.18	570.00	-	(162.06)	-	(162.06)	-	100.00
27	Green Infra Renewable Projects Limited	No	INR		0.10	(133.00)	74.97	207.87	-	-	(132.99)	-	(132.99)	-	100.00

Refer 0.00 million as figures less than 0.01 million

* Subsidiaries which are yet to commence operations

Subsidiaries which have been liquidated or sold during the year : NIL

Part "B": Associates and Joint Venture

(Information in respect of each Associates or Joint Venture to be presented with amounts in Rs in thousands)

Sl No.	Name of Associates/ Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end	i- No. of shares	ii- Amount of Investment in Associates/ Joint Venture	iii- Extent of Holding %	Description of how there is significant influence	Reason why the associate/joint venture is not consolidated	Networth attributable to shareholding as per latest audited Balance Sheet	Profit/ (loss) for the year	i- Considered in Consolidation	ii- Not Considered in Consolidation
							Not Applicable					

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

	Wong Kim Yin	**Vipul Tuli**	**Juvenil Jani**	**Narendra Ande**
Place: Gurugram	Chairman	Managing Director	Chief Financial Officer	Company Secretary
Date: 24 May, 2021	DIN: 08806258	DIN: 07350892		Membership No: A14603

Annexure – 5

Report on Corporate Governance

Company's Philosophy on Corporate Governance

Corporate Governance is the application of best management practices, continued compliances of law and adherence to highest ethical standards to achieve the objectives of the Company of enhancing stakeholder's value and its own image. A good Corporate Governance framework incorporates a system of robust checks and balances between key players, namely the Board, the Management, Auditors and Stakeholders.

Sembcorp Energy India Limited remains resolute in its commitment to conduct business in accordance with the highest ethical standards and sound Corporate Governance practices. Your Company strongly believes that sound, robust and unambiguous system of Corporate Governance practices go a long way in retaining investor trust and preserving the interest of all existing as well as prospective Stakeholders. Further, your Company's corporate structure, business, operations, and disclosure practices are aligned to the global practices.

Your Company is committed to conduct its business fairly, ethically in compliance with the applicable laws, rules and regulations and with the highest standards of business ethics. The objective of the Company is, not only to meet the statutory requirements of the Code of Corporate Governance, but to develop such systems and follow such practices and procedures as would make the management completely transparent and accountable in its interaction with employees, shareholders, lending institutions and customers, thereby enhancing the stakeholders value and protecting the interest of stakeholders.

Board Composition:

The Company's policy is to have appropriate mix of Executive and Non-Executive/ Independent Directors including woman Director on the Board. The number of Non-Executive Directors (NEDs) exceeds 50% of the total number of Directors. All Independent Directors have confirmed that they meet the criteria as mentioned under Section 149 of the Companies Act, 2013.

The Board is collectively responsible for providing overall strategic direction and ensuring the long-term success of Company's business. The Company's Board of Directors consists of six members, with one Executive Director and five Non-Executive Directors (NEDs) including two women Directors, out of which three are Independent Directors as on March 31, 2021. The Board's composition is in compliance with the provisions of the Companies Act, 2013.

The names and categories of the Directors on the Board, the number of directorships and committee positions held by them in other companies as on March 31, 2021 are as given below:

Sl. No.	Name of the Director	Designation	Category of Directorship	No. of other Directorships(1)	Shares held	No. of Committee Positions held(2)	
						Chairman	Member
1.	Mr. Wong Kim Yin	Chairman	Non-Executive	1	Nil	Nil	Nil
2.	Ms. Looi Lee Hwa	Director	Non Independent	Nil	Nil	Nil	Nil
3.	Mr. Vipul Tuli	Managing Director	Executive	1	6*	Nil	Nil
4.	Mr. R S Sharma	Director	Non-Executive	5	Nil	2	5
5.	Ms. Sangeeta Talwar	Director	Independent	6	Nil	2	5
6.	Mr. Kalaikuruchi Jairaj	Director		6	Nil	3	1

* as a nominee of Sembcorp Utilities Pte. Ltd.

NOTES

- (1)Excludes directorship in private companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013 (the Act).
- (2)Includes memberships/chairmanships of the Audit Committee and Stakeholders Relationship Committee of Indian public companies.
- None of the Directors were members of more than 10 committees or acted as chairperson of more than 5 committees, across all the companies in which he/she was a Director. Also none of the Directors held directorship in more than 20 Indian companies including 10 public limited companies.
- None of the Directors were related to any other Director.

Names of the listed entities where the person is a director and the category of directorship:-

Sl No.	Name of the Director	Name of listed Company	Category of directorship in listed Company
1.	Mr. Wong Kim Yin	Nil	NA.
2.	Ms. Looi Lee Hwa	Nil	NA.
3.	Mr. Vipul Tuli	Nil	NA.
4.	Mr. R S Sharma	Polycab India Limited Jubilant Industries Limited	Independent Director
5.	Ms. Sangeeta Talwar	HCL Infosystems Limited TCNS Clothing Co. Limited Castrol India Limited Mahindra Holidays & Resorts India Limited	Independent Director
6.	Mr. Kalaikuruchi Jairaj	Adani Transmission Limited CESC Ltd. RPSG Ventures Ltd.	Independent Director

The Board comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective contribution to the Board and its committee. The Board members are committed to ensure that the Board is, in compliance with the highest standards of corporate governance.

The Board recognises the following skill sets of the Directors with reference to its Business and Industry as given below:

Name of the Director	Expertise in specific functional area
Mr. Wong Kim Yin	Mr. Wong Kim Yin has over 20 years of leadership experience in the energy sector and investment management.
Mr. Vipul Tuli	Mr. Vipul Tuli has multifunctional experience in energy, chemicals and infrastructure sectors.
Ms. Looi Lee Hwa	Ms. Looi Lee Hwa held the head positions for the legal functions, advisor on all legal related issues and corporate secretarial matters.
Mr. R S Sharma	Mr. R S Sharma served on several managerial positions during his career including as Chairman and Managing Director of Oil and Natural Gas Corporation Limited, India's largest oil and gas exploration and production company.
Ms. Sangeeta Talwar	Ms. Sangeeta Talwar has multifunctional exposure across the disciplines of Marketing, Sales, Human Resources and General Management.
Mr. Kalaikuruchi Jairaj	Mr. K. Jairaj held key positions in the Infrastructure, Energy, Transport and Urban Development sectors including Principal Secretary, Energy Department.

Board Meeting

Dates for Board meetings for the ensuing year are decided in advance and circulated to all Directors. The agenda for each meeting, along with detailed notes, is circulated in advance to the Directors. With a view to leverage technology and reducing paper consumption, the Company has adopted a digital application for transmitting Board/ Committee agendas and notes. During the year 2020-21, six Board meetings were held on April 03, 2020, June 01, 2020, August 11, 2020, November 09, 2020, November 13, 2020 and February 15, 2021.

The names and categories of the Directors on the Board and their attendance at Board Meetings and at the Annual General Meeting during the Financial Year 2020-21 are as follows;

S. No	Name of the Director	Designation	No. of Board meetings held	Number of Board meetings attended	Attendance at AGM on September 23, 2020
1.	Mr. Neil Garry McGregor*	Chairman	2	2	No
2.	Mr. Wong Kim Yin**	Chairman	4	4	No
3.	Mr. Vipul Tuli	Managing Director	6	6	Yes
4.	Ms. Looi Lee Hwa	Director	6	6	No
5.	Mr. R S Sharma	Director	6	6	No
6.	Ms. Sangeeta Talwar	Director	6	6	No
7.	Mr. Bobby K. Parikh*	Director	3	3	No
8.	Mr. Kalaikuruchi Jairaj	Director	6	6	No

* Mr. Neil Garry McGregor and Mr. Bobby K. Parikh resigned as directors of the Company w.e.f June 30,2020 and September 01, 2020 respectively.
** Appointed as Director of the Company w.e.f. August 11, 2020.

Separate Independent Directors' Meetings

The Independent Directors meet at least once in a year, without the presence of Executive Directors or Management representatives. During the year the Independent Directors met on March 10, 2021 and inter alia have considered and evaluated:

- The performance of Non-Independent Directors and the Board as a whole;
- The performance of the Chairman of the Company, considering the views of Executive Directors and Non-Executive Directors;
- The quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties; and
- Other matters arising out of Board / Committee(s) deliberations.

In addition to these formal meetings, regular interactions outside the Board meetings also take place between the Chairman and Independent Directors

Independent Directors

Your Directors confirm that in the opinion of the Board, the Independent Directors fulfil the conditions specified in the Companies Act, 2013 and are independent of the management.

The Independent Directors on the Board of the Company, are given a formal appointment letter inter alia containing the term of appointment, role, duties and responsibilities, time commitment, remuneration, insurance, code of conduct, performance evaluation process, disclosure, confidentiality etc. The terms and conditions of appointment of Independent Directors are available on the Company's website www.sembcorpenergyindia.com

Committess of the Board

Audit Committee

The terms of reference of the Audit Committee are as per guidelines set out in the Section 177 of the Companies Act, 2013. The Audit Committee provides directions to the audit functions and monitors the quality of internal and statutory audit.

The Audit Committee of the Company is comprised of four Directors, out of which three are Independent Directors. All members of the Committee possess knowledge of Corporate Finance, Accounts and Company Law. The Chairman of the Committee is an Independent Director. The Audit Committee meetings are attended by the Auditors, Chief Financial Officer, Accounts and Finance Heads. The Company Secretary acts as the Secretary to the Audit Committee. The minutes of the Audit Committee meetings are noted by the Board of Directors at the subsequent Board meeting. All recommendations made by the Audit Committee during the year were accepted by the Board.

During the period under review, four meetings of the Audit Committee were held on June 01, 2020, August 11, 2020, November 09, 2020 and February 15, 2021.

The composition, names of the members, chairperson, and attendance of the members at its meetings are as follows:

S. No	Name of the Director	Designation	No of meetings held	No of meetings attended
1	Mr. R.S. Sharma	Chairman	4	4
2	Mr. K Jairaj	Member	4	4
3	Ms. Sangeeta Talwar	Member	4	4
4	Ms. Looi Lee Hwa	Member	4	4

The Management is responsible for the adequacy of Internal Financial controls with reference to the Financial Statements. The Independent Auditors are responsible for performing an independent audit of the Company's Financial Statements in accordance with the Generally Accepted Auditing Principles and for issuing a report thereon. The Committee's responsibility is to monitor these processes. The Committee is also responsible for overseeing the processes related to financial reporting and information dissemination. This is to ensure that the financial statements reflect true and fair view. The Committee also reviews the internal control over financial reporting put in place to ensure that the accounts of the Company are properly maintained and the accounting transactions are in accordance with prevailing laws and regulations.

The Company has established a Vigil mechanism for Directors and employees to report concerns about the unethical behaviour, actual or suspected fraud, or violation of Company's Code of Business Conduct. It also provides for adequate safeguards against the victimisation of employees who avail of the mechanism and allows direct access to the Chairperson of the Audit Committee in exceptional cases. We confirm that no Director or employee has been denied access to the Audit Committee.

Nomination and Remuneration Committee (NRC)

The Board has constituted the Nomination and Remuneration Committee and the terms of reference of the Committee are as per guidelines set out in the Section 178 of the Companies Act, 2013.

The said Committee has been entrusted to formulate the criteria for determining qualification, positive attributes and independence of a Director and recommend to the Board a policy relating to remuneration for the Directors, key managerial personnel and other employees, formulation of criteria for evaluation of Independent Directors and the Board, devising a policy on Board diversity, identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal etc.

The Nomination and Remuneration Committee of the Company comprises three Directors. All the members are Non-Executive Independent Directors. The Chairman of the Committee is an Independent Director. During the year under review, the Nomination and Remuneration Committee of the Board met twice on August 05, 2020 and March 10, 2021.

The Composition, names of the members, Chairperson and attendance of the members at its meetings are as follows:

S. No	Members	Designation	No of meetings held	No of meetings attended
1	Ms. Sangeeta Talwar	Chairperson	2	2
2	Mr. R S Sharma	Member	2	2
3	Mr. K Jairaj	Member	2	2
4	Mr Bobby K. Parikh*	Member	1	1

* Ceased to be member of the committee consequent to his resignation as director of the Company w.e.f September 01, 2020

Remuneration to Directors

The amount of remuneration and other perquisites paid to the Managing Director and sitting fees to Non Executive Independent Directors are provided in the Related Party disclosures as part of Notes to the Accounts under Standalone Financial Statements for the financial year ended March 31, 2021.

None of the Independent Directors had any pecuniary relationship or transactions with the Company other than the sitting fees received by them. The Company also reimburses out-of-pocket expenses, if any, incurred by the Directors for attending the Board/ Committee Meetings.

Corporate Social Responsibility (CSR) Committee

The Board has constituted the Corporate Social Responsibility Committee pursuant to the requirements of Section 135 of the Companies Act, 2013. The Committee recommends to the Board, the activities to be undertaken by the Company during the year and the amount to be spent on these activities.

Corporate Social Responsibility (CSR) is a Company's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical. Stakeholders include employees, investors, shareholders, customers, business partners, clients, civil society groups, Government and non-Government organisations, local communities, environment and society at large.

The Corporate Social Responsibility Committee of the Company comprises four directors including three Independent Directors. The Chairman of the Committee is an Independent Director. The CSR Committee met once during the financial year on August 05, 2020.

Corporate Social Responsibility Committee of the Board consists of the following members as given below;

S. No	Members	Designation	No of meetings held	No of meetings attended
1	Ms. Sangeeta Talwar	Chairperson	1	1
2	Mr. R.S. Sharma	Member	1	1
3	Mr. Vipul Tuli	Member	1	1
4	Mr. K Jairaj	Member	1	1

The CSR Committee was set up to formulate and monitor the CSR Policy of the Company. The objective of CSR policy is to ensure that the families living in the proximity to the Project improve their standards of living, earning capacity and production levels through a process in which they participate through their own social and cultural institutions. The CSR Policy is developmental and participatory in nature with emphasis on ensuring that development in the area fosters full respect for their dignity, human rights and cultural uniqueness.

The CSR Committee is also responsible for overseeing the CSR activities, programs and execution of various initiatives.

Stakeholders' Relationship Committee

The Board has constituted the Stakeholders' Relationship Committee in line with the provisions of the Section 178 of the Companies Act, 2013. The Stakeholders' Relationship Committee of the Company is comprised of three Directors including two Independent Directors. The Chairman of the Committee is a Non-Executive Director. Stakeholders' Relationship Committee of the Board consists of the following members as given below:

S. No	Members	Position
1	Mr. K. Jairaj	Chairman
2	Mr. R. S. Sharma	Member
3	Mr. Vipul Tuli	Member

The Stakeholders' Relationship Committee assists the Board and the Company to oversee the existing redressal mechanism in relation to Stakeholders of the Company. Purpose and responsibilities of the Committee shall include such other items/matters prescribed under applicable laws or as prescribed by the Board in compliance with the applicable law, from time to time.

Name, designation and address of the Compliance Officer:

Mr. Narendra Ande, Company Secretary
5th Floor, Tower C, Building No. 8,
DLF Cybercity, Gurugram- 122002, Haryana
DID :+91-124-3896849 FAX : :+91-124-3896710

A separate e-mail ID *investorgrievances@sembcorp.com* set up as a dedicated ID solely for the purpose of dealing with Members' queries/complaints.

The Board has appointed Mr. Narendra Ande, Company Secretary as the Compliance Officer. Share transfer formalities are regularly attended to and at least once a fortnight depending on the requirement. Investor complaints which cannot be settled at the level of the Compliance Officer, would be placed before the Committee for final settlement.

The Company has not received any investor complaints during the year.

Transfer of unclaimed dividend to Investor Education and Protection Fund

Pursuant to the provisions of Sections 124 and 125 of the Act, the dividend which remains unclaimed/unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

Since no dividend has been declared yet, there is no unclaimed dividend and so, no amounts were transferred to IEPF during the year.

General Body Meetings

The details of the last three Annual General Meetings (AGMs) of the Company are as follows:

Financial year ended	Day, Date & Time	Venue	Special Resolution(s) passed
2019-20	Wednesday, September 23, 2020 at 11.00. A.M.	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurugram – 122002, Haryana	Nil
2018-19	Monday, September 09, 2019 at 11.00. A.M.		Nil
2017-18	Monday, June 11, 2018 at 11.00. A.M.	6-3-1090, A-block 5th floor, T.S.R Towers, Rajbhavan Road, Somajiguda, Hyderabad – 500082, Telangana, India.	Nil

During the year under review, no special resolution has been passed through the exercise of postal ballot. Currently, no special resolution is proposed to be conducted through postal ballot.

Annual Reports: The Annual Reports are emailed/posted to Members and others entitled to receive them.

News Releases, Presentations etc.: Official news releases, presentations made to media, analysts, institutional investors etc, if any, are generally displayed on the Company's website.

Website: Comprehensive information about the Company, its business and operations, Press Releases and investor information can be viewed at the Company's website www.sembcorpenergyindia.com. The 'Investors' section serves to inform the investors by providing key and timely information like financial results, annual reports, shareholders related data etc.

NSE Electronic Application Processing System (NEAPS) and BSE Online Portal: As on date, securities of your company are not listed on any stock exchanges, the Company will be submitting to NSE all disclosures and intimations through NEAPS portal and similar filings would be made to BSE on their online Portal - BSE Corporate Compliance & Listing Centre upon it getting listed on the recognised Stock Exchanges.

SEBI Complaints Redress System (SCORES): Your Company is registered on the centralised web-based complaints redressal system which serves as a centralized database of all complaints received, enables uploading of Action Taken Reports (ATRs) by the concerned company and online viewing by the investors of actions taken on the complaint and its current status.

General Shareholder Information

(a) Details of AGM : Thursday, July 01, 2021 at 11.00 AM at 5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurugram – 122002, Haryana

(b) Financial Year : April 01 2020 to March 31, 2021

(c) Dividend Payment Date : Not Applicable

(d) Listing on Stock Exchanges : Not Applicable

Registrars and Share Transfer Agents:

KFin Technologies Private Limited
Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad – 500 032, Telangana,
Tel: +91 40 6716 2222
Fax: +91 40 2343 1551
Website: www.kfintech.com

Shareholding Details:

Slab	Number of shares				Number of Shareholders					
	Physical	Demat	Total	%	Physical	%	Demat	%	Total	%
1-5000	-	90	90	Negligible	-	-	8	88.89	8	88.89
5001-10000										
10000-20000	-	-	-	-	-	-	-	-	-	-
20001-30000	-	-	-	-	-	-	-	-	-	-
30001-40000	-	-	-	-	-	-	-	-	-	-
40001-50000	-	-	-	-	-	-	-	-	-	-
50001-100000	-	-	-	-	-	-	-	-	-	-
100001 and above	-	543,36,68,484	543,36,68,484	100%	-	-	1	11.11	1	11.11
TOTAL	**-**	**543,36,68,574**	**543,36,68,574**	**100%**	**-**	**-**	**9**	**100**	**9**	**100**

Shareholding pattern as on 31st March 2021:

Particulars	Equity shares of ₹10/- each	
	No. of Shares	%
a) Promoters (including Promoter Group)	543,36,68,568	100.00
b) Directors and their Relatives	6*	Negligible
c) Insurance Companies	-	-
d) Financial Institutions/ Banks	-	-
e) Clearing Members	-	-
f) Corporate Bodies	-	-
g) Body Corporate – NBFC	-	-
h) Limited Liability Partnership – LLP	-	-
i) Trusts	-	-
j) Resident Individuals & HUF	-	-
k) Central/ Statement Governments	-	-
l) Foreign Institutional Investors	-	-
m) Foreign Portfolio Investors – Corporate	-	-
n) Foreign Banks	-	-
o) OCBs	-	-
p) Foreign Nationals	-	-
q) Foreign Bodies	-	-
r) Foreign Institutional Investors	-	-
s) GDRs	-	-
t) Non Resident Indians	-	-
Total	**543,36,68,574**	**100%**

*held as a nominee of the Promoter

Top 10 Shareholders as on March 31, 2021

S. No	Shareholder	Number of Equity Shares held	Percentage of Equity Share capital (%)
1.	Sembcorp Utilities Pte. Ltd.	543,36,68,484	100.00
2.	Mr. Juvenil Ashwinkumar Jani*	18	Negligible
3.	Mr. Pankaj Kapoor*	18	Negligible
4.	Mr. Harsh Bansal*	18	Negligible
5.	Mr. Subrat Das*	18	Negligible
6.	Mr. Vipul Tuli *	6	Negligible
7.	Mr. Raghav Trivedi*	4	Negligible
8.	Mr. Babrubahan Panigrahi*	4	Negligible
9.	Mr. Sanjay Nagrare*	4	Negligible

* Nominee shareholders of Sembcorp Utilities Pte. Ltd.

Dematerialization of Shares as on March 31, 2021 and Liquidity:

The Company's shares are available for trading through both the Depositories in India – National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

100 % of the Paid-up Equity Share Capital of the Company is in dematerialised form as on March 31, 2021.

During the year, the Company has not issued any GDRs/ADRs/Warrants or any other convertible instruments nor outstanding as on March 31, 2021.

Commodity price risk and hedging activity:

The Company is exposed to risk from market fluctuations of coal price for its imported coal and other transactions and hedging is done for both commodity and forex exposure as per approved Risk Management Policy.

Plant location of the Company:

Project 1 :	Project 2 :
Pyanampuram/ Nelaturu Village, Muthukur Mandal, Nellore – 524344, Andhra Pradesh	Ananthavaram Village, Varakavipudi Panchayat, TP Gudur Mandal, Nellore – 524344, Andhra Pradesh

Address for Correspondence:

Sembcorp Energy India Limited
5th Floor, tower C, Building No. 8,
DLF Cybercity, Gurgaon – 122002, Haryana , India
Tel: (91) 124 389 6700 Fax: (91) 124 389 6710
Email: cs.india@sembcorp.com

Credit Rating:

During the year the Company has received following Credit Ratings for against the financial facilities from Banks/ Financial Institutions;

- Aug 2020 – AA-/Stable by India Rating for Long Term/ECB/Working Capital Loans of SEIL P1 and SEIL P2
- Nov 2020 – A1+ by India rating for short term (Commercial Paper)
- Jan 2021 – AA-/Stable by CARE for Long term/ECB/Working Capital loans of SEIL P1
- Jan 2021- A1+ by ICRA rating for short term (Commercial Paper)

Other Disclosures

1. No materially significant related party transaction were approved during the year, except those disclosed in financial statements.
2. The Board has not entered into any transactions with senior management relating to material, financial and commercial transactions where they and/or their relatives have personal interest. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large.

3. The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for employees and Directors to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics policy. The said policy has been posted on the Company's website. The Company affirms that no personnel have been denied access to the Audit Committee of Directors.
4. The Company follows Accounting Standards prescribed by the Ministry of Corporate Affairs in the preparation of its financial statements.
5. Web link of (a) Policy for determining material subsidiaries and (b) Policy on dealing with related party transactions is http://sembcorpenergyindia.com/AboutUs/CodeEthics
6. Disclosure of commodity price risks and commodity hedging activities: The Company is exposed to risk from market fluctuations of foreign exchange on coal import and other transactions. The Audit Committee reviews the risk exposures and hedging strategies on quarterly basis. The Company is hedging its exposure by way of various hedge instrument such as Forward, Options or combination of both.
7. Particulars of Directors seeking appointment/re-appointment at the forthcoming AGM are provided in the Annexure, attached to the Notice of the AGM to be held on July 01, 2021.
8. The Board of Directors have accepted the recommendation(s) of all committee of the board which is mandatorily required in the financial year.

Other Shareholder Information:

- Corporate Identity Number (CIN): U40103HR2008PLC095648
- International Securities Identification Number (ISIN) for equity shares : INE460M01013

Wong Kim Yin
Chairman
(DIN: 08806258)

Vipul Tuli
Managing Director
(DIN: 07350892)

Date: June 28, 2021
Place: Gurugram

Annexure – 6

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A Brief outline on CSR Policy of the Company.

The Board of Directors approved the Corporate Social Responsibility Policy based on the recommendation of the Corporate Social Responsibility Committee and the same is available on the Company's website.

Corporate Social Responsibility (CSR) is a Company's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical. Stakeholders include employees, investors, shareholders, customers, business partners, clients, civil society groups, Government and Non-Government organisations, local communities, environment and society at large.

The CSR Vision of the Company is - To actively contribute to the social and economic development of the communities in which we operate and beyond. In doing so, build a better, environmentally sustainable way of life for all the stakeholders, local community and society at large.

The Company has been actively working in the following major CSR activities, in accordance with Schedule VII of the Companies Act, 2013:

Sr. No	CSR Activities	Item No of Schedule VII of Companies Act, 2013
1.	Healthcare	Item No (i)
2.	Education	Item No (ii)
3.	Skill and Entrepreneurship Development	Item No (ii)

The Corporate Social Responsibility Policy is posted on the Company's website www.sembcorpenergyindia.com on the link https://sembcorpenergyindia.com/AboutUs/CodeEthics

2. Composition of CSR Committee:

Sr. No	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ms. Sangeeta Talwar	Chairman	1	1
2	Mr. R. S. Sharma	Member	1	1
3	Mr. K. Jairaj	Member	1	1
4	Mr. Vipul Tuli	Member	1	1

3. Provide the web link where the Composition of the CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

The Composition of Corporate Social Responsibility (CSR) Committee, CSR Policy and CSR projects approved by the Board is disclosed on the Company's Website www.sembcorpenergyindia.com on the link https://sembcorpenergyindia.com/AboutUs/CodeEthics .

4. Provide the details of the Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

As per sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, every company having average CSR obligation of ten crore rupees or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency.

This is not applicable to our Company, as the average CSR obligation in three immediately preceding financial years is less than ten crores.

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

Sr. No	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be setoff for the financial year, if any (in Rs)
1	2020-21	Nil	Nil
	Total	**Nil**	**Nil**

6. **Average net profit of the company as per section 135(5) –** 738.17 million

7. (a) **Two percent of average net profit of the company as per section 135(5) –** 14.76 million

   (b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years -** Nil

   (c) **Amount required to be set off for the financial year, if any -**Nil

   (d) **Total CSR obligation for the financial year (7a+7b+7c) –** 14.76 million

8. (a) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (in Million)	Amount Unspent (in Rs.)- Nil				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount.	Date of transfer
18.29	Nil	NA	NA	NA	NA

(b) **Details of CSR amount spent against ongoing projects for the financial year:** Not Applicable

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/ No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number.
Not Applicable												

(c) **Details of CSR amount spent against other than ongoing projects for the financial year:**

(I)	(II)	(III)	(IV)	(V)		(VI)	(VII)	(VIII)	
Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Amount spent for the project (in Million)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number.
I. PROMOTION OF EDUCATION									
1	Providing transportation facilities to all the school going children in the surrounding Villages.	Item (ii) of Schedule VII	Local Area	Andhra Pradesh	SPSR Nellore District	5.17	Yes	-	-
2	Repairs of SC Womens residential Hostel	Item (ii) of Schedule VII	Local Area	Andhra Pradesh	SPSR Nellore District	0.47	Yes	-	-
Total Amount spent on Education						**5.64**			

(I) Sr. No	(II) Name of the Project	(III) Item from the list of activities in Schedule VII to the Act.	(IV) Local area (Yes/No)	(V) Location of the project.		(VI) Amount spent for the project (in Million)	(VII) Mode of Implementation - Direct (Yes/No).	(VIII) Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number.
II. PROMOTING HEALTH CARE INCLUDING PREVENTIVE HEALTH CARE, AND MAKING AVAILABLE SAFE DRINIKING WATER									
1	COVID 19 – Preventive and mitigation measures by conducting Community Sanitization drives, providing masks and awareness in the surrounding villages, donating Medical Equipment & Supporting COVID Care Centre, Testing's in the community	Item (i) of Schedule VII	Local Area	Andhra Pradesh	SPSR Nellore District	5.24	Yes		
2	Community Health Emergency Services	Item (i) of Schedule VII	Local Area	Andhra Pradesh	SPSR Nellore District	0.95	Yes		
3	RO Plants maintenance	Item (i) of Schedule VII	Local Area	Andhra Pradesh	SPSR Nellore District	2.45	No	Naandhi	Discontinued from November 01, 2020
4	RO Plants maintenance	Item (i) of Schedule VII	Local Area	Andhra Pradesh	SPSR Nellore District	2.03	Yes (w.e.f 1st Nov 2021)		
Total Amount Spent for Healthcare						**10.67**			
III. SKILL AND ENTREPRENEURSHIP DEVELOPMENT PROGRAMS FOR WOMEN AND YOUTH									
1	Skill and Entrepreneurship Development Training Expenses	Item (ii) of Schedule VII	Local Area	Andhra Pradesh	SPSR Nellore District	1.27	Yes		
Total Amount Spent for Skill and Entrepreneurship Development						**1.27**			

(d) Amount spent in Administrative Overheads – 0.71 million

(e) Amount spent on Impact Assessment, if applicable - NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) -18.29 Million

(g) Excess amount for set off if any

Sr. No	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	14.76 million
(ii)	Total amount spent for the Financial Year	18.29 million
(iii)	Excess amount spent for the financial year [(ii)-(i)]	3.53 million
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	3.53 million

9. (a) **Details of Unspent CSR amount for the preceding three financial years:** Not Applicable

Sr. No	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
				Not Applicable			

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

(1) Sr. No	(2) Project ID.	(3) Name of the Project.	(4) Financial Year in which the project was commenced.	(5) Project duration.	(6) Total amount allocated for the project (in Rs.).	(7) Amount spent on the project in the reporting Financial Year (in Rs).	(8) Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	(9) Status of the project - Completed / Ongoing.
1								
2					Not Applicable			
3								
	TOTAL							

10. In case of creation or acquisition of a capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year – Not Applicable

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of the capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) - Not Applicable

Vipul Tuli
(Managing Director)

Sangeeta Talwar
(Chairman CSR Committee)

Date: June 28, 2021
Place: Gurugram

Financial Statements

Independent Auditors' Report

To the Members of **Sembcorp Energy India Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Sembcorp Energy India Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (collectively referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information included in the director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under applicable laws and regulations.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

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

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

   (A) As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

   c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its standalone financial statements - Refer Note 2.29 to the standalone financial statements;

ii. The Company did not have any material foreseeable losses on long-term contracts. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on derivative contracts. Refer Note 2.29 to the standalone financial statements.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.

(C) With respect to the matter to be included in the Auditors' Report under Section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for **BSR & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231 W/W- 100024

Hemant Maheshwari
Partner
Membership No.: 096537

Place: Hyderabad
Date: 24 May 2021

Annexure A to the Independent Auditors' Report on the Standalone Financial Statements

With reference to Annexure A referred to in the Independent Auditor's Report of even date to the members of Sembcorp Energy India Limited ("the Company") on the standalone financial statements for the year ended 31 March 2021, we report that:

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of three years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the program certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties as disclosed in note 2.1 on property, plant and equipment to the standalone financial statements are held in the name of the Company, except for the following land parcels. In respect of immovable property that has been taken on lease, the lease agreements are in the name of the Company.

Particulars of immovable property	Amount (Rs. in millions)	Remarks
Land admeasuring 40.80 acres located at plant, Nellore	36.76	In respect of these lands, the Company had entered into an agreement for purchase dated 08 April 2013 from Andhra Pradesh Industrial Infrastructure Corporation. The registration of such land is still under progress.

ii. The inventories, except materials-in-transit, have been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records have been appropriately adjusted in the books of accounts.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 ('Act'). Thus, paragraph 3(iii) (a), (b) and (c) of the said Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has not given any loans, or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Accordingly, compliance under Section 185 of the Act is not applicable to the Company. According to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act in respect of the investments made.

v. The Company has not accepted any deposits from public within the meaning of Section 73 to 76 of the Act and Rules framed thereunder.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government of India for maintenance of cost records under Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Income tax, Goods and Services tax, Duty of customs and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the provisions of Employees' State Insurance, Duty of excise and Cess are not applicable to the Company.

According to the information and explanations given to us, there are no undisputed amount payable in respect of Provident fund, Income tax, Goods and Services tax, Duty of customs and other material statutory dues which were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Service tax, Goods and Services tax and Duty of customs which have not been deposited with the appropriate authorities on account of any dispute other than the following:

Name of the statute	Nature of dues	Amount Rs. in millions	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Income tax and interest	82.71 (30.44)*	Assessment year 2012-13	Hon'ble High Court of Telangana
Income tax Act, 1961	Income tax and interest	69.97 (34.99)*	Assessment year 2013-14	Commissioner of Income- tax, Appeals
Income tax Act, 1961	Income tax and interest	118.66 (59.33)*	Assessment year 2014-15	Commissioner of Income- tax, Appeals
Income tax Act, 1961	Income tax and interest	12.99 (1.60)*	Assessment year 2014-15	Income tax Appellate Tribunal
Income tax Act, 1961	Income tax and interest	164.51 (33.32)*	Assessment year 2015-16	Commissioner of Income- tax, Appeals
Income tax Act, 1961	Income tax and interest	115.87 (23.17)*	Financial year 2016-17 to 2017-18	Deputy Commissioner of Income tax, Appeals
Income tax Act, 1961	Income tax and interest	195.61 (54.16)*	Assessment year 2016-17	Commissioner of Income- tax, Appeals
Telangana Tax on Entry of Goods into local areas Act, 2001	Entry tax	43.30 (15.16)*	Financial year 2013-15	Deputy Commercial Tax officer
AP Entry of Goods into local areas Act, 2001	Entry tax	107.32 (13.41)*	Financial year 2015-17	Appellate Deputy Commissioner, Tirupati and Hon'ble High Court of Andhra Pradesh
The Finance Act, 1994	Service tax	798.13 (59.76)*	Financial year 2016-17	Central Excise and Service tax Appellate Tribunal, Hyderabad

* Represent amounts paid under protest.

viii. According to the records of the Company examined by us and information and explanation provided to us, the Company has not defaulted in repayment of loans or borrowings to any bank. The Company does not have any loans or borrowings from any financial institution or government, nor has it issued any debentures as at the balance sheet date.

ix. The Company has not raised any moneys by way of initial public offer and further public offer (including debt instruments). According to the information and explanations given to us, the Company has applied the term loans for the purpose for which they were obtained.

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Thus, paragraph 3(xii) of the said Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has entered into transactions with related parties which are in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under the applicable accounting standards.

xiv. According to the information and explanations given to us and based on examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the said Order are not applicable to the Company.

xvi. In our opinion and according to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the said Order is not applicable to the Company.

for **BSR & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231 W/W- 100024

Hemant Maheshwari
Partner
Membership No.: 096537

Place: Hyderabad
Date: 24 May 2021

Annexure B to the Independent Auditors' Report on the Standalone Financial Statements

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('Act')

(Referred to in paragraph 1(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Sembcorp Energy India Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and

directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

for **BSR & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231 W/W- 100024

Hemant Maheshwari
Partner
Membership No.: 096537

Place: Hyderabad
Date: 24 May 2021

Standalone Balance Sheet

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

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	2.1	1,53,204.90	1,60,038.80
(b) Capital work-in-progress	2.1	599.41	722.70
(c) Goodwill	2.2	1,234.20	1,234.20
(d) Other intangible assets	2.2	12.19	0.53
(e) Financial assets			
(i) Investments	2.8	54,770.14	54,770.14
(ii) Derivatives	2.3	-	1,429.63
(iii) Other financial assets	2.4	3,847.31	3,813.04
(f) Non-current tax assets	2.5	835.92	786.98
(g) Other non-current assets	2.6	288.23	343.43
Total non-current assets		**2,14,792.30**	**2,23,139.45**
II Current assets			
(a) Inventories	2.7	4,580.62	7,680.90
(b) Financial assets			
(i) Investments	2.8	2,483.27	1,164.69
(ii) Trade receivables	2.9	26,594.39	21,439.00
(iii) Cash and cash equivalents	2.10	1,899.04	1,654.08
(iv) Bank balances other than (iii) above	2.10	1,959.34	4,267.40
(v) Derivatives	2.3	1,319.89	1,570.25
(vi) Other financial assets	2.4	6,449.51	5,152.08
(c) Other current assets	2.6	2,817.96	1,877.89
Total current assets		**48,104.02**	**44,806.29**
Total assets		**2,62,896.32**	**2,67,945.74**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	2.11	54,336.69	54,336.69
(b) Other equity	2.12	55,245.28	45,735.76
Total equity		**1,09,581.97**	**1,00,072.45**
LIABILITIES			
I Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	2.13	1,04,897.70	1,26,392.45
(ii) Other financial liabilities	2.15	6,014.98	7,160.70
(b) Provisions	2.16	61.85	52.09
Total non-current liabilities		**1,10,974.53**	**1,33,605.24**
II Current liabilities			
(a) Financial liabilities			
(i) Borrowings	2.18	7,919.13	12,617.57
(ii) Trade payables	2.19		
Dues to micro and small enterprises		1.32	0.83
Dues to creditors other than micro and small enterprises		1,853.12	4,279.40
(iii) Derivatives	2.14	339.43	146.88
(iv) Other financial liabilities	2.15	27,390.53	12,407.91
(b) Other current liabilities	2.17	4,489.77	4,471.90
(c) Provisions	2.16	10.03	7.07
(d) Current tax liabilities (net)	2.20	336.49	336.49
Total current liabilities		**42,339.82**	**34,268.05**
Total liabilities		**1,53,314.35**	**1,67,873.29**
Total equity and liabilities		**2,62,896.32**	**2,67,945.74**

Significant accounting policies 1

The accompanying notes form an integral part of the standalone financial statements

As per our report on standalone financial statements of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 116231W/ W-100024

for and on behalf of the Board of Directors of
Sembcorp Energy India Limited
CIN: U40103TG2008PLC057031

Hemant Maheshwari
Partner
Membership No: 096537

Wong Kim Yin
Chairman
DIN: 08806258

Vipul Tuli
Managing Director
DIN: 07350892

Juvenil Jani
Chief Financial Officer

Narendra Ande
Company Secretary
Membership No: A14603

Place: Hyderabad
Date: 24 May 2021

Place: Gurugram
Date: 24 May 2021

Standalone Statement of Profit and Loss

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

	Particulars	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
I	**Revenue**			
	Revenue from operations	2.21	73,674.19	71,105.36
	Other income	2.22	4,108.20	3,538.06
	Total income		**77,782.39**	**74,643.42**
II	**Expenses**			
	Cost of fuel	2.23	40,519.73	43,118.24
	Transmission charges	2.24	2,378.99	2,731.53
	Employee benefit expenses	2.25	1,652.37	1,675.11
	Finance costs	2.26	13,398.03	14,388.55
	Depreciation and amortisation expenses	2.27	7,457.84	7,468.89
	Operating and other expenses	2.28	3,655.31	4,074.09
	Total expenses		**69,062.27**	**73,456.41**
III	**Profit before tax**		**8,720.12**	**1,187.01**
IV	**Tax expense**			
	Current tax		-	-
	Deferred tax		-	-
V	**Profit for the year**		**8,720.12**	**1,187.01**
VI	**Other comprehensive income**			
(A)	Items that will not be reclassified to profit or loss			
	Remeasurement of defined benefit liability, net		(2.46)	(6.54)
			(2.46)	**(6.54)**
(B)	Items that will be reclassified to profit or loss			
	Effective portion of changes in fair value of cash flow hedge		557.14	333.57
			557.14	**333.57**
VII	Total comprehensive income for the year		**9,274.80**	**1,514.04**
	Earnings per equity share (face value of share Rs.10 each)			
	- Basic and diluted (Rs.)	2.31	1.60	0.22

Significant accounting policies 1

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As per our report on standalone financial statements of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 116231W/ W-100024

for and on behalf of the Board of Directors of
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Chief Financial Officer

Narendra Ande
Company Secretary
Membership No: A14603

Place: Hyderabad
Date: 24 May 2021

Place: Gurugram
Date: 24 May 2021

Standalone Statement of Cash Flow

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
A. Cash flow from operating activities		
Profit before tax	8,720.12	1,187.01
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	7,457.84	7,468.89
De recognition of property, plant and equipment	-	297.17
Finance costs	13,398.03	14,388.55
Allowance for expected credit losses	217.89	211.40
Interest income	(363.80)	(583.45)
Property, plant and equipment written off	23.99	0.33
Unrealised loss/(gain) on derivatives	39.44	(85.70)
Net gain on fair value changes classified as FVTPL	(76.59)	(78.66)
Net unrealised (gain)/loss on foreign exchange differences	(110.49)	388.68
Doubtful receivables and advances written off	5.06	-
Operating cash flows before working capital changes	**29,311.49**	**23,194.22**
Decrease/(increase) in inventories	3,100.28	(2,252.02)
Increase in trade receivables	(5,428.83)	(2,126.85)
(Increase)/decrease in unbilled revenue	(1,100.11)	3,206.80
Increase in financial and non-financial assets including derivative assets and liabilities	(709.81)	(137.23)
Increase/(decrease) in trade payable, other financial liabilities and current liabilities	(4,565.20)	1,256.69
Increase in provisions	12.72	9.13
Cash generated from operations	**20,620.54**	**23,150.74**
Income-tax paid (net)	(48.94)	(99.69)
Net cash generated from operating activities	**20,571.60**	**23,051.05**
B. Cash flows from investing activities		
Payment for purchase of property, plant and equipment and capital work-in-progress	(557.15)	(509.66)
Proceeds from sale of property, plant and equipment	2.09	-
Interest income received	489.89	688.75
Investment in/(maturity of) bank deposits, net	2,308.06	(51.60)
Purchase of mutual funds, net	(1,241.99)	(441.37)
Investment in subsidiaries	-	(5,170.79)
Net cash generated from / (used in) investing activities	**1,000.90**	**(5,484.67)**
C. Cash flows from financing activities		
Proceeds from issue of shares including securities premium	-	5,169.00
Repayment of long-term borrowings	(4,621.22)	(3,810.63)
Repayment of short-term borrowings, net	(4,632.64)	(4,000.07)
Repayment of lease liabilities	(18.38)	(19.81)
Interest and finance charges paid	(12,055.30)	(13,267.77)
Net cash used in financing activities	**(21,327.54)**	**(15,929.28)**
Net increase in cash and cash equivalents (A+B+C)	244.96	1,637.10
Cash and cash equivalents at the beginning of the year	1,654.08	16.98
Cash and cash equivalents at the end of the year	**1,899.04**	**1,654.08**

Standalone Statement of Cash Flow (continued)

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

Particulars	As at 31 March 2021	As at 31 March 2020
Components of cash and cash equivalents:		
Balance with scheduled banks		
On current accounts	167.43	118.89
Deposits with original maturity of less than three months	1,731.61	1,535.19
Total cash and cash equivalents (Refer note 2.10)	**1,899.04**	**1,654.08**

Reconciliation between the opening and closing balances in the balance sheet for financial liabilities from financing activities are given below:

Particulars	As at 31 March 2020	Net cash flows	Foreign exchange movement and borrowing cost	As at 31 March 2021
Long-term borrowings	1,30,950.60	(4,621.22)	(1,875.94)	1,24,453.44
Short-term borrowings	12,617.57	(4,632.64)	(65.80)	7,919.13
	1,43,568.17	**(9,253.86)**	**(1,941.74)**	**1,32,372.57**

Significant accounting policies 1

The accompanying notes form an integral part of the standalone financial statements

As per our report on standalone financial statements of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 116231W/ W-100024

Hemant Maheshwari
Partner
Membership No: 096537

Place: Hyderabad
Date: 24 May 2021

for and on behalf of the Board of Directors of
Sembcorp Energy India Limited
CIN: U40103TG2008PLC057031

Wong Kim Yin
Chairman
DIN: 08806258

Vipul Tuli
Managing Director
DIN: 07350892

Juvenil Jani
Chief Financial Officer

Narendra Ande
Company Secretary
Membership No: A14603

Place: Gurugram
Date: 24 May 2021

Standalone Statement of Changes in Equity

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

Particulars	Equity share capital	Other equity					Total equity
		Reserves and surplus				Other comprehensive income	
		Securities premium	Capital reserve on amalgamation	Fair value of interest free INR denominated notes from holding company	Retained earnings	Effective portion of cash flow hedges	
Balance as at 1 April 2019	**51,587.22**	**37,787.50**	**16,013.56**	**646.26**	**(12,206.69)**	**(932.35)**	**92,895.50**
Transactions with shareholders:							
Equity shares issued during the year	2,749.47	-	-	-	-	-	2,749.47
Securities premium on equity shares issued	-	2,419.53	-	-	-	-	2,419.53
Transition adjustment of Ind AS 116 "Leases"	-	-	-	-	(15.25)	-	(15.25)
	2,749.47	**2,419.53**	**-**	**-**	**(15.25)**	**-**	**5,153.75**
Profit for the year	-	-	-	-	1,187.01	-	1,187.01
Other comprehensive income/(loss)	-	-	-	-	(6.54)	333.57	327.03
Fair value of interest free INR denominated notes from holding company	-	-	-	509.16	-	-	509.16
	-	**-**	**-**	**509.16**	**1,180.47**	**333.57**	**2,023.20**
Balance as at 31 March 2020	**54,336.69**	**40,207.03**	**16,013.56**	**1,155.42**	**(11,041.47)**	**(598.78)**	**1,00,072.45**
Profit for the year	-	-	-	-	8,720.12	-	8,720.12
Other comprehensive income/(loss)	-	-	-	-	(2.46)	557.14	554.68
Fair value of interest free INR denominated notes from holding company	-	-	-	234.72	-	-	234.72
	-	**-**	**-**	**234.72**	**8,717.66**	**557.14**	**9,509.52**
Balance as at 31 March 2021	**54,336.69**	**40,207.03**	**16,013.56**	**1,390.14**	**(2,323.81)**	**(41.64)**	**1,09,581.97**

Significant accounting policies 1

The accompanying notes form an integral part of the standalone financial statements

As per our report on standalone financial statements of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 116231W/ W-100024

Hemant Maheshwari
Partner
Membership No: 096537

Place: Hyderabad
Date: 24 May 2021

for and on behalf of the Board of Directors of
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Vipul Tuli
Managing Director
DIN: 07350892

Juvenil Jani
Chief Financial Officer

Narendra Ande
Company Secretary
Membership No: A14603

Place: Gurugram
Date: 24 May 2021

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

Corporate information

Sembcorp Energy India Limited ('the Company') was incorporated on 8 January 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 31 October 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 1 April 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 Pynampuram and Nelatur Villages, Muthukur Mandal, Nellore District in the state of Andhra Pradesh. The commercial operations of SEIL-P2 had commenced on 17 November 2016 for unit I and on 21 February 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, 31 March 2021.

The financial statements were authorised for issue by the Company's Board of Directors on 24 May 2021.

1.2 Functional and presentation currency

These financial statements are presented in Indian rupees (Rs.) and all the values are rounded off to the nearest million to two decimal places except when otherwise indicated, which is also the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All financial information presented in Indian rupees.

1.3 Basis of measurement

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

Items	Measurement basis
Certain financial assets and liabilities	Fair value (refer accounting policy regarding financial instruments)
Derivative instruments	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations.

1.4 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 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

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

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.

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 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

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

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.

1.5 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. No new standards are notified during the year

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 01 April 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive, and the Company will evaluate the same to give effect to them as required by law.

1.6 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.

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.

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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.

1.7 Revenue recognition

The Company is engaged in generation and supply of electricity. Revenue from operations are primarily from sale of electricity.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, considering contractually defined terms of payment excluding discounts, rebates, and taxes or duty. When there is uncertainty as to measurement or ultimate collectability of revenue, recognition is postponed until such uncertainty is resolved.

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 and adjusted with revenue from sale of electricity.

Unbilled receivables represent energy units delivered to the power network as per the terms of PPAs and was not invoiced to the Customers on the reporting date. The Company has unconditional right to receive the cash, and only act of invoicing is pending as on balance sheet date, as per contractual terms. Unearned income (contract liability) is recognised when the billing is in excess of revenue earned.

The Company accounts for fuel and power purchase price adjustment claims in case of claims of change in law etc. as and when allowed by the regulatory authorities and truing-up of adjustment claims as and when realised.

Claims for delayed payment charges, insurance claims and any other claims, which the Company is entitled to under the PPAs, are accounted for in the year of acceptance by the customers or on actual receipt of the claim, whichever is earlier, considering the uncertainty as to measurement or ultimate collectability of revenue.

Interest income is recognized based on effective interest rate method (EIR). It is the rate that exactly 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 asset. When calculating the effective interest rate, 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.

Dividend income is recognised when the unconditional right to receive the income is established which is generally when shareholders approves the dividend.

1.8 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.

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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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	25 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

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.

1.9 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 amortised over the estimated useful lives as given below:

Category	Life considered
Computer software	3 years

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.

1.10 Inventories

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

1.11 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.

Notes to the Standalone Financial Statements

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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.

1.12 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.

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 the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

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 contractual obligation.

Share based payment transactions:

The Company has not issued any shares / stock options on its shares. The ultimate holding company has however issued certain options on its own shares to certain employees of the Company Restricted Share Plan ("RSP") and Preferential Share Plan ("PSP"). These options are in the nature of cash settled award as well as equity settled award. Under the cash settled scheme, the Company pays cash to the employees based on fair value method. The compensation cost is amortised over the vesting period of the stock option on straight-line basis. Under the equity settled scheme, the Company measures and discloses such costs using fair value method.

1.13 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred. Costs in connection with the borrowing of

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funds to the extent not directly related to the acquisition of qualifying assets are charged to the statement of profit and loss over the tenure of the loan.

Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset up to the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the statement of profit and loss during extended periods when active development activity on the qualifying assets is interrupted. Interest income earned on temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

1.14 Financial instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and liabilities are recognised 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 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.

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.

iv. De-recognition of financial instruments

a) Financial asset

The Company derecognises a financial asset when the contractual rights to the cash flows

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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.

1.15 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.

1.16 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, 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

This category has derivative financial assets or liabilities which are not designated as hedges.

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 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 statement of profit and loss.

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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.

1.17 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 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 lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

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.

1.18 Investment in subsidiaries

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

1.19 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.

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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 (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 incremental borrowing rates in the country of domicile of these leases. 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.

1.20 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.

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

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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 Group 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.

1.21 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.

1.22 Earnings per share

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

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

1.23 Cash flow statement

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

1.24 Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

1.25 Business combinations

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

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combinations, the Company elects whether it measures the non-

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Company acquired a business, it assessed the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

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. 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

for the year ended 31 March 2021

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

Particulars	Freehold Land	Land (leased) (sub note 1)	Roads	Right of use assets - Land & Buildings (sub note 1) (refer note 2.32)	Right of use assets- Vehicles (refer note 2.32)	Office buildings	Factory buildings	Furniture and fittings	Vehicles	Office equipment	Electrical installations	Plant and equipment	Computers	Total property, plant and equipment	Capital work-in-progress
Gross carrying amount															
Balance as at 1 April 2019	2,442.04	619.63	2,246.29	-	-	1,516.28	774.88	97.25	76.77	124.86	95.93	1,81,441.16	97.76	1,89,532.85	754.05
Transition adjustment of Ind AS 116 "Leases"	-	(619.63)		738.24	-	-	-	-	-	-	-	-	-	118.61	-
Additions	-	-	71.52	-	-	10.31	15.67	15.65	3.66	2.87	-	380.00	17.12	516.80	444.97
Disposals	-	-	-	-	-	-	-	-	(0.84)	(0.96)	-	(355.63)	(4.06)	(361.49)	(0.16)
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(476.16)
Balance as at 31 March 2020	**2,442.04**	**-**	**2,317.81**	**738.24**	**-**	**1,526.59**	**790.55**	**112.90**	**79.59**	**126.77**	**95.93**	**1,81,465.53**	**110.82**	**1,89,806.77**	**722.70**
Additions	171.06	-	-	6.98	11.54	0.27	5.53	0.11	9.14	2.99	-	424.97	16.79	649.38	479.57
Disposals	-	-	-	(4.79)	-	(10.20)	-	(22.43)	(1.16)	(16.25)	-	(10.18)	(10.12)	(75.13)	(0.88)
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(601.98)
Balance as at 31 March 2021	**2,613.10**	**-**	**2,317.81**	**740.43**	**11.54**	**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**
Accumulated depreciation															
Balance as at 1 April 2019	-	-	739.81	-	-	81.42	104.92	31.49	25.34	94.62	53.89	21,130.80	54.94	22,317.23	-
Transition adjustment of Ind AS 116 "Leases"	-	-	-	52.10	-	-	-	-	-	-	-	-	-	52.10	-
Depreciation for the year	-	-	222.18	13.76	-	22.95	25.39	10.77	7.88	14.82	6.75	7,115.89	22.24	7,462.63	-
Disposals	-	-	-	-	-	-	-	-	-	(0.08)	-	(59.95)	(3.96)	(63.99)	-
Balance as at 31 March 2020	**-**	**-**	**961.99**	**65.86**	**-**	**104.37**	**130.31**	**42.26**	**33.22**	**109.36**	**60.64**	**28,186.74**	**73.22**	**29,767.97**	**-**
Depreciation for the year	-	-	197.33	11.92	0.96	29.76	25.92	11.19	10.11	9.40	13.43	7,124.30	20.81	7,455.13	-
Disposals	-	-	-	(2.72)	-	(0.91)	-	(14.68)	(0.66)	(15.39)	-	(3.01)	(9.61)	(46.98)	-
Balance as at 31 March 2021	**-**	**-**	**1,159.32**	**75.06**	**0.96**	**133.22**	**156.23**	**38.77**	**42.67**	**103.37**	**74.07**	**35,308.03**	**84.42**	**37,176.12**	**-**
Carrying amounts (net)															
As at 31 March 2020	**2,442.04**	**-**	**1,355.82**	**672.38**	**-**	**1,422.22**	**660.24**	**70.64**	**46.37**	**17.41**	**35.29**	**1,53,278.79**	**37.60**	**1,60,038.80**	**722.70**
As at 31 March 2021	**2,613.10**	**-**	**1,158.49**	**665.37**	**10.58**	**1,383.44**	**639.85**	**51.81**	**44.90**	**10.14**	**21.86**	**1,46,572.29**	**33.07**	**1,53,204.90**	**599.41**

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 25 November 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 12 November 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 previous 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.

Note 2: Free hold land includes Rs. 36.76 million being land parcels purchased from APIIC by SEIL-P2. As per the terms of Agreement for sale of land, sale deed will be issued by APIIC after commissioning. The said sale deed is yet to be executed in the name of the Company on account of certain administrative delays.

Note 3: Refer note 2.13 and 2.18 for assets pledged against the borrowings of the Company

Note 4: Title deeds of certain lands 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 deeds in its name for the aforesaid immovable properties and that it will be able to defend any counter claim to such property (refer note 2.29).

Notes to the Standalone Financial Statements

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2.2 Other intangible assets and Goodwill

Particulars	Other intangible assets (Softwares)	Goodwill
Gross carrying amount		
Balance as at 1 April 2019	**95.84**	**1,234.20**
Additions	0.13	-
Disposals	-	-
Balance as at 31 March 2020	**95.97**	**1,234.20**
Additions	14.37	-
Disposals	-	-
Balance as at 31 March 2021	**110.34**	**1,234.20**
Accumulated amortisation		
Balance as at 1 April 2019	**89.18**	**-**
Amortisation for the year	6.26	-
Balance as at 31 March 2020	**95.44**	**-**
Amortisation for the year	2.71	-
Balance as at 31 March 2021	**98.15**	**-**
Carrying amounts (net)		
As at 31 March 2020	**0.53**	**1,234.20**
As at 31 March 2021	**12.19**	**1,234.20**

Impairment tests for goodwill:

Goodwill is tested for impairment on annual basis whenever there is an indication that the recoverable amount of an asset is less than its carrying amount. The recoverable amount of asset is determined based on higher of value in use and fair value less cost to sell.

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). The Scheme of Amalgamation was approved by the High Court of Madras on 12 October 2011. Nelcast was the 100% subsidiary of SEIL-P2. The recoverable value is determined for the cash generating unit ('CGU') to which the Goodwill belongs. As the recoverable value of CGU is higher than the carrying value of assets of CGU including goodwill, the management did not identify any impairment on the goodwill.

The Company opted to apply Ind AS 103 exemption for the business combinations which occurred prior to transition into Ind AS i.e. 1 April 2015. Accordingly, amalgamation of Nelcast with the Company has not been restated and Goodwill accounted at the time of Amalgamation has been continued and is subject to impairment test on annual basis.

The carrying amount of goodwill as at 31 March 2021 is Rs 1,234.20 million (31 March 2020: Rs 1,234.20 million).

For the purpose of impairment testing, goodwill is allocated to the cash generating units (CGU), which benefit from the synergies of the acquisition.

The Company has two cash generating units SEIL P1 and SEIL P2 with a capacity of 1320 MW each.

The aggregate carrying amounts of goodwill allocated to each unit are as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Cash Generating unit		
SEIL P2	1,234.20	1,234.20
Total	**1,234.20**	**1,234.20**

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

2.2 Other intangible assets and Goodwill (Contd..)

The recoverable amount of a CGU is based on its value in use. The value in use is estimated using discounted cash flows over a period of 21 years.

Revenue, margins and cash flow projections have been estimated based on past experience and after considering the financial budgets/ forecasts approved by the management. Other key assumptions used in the estimation of the recoverable amount are set out below. 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.

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

Assumption	Basis
Cash flow projections period	Remaining useful life of plants assumed 21 years (31 March 2020: 22 years) The PPA available under the CERC guidelines is for the life of plant capped at 25 years, hence cashflow projection considered based on the remaining useful life."
Terminal value	None
Weighted average cost of capital % (WACC) post tax	9.7% (31 March 2020: 9.45%)
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.

These assumptions are reviewed annually as part of management's budgeting and strategic planning cycles. These estimates may differ from actual results. The values assigned to each of the key assumptions reflect the Management's past experience as their assessment of future trends, and are consistent with external / internal sources of information.

As at 31 March 2021 the estimated recoverable amount of the CGU exceeded its carrying amount and accordingly, no impairment was recognized.

The Company has also performed sensitivity analysis calculations on the projections used and discount rate applied. Given the significant headroom that exists, and the results of the sensitivity analysis performed, it is concluded that there is no significant risk that reasonable changes in any key assumptions would cause the carrying value of goodwill to exceed its value in use.

2.3 Derivative assets

Particulars	As at 31 March 2021	As at 31 March 2020
Non-current		
Derivative designated as cash flow hedge		
- Fair value of cross currency interest rate swaps	-	1,429.63
	-	**1,429.63**
Current		
Derivative designated as cash flow hedge		
- Fair value of forward contracts	-	46.88
- Fair value of cross currency interest rate swaps	1,067.52	-
- Fair value of commodity hedge contracts	251.86	-
Derivatives not designated as cash flow hedge		
- Fair value of forward contracts	0.51	1,523.37
	1,319.89	**1,570.25**

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for the year ended 31 March 2021

2.4 Other financial assets
(Unsecured, considered good)

Particulars	As at 31 March 2021	As at 31 March 2020
Non-current		
Margin money deposits and other deposits with banks*	3,830.37	3,712.54
Interest accrued on deposits	-	100.50
Security deposits	16.94	-
	3,847.31	**3,813.04**
Current		
Unbilled receivables	5,930.93	4,830.82
Less: Loss allowance	(4.28)	(1.64)
Interest accrued on deposits	155.57	181.16
Security deposits	-	7.11
Premium on forward contracts	325.06	134.63
Other receivables	42.23	-
	6,449.51	**5,152.08**

* Reserved against margin money for bank guarantees, other commitments and debt service reserves on long-term borrowings as at the year end, hence termed as non-current.

2.5 Non-current tax assets

Particulars	As at 31 March 2021	As at 31 March 2020
Advance income taxes*	835.92	786.98
	835.92	**786.98**

* Net of provision for taxes Rs. Nil (31 March 2020: Rs. Nil)

2.6 Other assets
(Unsecured, considered good)

Particulars	As at 31 March 2021	As at 31 March 2020
Non-current		
Capital advances	150.82	124.87
Balance with government authorities paid under protest (refer note 2.29)	119.98	206.68
Contribution to gratuity fund (refer note 2.34)	15.29	10.71
Prepayments	2.14	1.17
	288.23	**343.43**
Current		
Advance to suppliers and service providers	793.67	645.56
Balance with government authorities (refer note 2.44)	1,547.44	719.27
Prepayments	476.85	513.06
	2,817.96	**1,877.89**

2.7 Inventories
(Valued at lower of cost and net realisable value)

Particulars	As at 31 March 2021	As at 31 March 2020
Fuel*	2,493.59	5,853.92
Stores and spares	2,087.03	1,826.98
	4,580.62	**7,680.90**

* includes materials-in-transit amounting to Rs. 1,065.38 million, (31 March 2020: Rs. 2,482.81 million).

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

2.8 Investments

Particulars	Number of shares/ units		As at	
	As at 31 March 2021	As at 31 March 2020	31 March 2021	31 March 2020
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
Sembcorp Green Infra Limited	34,92,10,001	34,92,10,001	54,767.22	54,767.22
			54,770.14	**54,770.14**
B) Current investments:				
Investments in mutual funds (Debt securities):				
(Quoted, valued at fair value through profit or loss)				
UTI Liquid Cash Fund - Direct Plan - Growth	1,53,836	1,18,446	518.50	385.12
Axis Liquid Fund - Direct Plan - Growth	2,10,016	60,163	479.84	132.63
SBI Liquid Fund - Direct Plan - Growth	1,44,528	1,39,632	465.61	434.11
Baroda Liquid Fund Plan B - Direct Plan - Growth	-	92,970	-	212.83
Nippon India Liquid Fund - Direct Plan Growth	1,00,611	-	506.34	-
IDFC Cash Fund - Direct Plan - Growth	2,06,348	-	512.98	-
			2,483.27	**1,164.69**
Aggregate fair value of unquoted investments			54,770.14	54,770.14
Aggregate fair value of quoted investments			2,483.27	1,164.69
Aggregate provision for impairment in value of investments			-	-

2.9 Trade receivables

(Unsecured)

Particulars	As at 31 March 2021	As at 31 March 2020
Trade receivables		
- considered good	26,594.39	21,439.00
- which have significant increase in credit risk	537.11	321.86
Less: Loss allowance	(537.11)	(321.86)
- credit impaired	-	-
Less: Loss allowance	-	-
	26,594.39	**21,439.00**

Notes:

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

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

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

2.10 Cash and bank balances

Particulars	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalents:		
Balance with banks:		
On current accounts	167.43	118.89
Deposits with original maturity of less than three months**	1,731.61	1,535.19
	1,899.04	**1,654.08**
Bank balances other than those disclosed above		
Deposits due to mature after three months but before twelve months from the reporting date**	1,959.34	4,267.40
	1,959.34	**4,267.40**

** Includes Rs. 1,012.65 million (31 March 2020: Rs. 203.78 million) held as margin money towards bank guarantees and other commitments.

2.11 Share capital

Particulars	As at 31 March 2021	As at 31 March 2020
Authorised		
Equity shares		
15,000,000,000 (31 March 2020: 15,000,000,000) equity shares of Rs.10 each	1,50,000.00	1,50,000.00
	1,50,000.00	**1,50,000.00**
Issued, Subscribed and fully paid up		
5,433,668,574 (31 March 2020: 5,433,668,574) equity shares of Rs.10 each, fully paid up (refer note below)	54,336.69	54,336.69
	54,336.69	**54,336.69**

Of the above issued, subscribed and fully paid up equity share capital, 5,433,668,574 (31 March 2020: 5,433,668,574) equity shares of Rs. 10 each, fully paid-up are held by Sembcorp Utilities Pte Ltd, the holding company.

Notes:

643,970,442 (31 March 2020: 643,970,442) equity shares of Rs. 10 each, fully paid-up are pledged against secured term loans from banks by SEIL-P1 and pledged 408,480,080 (31 March 2020: 408,480,080) equity shares of the Company for loans availed by SEIL-P2.

The reconciliation of shares outstanding at the beginning and at the end of reporting year is set out as below:

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
Shares outstanding at the beginning of the year	5,43,36,68,574	54,336.69	5,15,87,21,764	51,587.22
Shares issued during the year	-	-	27,49,46,810	2,749.47
Shares outstanding at the end of the year	**5,43,36,68,574**	**54,336.69**	**5,43,36,68,574**	**54,336.69**

The details of shareholders holding more than 5% shares along with number of equity shares held is set below:

Name of shareholders	As at 31 March 2021		As at 31 March 2020	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares				
Sembcorp Utilities Pte. Ltd., the holding company along with its nominees#	5,43,36,68,574	100.00%	5,43,36,68,574	100.00%

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

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

2.11 Share capital (Contd..)

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.

Aggregate number of bonus shares issued and shares issued for consideration other than cash during the five years immediately preceding the reporting date:

For the year ended 31 March 2018, the Company has issued 2,568,750,000 equity shares of Rs. 10 each fully paid at a premium of Rs. 8.80 per share to the shareholders of Sembcorp Gayatri Power Limited and Sembcorp Green Infra Limited as a consideration for acquisition of these entities on 15 February 2018.

2.12 Other equity

Particulars	As at 31 March 2021	As at 31 March 2020
Securities premium		
Balance at the beginning of the year	40,207.03	37,787.50
Add: Additions during the year	-	2,419.53
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 holding company		
Balance at the beginning of the year	1,155.42	646.26
Add: Additions during the year	234.72	509.16
Balance at end of the year	**1,390.14**	**1,155.42**
Retained earnings		
Balance at the beginning of the year	(11,041.47)	(12,206.69)
Less: Transition adjustment of Ind AS 116 "Leases"	-	(15.25)
Add: Profit for the year	8,720.12	1,187.01
Items that will not be reclassified subsequently to profit or loss		
- Remeasurement of post employment benefit obligations, net of tax	(2.46)	(6.54)
Balance at end of the year	**(2,323.81)**	**(11,041.47)**

Particulars	As at 31 March 2021	As at 31 March 2020
Other comprehensive income (OCI)		
Balance at the beginning of the year	(598.78)	(932.35)
Add: Change in fair value, net of tax	557.14	333.57
Less: Utilisation	-	-
Total other comprehensive income	**(41.64)**	**(598.78)**
Total Other Equity	**55,245.28**	**45,735.76**

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.

Notes to the Standalone Financial Statements

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2.12 Other equity (Contd..)

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 and remeasurement gain/(loss) relating to defined benefit liability.

Other items of other comprehensive income - 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.

2.13 Borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
Non-current borrowings:		
Secured From banks		
Rupee term loans	35,244.78	39,528.56
Foreign currency non repatriable (FCNR) term loan*	27,534.84	28,987.21
External commercial borrowings	-	15,819.23
Unsecured From related party (refer note 2.41)		
INR denominated notes	42,400.00	42,400.00
	1,05,179.62	1,26,735.00
Less: Unamortised part of loan origination cost	(281.92)	(342.55)
	1,04,897.70	**1,26,392.45**

*During the current year, the Company had converted Rupee term loan of Rs. 26,589.25 million of SEIL-P1 for a period upto 365 days and Rupee term loan of Rs. 1,850.00 million of SEIL-P2 into FCNR Loans for a period 364 days.

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

a) Rupee term loans and FCNR term loans:

Rupee Term loans and FCNR term loans obtained by SEIL-P1 from banks are secured by way of:

1. 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 land under lease situated at Pynampuram and Nelatur Villages, Muthukur Mandal in the state of Andhra Pradesh.

2. First ranking pari passu charge over all the present and future assets (both tangible and intangible) of SEIL-P1.

3. Pledge of 643,970,442 (31 March 2020: 643,970,442) fully paid equity shares of Rs. 10 each held by the holding Company.

Rupee Term loans and FCNR term loans obtained by SEIL-P2 from banks are secured by way of:

1. 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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

2.13 Borrowings (Contd..)

2. First ranking pari passu charge over all the present and future assets (both tangible and intangible) of SEIL-P2.

3. Pledge of 408,480,080 (31 March 2020: 408,480,080) fully paid up equity shares of Rs. 10 each held by the holding Company.

4. The holding company has given corporate guarantee to cover the outstanding exposure."

Terms of repayment and rate of interest for Rupee Term loans by SEIL-P1:

Rupee Term Loan facility -I from banks are repayable in 79 quarterly structured unequal instalments commenced from 31 December 2016 and Rupee Term Loan facility - II from banks are repayable in 77 quarterly structured unequal instalments commenced from 30 June 2017. 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 8.20% to 9.25% p.a (31 March 2020: 9.25% to 9.75% p.a.)

Terms of repayment and rate of interest for Rupee Term loans by SEIL-P2:

Rupee term loans facilities are repayable in 78 quarterly structured unequal instalments commenced from 30 September 2017. 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 9.70% p.a.(31 March 2020: 9.50% to 9.70% p.a.)

Terms of repayment and rate of interest for FCNR Term loans by SEIL-P1 and SEIL-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 honoured 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 7.73% to 7.81% p.a.) (31 March 2020: 8.74% to 8.88% p.a.)

b) External commercial borrowings

1. The external commercial borrowings ('ECB') are payable in 20 quarterly structured unequal instalments commenced from 30 June 2017. ECB are guaranteed by Sembcorp Utilities Pte Ltd, the holding company. ECB carry interest at 3 month LIBOR plus 1.15% p.a. The Company has entered into cross currency interest rate swaps and the applicable interest rate under hedge agreement is 8.36% p.a.(31 March 2020: 8.36%).

2. The entire outstanding amount as at 31 March 2021 is shown under current maturities as final maturity date falls on 31 March 2022

3. The holding company has given corporate guarantee to cover the outstanding exposure.

c) INR denominated Notes

INR denominated Notes are unsecured and these notes have been subscribed fully by holding company, Sembcorp Utilities Pte Ltd. Terms of repayment, interest rate, interest accrued and outstanding are given below. Interest is payable on semi annual basis.

Tranche	Amount	Date of receipt	Interest coupon	Maturity period	Interest accrued on borrowings	Due dates for payment of interest
1	7,893.90	9 December 2016	12%	30 September 2022	293.26	30 September 2022
2	9,000.00	27 March 2017	10%	27 March 2027	431.53	30 September 2022
3	9,000.00	6 April 2017	10%	6 April 2027	2,138.45	30 September 2022
4	9,000.00	7 April 2017	10%	7 April 2027	2,140.68	30 September 2022
5	7,506.10	7 April 2017	10%	7 April 2027	1,659.06	30 September 2022
	42,400.00				**6,662.98**	

The holding company has deferred the repayment of tranche 1 principal amount and interest accrued as at 31 March 2021 to 30 September 2022 at the request of the Company. Finance component on account of interest free deferment is recognised at fair value in other equity.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

2.14 Derivatives

Particulars	As at 31 March 2021	As at 31 March 2020
Current		
Derivatives designated as cash flow hedge		
- Fair value of commodity hedge contracts	-	146.88
- Fair value of forward contracts	5.55	-
Derivatives not designated as cash flow hedge		
- Fair value of forward contracts	333.88	-
	339.43	**146.88**

2.15 Other financial liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Non-current		
Interest accrued on INR denominated notes (refer note 2.13(c))	5,956.52	7,100.96
Lease liabilities (refer note 2.32)	58.46	59.74
	6,014.98	**7,160.70**
Current		
Current maturities of long-term borrowings (refer note 2.13)	19,555.74	4,558.15
Capital creditors (refer note 2.30)	458.92	466.11
Interest accrued on borrowings (refer note 2.13)	332.87	296.44
Retention bonus payable	-	21.91
Retention money payable (refer note 2.30)	6,796.47	6,906.73
Payable to employees	131.28	102.34
Lease liabilities (refer note 2.32)	14.31	9.35
Other payables	100.94	46.88
	27,390.53	**12,407.91**

2.16 Provisions

Particulars	As at 31 March 2021	As at 31 March 2020
Non-current		
Provision for employee benefits		
- Compensated absences	61.85	52.09
	61.85	**52.09**
Current		
Provision for employee benefits		
- Compensated absences	10.03	7.07
	10.03	**7.07**

2.17 Other liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Current		
Advance from customers	17.15	6.47
Unearned income	296.32	298.99
Dues to statutory authorities	252.00	241.15
Other payables (refer note 2.30)	3,924.30	3,925.29
	4,489.77	**4,471.90**

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

2.18 Short-term borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
Secured		
Working capital demand loans	5,780.00	7,687.87
Cash credit accounts	0.63	0.42
Buyers credit	2,138.50	1,473.84
Unsecured		
Commercial papers	-	3,455.44
	7,919.13	**12,617.57**

a) Terms and nature of security:

Loans from banks by SEIL-P1

i) Borrowings from banks are secured by mortgage pari passu first 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 land under lease situated at Pynampuram and Nelatur Villages, Muthukur Mandal in the state of Andhra Pradesh.

ii) First pari passu charge over all the present and future assets (both tangible and intangible) of the SEIL-P1.

iii) 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.

Loans from banks by SEIL-P2

i) 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.

ii) First ranking pari passu charge over all the present and future assets (both tangible and intangible) of the SEIL-P2.

iii) The fund based working capital facilities from State Bank of India, Development Bank of Singapore, Hong Kong and Shanghai Banking Corporation bank are secured by the Corporate guarantee of Sembcorp Utilities Pte Ltd.

b) Term of interest and repayments:

Repayment terms: Work capital demand loans and buyers credit tenure is 180 days from the date of draw down and cash credits are repayable on demand for both the projects. The Company during the year has availed short-term loans by way commercial paper as part of working capital for a period upto 90 days.

Rate of interest: Working capital loans and Cash Credit loans outstanding's carries interest rate at the range of 6.85% to 8.70% p.a. (31 March 2020: 7.55% to 9.10% p.a.) buyers credit outstanding's carries LIBOR based interest rate including spread in the range of 1.50% to 1.64% p.a (31 March 2020: 1.67% to 2.82% p.a) and Commercial Paper outstanding's having carrying rate 4.11% to 6.5% p.a (31 March 2020: 6.00% to 6.5% p.a).

2.19 Trade payables

Particulars	As at 31 March 2021	As at 31 March 2020
Total outstanding dues to micro and small enterprises (refer note 2.35)	1.32	0.83
Total outstanding dues to other than micro and small enterprises		
- related parties (refer note 2.41)	24.06	48.07
- others	1,829.06	4,231.33
	1,854.44	**4,280.23**

Notes to the Standalone Financial Statements
for the year ended 31 March 2021

2.20 Current tax liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for taxes (net of advance tax)	336.49	336.49
	336.49	**336.49**

2.21 Revenue from operations

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of electricity (refer note 2.45)	73,591.41	71,069.43
Other operating revenues:		
-Sale of fly ash	82.78	35.93
	73,674.19	**71,105.36**
a. Reconciliation of revenue from electricity recognised with the contracted price is as follows:		
Contract price	73,868.41	71,577.89
Adjustments for:		
Rebates	(141.98)	(321.87)
Deviation charges	(137.69)	(179.91)
Unearned income	2.67	(6.68)
Sale of electricity	**73,591.41**	**71,069.43**
b. Changes in contract liabilities*		
Balance at the beginning of the year	305.46	300.84
Less: Amount recognised as revenue/other adjustments during the year	(9.14)	(1.85)
Add: Amount received during the year	17.15	6.47
Balance at the end of the year	**313.47**	**305.46**

* Contract liabilities include unearned income and advance from customer.

c. Transaction Price - Remaining Performance Obligation

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts as the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date.

d. Refer note 2.33 for Revenue disaggregation by geography

e. Contract balances

Particulars	As at 31 March 2021	As at 31 March 2020
Trade receivables	26,594.39	21,439.00
Unbilled receivables	5,926.65	4,829.18
Contract liabilities	313.47	305.46

2.22 Other income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income	363.80	583.45
Income from mutual fund measured at FVTPL	76.59	78.66
Late payment surcharges from customers (refer note 2.45 and 2.47)	2,846.56	946.45
Income from insurance claims (refer note 2.43)	790.70	1,057.19
Gain on derivative contracts, net	-	191.81
Miscellaneous income (refer note 2.46)	30.55	680.50
	4,108.20	**3,538.06**

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

2.23 Cost of fuel

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Coal and alternative fuel cost	40,519.73	43,118.24
	40,519.73	**43,118.24**

2.24 Transmission charges

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Transmission charges	2,378.99	2,731.53
	2,378.99	**2,731.53**

2.25 Employee benefit expenses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages and bonus	1,425.66	1,475.25
Contribution to provident and other funds (refer note 2.34)	86.00	78.90
Employee shared based expenses (refer note 2.42)	56.35	30.21
Staff welfare expenses	84.36	90.75
	1,652.37	**1,675.11**

2.26 Finance costs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense on financial liabilities measured at amortised cost	12,676.12	13,693.12
Unwinding of discount on lease liabilities (refer note 2.32)	6.81	7.15
Other borrowing costs	715.10	688.28
	13,398.03	**14,388.55**

2.27 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on property, plant and equipment	7,442.25	7,448.87
Depreciation on right to use assets (refer note 2.32)	12.88	13.76
Amortisation on intangible assets	2.71	6.26
	7,457.84	**7,468.89**

2.28 Operating and other expenses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Consumption of stores, spares and consumables	777.67	719.48
Repairs and maintenance		
- Buildings and civil works	48.89	53.29
- Plant and equipment	885.12	926.91
- Others	83.59	114.98
Travelling and conveyance	11.01	72.55
Insurance	563.89	532.77
Vehicle hire charges	47.91	65.20

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

2.28 Operating and other expenses (Contd..)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Security charges	56.79	63.21
Legal and professional expenses (refer note 2.37)	276.55	477.65
Health and safety expenses	37.91	42.47
Expenditure on corporate social responsibility (refer note 2.36)	18.29	11.95
Rates and taxes	287.34	13.09
Rent (refer note 2.32)	3.50	18.26
Training and seminar	1.62	9.62
Printing and stationery	3.89	5.05
Directors' sitting fee	5.37	6.61
Commission charges	15.15	8.02
Communication expenses	15.07	17.16
Advertisement expenses	5.41	8.13
Loss on derivative contract	117.07	-
Loss on foreign currency transactions and translation (net)	93.83	592.42
Property, plant and equipment written off	23.99	0.33
Allowance for expected credit loss	217.89	211.40
Doubtful receivables and advances written off	5.06	-
Miscellaneous expenses	52.50	103.54
	3,655.31	**4,074.09**

2.29 Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at 31 March 2021	As at 31 March 2020
I) Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	222.53	315.60
	222.53	**315.60**
II) Claims against the Company not acknowledged as debt in respect of:		
(i) Income tax* (refer note a below)	749.53	1,183.04
(ii) Stamp duty (refer note b below)	-	-
(iii) Buildings and other construction works cess (BOCW Cess)	287.21	287.21
(iv) Entry tax**	150.62	150.62
(v) Works contract tax (refer note c below)	-	861.69
(vi) Service tax (refer note d below)***	798.13	798.13
(vii) Demand for fly ash disposal (National Green Tribunal)#	85.31	85.31
(viii) Township construction contract works##	149.92	-
(ix) Others (refer note e below)	Amount not ascertainable	Amount not ascertainable
	2,220.72	**3,366.00**

"* Tax paid under protest as at 31 March 2021: Rs. 445.88 million (31 March 2020: Rs. 532.58 million) (including advance tax and tax deducted at source for respective years).

During the year the Company has received draft order u/s 144C for AY 2017-18 under Income tax act, 1961. The Company has filed reply against the draft order and awaits the final order.

** Entry tax paid under protest as at 31 March 2021: Rs. 28.56 million (31 March 2020: Rs. 28.56 million).

*** Service tax paid under protest as at 31 March 2021 Rs. 59.86 million (31 March 2020 Rs. 59.86 million)

During the previous year, the Company has received a demand order from National Green Tribunal (NGT) levying environmental compensation charges towards non utilization/disposal of 100.00% fly ash. The estimated liability is Rs. 85.31 million as per order and the order is subject to similar proceedings pending before the Hon'ble Supreme Court where stay is operative.

Company had entered into contract with Koneru Constructions Private Limited ('Koneru') for construction of Township at Nellore for an amount Rs. 454.06 million. The contract was completed on 31 October 2017, the full and final settlement was agreed with Koneru on 15 December 2017 and the final payment was released by the Company on 15 November 2018.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

2.29 Contingent liabilities and commitments (to the extent not provided for)

During the year, Koneru has 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. and also sought appointment of an arbitrator. Koneru has also filed proceedings application under Section 11 of Arbitration and Conciliation Act , 1996 against SEIL before the Honbl'e High Court of Telangana.

Company is contesting the matter and has obtained legal opinion on the validity of the claims by Koneru. As per the legal opinion, company has a good arguable case in its favor on the basis of the following grounds:

a. Full and final settlement agreement was agreed between the parties and settled

b. majority of the claims by Koneru are barred in terms of the laws of limitation in India.

On the basis of the above and the legal opinion received, management is of the view that no provision is required in the books of accounts.

III) Bank guarantees with customs and others

Particulars	As at 31 March 2021	As at 31 March 2020
Bank guarantees with customs and excise	8,387.81	8,932.02
Bank guarantees for PPA and other commitments	6,487.14	8,995.41
	14,874.95	**17,927.43**

Notes:

a. During the year, the Company has opted under Vivaad Se Vishwas Scheme (VSVS) for settlement of withholding tax litigations for the previous years (from 2011-12 to 2015-16) pertaining to tax on guarantee fees to banks on buyer's credit and on service contracts pertaining to a vendor.

b. Based on the NCC Limited ('NCCL') Warranty and Indemnity agreement dated 1 February 2014 entered between SEIL- P2, NCCL and other counterparts, the liability, if any arising on account of dispute relating to SEIL-P2, would be to the account of NCCL. Accordingly, there would not be any impact on the financial position of the Company on account of Stamp duty relating to SEIL-P2.

c. During the year the Company received favourable order from Commercial Taxes department, Government of Andhra Pradesh for works contract tax.

d. 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 NCCL 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 20 March 2020 and also deposited 7.5% tax thereon and the hearing is currently awaited.

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.

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.

On 28 February 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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

2.30 Liquidated damages and bank guarantee encashment:

SEIL-P2 had raised a claim for an amount of Rs. 2,882.50 million and of US$ 9.04 million, towards liquidated damages on its EPC contractor, NCC Limited ('NCCL'), delay in the achievement of Provisional Acceptance on account of this delay, SEIL- P2 had to incur additional costs to commence the operations. Also a claim of US$ 40.97 million was raised on China National Technical I&E Corporation and Tianjin Electric Power Construction Company (CTC) Consortium towards the delay in agreed delivery schedule and non-achievement of Project Provisional Acceptance.

The Company had encashed performance bank guarantee (BGs) of Rs. 516.00 million on 19 April 2017 and Rs. 2,915.00 million on 3 November 2017 given by NCCL. NCCL had invoked Arbitration proceedings on 27 May 2017. NCCL had filed its statement of claims for Rs. 15,579.00 million with interest. SEIL- P2 had filed its statement of defence along with its counter claims to the tune of Rs. 10,127.00 million and US$ 9.04 million.

The matter is pending for disposal as of date and accordingly, no related adjustments have been made in these financial statements. Since the levy and encashment of BGs has been challenged by NCCL on the ground that liquidated damages are not payable by them, the recovery will be appropriately adjusted based on outcome of the arbitration proceeding.

2.31 Earnings per share

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2021
Net profit for the year	8,720.12	1,187.01
Number of equity shares		
Number of shares at the beginning of the year	5,43,36,68,574	5,158,721,764
Weighted average number of equity shares issued during the year	-	20,03,72,196
Weighted average number of equity shares outstanding during the year	**5,43,36,68,574**	**5,35,90,93,960**
Earnings per equity share (face value of share Rs.10 each)		
- Basic and diluted (refer note)	1.60	0.22

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

2.32 Right-of-use assets and leases

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying Ind AS 116 'Leases' and amendments to certain Ind AS. The Standard/amendments are applicable to the Company with effect from 1 April 2019.

The Company has adopted Ind AS 116 "Lease", effective from 1 April 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (1 April 2019) under modified retrospective approach. Accordingly, the Company has not restated corresponding year figures, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on 1 April 2019.

On transition, the Company recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. Accordingly, a right-of-use asset of Rs. 738.24 million and a corresponding lease liability of Rs. 81.75 million has been recognized. The cumulative effect on transition in retained earnings net off taxes is Rs. 15.25 million (including a deferred tax of Nil). The principal portion of the lease payments have been disclosed under cash flow from financing activities. The weighted average incremental borrowing rate of 9.50% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

2.32 Right-of-use assets and leases (Contd..)

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 amount
As at 31 March 2021			
Leasehold land and buildings	740.43	75.07	665.36
Vehicle	11.54	0.96	10.58
Total	**751.97**	**76.03**	**675.94**
As at 31 March 2020			
Leasehold land and buildings	738.24	65.86	672.38
Vehicle	-	-	-
Total	**738.24**	**65.86**	**672.38**

Lease liability (Financial liability)	As at 31 March 2021	As at 31 March 2020
Present value of lease liability		
Current	14.31	9.35
Non- current	58.46	59.74
Maturity analysis		
0 - 1 year	20.35	15.52
1 - 5 years	66.19	67.05
More than 5 years	2.72	7.37

The amount recognised in the statement of profit and loss for the year ended 31 March 2021 for the right-of-use assets and lease liability are as follows:

Leasehold land and buildings	Vehicle	Leasehold land and buildings	Total
Depreciation charged on right-of-use assets	0.96	11.92	12.88
Unwinding of Interest expense on lease liabilities	0.34	6.47	6.81

The amount recognised in the statement of profit and loss for the year ended 31 March 2020 for the right-of-use assets and lease liability are as follows:

Leasehold land and buildings	Vehicle	Leasehold land and buildings	Total
Depreciation charged on right-of-use assets	-	13.76	13.76
Unwinding of Interest expense on lease liabilities	-	7.15	7.15

Further, the Company incurred Rs. 3.50 million (31 March 2020: Rs. 18.26 million) towards expenses relating to short-term leases and leases of low-value assets for the year ended 31 March 2021.

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. 18.38 million (31 March 2020: Rs. 19.81 million) for the year ended 31 March 2021.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

2.33 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 31 March 2021 and 31 March 2020 were as follows:

Customer name	For the year ended31 March 2021		For the year ended 31 March 2020	
	Revenue	%	Revenue	%
Telangana State Government utilities	29,994.00	40.71%	30,015.41	42.23%
Indian Energy Exchange (IEX)	13,977.07	18.97%	12,263.18	17.26%
Andhra Pradesh State Government utilities	8,932.19	12.12%	7,015.88	9.87%
Bangladesh Power Development Board	9,545.43	12.96%	6,958.73	9.79%

Geographical segments

Revenues, net	For the year ended 31 March 2021	For the year ended 31 March 2020
India	64,128.76	64,146.63
Bangladesh	9,545.43	6,958.73
Total	**73,674.19**	**71,105.36**

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. 66.08 million (31 March 2020: Rs. 62.22 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 31 March 2021	As at 31 March 2020
B. Reconciliation of the present value of defined benefit obligation		
Balance at the beginning of the year (As reported earlier)	77.15	58.41
Current service cost	14.79	12.83
Past service cost	5.88	-
Interest cost	5.28	4.26
Benefits paid	(4.21)	(3.82)
Actuarial (gains)/loss recognised in the other comprehensive income		

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

2.34 Assets and liabilities relating to employee benefits (Contd..)

Particulars	As at 31 March 2021	As at 31 March 2020
- experience adjustments	3.20	2.99
- changes in financial assumptions	(1.14)	2.48
Balance at the end of the year	**100.95**	**77.15**
C. Reconciliation of the present value of plan assets		
Balance at the beginning of the year	87.86	71.79
Contributions made into the plan by employer	26.96	18.01
Benefits paid	(4.21)	(6.13)
Expected return on plan assets	6.03	5.26
Actuarial loss on plan assets	(0.40)	(1.07)
Balance at the end of the year	**116.24**	**87.86**
Net defined benefit obligation/(asset)	**(15.29)**	**(10.71)**
Disclosure in the balance sheet:		
Non-current	15.29	10.71
Current	-	-

D. Expense recognized in the statement of profit and loss

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current service cost	14.79	12.83
Past service cost	5.88	-
Interest cost on obligation	5.28	4.26
Interest income on plan assets	(6.03)	(5.26)
	19.92	**11.83**
Remeasurements recognised in Other comprehensive income		
Actuarial loss on defined benefit obligation	2.06	5.47
Actuarial loss on planned asset	0.40	1.07
	2.46	**6.54**

E. Plan assets comprise of the following:

Particulars	As at 31 March 2021	As at 31 March 2020
New Group Gratuity Cash Accumulation Plan with LIC	116.24	87.86

F. Summary of actuarial assumptions

Demographic assumptions

Particulars	As at 31 March 2021	As at 31 March 2020
Attrition rate		
21 - 30 years	10.00%	10.00%
31 - 40 years	5.00%	5.00%
41 year and above	1.00%	1.00%
Financial assumptions		
Discount rate	7.05%	6.95%
Future salary growth rate	5.00%	5.00%

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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

2.34 Assets and liabilities relating to employee benefits (Contd..)

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:

Particulars	31 March 2021		31 March 2020	
	Increase	Decrease	Increase	Decrease
Sensitivity factor (%)	0.50%	0.50%	0.50%	0.50%
Change in discount rate (%)	(5.43)	5.94	(5.53)	6.03
Change in salary growth rate (%)	5.83	(5.42)	6.12	(5.66)

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 31 March 2021	As at 31 March 2020
Within 1 year	7.67	6.91
2 to 5 years	23.71	17.45
6 to 9 years	39.32	24.25
For year 10 and above	201.00	165.31

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.24.84 million (31 March 2020: Rs. 17.99 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 31 March 2021 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. The Company has not received any claim for interest from any supplier under the said MSMED Act.

Particulars	As at 31 March 2021	As at 31 March 2020
the amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	1.32	0.83
- Interest	-	-
the amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006);	-	-

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

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

Particulars	As at 31 March 2021	As at 31 March 2020
the amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year;	-	-
the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006;	-	-
the amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purposes of disallowances as a deductible expenditure under the MSMED Act, 2006;	-	-

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

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.

The Company has spent Rs. 18.29 million (31 March 2020 Rs. 11.94 million) during the year as per the provisions of Section 135 of the Companies Act, 2013 towards CSR activities

a. Gross amount required to be spent by the Company during the year Rs. 13.53 million (31 March 2020 Rs. 8.32 million)

b. Amount spent during the year on:

Particulars	Amount spent in cash	Amount yet to paid in cash	Total
Year ended 31 March 2021			
i) Construction/ Acquisition of any Asset	-	-	-
ii) On purpose other than (i) above*	18.29	-	18.29
Year ended 31 March 2020			
i) Construction/ Acquisition of any Asset	-	-	-
ii) On purpose other than (i) above	11.94	-	11.94

*Excess CSR amount spent has not been carried forward during the year

2.37 Auditor's remuneration (including taxes)

Particulars	As at 31 March 2021	As at 31 March 2020
- Statutory audit fee	4.13	4.13
- Other services	8.48	10.35
- Reimbursement of expenses	0.56	1.14
	13.17	**15.62**

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

2.38 Deferred tax

i) Deferred tax asset and liabilities attributable to the following

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax liability		
Excess of depreciation on assets under Income Tax law over depreciation provided in accounts	14,229.25	12,606.06
Unamortised part of borrowing costs	104.88	126.72
Fair value adjustment of current investments	10.13	7.14
	14,344.26	**12,739.92**
Deferred tax asset		
Allowance for expected credit loss	195.42	137.63
Provision for employee benefits	46.22	41.87
Expenses to be allowed as deductible in future	3,495.69	3,448.88
Unabsorbed loss and depreciation as per Income Tax law#	10,606.93	9,111.54
	14,344.26	**12,739.92**
Net unrecognised deferred tax asset(DTA) at the end of the year	**-**	**-**

Deferred tax assets are recognised on unabsorbed depreciation/carried forward tax losses only if, there is reasonable certainty that such deferred tax assets can be realised against future taxable profits in the Company.

ii) Movement in temporary differences

Particulars	As at 1 April 2020	Impact in Profit and loss	Impact in OCI	As at 31 March 2021
Excess of depreciation allowable under Income-tax law over depreciation provided in books	12,606.06	1,623.19	-	14,229.25
Unamortised part of borrowing costs	126.72	(21.84)	-	104.88
Fair value adjustment of current investments	7.14	2.99	-	10.13
	12,739.92	**1,604.34**	**-**	**14,344.26**
Deferred tax asset (DTA)				
Allowance for expected credit loss	137.63	57.79	-	195.42
Provision for employee benefits	41.87	4.35	-	46.22
Interest carried forward under Section 94B of the Income-tax law	3,448.88	46.81	-	3,495.69
Unabsorbed depreciation/carried forward tax losses	9,111.54	1,495.39	-	10,606.93
	12,739.92	**1,604.34**	**-**	**14,344.26**
Net deferred tax assets and liabilities	**-**	**-**	**-**	**-**

Particulars	As at 1 April 2019	Impact in Profit and loss	Impact in OCI	As at 31 March 2020
Deferred tax liability (DTL)				
Excess of depreciation allowable under Income-tax law over depreciation provided in books	12,504.03	102.03	-	12,606.06
Unamortised part of borrowing costs	-	126.72	-	126.72
Fair value adjustment of current investments	-	7.14	-	7.14
	12,504.03	**235.89**	**-**	**12,739.92**
Deferred tax asset (DTA)				
Allowance for expected credit loss	39.17	98.46	-	137.63
Provision for employee benefits	17.48	24.39	-	41.87
Interest carried forward under Section 94B of the Income-tax law	6,209.98	(2,761.10)	-	3,448.88
Unabsorbed depreciation/carried forward tax losses	6,237.40	2,874.14	-	9,111.54
	12,504.03	**235.89**	**-**	**12,739.92**
Net deferred tax assets and liabilities	**-**	**-**	**-**	**-**

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

2.38 Deferred tax (Contd..)

iii) Reconciliation of effective tax rate

Particulars	As at 31 March 2021	As at 31 March 2020
Profit before tax (a)	8,720.12	1,187.01
Domestic tax rate	25.17%	25.17%
Tax using the Company's domestic tax rate	**2,194.68**	**298.75**
Effect of		
Non deductible expenses(i.e., deemed interest expenses masala bond, loss on sale of assets)	112.57	63.70
Deferred Tax asset not created on temporary differences / unabsorbed depreciation or carried forward losses	(2,307.25)	(362.45)
Income tax expense (b)	**-**	**-**
Effective tax rate (b/a)	0%	0%

During the year ended 31 March 2021, the Company did not recognise deferred tax assets of Rs.256.56 million (31 March 2020 Rs. 2,565.39 million) in absence of reasonable certainty of future taxable profits (Unused tax loss and depreciation for deferred tax asset: Rs. 1,019.38 million (31 March 2020 Rs. 10,193.04 million)).

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 31 March 2021	As at 31 March 2020
Debt	A	1,32,372.57	1,43,568.17
Total equity	B	1,09,581.97	1,00,072.45
Total debt and equity		**2,41,954.54**	**2,43,640.62**
Debt-to-equity ratio	**(A/B)**	**1.21**	**1.43**

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

2.40 Financial instruments - Fair values and risk management

A) Accounting classifications and fair values

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

As at 31 March 2021:

Particulars	Note	Carrying amount				Fair value		
		FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets								
Investments - Mutual funds	2.8	2,483.27	-	-	2,483.27	2,483.27	-	-
Derivative assets	2.3	0.51	1,319.38	-	1,319.89	-	1,319.89	-
Trade receivables	2.9	-	-	26,594.39	26,594.39	-	-	-
Cash and cash equivalents	2.10	-	-	1,899.04	1,899.04	-	-	-
Other bank balances	2.10	-	-	1,959.34	1,959.34	-	-	-
Other financial assets	2.4	-	-	10,296.82	10,296.82	-	-	-
		2,483.78	**1,319.38**	**40,749.59**	**44,552.75**	**2,483.27**	**1,319.89**	**-**
Financial liabilities								
Derivative liabilities	2.14	333.88	5.55	-	339.43	-	339.43	-
Borrowings (excluding current maturities)	2.13 & 2.18	-	-	1,12,816.83	1,12,816.83	-	-	-
Trade payables	2.19	-	-	1,854.44	1,854.44	-	-	-
Other financial liabilities (including current maturities)	2.15	-	-	33,405.51	33,405.51	-	-	-
		333.88	**5.55**	**1,48,076.78**	**1,48,416.21**	**-**	**339.43**	**-**

As at 31 March 2020

Particulars	Note	Carrying amount				Fair value		
		FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets								
Investments - Mutual funds	2.8	1,164.69	-	-	1,164.69	1,164.69	-	-
Derivative assets	2.3	85.71	2,914.17	-	2,999.88	-	2,999.88	-
Trade receivables	2.9	-	-	21,439.00	21,439.00	-	-	-
Cash and cash equivalents	2.10	-	-	1,654.08	1,654.08	-	-	-
Other bank balances	2.10	-	-	4,267.40	4,267.40	-	-	-
Other financial assets	2.4	-	-	8,965.12	8,965.12	-	-	-
		1,250.40	**2,914.17**	**36,325.60**	**40,490.17**	**1,164.69**	**2,999.88**	**-**
Financial liabilities								
Derivative liabilities		-	146.88	-	146.88	-	146.88	-
Borrowings (excluding current maturities)	2.13 & 2.18	-	-	1,39,010.02	1,39,010.02	-	-	-
Trade payables	2.19	-	-	4,280.23	4,280.23	-	-	-
Other financial liabilities (including current maturities)	2.15	-	-	19,568.61	19,568.61	-	-	-
		-	**146.88**	**1,62,858.86**	**1,63,005.74**	**-**	**146.88**	**-**

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

2.40 Financial instruments - Fair values and risk management (Contd..)

Note:

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

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

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

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

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

Valuation techniques and significant unobservable inputs

Investment in mutual funds:

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

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

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

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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

2.40 Financial instruments - Fair values and risk management (Contd..)

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 31 March 2021	As at 31 March 2020
Fixed rate instruments		
Non-current and current borrowings	50,318.50	55,017.57
Effect of interest rate swaps	15,362.90	16,475.70
	65,681.40	71,493.27
Variable rate instruments		
Non-current and current borrowings	82,054.07	88,550.60
Effect of interest rate swaps (Hedge portion)	(15,362.90)	(16,475.70)
	66,691.17	**72,074.90**
	1,32,372.57	**1,43,568.17**

(ii) Foreign currency risk

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

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

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

Particulars	Currency	As at 31 March 2021		As at 31 March 2020	
		Indian Rupees	Foreign currency	Indian Rupees	Foreign currency
Financial assets					
Trade receivables	USD	722.55	9.83	1,147.37	15.22
Other financial assets (unbilled receivables)	USD	986.43	13.42	934.79	12.40
Total financial assets		**1,708.98**		**2,082.16**	
Financial liabilities					
Borrowings - ECB, FCNR and Buyer's credit	USD	(45,966.50)	(627.44)	(47,092.58)	(623.87)
Trade payables	USD	(998.19)	(13.58)	(935.54)	(12.41)
Trade payables	SGD	-	-	(25.07)	(0.48)
Other financial liabilities	SGD	(100.94)	(1.87)	(44.59)	(0.85)

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

2.40 Financial instruments - Fair values and risk management (Contd..)

(ii) Foreign currency risk (Contd..)

Particulars	Currency	As at 31 March 2021 Indian Rupees	As at 31 March 2021 Foreign currency	As at 31 March 2020 Indian Rupees	As at 31 March 2020 Foreign currency
Other financial liabilities	USD	(3,871.49)	(52.67)	(3,969.07)	(52.65)
Total financial liabilities		**(50,937.12)**		**(52,066.85)**	
Net financial liabilities		**(49,228.14)**		**(49,984.69)**	
Less: Derivatives					
Foreign exchange forward contracts (against Buyer's credit)	USD	2,138.25	29.09	1,473.79	19.55
Foreign exchange forward contracts (against FCNR)	USD	28,428.76	388.85	29,071.58	384.82
Cross currency interest rate swaps	USD	15,399.23	209.50	16,547.21	219.50
		45,966.24		**47,092.58**	
Net exposure in respect of recognised assets/ (liabilities)		**(3,261.90)**		**(2,892.11)**	

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 31 March 2021	158.05	(158.05)	158.05	(158.05)
As at 31 March 2020	141.12	(141.12)	141.12	(141.12)
SGD (5% movement)				
As at 31 March 2021	5.05	(5.05)	5.05	(5.05)
As at 31 March 2020	3.48	(3.48)	3.48	(3.48)

(iii) Commodity price risk

The prices of imported coal purchases are linked to price fluctuations in international coal market. Significant portion of cost and inventories are exposed to the risk of price fluctuations in international coal markets. The Company uses commodity hedge contracts to hedge the price risk of forecasted transactions.

The Company operates a risk management desk that uses hedging instruments to seek to reduce the impact of market volatility in coal prices on the Company's profitability. The Company's risk management desk uses coal commodity hedge contracts that are available in the commodity derivative markets. (The derivative instruments used for hedging purposes typically do not expose the Company to market risk because the change in their market value is usually offset by an equal and opposite change in the market value of the underlying asset, liability or transaction being hedged). The Company's open positions in commodity hedge contracts are monitored and managed on a regular basis to ensure compliance with its stated risk management policy which has been approved by the management.

Break-up of commodity hedge contracts entered into by the Company and outstanding as at balance sheet date:

Particulars	Contracts currency	Quantity of open contracts (MT)		Fair value of derivative asset/ (liability) (Rs.)	
		As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Coal commodity hedge contracts	USD	1,56,850	4,61,385	251.86	(146.88)

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

2.40 Financial instruments - Fair values and risk management (Contd..)

iv) 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.

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.)		Nominal values in Foreign currency (USD)		Nominal values Indian Rupees	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Derivatives designated as cash flow hedges:						
Cross currency interest rate swaps						
In USD	1,067.52	1,429.63	209.50	219.50	13,984.13	16,547.21
Commodity hedge contracts						
In USD	251.86	(146.88)	12.60	32.44	926.07	2,445.29
Forward options						
In USD	(5.55)	46.88	6.54	12.20	481.04	922.93
Derivatives not designated as cash flow hedge:						
Forward contracts and swaps						
In USD	(333.37)	1,523.37	438.90	410.99	32,261.03	30,983.04

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 2.4 and 2.9 represent the maximum credit risk exposure.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

2.40 Financial instruments - Fair values and risk management (Contd..)

b) Credit risk (Contd..)

Trade receivables and unbilled 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.

As at 31 March 2021 and 31 March 2020, the Company has 2 customers that owed the Company more than 90% of the trade receivable outstanding.

The Company also establishes an allowance for impairment that represents its estimate of expected credit losses in respect of trade receivables.

Impairment

The movement in Allowance for expected credit loss in respect of trade receivables and unbilled revenue during the year is as follows:

Particulars	Allowance for expected credit loss	
Particulars	As at 31 March 2021	As at 31 March 2020
Trade and unbilled receivables		
Balance at the beginning of the year	323.50	112.10
Movement in loss allowance	217.89	211.40
Balance at the end of the year	**541.39**	**323.50**

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

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

2.40 Financial instruments - Fair values and risk management (Contd..)

c) Liquidity risk (Contd..)

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 31 March 2021

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)*	1,30,742.83	25,040.21	68,810.16	1,03,800.70	1,97,651.07
Borrowings - short-term	7,919.13	7,919.13	-	-	7,919.13
Trade payables	1,854.44	1,854.44	-	-	1,854.44
Other financial liabilities (excluding current maturities and interest accrued on borrowings)	7,560.38	7,507.96	66.19	2.72	7,576.87
Derivatives	339.43	339.43	-	-	339.43
	1,48,416.21	**42,661.17**	**68,876.35**	**1,03,803.42**	**2,15,340.94**

As at 31 March 2020

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)*	1,38,348.00	12,460.85	89,085.29	1,18,740.60	2,20,286.74
Borrowings - short-term	12,617.57	12,617.57	-	-	12,617.57
Trade payables	4,280.23	4,280.23	-	-	4,280.23
Other financial liabilities (excluding current maturities and interest accrued on borrowings)	7,613.06	7,559.49	67.05	7.37	7,633.91
Derivatives	146.88	146.88	-	-	146.88
	1,63,005.74	**37,065.02**	**89,152.34**	**1,18,747.97**	**2,44,965.33**

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

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

2.41 Related party disclosure

a) List of related parties

Name of the party	Nature of relationship
Sembcorp Industries Ltd, Singapore	Ultimate holding company
Sembcorp Utilities Pte Ltd, Singapore	Holding company
TPCIL Singapore Pte Ltd, Singapore	Subsidiary
Sembcorp Green Infra Limited, India	Subsidiary
Sembcorp India Private Limited, India	Entity under common control
Gayatri Projects Limited, India Gayatri Energy Ventures Private Limited, India Deep Corporation Private Limited, India Gayatri Hi-Tech Hotels Limited, India	Key management personnel having significant influence (Up to 30 December 2019)
Wong Kim Yin	Chairman (w.e.f 11 August 2020)
Neil Mcgregor	Chairman (Upto 30 June 2020)
T V Sandeep Kumar Reddy	Director (Upto 31 December 2019)
Vipul Tuli	Managing Director
Radhey Shyam Sharma	Independent Director
Kalaikuruchi Jairaj	Independent Director
Sangeeta Talwar	Independent Director
Bobby Kanubhai Parikh	Independent Director (Upto 01 September 2020)
Looi Lee Hwa	Director
Juvenil Jani	Chief Financial Officer
Narendra Ande	Company Secretary

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Rent and utility expense		
Deep Corporation Private Limited	-	9.09
Gayatri Hi-Tech Hotels Limited	-	0.88
Sembcorp India Private Limited	18.92	20.35
Consultancy expenses		
Sembcorp Utilities Pte Ltd	196.03	199.21
Bank guarantee fees/ commission		
Sembcorp Utilities Pte Ltd	223.55	222.13
Interest expense on INR Denominated notes (without giving effect to fair valuation)		
Sembcorp Utilities Pte Ltd	4,397.88	4,409.93
Purchase of property, plant and equipment		
Sembcorp India Private Limited	-	20.17
Purchase of Other intangible assets		
Sembcorp Utilities Pte Ltd	13.10	-
Reimbursement of expenses		
Sembcorp Green Infra Limited	-	0.81
Sembcorp India Private Limited	0.30	5.22
Sembcorp Utilities Pte Ltd	8.46	18.80
Sembcorp Industries Ltd	0.41	0.02
Share based payments reimbursement		
Sembcorp Utilities Pte Ltd	56.35	30.21
Margin money recovered		
Gayatri Projects Limited	-	564.73
Amount received and paid to Statutory Authorities on behalf		
Sembcorp Utilities Pte Ltd	-	136.01

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

2.41 Related party disclosure

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Equity shares issued during the year		
Sembcorp Utilities Pte Ltd	-	5,169.00
Interest received on margin money recovered		
Gayatri Projects Limited	-	219.43
Interest received		
Gayatri Energy Ventures Private Limited	-	320.07
Other reimbursements received		
Sembcorp Green Infra Ltd	0.71	-
Interest paid on INR Denominated notes(Net of TDS)		
Sembcorp Utilities Pte Ltd	5,498.15	3,515.94
Investment in subsidiaries		
TPCIL Singapore Pte Ltd	-	1.78
Sembcorp Green Infra Limited	-	5,169.00
Salaries to Key managerial person*		
Vipul Tuli	61.49	63.21
Juvenil Jani	21.00	24.18
Narendra Ande	5.60	5.35
Sitting fees to Directors (including taxes)		
Radhey Shyam Sharma	1.65	1.89
Kalaikuruchi Jairaj	1.62	1.89
Sangeeta Talwar	1.62	1.89
Bobby Kanubhai Parikh	0.47	0.94

*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 is as under:

Particulars	As at 31 March 2021	As at 31 March 2020
Related party receivables		
Sembcorp Green Infra Limited	0.84	-
Related party payables		
Sembcorp India Private Limited (Trade payables)	0.11	1.61
Sembcorp Utilities Pte Ltd (Trade payables)	23.95	46.46
Sembcorp Utilities Pte Ltd (Other payables)	100.94	44.59
Related party borrowings		
Sembcorp Utilities Pte Ltd	42,400.00	42,400.00
Interest accrued on INR denominated notes (without giving effect to fair valuation)		
Sembcorp Utilities Pte Ltd	6,662.98	8,003.62
Corporate guarantee given for external commercial borrowings/term loans		
Sembcorp Utilities Pte Ltd	42,718.33	45,539.13
(Represents the amount of facility outstanding)		
Corporate guarantee given for short-term borrowings		
Sembcorp Utilities Pte Ltd	-	4,752.04
(Represents the amount of facility outstanding)		

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

2.42 Share-based Payments

The Company participates in Share based plans of parent Company, Sembcorp Industries Limited (SCI) for its share-based remuneration arrangements which include Performance Share Plan (SCI PSP) and Restricted Share Plan (SCI RSP), collectively known as 'Share Plans 2010 and Share Plans 2020'. During the current year, shareholders of SCI have approved the SCI Share Plans 2020 to replace existing Share Plans 2010 which expired in April 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 detail of Share Plan are as follows:

a) SCI Performance Share Plan (PSP)

The SCI PSP 2010 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. Senior management participants are required to hold a minimum percentage of the shares released to them under the SCI PSP 2010 to maintain a stake in the Company, for the duration of their employment or tenure with the Company.

b) SCI Restricted Share Plan (RSP)

Restricted shares will be granted to eligible employees based on financial performance and corporate objectives achieved in the preceding year. The performance criteria for FY2020 and FY2019 restricted shares awards granted are calibrated based on Earnings Before Interest Tax Depreciation and Amortisation (EBITDA), Return On Equity (ROE) (excluding Sembcorp Marine Ltd), and non-financial performance targets, comprising transformation milestones and adherence to environment, health and safety standards achieved by the SCI for the respective preceding financing year.

Till 2020, for managerial participants, depending on achievement of criteria outlined above, a quarter of the SCI RSP awards granted will vest immediately with the remaining three-quarters vest over the following three years in equal tranches, subject to individual performance and fulfilment of service conditions at vesting.

From 2021, Restricted shares will be awarded at the end of the two-year performance cycle depending on the extent of achievement of the performance conditions established at the onset. There is a further vesting period of three years after the performance period, during which one-third of the awarded shares are released each year to managerial participants.

A participant's award under the 2020 & 2010 Share Plans are determined by the Executive Resource & Compensation Committee (ERCC) of SCI taking into account, inter alia, the participant's performance during the relevant period, and his / her capability, entrepreneurship, scope of responsibility and skill set. For 2020, the ERCC decided not to grant any PSP Share attributed in part to the significant changes to the strategy of the business.

The details of the movement of PSP and RSP shares of SCI awarded during the year to employees of the Company are as follows:

The following are the summary of movement in PSP and RSP during the year ended 31 March 2021

Particulars	SCI PSP 2010	SCI RSP 2010	SCI RSP 2020
Outstanding at the beginning of the year	3,26,000	4,76,470	-
Granted during the year	3,23,636	4,48,018	5,89,042
Vested during the year	-	(3,69,121)	(1,53,974)
Forfeited / lapsed during the year	(1,90,884)	-	-
Outstanding at the end of the year	**4,58,752**	**5,55,367**	**4,35,068**

The following are the summary of movement in PSP and RSP during the year ended 31 March 2020

Particulars	SCI RSP 2010	SCI RSP 2020
Outstanding at the beginning of the year	1,36,000	2,08,408
Granted during the year	2,30,000	4,75,262
Vested during the year	-	(2,07,200)
Forfeited / lapsed during the year	(40,000)	-
Outstanding at the end of the year	**3,26,000**	**4,76,470**

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

2.42 Share-based Payments (Contd..)

b) SCI Restricted Share Plan (RSP) (Contd..)

The fair values of the PSP and RSP shares are estimated using a Monte Carlo simulation and weighted average cost methodology at the grant dates along with other factors as below.

Information on outstanding and exercisable options is set out below for the year ended 31 March 2021

Particulars	SCI PSP 2010	SCI RSP 2010	SCI RSP 2020
Options outstanding at the end of the year			
Number of options outstanding	4,58,752	5,55,367	4,35,068
Remaining contractual life in years	1.62	1.83	2.44
Risk free interest rate (depending on maturity)	0.77% – 0.96%	0.77% – 0.96%	0.77% – 0.96%
Expected dividend yield shares	3.50%	3.50%	3.50%
Weighted average price (SGD)	1.24	1.33	1.93

Information on outstanding and exercisable options is set out below for the year ended 31 March 2020

Particulars	SCI PSP 2010	SCI RSP 2020
Options outstanding at the end of the year		
Number of options outstanding	3,26,000	4,76,470
Remaining contractual life in years	2.62	2.67
Risk free interest rate (depending on maturity)	1.90%	1.90%
Expected dividend yield shares	3.20%	3.20%
Weighted average price (SGD)	1.26	2.17

The Company had charged Rs. 56.35 million (31 March 2020: Rs. 30.21 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.

2.43 During the previous years, the Company had filed insurance claim for damage and business interruption on account of breakdown of stator and repair of rotor with New India Assurance Company Limited. The Company has received insurance claim approval of Rs 2,139.81 million i.e., Rs 658.09 million for stator and rotor damage claim and Rs 1,481.72 million for Business Interruption Insurance claim. During the year the Company has received an insurance claim amounting to Rs 781.72 million (31 March 2020: Rs 1,358.09 million) and the same has been accounted as insurance income.

2.44 The Company has receivable of Rs. 1,543.88 million (31 March 2020: Rs 711.03 million) related to GST input refund against the export of electricity made to Bangladesh. However, the input credit receivable has been challenged by GST Authorities for which an application has been filed by the Company with Ministry of Revenue and the process for refund is at various stages with GST authorities.

2.45 The Company had in earlier year filed a petition under Section 79 of the Electricity Act, 2003 seeking compensation on account of Change in Law events in terms of its Power Purchase Agreement (PPA) entered into with Andhra Pradesh and Telangana DISCOMs for supply of 500 MW power from its power generation plant. Central Electricity Regulatory Commission (CERC) vide its order dated August 21, 2020, had accepted the events and claims set out by the Company as Change in Law events. Accordingly, during the period, the Company has accounted an amount of Rs 6,478.22 million for change in law claims up to 31 March 2021 of which Rs. 5,225.90 million has been accounted as revenue from operations while Rs. 1,252.31 million related to carrying cost has been classified as Other income.

2.46 During the previous year, Gayatri Energy Ventures Private Limited ('GEVPL') who was having 5.95% shareholding in SEIL has sold off its stake to Sembcorp Utilities Pte. Limited. As part of the definitive agreement, Gayatri Energy Ventures Limited ('GEVPL) and Gayatri Projects Limited ('GPL') repaid the balance outstanding amount to the Company with interest. Hence, the Company has received Rs. 1,002.91 million against outstanding advance and reimbursement of interest cost. Accordingly, the Company has recognized Rs. 320.07 million received from GEVPL as miscellaneous income in the previous year.

2.47 During the year ended 31 March 21, the Company has accounted Late payment surcharges from customers Rs. 2,846.56 million which includes Rs.686.94 million as an adjusting event inline with the guidance under Ind AS 10 ('Events after the reporting period').

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

2.48 In view of recent surge in COVID-19 cases, few states reintroduced some restrictions and the Company continues to be vigilant and cautious. The Company has considered the possible impact of COVID-19 in preparation of the financial statements. The impact of the global health pandemic may be different from that estimated as at the date of approval of financial statements. Considering the continuing uncertainties, the Company will continue to closely monitor any material changes to future economic conditions.

2.49 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13 November 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.

As per our report on standalone financial statements of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 116231W/ W-100024

Hemant Maheshwari
Partner
Membership No: 096537

Place: Hyderabad
Date: 24 May 2021

for and on behalf of the Board of Directors of
Sembcorp Energy India Limited
CIN: U40103TG2008PLC057031

Wong Kim Yin
Chairman
DIN: 08806258

Vipul Tuli
Managing Director
DIN: 07350892

Juvenil Jani
Chief Financial Officer

Narendra Ande
Company Secretary
Membership No: A14603

Place: Gurugram
Date: 24 May 2021

Independent Auditors' Report

To the Members of **Sembcorp Energy India Limited**

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Sembcorp Energy India Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2021, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the financial statements and our auditors' report thereon. The information included in the annual report are expected to be made available to us after the date of auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information included in the annual report, If we conclude that there is a material misstatement therein, we are required to communicate the matters to those charged with governance and take necessary actions, as applicable under applicable laws and regulations.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company, and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group is responsible for overseeing the financial reporting process of each Company.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matters

(a) We did not audit the financial statements of two step-down subsidiaries whose financial statements reflect total assets of Rs. 19,363.87 million as at 31 March 2021, total revenues of Rs. 2,660.42 million and net cash outflows amounting to Rs. 143.19 million for the year ended on that date, as considered in the consolidated financial statements of the Group. These consolidated financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements of the Group, in so far as it relates to the amounts and disclosures included in respect of these step-down subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid step-down subsidiaries is based solely on the audit reports of the other auditors.

(b) We did not audit the financial statements of a subsidiary incorporated outside India, whose financial statements reflect total assets of Rs. 1.01 million as at 31 March 2021, total revenues of Rs. Nil and net cash outflows amounting to Rs. 0.35 million for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditor. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as is relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such step-down subsidiaries, as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its step-down subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary Company and step-down subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the step-down subsidiaries, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group. Refer Note 3.38 to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on derivative contracts. Refer Note 3.15 to the consolidated financial statements.

iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary Company and step-down subsidiary companies incorporated in India during the year ended 31 March 2021.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2021

C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such step-down subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary Company and step-down subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary Company and step-down subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for **BSR & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231 W/W- 100024

Hemant Maheshwari
Partner
Membership No.: 096537

Place: Hyderabad
Date: 24 May 2021

Annexure A to the Independent Auditors' report on the consolidated financial statements of Sembcorp Energy India Limited for the period ended 31 March 2021

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('Act')

(Referred to in paragraph 1(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of as the Company of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of Sembcorp Energy India Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

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

Annexure A to the Independent Auditors' report on the consolidated financial statements of Sembcorp Energy India Limited for the period ended 31 March 2021 (continued)

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to the two-step down subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

for **BSR & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231 W/W- 100024

Hemant Maheshwari
Partner
Membership No.: 096537

Place: Hyderabad
Date: 24 May 2021

Consolidated Balance Sheet

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

(₹ in Millions)

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	3.1	2,39,424.94	2,46,315.92
(b) Capital work-in-progress	3.1	703.18	4,637.45
(c) Goodwill	3.2	1,234.20	1,234.20
(d) Other intangible assets	3.2	19.96	10.36
(e) Financial assets			
(i) Derivative assets	3.3	332.54	1,899.35
(ii) Other financial assets	3.4	7,017.55	5,991.67
(f) Non-current tax assets (net)	3.5	1,133.43	1,146.67
(g) Deferred tax assets (net)	3.6	243.68	186.66
(h) Other non-current assets	3.7	939.02	1,415.01
Total non-current assets		**2,51,048.50**	**2,62,837.29**
II Current assets			
(a) Inventories	3.8	4,780.58	7,787.23
(b) Financial assets			
(i) Investments	3.9	4,438.65	3,230.07
(ii) Trade receivables	3.10	29,761.96	22,928.57
(iii) Cash and cash equivalents	3.11	3,191.68	4,422.65
(iv) Bank balances other than (iii) above	3.11	3,637.21	4,293.48
(v) Derivative assets	3.3	1,341.69	1,597.51
(vi) Other financial assets	3.4	8,058.45	6,756.33
(c) Other current assets	3.7	3,528.59	2,850.74
Total current assets		**58,738.81**	**53,866.58**
Total assets		**3,09,787.31**	**3,16,703.87**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	3.12	54,336.69	54,336.69
(b) Other equity	3.13	29,428.40	20,150.37
(c) Non-controlling interests		132.30	185.76
Total equity		**83,897.39**	**74,672.82**
LIABILITIES			
I Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	3.14	1,67,869.81	1,82,166.56
(ii) Derivatives	3.15	5.58	9.85
(iii) Other financial liabilities	3.16	6,155.57	7,335.38
(b) Provisions	3.17	448.97	377.23
(c) Deferred tax liabilities (net)	3.6	724.42	780.27
(d) Other non-current liabilities	3.18	495.39	405.92
Total non-current liabilities		**1,75,699.74**	**1,91,075.21**
II Current liabilities			
(a) Financial liabilities			
(i) Borrowings	3.19	9,309.13	23,993.82
(ii) Trade payables	3.20		
Dues to micro and small enterprises		8.25	8.25
Dues to creditors other than micro and small enterprises		2,199.47	4,530.13
(iii) Derivatives	3.15	339.76	146.98
(iv) Other financial liabilities	3.16	33,361.02	17,254.82
(b) Other current liabilities	3.18	4,620.84	4,638.26
(c) Provisions	3.17	12.47	9.47
(d) Current tax liabilities (net)	3.21	339.24	374.11
Total current liabilities		**50,190.18**	**50,955.84**
Total liabilities		**2,25,889.92**	**2,42,031.05**
Total equity and liabilities		**3,09,787.31**	**3,16,703.87**

Significant accounting policies 2

The accompanying notes form an integral part of the consolidated financial statements

As per our report on consolidated financial statements of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 116231W/ W-100024

for and on behalf of the Board of Directors of
Sembcorp Energy India Limited
CIN: U40103TG2008PLC057031

Hemant Maheshwari
Partner
Membership No: 096537

Wong Kim Yin
Chairman
DIN: 08806258

Vipul Tuli
Managing Director
DIN: 07350892

Juvenil Jani
Chief Financial Officer

Narendra Ande
Company Secretary
Membership No: A14603

Place: Hyderabad
Date: 24 May 2021

Place: Gurugram
Date: 24 May 2021

Consolidated Statement of Profit and Loss

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

(₹ in Millions)

	Particulars	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
I	**Income**			
	Revenue from operations	3.22	87,559.30	84,634.59
	Other income	3.23	4,629.58	5,033.82
	Total income		**92,188.88**	**89,668.41**
II	**Expenses**			
	Cost of fuel	3.24	40,519.73	43,118.24
	Transmission charges	3.25	2,503.48	2,859.14
	Employee benefits expense	3.26	2,182.03	2,095.37
	Finance costs	3.27	19,970.03	20,413.01
	Depreciation and amortisation expenses	3.28	12,487.04	12,016.27
	Operating and other expenses	3.29	6,151.85	6,091.95
	Total expenses		**83,814.16**	**86,593.98**
III	**Profit before tax**		**8,374.72**	**3,074.43**
IV	**Tax expense**	3.30		
	Current tax expense		50.71	128.55
	Deferred tax credit		(112.56)	(136.31)
	Total tax credit		**(61.85)**	**(7.76)**
V	**Profit for the year**		**8,436.57**	**3,082.19**
VI	**Other comprehensive income/(loss)**			
(A)	**Items that will not be reclassified to profit or loss**			
	Remeasurement of defined benefit liabilities, net		(3.67)	(9.48)
	Tax effect on above item	3.30	0.31	0.40
			(3.36)	**(9.08)**
(B)	**Items that will be reclassified to profit or loss**			
	Effective portion of changes in fair value of cash flow hedge		557.14	333.57
	Tax effect on above item	3.30	-	-
			557.14	**333.57**
VII	**Total comprehensive income for the year**		**8,990.35**	**3,406.68**
	Attributable to:			
	Shareholders of the Company		9,045.77	3,451.31
	Non-controlling interests		(55.42)	(44.63)
			8,990.35	**3,406.68**
	Profit for the year attributable to:			
	Shareholders of the Company		8,491.91	3,126.72
	Non-controlling interests		(55.34)	(44.53)
			8,436.57	**3,082.19**
	Other comprehensive income attributable to:			
	Shareholders of the Company		553.86	324.59
	Non-controlling interests		(0.08)	(0.10)
			553.78	**324.49**
	Earnings per equity share (face value of share Rs.10 each)	3.31		
	- Basic and diluted (Rs.)		1.56	0.58

Significant accounting policies 2

The accompanying notes form an integral part of the consolidated financial statements

As per our report on consolidated financial statements of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 116231W/ W-100024

for and on behalf of the Board of Directors of
Sembcorp Energy India Limited
CIN: U40103TG2008PLC057031

Hemant Maheshwari
Partner
Membership No: 096537

Wong Kim Yin
Chairman
DIN: 08806258

Vipul Tuli
Managing Director
DIN: 07350892

Juvenil Jani
Chief Financial Officer

Narendra Ande
Company Secretary
Membership No: A14603

Place: Hyderabad
Date: 24 May 2021

Place: Gurugram
Date: 24 May 2021

Consolidated Statement of Cash Flow

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

(₹ in Millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
A. Cash flow from operating activities		
Profit before tax	**8,374.72**	**3,074.43**
Non-cash adjustment to reconcile profit before tax to net cash flows		
- Depreciation and amortisation expenses	12,487.04	12,016.27
- De recognition of property, plant and equipment	54.27	315.44
- Impairment of capital work-in-progress and deposits	-	327.08
- Net unrealised (gain)/loss on foreign exchange differences	(110.49)	390.10
- Doubtful receivables and advance written off	5.06	0.35
- Allowance for expected credit losses, net	246.65	376.12
- Unrealised loss/(gain) on derivatives, net	178.04	(167.49)
Finance costs	19,970.03	20,413.01
Net gain on fair value changes classified as FVTPL	(161.87)	(270.71)
Interest income	(614.86)	(887.63)
Operating cash flows before working capital changes	**40,428.59**	**35,586.97**
Movements in working capital:		
Decrease/(increase) in inventories	3,006.65	(2,319.09)
Increase in trade receivables	(7,133.40)	(2,264.08)
(Increase)/decrease in financial and non-financial assets including derivative assets and liabilities	(1,380.82)	3,027.38
(Decrease)/increase in trade payables and other financial liabilities	(4,448.68)	1,279.00
Increase/(decrease) in other liabilities	54.18	(49.44)
Increase in provisions	40.73	28.24
Cash generated from operations	**30,567.25**	**35,288.98**
Income-tax paid (net)	(51.77)	(290.88)
Net cash generated from operating activities	**30,515.48**	**34,998.10**
B. Cash flows from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress), capital advances and payment to capital vendors	(1,549.19)	(16,542.41)
Proceeds from sale of property, plant and equipment	2.09	-
Purchase of mutual funds, net	(1,045.06)	(75.09)
Investment in bank deposits, net	(322.63)	(143.25)
Interest income received	690.35	974.11
Acquisition of shares in subsidiaries from non-controlling interest	(0.98)	(1.30)
Sale of shares in subsidiaries to non-controlling interest	0.48	0.60
Net cash used in investing activities	**(2,224.94)**	**(15,787.34)**
C. Cash flows from financing activities		
Proceeds from issue of shares including securities premium	-	5,169.00
Payment for expenses incurred in relation to issuance of shares	-	(13.59)
Proceeds from long-term borrowings	13,693.96	18,410.63
Repayment of long-term borrowings	(19,233.11)	(15,038.75)
Net repayment of short-term borrowings	(5,142.64)	(7,197.35)
Repayment of lease liabilities	(18.38)	(51.28)
Interest and finance charges paid	(18,821.34)	(20,070.61)
Net cash used in financing activities	**(29,521.51)**	**(18,791.95)**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(1,230.97)	418.81
Cash and cash equivalents at the beginning of the year	4,422.65	4,003.84
Cash and cash equivalents at the end of the year	**3,191.68**	**4,422.65**

Consolidated Statement of Cash Flow (continued)

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

(₹ in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Components of cash and cash equivalents comprise:		
Balance with scheduled banks		
On current accounts	507.65	1,645.19
Deposits with original maturity of less than three months	2,684.03	2,777.46
Total cash and cash equivalents	**3,191.68**	**4,422.65**

Reconciliation between the opening and closing balances in the balance sheet for liabilities and financial assets arising from financing activities are given below:

(₹ in Millions)

Particulars	As at 31 March 2020	Net cash flows	Foreign exchange movement, reclassification and borrowing cost	As at 31 March 2021
Long-term borrowings	1,89,954.67	(5,539.15)	7,375.00	1,91,790.52
Short-term borrowings	23,993.82	(5,142.64)	(9,542.05)	9,309.13
	2,13,948.49	**(10,681.79)**	**(2,167.05)**	**2,01,099.65**

Significant accounting policies 2

The accompanying notes form an integral part of the consolidated financial statements

As per our report on consolidated financial statements of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 116231W/ W-100024

for and on behalf of the Board of Directors of
Sembcorp Energy India Limited
CIN: U40103TG2008PLC057031

Hemant Maheshwari
Partner
Membership No: 096537

Wong Kim Yin
Chairman
DIN: 08806258

Vipul Tuli
Managing Director
DIN: 07350892

Juvenil Jani
Chief Financial Officer

Narendra Ande
Company Secretary
Membership No: A14603

Place: Hyderabad
Date: 24 May 2021

Place: Gurugram
Date: 24 May 2021

Consolidated Statement of Changes in Equity

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

(₹ in Millions)

Particulars	Equity share capital	Reserves and surplus								Other items of other comprehensive income	Equity attributable to shareholder of the Company	Non-controlling interest	Total
		Securities premium	Capital reserve on acquisition	Capital reserve	Capital redemption reserve	Debenture redemption reserve	General reserve	Other reserves	Retained earnings	Effective portion of cash flow hedges			
Balance as at 1 April 2019	**51,587.22**	**37,787.50**	**(14,550.18)**	**1,121.58**	**1.01**	**125.00**	**74.00**	**650.95**	**(10,472.48)**	**(932.35)**	**65,392.25**	**238.17**	**65,630.42**
Equity shares issued during the year	2,749.47	-	-	-	-	-	-	-	-	-	2,749.47	-	**2,749.47**
Securities premium on equity shares issued	-	2,419.53	-	-	-	-	-	-	-	-	2,419.53	-	**2,419.53**
Expenses incurred on issuance of shares	-	-	-	-	-	-	-	-	(13.59)	-	(13.59)	-	**(13.59)**
Transfers to reserves (refer note 3.13)	-	-	-	-	0.85	(125.00)	125.00	-	(0.85)	-	-	-	**-**
Transition adjustment of Ind AS 116 "Leases"	-	-	-	-	-	-	-	-	(28.15)	-	(28.15)	-	**(28.15)**
Change in stake of step-down subsidiaries	-	-	-	-	-	-	-	7.08	-	-	7.08	(7.78)	**(0.70)**
Profit for the year	-	-	-	-	-	-	-	-	3,126.72	-	3,126.72	(44.53)	**3,082.19**
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-	(8.98)	333.57	324.59	(0.10)	**324.49**
Fair value of interest free INR denominated notes from holding company	-	-	-	-	-	-	-	509.16	-	-	509.16	-	**509.16**
Balance as at 31 March 2020	**54,336.69**	**40,207.03**	**(14,550.18)**	**1,121.58**	**1.86**	**-**	**199.00**	**1,167.19**	**(7,397.33)**	**(598.78)**	**74,487.06**	**185.76**	**74,672.82**
Transfers to reserves (refer note 3.13)	-	-	-	-	0.32	-	-	-	(0.32)	-	-	-	**-**
Change in stake of step-down subsidiaries	-	-	-	-	-	-	-	(2.46)	-	-	(2.46)	1.96	**(0.50)**
Profit for the year	-	-	-	-	-	-	-	-	8,491.91	-	8,491.91	-	**8,491.91**
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-	(3.28)	557.14	553.86	(55.34)	**498.52**
Fair value of interest free INR denominated notes from holding company	-	-	-	-	-	-	-	234.72	-	-	234.72	(0.08)	**234.64**
Balance as at 31 March 2021	**54,336.69**	**40,207.03**	**(14,550.18)**	**1,121.58**	**2.18**	**-**	**199.00**	**1,399.45**	**1,090.98**	**(41.64)**	**83,765.09**	**132.30**	**83,897.39**

Significant accounting policies **2**

The accompanying notes form an integral part of the consolidated financial statements

As per our report on consolidated financial statements of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 116231W/ W-100024

Hemant Maheshwari
Partner
Membership No: 096537

Place: Hyderabad
Date: 24 May 2021

for and on behalf of the Board of Directors of
Sembcorp Energy India Limited
CIN: U40103TG2008PLC057031

Wong Kim Yin
Chairman
DIN: 08806258

Vipul Tuli
Managing Director
DIN: 07350892

Juvenil Jani
Chief Financial Officer

Narendra Ande
Company Secretary
Membership No: A14603

Place: Gurugram
Date: 24 May 2021

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

1. Corporate information

Sembcorp Energy India Limited ('the Company') was incorporated on 8 January 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 31 October 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 1 April 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 Pynampuram and Nelatur Villages, Muthukur Mandal, Nellore District in the state of Andhra Pradesh. The commercial operations of SEIL-P2 had commenced on 17 November 2016 for unit I and on 21 February 2017 for unit II.

The Group through its subsidiaries owns and operates various renewable energy power projects with installed capacity of 1,694.7 MW of wind power projects and 35.00 MW of solar power projects and another 400.0 MW solar project under construction. These projects are intended to sell the power generated, under long-term Power Purchase Agreements (PPAs) with state electricity boards, group captive users and other authorities who award PPAs under competitive bidding.

The consolidated financial statements comprise of the Company and its subsidiaries (collectively referred as the 'Group').

2. Basis of preparation, measurement and significant accounting policies

2.1 Basis of preparation and statement of compliance

The consolidated financial statements of the Group ('consolidated 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.

The consolidated 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, 31 March 2021.

The consolidated financial statements were authorised for issue by the Company's Board of Directors on 24 May 2021.

2.2 Functional and presentation currency

These consolidated financial statements are presented in Indian rupees (Rs.) and all the values are rounded off to the nearest million to two decimal places except when otherwise indicated, which is also the functional currency of the Group and the currency of the primary economic environment in which the Group operates. All financial information presented in Indian rupees.

2.3 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for the following.

Items	Measurement basis
Certain financial assets and liabilities	Fair value (refer accounting policy regarding financial instruments)
Derivative instruments	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

2.4 Principles of consolidation

The Group consolidates the entities which it owns or controls. The Consolidated Financial Statements comprise the financial statements of the Company and its subsidiaries. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences (other than entities acquired fall under common control) until the date control ceases.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of previous year. The financial statements of each of the subsidiaries used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on 31 March. The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and unrealised profits / losses, unless cost/revenue cannot be recovered.

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The difference between the cost of investment in subsidiaries (investee company) to the Group and the proportionate share in the equity of the investee Company as at the date of acquisition of stake is recognised in the Consolidated Financial Statements as goodwill or capital reserve, as the case may be. Goodwill arising on consolidation is tested for impairment at the Balance Sheet date. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Group, are excluded.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any interest retained in the form of subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the consolidated statement of profit and loss.

The consolidated financial statements are presented, to the extent possible, is in the same format as that adopted by the Company for its standalone financial statements.

2.5 Details of the Group's subsidiaries in the preparation of consolidated financial statements are as follows:

Particulars	Date of Incorporation	Country of Incorporation	% of Ownership interest and voting power as at	
			31 March 2021	31 March 2020
Direct subsidiaries				
Sembcorp Green Infra Limited (SGIL)	3 April 2008	India	100.00%	100.00%
TPCIL Singapore Pte. Ltd (TPCIL SG)	18 November 2014	Singapore	100.00%	100.00%
Indirect subsidiaries				
Green Infra Wind Energy Limited (GIWEL)	6 June 2005	India	100.00%	100.00%
Green Infra Wind Assets Limited (GIWAL)	14 October 2008	India	100.00%	100.00%
Green Infra Corporate Wind Limited (GICWL)	14 October 2008	India	100.00%	100.00%
Green Infra Solar Energy Limited (GISEL)	29 April 2010	India	100.00%	100.00%
Green Infra Solar Farms Limited (GISFL)	29 April 2010	India	100.00%	100.00%
Green Infra Wind Power Limited (GIWPL)	3 May 2010	India	100.00%	100.00%
Green Infra Wind Ventures Limited (GIWVL)	28 December 2010	India	100.00%	100.00%
Green Infra Wind Limited (GIWL)	23 February 2011	India	100.00%	100.00%
Green Infra Corporate Solar Limited (GICSL)	12 September 2011	India	100.00%	100.00%
Green Infra Wind Energy Project Limited (GIWEPL)	4 July 2011	India	100.00%	100.00%
Green Infra Solar Projects Limited (GISPL)	12 September 2011	India	100.00%	100.00%
Green Infra Wind Energy Assets Limited (GIWEAL)	14 September 2011	India	100.00%	100.00%
Green Infra Wind Farm Assets Limited (GIWFAL)	14 September 2011	India	100.00%	100.00%
Green Infra Wind Solutions Limited (GIWSL)	22 May 2012	India	100.00%	100.00%
Green Infra Wind Technology Limited (GIWTL)	22 May 2012	India	100.00%	100.00%
Green Infra BTV Limited (GIBTVL)	1 September 2008	India	90.46%	90.46%
Green Infra Wind Farms Limited (GIWFL)	14 October 2008	India	60.93%	60.93%
Green Infra Wind Power Generation Ltd. (GIWPGL)	4 July 2011	India	72.09%	71.16%
Green Infra Wind Power Projects Limited (GIWPPL)	4 July 2011	India	69.06%	69.06%
Green Infra Wind Generation Limited (GIWGL)	4 July 2011	India	70.55%	70.55%
Green Infra Wind Energy Theni Limited (GIWETL)	6 January 2011	India	73.02%	73.02%
Green Infra Wind Power Theni Limited (GIWPTL)	6 January 2011	India	73.21%	73.21%
Mulanur Renewable Energy Limited (MREL)	29 January 2016	India	67.30%	67.30%
Green Infra Renewable Energy Limited (GIREL)	2 March 2017	India	100.00%	100.00%
Green Infra Renewable Projects Limited (GIRPL)	18 February 2020	India	100.00%	100.00%

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2.6 Use of estimates and judgements

The preparation of these consolidated 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 consolidated 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 consolidated financial statements in the year in which changes are made, if material, their effects are disclosed in the notes to the consolidated 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

The Group reviews its carrying value of investments annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

ii. Impairment of trade receivable and unbilled receivables

The Group 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.

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

The Group 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-forward 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-forward.

v. Defined benefit plans

The obligation arising from defined benefit plan is determined on the basis of 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 Group 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 Group 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 only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group 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 Group 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 Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease

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if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group 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 Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group 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.

2.7 Recent pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. No new standards are notified during the year.

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. These amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive, and the Company will evaluate the same to give effect to them as required by law.

2.8 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 Group's normal operating cycle.

ii) it is held primarily for the purpose of being traded.

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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 atleast 12 months after the reporting date.

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

All other assets are classified as non-current.

Liabilities

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

i) it is expected to be settled in the Group'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 Group 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 Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

2.9 Business combinations and goodwill

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

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combinations, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquired a business, it assessed the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

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 Group, 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. 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 consolidated 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 by way of acquisition, amalgamation or merger (combination) that are under the control of the shareholder that controls the Group are

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accounted for as if the acquisition, amalgamation or merger had occurred at the beginning of the earliest comparative years presented or, if later, at the date that common control was established. The Group has followed pooling of interest method to account acquisition of entities under common control in its consolidated financial statements as per para 9 of Ind AS 103 (Appendix C).

- The assets and liabilities of the combining entities are recognised at their carrying amounts.

- The identity of the reserves is preserved, and they appear in the consolidated financial statements of the Company in the same form in which they appeared in the financial statements of the combining entities.

- No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

- The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve on acquisition.

As per para 9(iii) of Ind AS 103 (Appendix C), the financial information in the consolidated financial statements in respect of prior years should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

2.10 Revenue recognition

The Group is engaged in generation and supply of electricity. Revenue from operations are primarily from sale of electricity.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, considering contractually defined terms of payment excluding discounts, rebates, and taxes or duty. When there is uncertainty as to measurement or ultimate collectability of revenue, recognition is postponed until such uncertainty is resolved.

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 and adjusted with revenue from sale of electricity.

Unbilled receivables represent energy units delivered to the power network as per the terms of PPAs and was not invoiced to the Customers on the reporting date. The Group has unconditional right to receive the cash, and only act of invoicing is pending as on balance sheet date, as per contractual terms. Unearned income (contract liability) is recognised when the billing is in excess of revenue earned.

The Group accounts for fuel and power purchase price adjustment claims in case of claims change in law and etc., as and when allowed by the regulatory authorities and truing-up adjustment claims as and when realised.

Income from generation-based incentive (GBI) is recognised on the basis of supply of units generated by the Group to the Electricity Board in respect of the eligible projects in accordance with the scheme of 'Generation Based Incentive for Grid Interactive Wind Power Projects'.

Revenue from sale of renewable energy certificates (RECs) and voluntary emission reduction certificates (VERs) are recognised when the control has been passed to the buyer, which generally coincides with the delivery of RECs or VERs.

Claims for delayed payment charges, insurance claims and any other claims, which the Group is entitled to under the PPAs, are accounted for in the year of acceptance by the customers or on actual receipt of the claim, whichever is earlier, considering the uncertainty as to measurement or ultimate collectability of revenue.

Interest income is recognized based on effective interest rate method (EIR). It is the rate that exactly 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 asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividend income is recognised when the unconditional right to receive the income is established which is generally when shareholders approves the dividend.

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2.11 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.

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.

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 Group 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.

Regulated assets

Depreciation on the renewable power plants included under plant and machinery are provided at the rates as well as methodology notified (i.e. assets is depreciated at the rate of 5.83% per annum for first 12 years from commissioning date of the assets and remaining value of the asset is depreciated over the next 13 years) by the Central Electricity Regulatory Commission (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations, 2012.

Non-regulated assets

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	25 years
Renewable power plants (won under competitive bidding)	22 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

Leasehold land and improvements are amortised over the lease-term including the optional period, if any, available to the Group, where it is reasonably certain at the inception of lease that such option would be exercised by the Group.

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.

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

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and are recognised in the consolidated statement of profit and loss on the date of retirement or disposal.

2.12 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 Group 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 amortised over the estimated useful lives as given below:

Category	Life considered
Computer software	3 years
Customer contracts	5 years

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 consolidated statement of profit and loss.

Goodwill represents the cost of business acquisition in excess of the Group'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.

2.13 Inventories

Inventories which comprise of fuel, 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.

2.14 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 consolidated 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.

Under Indian GAAP, paragraph 46/46A of AS 11, The Effects of Changes in Foreign Exchange Rates, provide accounting treatment with respect to exchange differences arising on restatement of long-term foreign currency monetary items. Ind AS 101 provides an optional exemption that allows to continue the above accounting treatment in respect of the long-term foreign currency monetary items recognised in the consolidated financial statements as on transition date. Certain subsidiaries in the Group have had adopted such exemption with respect of long-term foreign currency borrowings taken in past. Therefore, exchange differences (favorable as well as unfavorable) arising in respect of translation/settlement of long-term foreign currency borrowings attributable to the acquisition of a depreciable asset is added or deducted from the cost of the asset, which would be depreciated over the balance life of the asset.

2.15 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 Group during an accounting period, the Group 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 consolidated 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 Group 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 Group 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.

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The Group 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 consolidated 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.

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 Group has no obligation, other than the contribution payable to the provident fund. The Group 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 consolidated 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 consolidated balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Compensated absences

The Group 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 Group recognises a liability and an expense for bonus. The Group recognises a provision where contractually obliged or where there is a contractual obligation.

Share based payment transactions

The Group has not issued any shares / stock options on its shares. The ultimate holding company has however issued certain options on its own shares to certain employees of the Group in the nature of Restricted Share Plan (RSP) and Preferential Share Plan (PSP). These options are in the nature of cash settled award as well as equity settled award. Under the cash settled scheme, the Group pays cash to the employees based on fair value method. The compensation cost is amortised over the vesting period of the stock option on straight-line basis. Under the equity settled scheme, the Group measures and discloses such costs using fair value method.

2.16 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and unwinding of discount on asset retirement obligation. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the consolidated 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 consolidated 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 Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

2.17 Financial instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and liabilities are recognised are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A Financial asset and liability are initially measured at 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.

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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 consolidated 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 consolidated 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.

iv. De-recognition of financial instruments

a) Financial asset

The Group 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

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

b) Financial liability

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

The Group 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 consolidated 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 Group has a legally enforceable right to set off the amount and intends to

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settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.18 Derivative financial instruments and hedge accounting

The Group 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 consolidated statement of profit and loss.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group 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

This category has derivative financial assets or liabilities which are not designated as hedges. 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.

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 consolidated 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 consolidated 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 consolidated statement of profit and loss.

2.19 Fair value of financial instruments

In determining the fair value of its financial instruments, the Group 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 consolidated 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 Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

When the fair values of financial assets and financial liabilities recorded in the consolidated 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.

2.20 Impairment

i. Financial assets (other than at fair value)

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets

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is impaired. Ind AS 109 requires expected credit losses ('ECL') to be measured through a loss allowance. The Group recognises lifetime expected losses for trade receivables including unbilled receivables and contract assets 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.

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 consolidated 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 Group 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 consolidated 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.

2.21 Leases

The Group's lease asset classes primarily consist of leases for land and buildings. The Group 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 Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset

At the date of commencement of the lease, the Group 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 Group 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 (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 incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Group changes its assessment of whether it will exercise an extension or a termination option.

2.22 Income taxes

Tax expense (tax income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax

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income). Current tax and deferred tax are recognised in the consolidated 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.

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 Group operates and generates taxable income. Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of profit and loss.

The Group 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 corporate tax payable on taxable profit is charged to the consolidated statement of profit and loss as current tax.

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.

In situations where any entity under the Group is entitled to a tax holiday under the Income Tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of timing differences which reverse during the tax holiday period, to the extent the said company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognised in the year in which the timing differences originate. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

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 Group 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 consolidated statement of profit and loss.

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2.23 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.

In case of provision for asset retirement obligation, the Group estimates the expected amount that it may have to incur in respect of asset retirement where the Group has its projects / operations. The management obtains quotes from vendors in respect of the estimated expense that it may have to incur in this respect considering the term of Power Purchase Agreement, lease period and inflation.

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 Group 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 Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

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

2.25 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 Group are segregated.

2.26 Cash and cash equivalents

The Group 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.

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

(₹ in Millions)

Particulars	Freehold land (owned)	Land (leased) (subnote 1)	Roads	Right of use assets (refer note 3.34)	Office building	Factory building	Furniture and fittings	Vehicles	Office equipment	Electrical installations	Plant and machinery	Computers	Leasehold improvements	Total property, plant and equipment	Capital work-in-progress
Gross carrying amount															
Balance as at 1 April 2019	3,548.66	1,200.80	2,246.29	-	1,519.95	774.88	97.25	76.77	203.87	95.93	2,51,986.18	119.21	36.91	2,61,906.70	19,720.84
Transition adjustment of Ind AS 116 "Leases"	-	(619.63)	-	941.23	-	-	-	-	-	-	-	-	-	321.60	-
Additions	173.96	6.08	71.52	-	10.31	15.67	15.65	3.66	22.80	-	30,786.51	23.42	0.35	31,129.93	16,834.05
Disposals/adjustments	(2.32)	-	-	-	-	-	-	(0.84)	(1.03)	-	(400.73)	(6.67)	-	(411.59)	(1,072.46)
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(30,547.12)
Balance as at 31 March 2020	**3,720.30**	**587.25**	**2,317.81**	**941.23**	**1,530.26**	**790.55**	**112.90**	**79.59**	**225.64**	**95.93**	**2,82,371.96**	**135.96**	**37.26**	**2,92,946.64**	**4,935.31**
Additions	245.16	-	-	21.77	0.27	5.53	0.11	9.14	5.65	-	5,486.04	30.24	0.21	5,804.12	1,715.86
Disposals/adjustments	-	-	-	(9.19)	(10.20)	-	(22.43)	(1.16)	(16.47)	-	(238.42)	(13.58)	-	(311.45)	(0.88)
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,649.25)
Balance as at 31 March 2021	**3,965.46**	**587.25**	**2,317.81**	**953.81**	**1,520.33**	**796.08**	**90.58**	**87.57**	**214.82**	**95.93**	**2,87,619.58**	**152.62**	**37.47**	**2,98,439.31**	**1,001.04**
Accumulated depreciation															
Balance as at 1 April 2019	-	82.55	739.81	-	81.97	104.92	31.49	25.34	110.91	53.89	33,281.36	68.96	10.16	34,591.36	-
Transition adjustment of Ind AS 116 "Leases"	-	-	-	105.00	-	-	-	-	-	-	-	-	-	105.00	-
Depreciation for the year	-	24.57	222.18	33.21	23.09	25.39	10.77	7.88	34.75	6.75	11,583.37	27.14	4.13	12,003.23	-
Disposals/adjustments	-	-	-	-	-	-	-	-	(0.15)	-	(87.27)	(6.57)	-	(93.99)	-
Provision for impairment	25.12	-	-	-	-	-	-	-	-	-	-	-	-	25.12	297.86
Balance as at 31 March 2020	**25.12**	**107.12**	**961.99**	**138.21**	**105.06**	**130.31**	**42.26**	**33.22**	**145.51**	**60.64**	**44,777.46**	**89.53**	**14.29**	**46,630.72**	**297.86**
Depreciation for the year	-	24.66	197.33	32.32	29.90	25.92	11.19	10.11	30.21	13.43	12,071.73	26.25	4.21	12,477.26	-
Disposals/adjustments	-	-	-	(2.72)	(0.91)	-	(14.68)	(0.66)	(15.39)	-	(46.18)	(13.07)	-	(93.61)	-
Balance as at 31 March 2021	**25.12**	**131.78**	**1,159.32**	**167.81**	**134.05**	**156.23**	**38.77**	**42.67**	**160.33**	**74.07**	**56,803.01**	**102.71**	**18.50**	**59,014.37**	**297.86**
Carrying amounts (net)															
As at 31 March 2020	**3,695.18**	**480.13**	**1,355.82**	**803.02**	**1,425.20**	**660.24**	**70.64**	**46.37**	**80.13**	**35.29**	**2,37,594.50**	**46.43**	**22.97**	**2,46,315.92**	**4,637.45**
As at 31 March 2021	**3,940.34**	**455.47**	**1,158.49**	**786.00**	**1,386.28**	**639.85**	**51.81**	**44.90**	**54.49**	**21.86**	**2,30,816.57**	**49.91**	**18.97**	**2,39,424.94**	**703.18**

1. In earlier years, the Group 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 Group 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 25 November 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 Group on such mutually agreed terms and conditions. Further, in the unlikely event of not transferring the land through sale to the Group, 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 Group to purchase the land. The said consideration was paid on 12 November 2009 and the same had been considered as cost of land. The Group 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 an previous year, APIIC had raised a demand amounting to Rs. 19.81 million for lease rentals (including interest) pertaining to earlier years which was paid by the Group. On transition to Ind AS 116 "Leases", the Group 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 payments as ROU assets and lease liability accordingly.

2. Free hold land includes Rs. 36.76 million (31 March 2020: Rs. 36.76 million) being lands purchased from APIIC by SEIL-P2. As per the terms of Agreement for sale of land, sale deed will be issued by APIIC after commissioning. The said sale deed is yet to be made in the name of the Group on account of certain administrative delays.

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3.1 Property, plant and equipment and capital work-in-progress (Contd..)

3. Title deeds of certain lands in the name of the Group are under dispute. In respect of such disputes, the Group has been legally advised that it has valid title deeds in its name for the aforesaid immovable properties and that it will be able to defend any counter claim to such property. (refer note 3.38)

4. As per the terms of EPC contract with the vendor, its scope of work includes operation and maintenance (O&M) activities for the wind power plants at its own cost for the first few years from the date of commissioning of the projects. Accordingly, an amount of Nil (31 March 2020: Rs. 1,072.30 million) has been reclassified from the capital work-in-progress to prepayment towards O&M cost.

5. Refer note 3.14 and 3.19 for assets pledged against the borrowings of the Group.

3.2 Other intangible assets and Goodwill

(₹ in Millions)

Particulars	Customer contracts	Softwares and licenses	Total of other intangible assets	Goodwill
Gross carrying amount				
Balance as at 1 April 2019	**32.10**	**111.11**	**143.21**	**1,234.20**
Additions	-	1.05	1.05	-
Disposals	-	(1.70)	(1.70)	-
Balance as at 31 March 2020	**32.10**	**110.46**	**142.56**	**1,234.20**
Additions	-	19.38	19.38	-
Disposals	-	-	-	-
Balance as at 31 March 2021	**32.10**	**129.84**	**161.94**	**1,234.20**
Accumulated amortisation				
Balance as at 1 April 2019	**17.17**	**103.69**	**120.86**	**-**
Amortisation for the year	6.42	6.62	13.04	-
Disposals	-	(1.70)	(1.70)	-
Balance as at 31 March 2020	**23.59**	**108.61**	**132.20**	**-**
Amortisation for the year	6.42	3.36	9.78	-
Disposals	-	-	-	-
Balance as at 31 March 2021	**30.01**	**111.97**	**141.98**	**-**
Carrying amounts (net)				
As at 31 March 2020	**8.51**	**1.85**	**10.36**	**1,234.20**
As at 31 March 2021	**2.09**	**17.87**	**19.96**	**1,234.20**

Impairment tests for goodwill:

Goodwill is tested for impairment on annual basis whenever there is an indication that the recoverable amount of an asset is less than its carrying amount. The recoverable amount of asset is determined based on higher of value in use and fair value less cost to sell.

The goodwill represents the excess of consideration paid over the net assets acquired under the Scheme of Amalgamation of the 'Nelcast Energy Corporation Limited (Nelcast)' with Sembcorp Gayatri Power Limited (SEIL-P2). The Scheme of Amalgamation was approved by the High Court of Madras on 12 October 2011. Nelcast was the 100% subsidiary of Sembcorp Gayatri Power Limited. The recoverable value is determined for the cash generating unit ('CGU') to which the Goodwill belongs. As the recoverable value of CGU is higher than the carrying value of assets of CGU including goodwill, the management did not identify any impairment on the goodwill.

The Group opted to apply Ind AS 103 exemption for the business combinations which occurred prior to transition into Ind AS i.e. 1 April 2015. Accordingly, amalgamation of Nelcast with the Company has not been restated and Goodwill accounted at the time of Amalgamation has been continued and is subject to impairment test on annual basis.

The carrying amount of goodwill as at 31 March 2021 is Rs 1,234.20 million (31 March 2020: Rs 1,234.20 million).

For the purpose of impairment testing, goodwill is allocated to the cash generating units (CGU), which benefit from the synergies of the acquisition.

The Group has two cash generating units SEIL P1 and SEIL P2 with a capacity of 1320 MW each.

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3.2 Other intangible assets and Goodwill (Contd..)

The aggregate carrying amounts of goodwill allocated to each unit are as follows:

(₹ in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Cash Generating unit		
SEIL-P2	1,234.20	1,234.20
Total	**1,234.20**	**1,234.20**

The recoverable amount of a CGU is based on its value in use. The value in use is estimated using discounted cash flows over a period of 21 years.

Revenue, margins and cash flow projections have been estimated based on past experience and after considering the financial budgets forecasts approved by the management. Other key assumptions used in the estimation of the recoverable amount are set out below. 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.

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

Assumption	Basis
Cash flow projections period	Remaining useful life of plants assumed 21 years (31 March 2020: 22 years) The PPA available under the CERC guidelines is for the life of plant capped at 25 years, hence cashflow projection considered based on the remaining useful life.
Terminal value	None
Weighted average cost of capital % (WACC) post tax	9.7% (31 March 2020: 9.45%)
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.

These assumptions are reviewed annually as part of management's budgeting and strategic planning cycles. These estimates may differ from actual results. The values assigned to each of the key assumptions reflect the Management's past experience as their assessment of future trends, and are consistent with external / internal sources of information.

As at 31 March 2021 the estimated recoverable amount of the CGU exceeded its carrying amount and accordingly, no impairment was recognized.

The Group has also performed sensitivity analysis calculations on the projections used and discount rate applied. Given the significant headroom that exists, and the results of the sensitivity analysis performed, it is concluded that there is no significant risk that reasonable changes in any key assumptions would cause the carrying value of goodwill to exceed its value in use.

3.3 Derivative assets

(₹ in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Non-current		
Derivative designated as cash flow hedge		
- Fair value of cross currency interest rate swaps	-	1,429.63
Derivatives not designated as cashflow hedge		
- Fair value of cross currency interest rate swaps	332.54	449.99
- Fair value of foreign exchange option contracts	-	19.73
	332.54	**1,899.35**
Current		
Derivative designated as cash flow hedge		
- Fair value of commodity hedge contracts	251.86	-
- Fair value of cross currency interest rate swaps	1,067.52	-
- Fair value of forward contracts	-	46.88

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.3 Derivative assets (Contd..)

(₹ in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Derivatives not designated as cash flow hedge		
- Fair value of forward contracts	17.00	1,523.37
- Foreign exchange option contracts	5.31	-
- Fair value of cross currency interest rate swaps	-	27.20
- Fair value of interest rate swaps	-	0.06
	1,341.69	**1,597.51**

The Group's exposure to currency and liquidity risk related to above derivative assets are disclosed in note 3.32.

3.4 Other financial assets

(Unsecured, considered good)

(₹ in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Non-current		
Margin money deposits and other deposits with banks *	6,905.46	5,808.73
Interest accrued on deposits	58.83	161.98
Security deposits	53.26	20.96
	7,017.55	**5,991.67**
Current		
Unbilled receivables	6,890.06	5,768.14
Less: Allowance for expected credit loss	(17.30)	(12.47)
Income accrued on generation based incentive	243.77	305.99
Interest accrued on deposits	190.51	183.42
Amount recoverable from related party (refer note 3.37)	-	0.06
Advance given for purchase of mutual funds	40.00	42.50
Security deposits	16.52	23.01
Premium on forward contracts	325.06	134.63
Other recoverable (refer note 3.38 (IV))	369.83	311.05
	8,058.45	**6,756.33**

* Reserved against margin money for bank guarantee, other commitments and debt service reserves on long-term borrowings as at the year end, hence termed as non-current.

3.5 Non-current tax assets

(₹ in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Advance income taxes (net of provision for tax)	685.38	614.09
Taxes paid under protest (refer note 3.38)	448.05	532.58
	1,133.43	**1,146.67**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.6 Deferred tax assets and liabilities

i) Deferred tax asset and liabilities attributable to the following

(₹ in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax liabilities on:		
Excess of depreciation on assets under Income Tax law over depreciation provided in accounts	22,215.32	17,888.25
Fair value adjustment of current investments	13.42	11.92
Unamortised part of prepayment expenses	209.05	341.81
Unamortised part of borrowing costs	106.55	128.57
Fair value adjustment of derivatives	4.15	-
	22,548.49	**18,370.55**
Deferred tax assets on:		
Provision for asset retirement obligation	81.47	73.05
Allowance for expected credit loss	250.38	185.31
Lease liabilities	39.91	43.96
Operation and maintenance expenses equalization	134.79	112.45
MAT credit entitlement	586.24	560.78
Expenses to be allowed as deductible in future	3,571.70	3,506.65
Unabsorbed depreciation/tax losses #	17,403.26	13,294.74
	22,067.75	**17,776.94**
Net deferred tax assets and liabilities	**480.74**	**593.61**

Deferred tax assets are recognised on unabsorbed depreciation/carried forward tax losses only if, there is a reasonable certainty that such deferred tax assets can be realised against future taxable profit.

During the year ended 31 March 2021, the Group did not recognise deferred tax assets of Rs. 769.33 million (31 Mar 2020: Rs. 3,442.25 million) on unused tax loss and unabsorbed depreciation in absence of reasonable certainty that such deferred tax assets can be realised against future taxable profit at each entity.

Classification of deferred tax assets and liabilities:

(₹ in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax liabilities (net)	724.42	780.27
Deferred tax assets (net)	243.68	186.66
	480.74	**593.61**

ii) Movement in temporary differences

(₹ in Millions)

Particulars	As at 1 April, 2020	Impact in Statement of profit and loss	Impact in other comprehensive income	As at March 31, 2021
Deferred tax liabilities on:				
Excess of depreciation on assets under Income Tax law over depreciation provided in accounts	17,888.25	4,327.07	-	22,215.32
Fair value adjustment of current investments	11.92	1.50	-	13.42
Unamortised part of prepayment expenses	341.81	(132.76)	-	209.05
Unamortised part of borrowing costs	128.57	(22.02)	-	106.55
Fair value adjustment of derivatives	-	4.15	-	4.15
	18,370.55	**4,177.94**	**-**	**22,548.49**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.6 Deferred tax assets and liabilities (Contd..)

ii) Movement in temporary differences (Contd..)

(₹ in Millions)

Particulars	As at 1 April, 2020	Impact in Statement of profit and loss	Impact in other comprehensive income	As at March 31, 2021
Deferred tax assets on:				
Provision for asset retirement obligation	73.05	8.42	-	81.47
Allowance for expected credit loss	185.31	65.07	-	250.38
Lease liabilities	43.96	(4.05)	-	39.91
Operation and maintenance expenses equalization	112.45	22.34	-	134.79
MAT credit entitlement	560.78	25.46	-	586.24
Expenses to be allowed as deductible in future	3,506.65	64.74	0.31	3,571.70
Unabsorbed depreciation/tax losses #	13,294.74	4,108.52	-	17,403.26
	17,776.94	**4,290.50**	**0.31**	**22,067.75**
Net deferred tax assets and liabilities	**593.61**	**(112.56)**	**(0.31)**	**480.74**

(₹ in Millions)

Particulars	As at 1 April 2019	Impact in Statement of profit and loss	Impact in other comprehensive income	As at 31 March 2020
Deferred tax liabilities on:				
Excess of depreciation on assets under Income Tax law over depreciation provided in accounts	16,741.34	1,146.91	-	17,888.25
Fair value adjustment of current investments	11.50	0.42	-	11.92
Unamortised part of prepayment expenses	189.30	152.51	-	341.81
Unamortised part of borrowing costs	0.39	128.18	-	128.57
	16,942.53	**1,428.02**	**-**	**18,370.55**
Deferred tax assets on:				
Provision for asset retirement obligation	49.55	23.50	-	73.05
Allowance for expected credit loss	44.49	140.82	-	185.31
Lease liabilities	-	43.96	-	43.96
Operation and maintenance expenses equalization	116.22	(3.77)	-	112.45
MAT credit entitlement	-	560.78	-	560.78
Expenses to be allowed as deductible in future	6,249.39	(2,743.14)	0.40	3,506.65
Unabsorbed depreciation/tax losses #	9,752.56	3,542.18	-	13,294.74
	16,212.21	**1,564.33**	**0.40**	**17,776.94**
Net deferred tax assets and liabilities	**730.32**	**(136.31)**	**(0.40)**	**593.61**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.7 Other assets

(Unsecured, considered good)

(₹ in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Non-current		
Capital advances	197.85	336.95
Balance with government authorities paid under protest (refer note 3.38)	119.98	206.68
Contribution to gratuity fund (refer note 3.36)	15.29	10.71
Prepayments	605.90	860.67
	939.02	**1,415.01**
Current		
Advance to suppliers and service providers	1,186.52	932.54
Balance with government authorities (refer note 3.46)	1,556.16	724.33
Staff advances	0.22	0.82
Prepayments	785.69	1,193.05
	3,528.59	**2,850.74**

3.8 Inventories

(Valued at lower of cost and net realisable value)

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Fuel*	2,493.59	5,853.92
Stores and spares	2,286.99	1,933.31
	4,780.58	**7,787.23**

*includes materials-in-transit amounting to Rs. 1,065.38 million (31 March 2020: Rs. 2,482.81 million).

3.9 Current investments

(₹ in Millions)

Particulars	Number of units		As at	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Investment in mutual funds (debt securities)				
Quoted, valued at fair value through profit or loss				
IDFC Cash Fund-Direct Plan-Growth	2,06,348	26,317	512.98	63.21
DSP Liquidity Fund-Direct Plan-Growth	1,00,247	70,132	294.84	199.22
L&T Liquid Fund-Direct Plan-Growth	91,933	59,244	259.15	161.24
Kotak Liquid Fund-Direct Plan-Growth	37,868	76,521	157.50	307.22
TATA Liquid Fund-Direct Plan-Growth	1,42,269	59,613	462.04	186.71
Sundram Money Fund-Direct Plan-Growth	-	1,07,79,730	-	451.35
UTI Liquid Cash Fund-Direct Plan-Growth	1,53,836	1,18,446	518.50	385.12
Axis Liquid Fund-Direct Plan-Growth	2,10,016	60,163	479.84	132.63
SBI Liquid Fund-Direct Plan-Growth	1,44,528	1,39,632	465.61	434.11
Aditya Birla Sun Life Liquid Fund-Direct Plan-Growth	11,75,904	4,37,986	389.85	139.96
ICICI Prudential Liquid Fund-Direct Plan-Growth	11,58,239	7,06,265	352.96	207.49
Nippon India liquid fund -Direct plan-Growth	1,00,611	-	506.34	-
Invesco India Liquid Fund-Direct Plan-Growth	13,815	-	39.04	-
Baroda Liquid Fund Plan B-Direct Plan-Growth	-	92,970	-	212.83
Mahindra Liquid Fund-Direct Plan-Growth	-	13,327	-	17.17
Mirae Asset Cash Management Fund-Direct Plan-Growth	-	9,829	-	20.59
Franklin India Liquid Fund-Super Institutional-Direct Plan-Growth	-	1,04,320	-	311.22
			4,438.65	**3,230.07**
Aggregate fair value of quoted investments			4,438.65	3,230.07
Aggregate provision for impairment in value of investments			-	-

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.10 Trade receivables

(Unsecured)

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables		
- considered good	29,761.96	22,928.57
- which have significant increase in credit risk	736.69	494.87
Less: loss allowance	(736.69)	(494.87)
- credit impaired	-	-
Less: loss allowance	-	-
	29,761.96	**22,928.57**

Notes:

(i) No trade receivables are due from directors or other officers of the Group 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 Group's exposure to credit and currency risk and loss allowance related to trade receivables are disclosed in note 3.32.

3.11 Cash and cash equivalents

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents:		
Balance with banks:		
On current accounts	507.65	1,645.19
Deposits with original maturity of less than three months *	2,684.03	2,777.46
	3,191.68	**4,422.65**
Bank balances other than those disclosed above		
Deposits due to mature after three months but before twelve months from the reporting date *	3,637.21	4,293.48
	3,637.21	**4,293.48**

* Includes Rs. 1,012.65 million (31 March 2020: Rs. 203.78 million) held as margin money towards bank guarantees and other commitments.

3.12 Share capital

(₹ in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Authorised		
Equity shares		
15,000,000,000 (31 March 2020: 15,000,000,000) equity shares of Rs.10 each	1,50,000.00	1,50,000.00
	1,50,000.00	**1,50,000.00**
Issued, Subscribed and fully paid up		
5,433,668,574 (31 March 2020: 5,433,668,574) equity shares of Rs.10 each, fully paid up (refer note below)	54,336.69	54,336.69
	54,336.69	**54,336.69**

Of the above issued, subscribed and fully paid up equity share capital, 5,433,668,574 (31 March 2021: 5,433,668,574) equity shares of Rs. 10 each, fully paid-up are held by Sembcorp Utilities Pte Ltd, the holding company.

Notes:

643,970,442 (31 March 2020: 643,970,442) equity shares of Rs. 10 each, fully paid-up are pledged against secured term loans from banks by SEIL-P1 and pledged 408,480,080 (31 March 2020: 408,480,080) equity shares of the Company for loans availed by SEIL-P2.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.12 Share capital (Contd..)

The reconciliation of shares outstanding at the beginning and at the end of reporting year is set out as below:

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
Outstanding at the beginning of the year	5,43,36,68,574	54,336.69	5,15,87,21,764	51,587.22
Shares issued during the year	-	-	27,49,46,810	2,749.47
Outstanding at the end of the year	**5,43,36,68,574**	**54,336.69**	**5,43,36,68,574**	**54,336.69**

The details of shareholders holding more than 5% shares along with number of equity shares held is set below:

(₹ in Millions)

Name of shareholders	As at 31 March 2021		As at 31 March 2020	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares				
Sembcorp Utilities Pte. Ltd., the holding company along with its nominees#	5,43,36,68,574	100.00%	5,43,36,68,574	100.00%

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

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.

Aggregate number of bonus shares issued and shares issued for consideration other than cash during the five years immediately preceding the reporting date:

For the year ended 31 March 2018, the Company has issued 2,568,750,000 equity shares of Rs. 10 each fully paid at a premium of Rs. 8.80 per share to the shareholders of Sembcorp Gayatri Power Limited and Sembcorp Green Infra Limited as a consideration for acquisition of these entities on 15 February 2018.

3.13. Other equity

(₹ in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Securities premium		
Balance at the beginning of the year	40,207.03	37,787.50
Add: Additions during the year	-	2,419.53
Balance at the end of the year	**40,207.03**	**40,207.03**
Capital reserve on acquisition		
Balance at the beginning of the year	(14,550.18)	(14,550.18)
Add: Additions during the year	-	-
Balance at the end of the year	**(14,550.18)**	**(14,550.18)**
Capital reserve		
Balance at the beginning of the year	1,121.58	1,121.58
Add: Additions during the year	-	-
Balance at the end of the year	**1,121.58**	**1,121.58**
Capital redemption reserve		
Balance at the beginning of the year	1.86	1.01
Add: Transfers from retained earnings	0.32	0.85
Balance at the end of the year	**2.18**	**1.86**

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3.13. Other equity (Contd..)

(₹ in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Debenture redemption reserve		
Balance at the beginning of the year	-	125.00
Less: Transfers to general reserves	-	(125.00)
Balance at the end of the year	**-**	**-**
General reserve		
Balance at the beginning of the year	199.00	74.00
Add: Transfers from debenture redemption reserve	-	125.00
Balance at the end of the year	**199.00**	**199.00**
Other reserves		
Balance at the beginning of the year	1,167.19	650.95
Add: Adjustments due to change in stake of step-down subsidiaries	(2.46)	7.08
Add: Fair value of interest free INR denominated notes from holding company	234.72	509.16
Balance at the end of the year	**1,399.45**	**1,167.19**
Retained earnings		
Balance at the beginning of the year	(7,397.33)	(10,472.48)
Less: Expenses incurred on issuance of shares	-	(13.59)
Less: Transfers to capital redemption reserve	(0.32)	(0.85)
Less: Transition adjustment of Ind AS 116 "Leases"	-	(28.15)
Add: Profit for the year	8,491.91	3,126.72
Items that will not be reclassified to profit or loss		
- Remeasurement of defined benefit liabilities, net of tax	(3.28)	(8.98)
Balance at the end of the year	**1,090.98**	**(7,397.33)**
Other items of other comprehensive income		
Effective portion of cash flow hedges		
Balance at the beginning of the year	(598.78)	(932.35)
Add: Change in fair value, net of tax	557.14	333.57
Less: Utilisation	-	-
Balance at the end of the year	**(41.64)**	**(598.78)**
Total other equity	**29,428.40**	**20,150.37**

Nature and purpose of other equity

Securities premium

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

Capital reserve on acquisition

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

Capital reserve

Capital reserve is the excess of fair value of net identified assets acquired over the purchase consideration of the business acquired by the Group from other than business combination of entities under common control.

Capital redemption reserve

Capital redemption reserve represents amounts set aside out of retained earnings on redemption of preference shares by the subsidiaries namely Green Infra Wind Farm Limited and Green Infra Wind Power Projects Limited.

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Debenture redemption reserve

In earlier year, one of the subsidiary, GIWFAL allotted 500, 12% non-convertible debentures of face value of Rs. 1.00 million each. GIWFAL had transferred Rs. 125.00 million to 'Debenture redemption reserve' (DRR) out of profits available for distribution of dividends, as required under section 71 of the Companies Act, 2013. Subsequently, the same had been transferred to general reserve as per the Companies (Share capital and Debentures) Rules, 2019 in the previous year.

General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to retained earnings.

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 year profits as disclosed in the consolidated statement of profit and loss and other comprehensive income less dividend distribution and transfers to general reserve and remeasurement gain/(loss) relating to defined benefit liability.

Other items of other comprehensive income

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.

3.14 Long-term borrowings

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
From banks		
External commercial borrowings	954.14	17,273.99
Term loans	69,379.54	62,972.69
Foreign currency non repatriable (FCNR) term loan	27,534.84	28,987.21
From financial institutions		
External commercial borrowings	2,205.59	2,441.56
Term loans	16,967.22	18,671.25
From others		
10,000 (31 March 2020: 10,000) 9.65% Non-convertible debentures of face value of Rs. 1.00 million each	9,100.00	9,700.00
Nil (31 March 2020: 500) 12% Non-convertible debentures of face value of Rs. 1.00 million each	-	400.00
Unsecured		
From related party (refer note 3.37)		
INR denominated notes	42,400.00	42,400.00
	1,68,541.33	**1,82,846.70**
Less: Unamortised part of loan origination cost	(671.52)	(680.14)
	1,67,869.81	**1,82,166.56**

Notes to the Consolidated Financial Statements

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3.14 Long-term borrowings (Contd..)

Long-term borrowings in the Group (Including Current Maturities)	Interest rate and repayment terms of the long-term borrowings	Security terms of the long-term borrowings
External commercial borrowings (ECB) of Rs. 15,399.29 million (31 March 2020: Rs. 16,475.70 million) from banks for SEIL – P1	ECB loans carry interest at 3-month LIBOR plus 1.15% p.a. (31 March 2020: 3-month LIBOR plus 1.15% p.a.) These ECB loans are payable in 20 quarterly structured unequal instalments starting from 30 June 2017. The Company has entered into cross currency interest rate swaps and the applicable interest rate under the hedge agreement is 8.36% p.a. (31 March 2020: 8.36% p.a.)	ECB loans are guaranteed by Sembcorp Utilities Pte Ltd, the holding company.
Rupee term loans of Rs. 13,818.01 million (31 March2020: 21,894.26 million) from banks for SEIL – P1	The rupee term loans in respect of facility I and II carries an interest of SBI MCLR plus 1.25% p.a. Interest rate applicable during the year is 8.20% - 9.25% p.a. (31 March 2020: 9.25% - 9.75% p.a.) Rupee Term Loan facility - I is repayable in 79 quarterly structured unequal instalments starting from 31 December 2016 and Rupee Term Loan facility - II is repayable in 77 quarterly structured unequal instalments starting from 30 June 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. 643,970,442 (31 March 2020: 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. 25,718.04 million (31 March 2020: 21,193.43 million) from banks for SEIL - P2	The term loans carry an interest of SBI one-year MCLR plus 1.25% p.a. The term loans carry an interest rate of 8.25% - 9.70% p.a. (31 March 2020: 9.50% - 9.70% p.a.) The term loans facility is repayable in 78 quarterly structured unequal installments starting from 30 September 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 408,480,080 (31 March 2020: 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 exposure. All securities rank pari passu on first charge basis inter se amongst all the term loan lenders and created in favour of SBICAP Trustee Company Limited, acting as security trustee for term loan lenders.
Rs. 42,400.00 million (31 March 2020: 42,400.00 million) INR denominated notes for SEIL - P2.	INR denominated notes are repayable in structured unequal tranche and interest are payable on quarterly basis. Terms of repayment, interest rate and interest accrued are given below:	These notes are unsecured and subscribed by holding company i.e. Sembcorp Utilities Pte Ltd.

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for the year ended 31 March 2021

3.14 Long-term borrowings (Contd..)

(₹ in Millions)

Tranche	Amount	Date of receipt	Interest coupon	Maturity date	Interest outstanding as on reporting date	Due dates for payment of interest accrued but not due
1	7,893.90	9 December 2016	12.00% p.a.	30 September 2022	293.26	30 September 2022
2	9,000.00	27 March 2017	10.00% p.a.	27 March 2027	431.53	30 September 2022
3	9,000.00	6 April 2017	10.00% p.a.	6 April 2027	2,138.45	30 September 2022
4	9,000.00	7 April 2017	10.00% p.a.	7 April 2027	2,140.68	30 September 2022
5	7,506.10	7 April 2017	10.00% p.a.	7 April 2027	1,659.06	30 September 2022
	42,400.00				**6,662.98**	

The holding company has deferred the repayment of tranche 1 principle amount and interest accrued as at 31 March 2021 to 30 September 2022 at the request of the Company. Finance component on account of interest free deferment is recognised at fair value as other equity.

Long-term borrowings in the Group (Including Current Maturities)	Interest rate and repayment terms of the long-term borrowings	Security terms of the long-term borrowings
Foreign currency non repatriable (FCNR) term loan of Rs. 27,534.84 million (31 March 2020: 28,987.21 million) for SEIL - P1 and P2 During the current year, the Company has converted Rupee term loan of Rs. 26,589.25 million of SEIL-P1 for a period of 365 days and Rupee term loan of Rs. 1,850.00 million of SEIL-P2 into FCNR Loans for a period 364 days.	FCNR term loans tenure is 7 to 365 days (31 March 2020: 126 to 360 days) from the date of conversion and these loans are repayable in one lump sum on the date of maturity. However, 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. Accordingly, the Company has classified the borrowings in the financial statements as per the 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 at 7.73% - 7.81% p.a. (31 March 2020: 8.74% - 8.88% 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.
Term loans of Rs. 24,674.08 million (31 March 2020: Rs. 12,770.00 million) from banks in GIWEL	Interest rates on loans are in the range of 7.75% - 9.65% p.a. (31 March 2020: 8.50% - 9.65% p.a.). These loans are repayable in 12 unequal quarterly installments starting from 30 June 2020, 76 unequal quarterly installments starting from 31 January 2021 and 19 unequal quarterly installments starting from 31 December 2020. During the year ended 31 March 2021 and 31 March 2020, one of the existing loans having interest rate in the range of 8.65% - 9.65% p.a. (31 March 2020: 9.65% - 10.30% p.a.) has been partially refinanced by another long-term borrowings.	Secured by pari passu first charge on all immovable properties and movable assets including plant and machinery, spares, tools, accessories, furniture, fixtures of the respective projects, and other assets of project, intangibles relating to the project, cash flows, receivables, book debts, assignment of security interest of all rights, title, interest, benefits of respective project in project documents, clearances, letter of credit, guarantees, performance bond, trust and retention account, debt service reserve account and any other reserves and bank accounts of the respective projects under GIWEL in favour of the Security Trustee

Notes to the Consolidated Financial Statements

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3.14 Long-term borrowings (Contd..)

Long-term borrowings in the Group (Including Current Maturities)	Interest rate and repayment terms of the long-term borrowings	Security terms of the long-term borrowings
10,000 numbers (31 March 2020: 10,000 numbers) of 9.65% Non-convertible debentures of Rs. 1.00 million each of value Rs. 9,700.00 million (31 March 2020: Rs. 10,000.00 million) in GIWEL	Non-convertible debentures are repayable in 12 quarterly unequal installments starting from 31 October 2020 and carry an interest rate of 9.65% p.a. (31 March 2020: 9.65% p.a.)	Secured by providing charge/assignment on the all assets including land and movable assets, cash flows, project documents for the 248.90 MW wind projects installed in various States in GIWEL as security for the securing NCDs.
(i) Term loans of Rs. 7,435.80 million (31 March 2020: Rs. 7,584.62 million) from banks in GIREL (ii) Term loans of Rs. 5,236.90 million (31 March 2020: Rs. 5,363.73 million) from financial institutions in GIREL	Interest rates are in the range of 8.35% - 9.85% p.a. (31 March 2020: 9.60% - 9.85% p.a.) and are repayable in 71 structured unequal quarterly installments starting from 31 December 2019. During the current year, the Company has made prepayment one of its existing borrowings from financial institution entirely and refinanced by another long-term borrowings from another financial institutions.	Secured by charge on all immovable properties, the entire movable assets including plant and machinery, machinery spares, tools and accessories, furniture, fixture, vehicles and intangible assets along with first charge on the goodwill, uncalled capital, cash flows, receivables, book debts, revenues, first charge on all bank accounts, debt service reserve account, trust and retention account; by way of assignment of security interests on project documents and contracts.
Term loans of Rs. 1,364.43 million (31 March 2020: Rs. 1,477.37 million) from banks in GICSL Term loans of Rs. 3,274.27 million (31 March 2020: Rs. 3,541.84 million) from financial institutions in GICSL	Interest rates are in the range of 10.80% - 10.81% p.a. (31 March 2020: 10.55% - 11.35% p.a.) and are repayable in 57 quarterly unequal installments starting from 15 January 2016 and 30 June 2016. During the current year, loan from a bank having interest rate 10.81% has been repaid entirely.	Secured by first charge on all immovable and movable assets including plant and machinery, spares, tools, accessories, furniture, fixtures and other assets of project, cash flows, receivables, book debts, assignment of security interest of all rights, title, interest, benefits of project in project documents, clearances, letter of credit, guarantees, performance bond, trust and retention account, debt service reserve account and any other reserves and bank accounts of borrower in favour of the Security Trustee of the respective projects under GICSL. The loan is also secured by pledge of 61,233,150 equity shares and 105,526,100 preference shares of GICSL held by its promoter.
External commercial borrowings of Rs. 2,137.97 million (31 March 2020: Rs. 2,313.76 million) from foreign financial institution in GICSL	Interest rates are in the range of 10.28% to 10.97% p.a. (31 March 2020: 10.28% to 10.97% p.a.) and are repayable in 57 quarterly unequal installments starting from 15 January 2016.	Secured by first charge on all immovable and movable assets including plant and machinery, spares, tools, accessories, furniture, fixtures and other assets of project, cash flows, receivables, book debts, assignment of security interest of all rights, title, interest, benefits of projects in project documents, clearances, letter of credit, guarantees, performance bond, trust and retention account, debt service reserve account and any other reserves and bank accounts of borrower in favour of the Security Trustee of the respective projects under GICSL. The loan is also secured by pledge of 61,233,150 equity shares and 105,526,100 preference shares of GICSL held by its promoter.

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for the year ended 31 March 2021

3.14 Long-term borrowings (Contd..)

Long-term borrowings in the Group (Including Current Maturities)	Interest rate and repayment terms of the long-term borrowings	Security terms of the long-term borrowings
Term loans of Rs. 4,039.76 million (31 March 2020: Rs. 4,169.90 million) from financial institutions in GIWPGL Term loan of Rs. 229.36 million (31 March 2020: Rs. 553.68 million) from bank in GIWPGL	Interest rates are in the range of 9.25% - 10.50% p.a. (31 March 2020: 9.90% - 10.50% p.a.) and are repayable in 60 quarterly structured unequal instalments starting from 30 June 2016 and 56 quarterly structured unequal instalments starting from 31 March 2018 respectively. During the current year, the Company has made prepayment of partial loan amount.	Secured by first charge on all immovable and movable assets including plant and machinery, spares, tools, accessories, furniture, fixtures and other assets of project, cash flows, receivables, book debts, assignment of security interest of all rights, title, interest, benefits in project documents, clearances, letter of credit, guarantees, performance bond, trust and retention account, debt service reserve account and any other reserves and bank accounts of the respective project.
Term loan of Rs. 705.50 million (31 March 2020: Rs. 912.50 million) from financial institution in GIWFL	Interest on the loan is 10.00% p.a. (31 March 2020: 10.00% p.a.) and is repayable in 44 structured unequal quarterly installments starting from 30 June 2019. During the current year, the Company has made prepayment of partial loan amount.	Secured by first charge on all movable assets and intangible assets pertaining to project including plant and machinery, spares, tools, accessories, furniture, fixtures, goodwill, rights, undertakings and other assets, cash flows, receivables, book debts, assignment of security interest of all rights, title, interest, benefits of project in project documents, clearances, letter of credit, guarantees, performance bond, trust and retention account, debt service reserve account and any other reserves and bank accounts
Term loan of Rs. 478.50 million (31 March 2020: Rs. 531.19 million) from financial institution in GIWPL	Interest on loan is 9.70% p.a. (31 March 2020: 9.70% - 10.80% p.a.) and is repayable in 54 structured unequal quarterly installments starting from 15 March 2016. During the current year, the Company has made prepayment of partial loan amount.	Secured by way of first charge on freehold immovable property and movable assets including plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, cash flows, reserves, receivables, intangibles, goodwill, assignment or creation of security on all rights, title, interest, benefits claim and demands, letter of credit, insurance contract/ insurance proceeds, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the projects documents, trust and retention account, debt service reserve account and 51.00% (31 March 2020: 51.00%) equity shares of Rs. 10 each of the GIWPL held by promoter (i.e. GIWVL) have been pledged in favour of the financial institution

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.14 Long-term borrowings (Contd..)

Long-term borrowings in the Group (Including Current Maturities)	Interest rate and repayment terms of the long-term borrowings	Security terms of the long-term borrowings
Term loan of Rs. 485.66 million (31 March 2020: Rs. 543.11 million) from financial institution in GICWL	Interest on loan is 9.70% p.a. (31 March 2020: 9.70% - 10.80% p.a.) and is repayable in 54 structured unequal quarterly installments starting from 15 March 2016. During the current year, the Company has made prepayment of partial loan amount.	Secured by way of first charge on freehold immovable property and movable assets including plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, cash flows, reserves, receivables intangibles, goodwill, assignment or creation of security on all rights, title, interest, benefits claim and demands in any letter of credit, insurance contract, insurance proceeds, performance bond, corporate guarantee, bank guarantee provided by any party to the project documents, trust and retention account, debt service reserve account and 51.00% (31 March 2020: 51.00%) Equity shares of the GICWL held by promoter (i.e. GIWVL) have been pledged in favour of the financial institution.
Term loan of Rs. 347.00 million (31 March 2020: Rs. 455.00 million) from financial institution in GISEL	Interest rate is 9.60% p.a. (31 March 2020: 9.60% p.a) and is repayable in 49 structured unequal quarterly installments starting from 30 September 2019.	Secured by first charge on all movable assets and intangible assets pertaining to project including plant and machinery, spares, tools, accessories, furniture, fixtures, goodwill, rights, undertakings and other assets of project, cash flows, receivables, book debts, reserves, assignment of security interest of all rights, title, interest, benefits of project in project documents, clearances, letter of credit, guarantees, performance bond, trust and retention account, debt service reserve account and bank accounts.
Term loan of Rs. 679.29 million (31 March 2020: Rs. 755.83 million) from financial institution in GIWGL	Interest on loan is 10.08% p.a. (31 March 2020: 9.55% - 10.08% p.a.) and is repayable in 59 structured unequal quarterly installments starting from 30 September 2017. During the current year, the Company has made prepayment of partial loan amount.	Secured by first charge on all immovable and movable assets including plant and machinery, spares, tools, accessories, furniture, fixtures and other assets of project, cash flows, receivables, book debts, reserves, revenues, intangible assets, assignment of security interest on all rights, title, interest, benefits, claims and demands in the project documents, clearances, letter of credit, guarantee, performance bond and bank guarantee trust and retention account, debt service reserve account and any other reserves and bank accounts.

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for the year ended 31 March 2021

3.14 Long-term borrowings (Contd..)

Long-term borrowings in the Group (Including Current Maturities)	Interest rate and repayment terms of the long-term borrowings	Security terms of the long-term borrowings
Term loan of Rs. 521.14 million (31 March 2020: Rs. 579.04 million) from financial institution in GIWPPL	Interest on loan is 10.04% p.a. (31 March 2020: 9.45% - 10.04% p.a.) and is repayable in 48 structured unequal quarterly installments starting from 30 June 2017. During the current year, the Company has made prepayment of partial loan amount.	Secured by pari-passu first charge on all immovable and movable assets including plant and machinery, spares, tools, accessories, furniture, fixtures and other assets of project, cash flows, receivables, book debts, reserves, revenues, intangible assets, assignment of security interest on all rights, title, interest, benefits, claims and demands in the project documents, clearances, letter of credit, guarantee, performance bond and bank guarantee, trust and retention account, debt service reserve account, bank account in favour of the Security Trustee.
Term loans of Rs. 1,347.63 million (31 March 2020: Rs. 1,383.27 million) from financial institutions in GIWFAL Nil (31 March 2020: 500 numbers) 12% Non-convertible debentures of Rs. 1.00 million each of Nil (31 March 2020: Rs. 500.00 million) in GIWFAL	(i) Interest rates are in the range of 10.00% - 11.45% p.a. (31 March 2020: 10.00% - 11.45% p.a.) and are repayable in 64 structured quarterly unequal installments starting from 1 April 2015. (ii) Non-convertible debentures were issued at 12.00% p.a. interest rate (31 March 2020: 12.00% p.a.) and were repayable in 4 yearly installments and starting at the ended of 6th year from the date of allotment i.e. 30 December 2014. During the current year, all debentures were pre-matured and prepaid.	Secured by way of pari passu mortgage on immovable property, hypothecation of movable assets including plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, intangibles, goodwill, receivables, any other reserve, assignment or creation of security on all rights, title, interest, benefits claim and demands in any letter of credit, insurance contract/ insurance proceeds, performance bond, corporate guarantee, bank guarantee provided by any party to the projects documents, trust and retention account, debt service reserve account and any other bank account and 51.00% (31 March 2020: 51.00%) of the equity shares of GIWFAL held by promoter (i.e. GIWVL) have been pledged in favour of the Security Trustee
Term loan of Rs. 469.00 million (31 March 2020: Rs. 537.97 million) from financial institution in GIWEPL	Interest on loan is 10.04% p.a. (31 March 2020: 9.45% - 10.04% p.a.) and is repayable in 44 structured unequal quarterly installments starting from 30 June 2017.	Secured by first charge by way of hypothecation on entire movable assets, cash flows, receivables, book debts and revenues, any other reserves intangible assets, assignment or creation of security interest of all rights, title, interest benefits, claims and demands in the project documents, clearances, letter of credit, performance bond, corporate guarantee, bank guarantee provided by any party to the project documents; trust and retention account, debt service reserve account and bank account.
Term loan of Rs. 829.52 million (31 March 2020: Rs. 927.32 million) from financial institution in MREL	Interest rate is in the range of 9.00% - 9.80% p.a. (31 March 2020: 9.80% - 10.10% p.a.) and is repayable in 59 structured unequal quarterly installments starting from 31 December 2017. During the current year, the Company has made prepayment of partial loan amount.	Secured by charge on all immovable properties, the entire movable assets and intangible assets including plant and machinery, machinery spares, tools and accessories, furniture and fixtures, vehicles along with charge on the goodwill, uncalled capital, cash flows, receivables, book debts, revenues, first charge on all bank accounts, debt service reserve, trust and retention account; an assignment by way of security on project documents and contracts.

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for the year ended 31 March 2021

3.14 Long-term borrowings (Contd..)

Long-term borrowings in the Group (Including Current Maturities)	Interest rate and repayment terms of the long-term borrowings	Security terms of the long-term borrowings
Term loans of 2,123.87 million (31 March 2020: Rs. 2,284.15 million) from banks in GIWSL	Interest rates are in the range of 8.30% - 9.80% p.a. (31 March 2020: 9.60% - 9.80% p.a.) and are repayable in 63 structured unequal quarterly installments starting from 30 June 2018.	Secured by charge on all immovable properties, the entire movable assets and intangible assets including plant and machinery, machinery spares, tools and accessories, furniture and fixtures, vehicles along with first charge on the goodwill, uncalled capital, cash flows, receivables, book debts, revenues, first charge on all bank accounts, debt service reserve account, trust and retention account; an assignment by way of security on project documents and contracts and 26.00% (31 March 2020: 26.00%) equity shares of the GIWSL held by promoter have been pledged in favour of the Lender.
(i) External commercial borrowing of USD 7.74 million equivalent to Rs. 568.69 million (31 March 2020: USD 8.94 million equivalent to Rs. 673.70 million) from bank in GISFL (ii) External commercial borrowings of Rs. 241.06 million (31 March 2020: Rs. 277.36 million) from foreign financial institution in GISFL	(i) External commercial borrowing from bank carries interest rate of 3M LIBOR + 2.5% p.a. (31 March 2020: 3M LIBOR + 2.5% p.a.) and is repayable in 45 structured unequal quarterly installments starting from 15 October 2013. (ii) External commercial borrowing from foreign financial institution carries an interest rate in the range of 10.57% - 11.48% p.a. (31 March 2020: 10.57% - 11.48% p.a.) and is repayable in 26 structured unequal half-yearly installments starting from 15 October 2013.	Secured by first charge on immovable properties, all movable assets including plant and machinery, spares, tools, accessories, furniture, fixtures and other assets of project, cash flows, receivables, book debts, revenues, by way of assignment of security interest of all rights, title, interest, benefits in project documents, clearances, letter of credit, guarantees, performance bond, trust and retention account, debt service reserve account and other reserves and bank accounts of GISFL and GISPL (co-borrower), along with 51.00% (31 March 2020: 51.00%) of equity shares of GISFL and GISPL have been pledged in favour of the Security Trustee under the common loan agreement between the lenders with GISFL and GISPL.
(i) External commercial borrowing of USD 2.02 million equivalent to Rs. 148.74 million (31 March 2020: USD 2.34 million equivalents to Rs. 176.21 million) from bank in GISPL (ii) External commercial borrowings of Rs. 62.54 million (31 March 2020: Rs. 71.96 million) from foreign financial institution in GISPL	(i) External commercial borrowing from bank carries an interest rate of 3M LIBOR + 2.5% p.a. (31 March 2020: 3M LIBOR + 2.5% p.a.) and is repayable in 45 structured unequal quarterly installments starting from 15 October 2013. (ii) External commercial borrowing from foreign financial institution carries an interest rate in the range of 10.57% - 11.48% p.a. (31 March 2020: 10.57% - 11.48% p.a.) and is repayable in 26 structured unequal half-yearly installments starting from 15 October 2013.	Secured by first charge on immovable properties all movable including plant and machinery, spares, tools, accessories, furniture, fixtures and other assets of project, cash flows, receivables, book debts, revenues, by way of assignment of security interest of all rights, title, interest, benefits in project documents, clearances, letter of credit, guarantees, performance bond, trust and retention account, debt service reserve account and other reserves and bank accounts of GISPL and GISFL, along with 51.00% (31 March 2020: 51.00%) of equity shares of the GISPL and GISFL (co-borrower) have been pledged in favour of the Security Trustee under the common loan agreement between the lenders with GISFL and GISPL.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.14 Long-term borrowings (Contd..)

Long-term borrowings in the Group (Including Current Maturities)	Interest rate and repayment terms of the long-term borrowings	Security terms of the long-term borrowings
External commercial borrowings of JPY 45.46 million equivalent to Rs. 30.16 million (31 March 2020: JPY 136.37 million equivalent to Rs. 94.98 million) from bank in GIBTVL	External commercial borrowing from bank carries an interest rate of JPY LIBOR + 1.81% p.a. (31 March 2020: JPY LIBOR + 1.81% p.a.) and is repayable in 20 half yearly equal installments of JPY 45.46 million starting from 15 months from first disbursements i.e. 22 February 2012.	Secured by first pari passu charge on assets including land, plant and machinery and movable assets including books debts, operating cash flow, receivable in pertaining to the 23.75 MW wind farms projects at Vagaikulam and Theni, Tamil Nadu.
External commercial borrowings of USD 9.60 million equivalents to Rs. 705.65 million (31 March 2020: USD 12.59 million equivalent to Rs. 949.32 million) from banks in GIBTVL	(i) External commercial borrowings of outstanding Nil (31 March 2020: USD 1.19) carries an interest rate of 6M LIBOR + 4.50% p.a. (31 March 2020: 6M LIBOR + 4.50% p.a.) and were repayable in 14 half yearly equal installments of USD 1.19 million starting from 31 December 2013. The same has been repaid during the year. (ii) External commercial borrowings of outstanding USD 9.60 million (31 March 2020: USD 11.40 million) carries an interest rate of 6M LIBOR + 2.74% p.a. (31 March 2020: 6M LIBOR + 2.74% p.a.) and are repayable in 6 installments. First installment of USD 0.60 million was paid on 23 September 2013 and remaining balance are repayable in 5 structured unequal half-yearly installments starting from 22 March 2021.	Secured by first pari passu charge on all immovable and movable assets pertaining to the 25.50 MW wind farms projects at Satara, Maharashtra

3.15 Derivative liabilities

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Derivatives not designated as cash flow hedge		
- Fair value of interest rate swaps	5.58	9.85
	5.58	**9.85**
Current		
Derivatives designated as cash flow hedge		
- Fair value of forward contracts	5.55	-
- Fair value of commodity hedge contracts	-	146.88
Derivatives not designated as cash flow hedge		
- Fair value of interest rate swaps	0.33	
- Fair value of forward contracts	333.88	-
- Fair value of foreign exchange option contracts	-	0.10
	339.76	**146.98**

The Group's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in note 3.32.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.16 Other financial liabilities

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Interest accrued on INR denominated notes (refer terms of note 3.14 and note 3.37)	5,956.52	7,100.96
Lease liabilities (refer 3.34)	199.05	234.42
	6,155.57	7,335.38
Current		
Current maturities of long-term borrowings (refer note 3.14)	23,920.71	7,788.11
Capital creditors (refer note 3.38 (IV))	1,767.61	1,651.04
Interest accrued on borrowings	444.72	613.85
Retention bonus payable	-	21.91
Retention money payable (refer note 3.38)	6,796.47	6,906.73
Amount payable to employees	183.05	127.73
Lease liabilities (refer 3.34)	32.30	9.35
Other payables	216.16	136.10
	33,361.02	**17,254.82**

The Group's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in note 3.32.

3.17 Provisions

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Provision for employee benefits		
- Gratuity (refer note 3.36)	45.93	23.67
- Compensated absences	86.20	69.52
Other provisions		
Provision for asset retirement obligation (refer subnote below)	316.84	284.04
	448.97	**377.23**
Current		
Provision for employee benefits		
- Gratuity (refer note 3.36)	0.09	0.05
- Compensated absences	10.11	7.15
Other provisions		
Provision for captive consumption tax	2.27	2.27
	12.47	**9.47**

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Subnote:		
Movement in provision for asset retirement obligation is as follows:		
At the beginning of the year	284.04	178.11
Movement in provision during the year (including unwinding of interest)	32.80	105.93
At the end of the year	**316.84**	**284.04**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.18 Other liabilities

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Operation and maintenance expenses equalisation reserve	495.39	405.92
	495.39	**405.92**
Current		
Operation and maintenance expenses equalisation reserve	49.98	63.04
Advance from customers	17.51	7.05
Unearned income	296.32	298.99
Dues to statutory authorities	332.73	343.89
Other payables (refer note 3.38)	3,924.30	3,925.29
	4,620.84	**4,638.26**

3.19 Short-term borrowings

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
Working capital demand loans	6,920.00	7,687.87
Bills discounted against letter of credit	-	9,476.25
Buyers credits	2,138.50	1,473.84
Cash credit accounts	0.63	0.42
Unsecured		
Working capital demand loans	250.00	1,900.00
Commercial papers	-	3,455.44
	9,309.13	**23,993.82**

Short-term borrowings in the Group	Interest rate and repayment terms of the Short-term borrowings	Security terms of the Short-term borrowings
Working capital demand loans from banks including buyer's credit of Rs. 7,919.13 million (31 March 2020: 9,162.13 million) for SEIL – P1 and P2	Working capital loans currently carry an interest in the range of 6.85% - 8.70% p.a. (31 March 2020: 7.55% - 9.10% p.a.) and buyers credit carry LIBOR based interest rate which was in the range of 1.50% to 1.64% p.a. (31 March 2020: 1.62% to 2.82% p.a.) and tenure is 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. Short-term borrowings to the extent of Rs. 2,000.00 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

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.19 Short-term borrowings (Contd..)

Short-term borrowings in the Group	Interest rate and repayment terms of the Short-term borrowings	Security terms of the Short-term borrowings
		The fund based working capital facilities from State Bank of India, Development Bank of Singapore and Hongkong and Shanghai Banking Corporation Limited are secured by the Corporate guarantee of Sembcorp Utilities Pte Ltd.
Commercial papers of Nil (31 March 2020: Rs. 3,455.44 million) for SEIL – P1	Commercial paper carries an interest rate in the range of 4.11% to 6.50% p.a. (31 March 2020: 6.00% to 6.50% p.a.) and shall be matured within 90 days	These commercial papers are unsecured.
Working capital demand loan of Rs. 250.00 million (31 March 2020: Rs. 1,900.00) from bank in SGIL	Interest rate are in the range of 5.95% - 7.90% p.a. (31 March 2020: 7.90% - 8.75% p.a.) and is repayable within 150 days from the date of disbursement.	The said facility is unsecured.
Working capital demand loan of Rs. 1,140.00 million (31 March 2020: Nil) from banks in GIWEL	Interest rates are in the range of 3.95% - 7.65% p.a (31 March 2020: Nil) and is repayable within 7-14 days from the date of disbursement	The said facility is unsecured.
Bills discounted against letter of credit of Nil (31 March 2020: Rs. 8,016.63 million) from banks in GIWEL	Bills discounted carried an interest rate in the range of 5.60% - 8.35% p.a. (31 March 2020: 7.00% - 8.70% p.a.) and are repayable within 180 - 365 days from the date of issuance of Bill of Exchange. These borrowings were converted into long-term borrowings on its maturity as per borrowing arrangements.	Secured by pari passu first charge on all immovable properties and movable assets including plant and machinery, spares, tools, accessories, furniture, fixtures of the respective projects, and other assets of project, intangible assets, cash flows, receivables, book debts, assignment of security interest of all rights, title, interest, benefits in project documents, clearances, letter of credit, guarantees, performance bond, trust and retention account, debt service reserve account and any other reserves and bank accounts of GIWEL in favour of the Security Trustee and lenders of the respective projects under GIWEL
Bills discounted against letter of credit of Nil (31 March 2020: Rs. 1,459.62 million) from bank in GIWEL	Bills discounted carried an interest rate of 6.59%-8.04% p.a. (31 March 2020: 8.65% p.a.) and was repayable within 365 days from the date of issuance. These borrowings were converted into long-term borrowings on its maturity as per borrowing arrangements.	Bills discounted against letter of credit from the bank are secured by way of hypothecation over the entire movable assets of the project for which the letter of credit is availed.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.20 Trade payables

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues to micro and small enterprises	8.25	8.25
Total outstanding dues to other than micro and small enterprises		
- related parties (refer note 3.37)	80.14	78.14
- others	2,119.33	4,451.99
	2,207.72	**4,538.38**

The Group's exposure to currency and liquidity risks related to trade payables are disclosed in note 3.32.

3.21 Current tax liabilities

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for taxes (net of advance tax)	339.24	374.11
	339.24	**374.11**

3.22 Revenue from operations

(₹ in Millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of electricity (refer note 3.47)	86,918.09	83,976.29
Other operating revenues		
Income from generation-based incentive	450.79	497.67
Income from sale of renewable energy certificates	0.39	119.96
Income from sale of voluntary emission reduction certificates	107.23	4.66
Other operating revenue (including sale of fly ash)	82.80	36.01
	87,559.30	**84,634.59**
a. Reconciliation of revenue from electricity recognised with the contracted price is as follows:		
Contract price	87,773.63	84,882.73
Adjustments for:		
Rebate to customers	(293.58)	(512.51)
Deviation settlement charges	(564.63)	(387.25)
Unearned income	2.67	(6.68)
Sale of electricity	**86,918.09**	**83,976.29**
b. Changes in contract liabilities*		
Balance at the beginning of the year	305.46	300.84
Add: Amount received during the year	17.15	6.47
Less: Amount recognised as revenue/other adjustments during the year	(9.14)	(1.85)
Balance at the end of the year	**313.47**	**305.46**

* Contract liabilities include unearned income and advance from customer.

c. **Transaction Price - Remaining Performance Obligation**

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Group expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Group 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 3.35 for Revenue disaggregation by geography.

e. **Contract balances**

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables	29,761.96	22,928.57
Unbilled receivables	6,872.76	5,755.67
Contract liabilities	313.47	305.46

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.23 Other income

(₹ in Millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income under effective interest rate method	614.86	887.63
Net gain on fair value changes measured at FVTPL		
- mutual funds	161.02	270.59
- other financial assets	0.85	0.12
Late payment surcharges from customers (refer note 3.47 and 3.48)	2,850.95	946.45
Liquidated damages recovered	71.79	838.42
Income from insurance claims (refer note 3.45)	889.41	1,118.43
Gain on derivative contracts, net	-	273.60
Liabilities no longer required, written back	9.45	15.69
Miscellaneous income (refer note 3.44)	31.25	682.89
	4,629.58	**5,033.82**

3.24 Cost of fuel

(₹ in Millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Coal and alternative fuel cost	40,519.73	43,118.24
	40,519.73	**43,118.24**

3.25 Transmission charges

(₹ in Millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Transmission charges	2,503.48	2,859.14
	2,503.48	**2,859.14**

3.26 Employee benefits expense

(₹ in Millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages and bonus	1,904.88	1,851.35
Contribution to provident and other funds (refer note 3.36)	111.11	101.45
Employee shared based expenses (refer note 3.40)	66.57	32.85
Staff welfare expenses	99.47	109.72
	2,182.03	**2,095.37**

3.27 Finance costs

(₹ in Millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense on financial liabilities measured at amortised cost	19,115.49	19,607.56
Unwinding of discount on asset retirement obligation	28.79	22.58
Unwinding of discount on lease liabilities (refer note 3.34)	23.62	25.42
Other borrowing costs	802.13	757.45
	19,970.03	**20,413.01**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.28 Depreciation and amortisation expense

(₹ in Millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on property, plant and equipment	12,444.94	11,970.02
Depreciation on right to use assets (refer note 3.34)	32.32	33.21
Amortisation on intangible assets	9.78	13.04
	12,487.04	**12,016.27**

3.29 Operating and other expenses

(₹ in Millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Operation and maintenance expenses	1,109.61	825.71
Consumption of stores, spares and consumables	998.57	854.37
Site expenses	173.93	69.45
Repairs and maintenance		
- Buildings and civil works	50.23	75.36
- Plant and equipment	912.70	945.38
- Others	87.64	119.46
Travelling and conveyance	105.12	203.22
Insurance	791.25	603.45
Security charges	113.30	111.08
Legal and professional expenses (refer subnote below)	437.69	621.11
Health and safety expenses	37.91	42.47
Expenditure on corporate social responsibility	76.25	16.41
Rates and taxes	338.13	79.98
Rent (refer note 3.34)	8.45	21.56
Directors' sitting fee	9.16	11.01
Commission charges	21.84	11.95
Communication expenses	18.95	24.48
Business promotion	7.06	9.72
Impairment of property, plant and equipment and capital work-in-progress	-	327.08
Loss on foreign exchange fluctuations, net	228.71	593.84
Loss on fair value changes of derivative contracts	255.67	-
Property, plant and equipment written off	54.27	18.26
Allowance for expected credit loss	246.65	376.12
Doubtful receivables and advances written off	5.06	0.35
Miscellaneous expenses	63.70	130.13
	6,151.85	**6,091.95**

Auditor's remuneration (including taxes)

(₹ in Millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
- Statutory audit fee	11.55	11.55
- For other services	13.43	15.38
- For reimbursement of expenses	0.96	1.95
	25.94	**28.88**

Notes:

The above auditor's remuneration includes audit fees paid to auditors of subsidiaries in the Group.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.30 Tax expenses

(₹ in Millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax expense	49.95	128.43
Current tax expense (changes in estimates related to prior years)	0.76	0.12
Deferred tax credit	(112.56)	(136.31)
	(61.85)	**(7.76)**
Tax effect on other comprehensive income	(0.31)	(0.40)
	(62.16)	**(8.16)**
Reconciliation of effective tax rate		
Profit before tax	**8,374.72**	**3,074.43**
Enacted tax rate in India	25.17%	25.17%
Computed expected tax expenses (a)	**2,107.75**	**773.77**
Effect of		
MAT credit not recognised/(recognised)	12.37	(448.97)
Tax on changes in estimates related to prior years	5.72	(54.37)
Adjustments due to income taxable at different tax rates	(0.26)	(28.28)
Non-deductible expenses (i.e. CSR expense, fair valuation)	156.16	89.55
Changes in permanent difference of deferred tax assets/liabilities	30.06	268.44
Non-taxable income (income under section 80IA)	(59.85)	(86.26)
Transition adjustment of Ind AS 116 "Leases"	-	(9.51)
Deferred tax asset not recognised on tax losses in earlier years	(2,313.80)	(512.13)
Income tax expense (b)	**(61.85)**	**(7.76)**
Tax effect on other comprehensive income	(0.31)	(0.40)
	(62.16)	**(8.16)**
Effective tax rate (a/b)	**-0.74%**	**-0.27%**

3.31 Earnings per share

(₹ in Millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit attributable to equity shareholders of the Company	8,491.91	3,126.72
Number of equity shares		
Number of shares at the beginning of the year	5,43,36,68,574	5,15,87,21,764
Add: Weighted average number of shares issued during the year	-	20,03,72,196
Weighted average number of shares outstanding during the year	**5,43,36,68,574**	**5,35,90,93,960**
Earnings per equity share		
(face value of share Rs.10 each)		
- Basic and diluted earnings per share (Rs.)	**1.56**	**0.58**

Note: The Group did not have any potentially dilutive securities in any of the period presented.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.32. 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 31 March 2021:

(₹ in Millions)

Particulars	Note	Carrying amount				Fair value		
		FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets								
Investments - mutual funds	3.9	4,438.65	-	-	4,438.65	4,438.65	-	-
Derivative assets	3.3	354.85	1,319.38	-	1,674.23	-	1,674.23	-
Trade receivables	3.1	-	-	29,761.96	29,761.96	-	-	-
Cash and cash equivalents	3.11	-	-	3,191.68	3,191.68	-	-	-
Other bank balances	3.11	-	-	3,637.21	3,637.21	-	-	-
Other financial assets	3.4	-	-	15,076.00	15,076.00	-	-	-
		4,793.50	**1,319.38**	**51,666.85**	**57,779.73**	**4,438.65**	**1,674.23**	**-**
Financial liabilities								
Derivative liabilities	3.15	339.79	5.55	-	345.34	-	345.34	-
Borrowings (excluding current maturities)	3.14 & 3.19	-	-	1,77,178.94	1,77,178.94	-	-	-
Trade payables	3.20	-	-	2,207.72	2,207.72	-	-	-
Other financial liabilities (including current maturities)	3.16	-	-	39,516.59	39,516.59	-	-	-
		339.79	**5.55**	**2,18,903.25**	**2,19,248.59**	**-**	**345.34**	**-**

As at 31 March 2020:

(₹ in Millions)

Particulars	Note	Carrying amount				Fair value		
		FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets								
Investments - mutual funds	3.9	3,230.07	-	-	3,230.07	3,230.07	-	-
Derivative assets	3.3	582.69	2,914.17	-	3,496.86	-	3,496.86	-
Trade receivables	3.1	-	-	22,928.57	22,928.57	-	-	-
Cash and cash equivalents	3.11	-	-	4,422.65	4,422.65	-	-	-
Other bank balances	3.11	-	-	4,293.48	4,293.48	-	-	-
Other financial assets	3.4	-	-	12,748.00	12,748.00	-	-	-
		3,812.76	**2,914.17**	**44,392.70**	**51,119.63**	**3,230.07**	**3,496.86**	**-**
Financial liabilities								
Derivative liabilities	3.15	9.95	146.88	-	156.83	-	156.83	-
Borrowings (excluding current maturities)	3.14 & 3.19	-	-	2,06,160.38	2,06,160.38	-	-	-
Trade payables	3.20	-	-	4,538.38	4,538.38	-	-	-
Other financial liabilities (including current maturities)	3.16	-	-	24,590.20	24,590.20	-	-	-
		9.95	**146.88**	**2,35,288.96**	**2,35,445.79**	**-**	**156.83**	**-**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.32. Financial instruments - fair values and risk management (Contd..)

A) Accounting classifications and fair values (Contd..)

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

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

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

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

Valuation techniques and significant unobservable inputs

Investment in mutual funds:

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

Forward exchange/ option contracts, swap contracts and commodity hedge contracts:

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

B. Financial risk management objectives and policies

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

As part of the Group'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 Group's liquidity, counterparty risk, foreign exchange and derivative transactions and financing.

As part of the Group'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 Group's liquidity, counterparty risk, foreign exchange derivative transactions and financing.

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 which affect the Group'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 Group's exposure to market risk for changes in interest rate environment mainly relates to its debt obligations.

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

The Group entered into various cross currency interest rate swaps to reduce its exposure to interest rate volatility. In accordance with the Group's policy, the duration of such cross currency interest rate swaps must not exceed the

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.32. Financial instruments - fair values and risk management (Contd..)

B. Financial risk management objectives and policies (Contd..)

tenure of the underlying debt. The Group's borrowings majorly consists of project funding and working capital loans having variable rate of interest.

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

(₹ in Millions)

Particulars	31 March 2021	31 March 2020
Fixed rate instruments		
Non-current and current borrowings	63,424.21	79,171.58
Effect of interest rate swaps	16,816.14	18,369.92
	80,240.35	97,541.50
Variable rate instruments		
Non-current and current borrowings	1,38,174.84	1,35,200.64
Effect of interest rate swaps	(16,816.14)	(18,369.92)
	1,21,358.70	**1,16,830.72**
	2,01,599.05	**2,14,372.22**

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 Group's assets are located in India. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to its operating and financing activities. The functional currency of the Group is Indian rupee. The currencies in which these transactions are primarily denominated in US dollars (USD) and Singapore dollar (SGD).

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

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

(₹ in Millions)

Particulars	Currency	As at 31 March 2021		As at 31 March 2020	
		Indian Rupees	Foreign currency	Indian Rupees	Foreign currency
Financial assets					
Trade receivables	USD	722.55	9.83	1,147.37	15.22
Other financial assets (unbilled receivables)	USD	986.43	13.42	934.79	12.40
Total financial assets		**1,708.98**		**2,082.16**	
Financial liabilities					
Borrowings ECB, FCNR and Buyer's credit	USD	(47,389.57)	(646.80)	(48,891.82)	(647.74)
Borrowings ECB	JPY	(30.16)	(45.46)	(94.98)	(136.37)
Trade payables	USD	(998.19)	(13.58)	(935.99)	(12.42)
Trade payables	SGD	(55.23)	1.02	(54.79)	(1.05)
Trade payables	EUR	-	-	(0.19)	-
Other financial liabilities	SGD	(100.94)	(1.87)	-	-
Other financial liabilities	USD	(3,884.27)	(52.74)	(3,986.25)	(52.80)
Other financial liabilities	GBP	-	-	-	-
Other financial liabilities	JPY	(0.10)	(0.19)	(0.29)	(0.54)
Total financial liabilities		**(52,458.46)**		**(53,964.31)**	
Net financial liabilities		**(50,749.48)**		**(51,882.15)**	

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.32. Financial instruments - fair values and risk management (Contd..)

B. Financial risk management objectives and policies (Contd..)

ii) Foreign currency risk (Contd..)

(₹ in Millions)

Particulars	Currency	As at 31 March 2021		As at 31 March 2020	
		Indian Rupees	Foreign currency	Indian Rupees	Foreign currency
less:					
Foreign exchange forward contracts (Buyer's credit)	USD	2,138.25	29.09	1,473.79	19.55
Foreign exchange forward contract (FCNR term loans)	USD	28,428.76	388.85	29,071.58	384.82
Cross currency and interest rate swaps	USD	16,835.08	228.93	18,363.63	243.52
Forward options	JPY	30.26	45.65	95.27	136.91
Total		**47,432.35**		**49,004.27**	
Net exposure in respect of recognised assets/(liabilities)		**(3,317.13)**		**(2,877.88)**	

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 or 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.

(₹ in Millions)

Particulars	Profit/(loss)		Equity increase/(decrease), net of tax	
	Strengthening	Weakening	Strengthening	Weakening
USD (5% movement)				
31 March 2021	158.05	(158.05)	158.05	(158.05)
31 March 2020	141.15	(141.15)	141.15	(141.15)

(iii) Commodity price risk

The prices of imported coal purchases are linked to price fluctuations in international coal market. Significant portion of cost and inventories are exposed to the risk of price fluctuations in international coal markets. The Group uses commodity hedge contracts to hedge the price risk of forecasted transactions.

The Group operates a risk management desk that uses hedging instruments to seek to reduce the impact of market volatility in coal prices on the Group's profitability. The Group's risk management desk uses coal commodity hedge contracts that are available in the commodity derivative markets. (The derivative instruments used for hedging purposes typically do not expose the Group to market risk because the change in their market value is usually offset by an equal and opposite change in the market value of the underlying asset, liability or transaction being hedged). The Group's open positions in commodity hedge contracts are monitored and managed on a regular basis to ensure compliance with its stated risk management policy which has been approved by the management.

Break-up of commodity hedge contracts entered into by the Group and outstanding as at balance sheet date:

(₹ in Millions)

Particulars	Contracts currency	Quantity of open contracts (MT)		Fair value of derivative asset/ (liability) (Rs.)	
		31 March 2021	31 March 2020	31 March 2021	31 March 2020
Coal commodity hedge contracts	USD	1,56,850	4,61,385	251.86	(146.88)

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.32. Financial instruments - fair values and risk management (Contd..)

B. Financial risk management objectives and policies (Contd..)

iv) Derivative financial instruments

Cash flow hedges:

Cross currency interest rate swaps

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

Commodity hedge contracts

The Group 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 Group to mitigate the risk of changing coal prices and corresponding cash outflows.

Fair value hedges:

Forward contracts and options

The fair value of foreign exchange contracts/options 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:

(₹ in Millions)

Particulars	Fair value of derivative asset/ (liability) (Rs.)		Nominal values in Foreign currency i.e. USD /JPY		Nominal values in Indian Rupees	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Derivatives designated as cash flow hedges:						
Cross currency interest rate swaps						
In USD	1,067.52	1,429.63	209.50	219.50	13,984.13	16,547.21
Commodity hedge contracts						
In USD	251.86	(146.88)	12.60	32.44	926.07	2,445.29
Forward and option contracts						
In USD	(5.55)	46.88	6.54	12.20	481.04	922.93
Derivatives not designated as non-cash flow hedges:						
Options						
In USD	-	(0.10)	-	0.01	-	0.81
In JPY	5.31	19.73	46.37	141.85	30.77	98.80
Forward contracts and swaps						
In USD	10.08	562.96	460.21	438.31	33,461.29	32,545.72
In JPY	(0.33)	(9.85)	150.46	136.37	7,748.16	94.98

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.32. Financial instruments - fair values and risk management (Contd..)

B. Financial risk management objectives and policies (Contd..)

b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer, employee or counterparty to a financial instrument fails to meet its contractual obligations leading to financial loss. The Group 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 no 3.4 and 3.10 represent the maximum credit risk exposure.

Trade receivables and unbilled receivables

The Group has exposure to credit risk from a limited customer group on account of specialized nature of business, i.e. sale of power. The Group 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 Group subject to the Group'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 Group has adopted a policy of dealing with credit worthy counter parties as a means of mitigating the risk of financial loss from defaults. The Group's exposure and credit worthiness of its customers are continuously monitored.

The Group also establishes an allowance for impairment that represents its estimate of expected credit losses in respect of trade receivables.

Impairment

The movement in allowance for expected credit loss in respect of trade receivables and unbilled revenue during the year end is as follows:

(₹ in Millions)

Particulars	Allowance for expected credit loss		
	Trade receivables	Unbilled revenue	Total
31 March 2021			
Balance at the beginning of the year	494.87	12.47	507.34
Movement in expected credit loss allowance	241.82	4.83	246.65
Balance at the end of the year	**736.69**	**17.30**	**753.99**
31 March 2020			
Balance at the beginning of the year	129.42	1.80	131.22
Movement in expected credit loss allowance	365.45	10.67	376.12
Balance at the end of the year	**494.87**	**12.47**	**507.34**

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 and liabilities are limited as the Group generally invests in deposits with banks with high credit ratings assigned by credit rating agencies. Given the high credit ratings of these banks, the Group 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.

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for the year ended 31 March 2021

3.32. Financial instruments - fair values and risk management (Contd..)

B. Financial risk management objectives and policies (Contd..)

b) Credit risk (Contd..)

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 Group 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 Group 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 Group is exposed to this risk from its operating activities and financing activities. The Group'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 Group's reputation. Liquidity requirements are maintained within the credit facilities established and are adequate and available to the Group to meet its obligations.

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

As at 31 March 2021

(₹ in Millions)

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)*	1,98,191.76	34,933.94	1,17,250.88	1,45,368.70	2,97,553.52
Borrowings - short-term	9,309.13	9,309.13	-	-	9,309.13
Trade payables	2,207.72	2,207.72	-	-	2,207.72
Other financial liabilities (excluding current maturities of borrowings)	9,194.64	9,014.31	180.36	171.63	9,366.30
Derivative contracts	345.34	339.76	5.58	-	345.34
	2,19,248.59	**55,804.86**	**1,17,436.82**	**1,45,540.33**	**3,18,782.01**

As at 31 March 2020

(₹ in Millions)

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)*	1,97,669.48	21,130.23	1,35,320.90	1,55,573.61	3,12,024.74
Borrowings - short-term	23,993.82	23,993.82	-	-	23,993.82
Trade payables	4,538.38	4,538.38	-	-	4,538.38
Other financial liabilities (excluding current maturities of borrowings)	9,087.28	8,891.55	206.92	187.16	9,285.63
Derivative contracts	156.83	146.98	9.85	-	156.83
	2,35,445.79	**58,700.96**	**1,35,537.67**	**1,55,760.77**	**3,49,999.40**

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

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.33. Capital management

"The Group 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 capital structure of the Group consist of Borrowings and total equity of the Group. The Group 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.

"The Group is not subject to any externally imposed capital requirements. However, under the terms of the major borrowings, the Group has to comply with certain financial covenants under borrowing agreements. Capital is defined as equity attributable to the equity holders (including non-controlling interest). Debt consists of non-current borrowings, current borrowings and current maturities of long-term borrowings.

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

(₹ in Millions)

Particulars		31 March 2021	31 March 2020
Debt	A	2,01,099.65	2,13,948.49
Total equity	B	83,897.39	74,672.82
Total debt and equity		**2,84,997.04**	**2,88,621.31**
Debt-to-equity ratio	**(A/B)**	**2.40**	**2.87**

3.34. Leases

The Group has adopted Ind AS 116 "Leases", effective from 1 April 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (1 April 2019) under modified retrospective approach. Accordingly, the Group had not restated corresponding year figures, instead, the cumulative effect of initially applying this standard had been recognised as an adjustment to the opening balance of retained earnings as on 1 April 2019.

On transition, the Group recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset was recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at 1 April 2019. Accordingly, a right-of-use asset of Rs. 941.23 million and a corresponding lease liability of Rs. 269.63 million had been recognized. The cumulative effect on transition in retained earnings net off taxes is Rs. 28.15 million (including a deferred tax of Nil). The principal portion of the lease payments have been disclosed under cash flow from financing activities. The weighted average incremental borrowing rate of 9.50% - 10.03% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

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

(₹ in Millions)

Particulars	Gross carrying amount	Accumulated Depreciation	Net carrying amount
As at 31 March 2021			
Leasehold land and buildings	942.27	166.85	775.42
Vehicles	11.54	0.96	10.58
Total	**953.81**	**167.81**	**786.00**
As at 31 March 2020			
Leasehold land and buildings	941.23	138.21	803.02
Total	**941.23**	**138.21**	**803.02**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.34. Leases (Contd..)

(₹ in Millions)

Lease liability	As at 31 March 2021	As at 31 March 2020
Present value of lease liability		
Current	32.30	9.35
Non- current	199.05	234.42
Maturity analysis		
0 - 1 year	51.02	48.04
1 - 5 years	180.36	206.92
More than 5 years	171.63	187.16

The amount recognised in consolidated statement of profit and loss for the right-of-use assets and lease liability are as follows:

For the year ended 31 March 2021

(₹ in Millions)

Particulars	Leasehold land and buildings	Vehicles	Total
Depreciation charged on right-of-use assets	31.36	0.96	32.32
Unwinding of discount on lease liabilities	23.28	0.34	23.62

For the year ended 31 March 2020

(₹ in Millions)

Particulars	Leasehold land and buildings	Vehicles	Total
Depreciation charged on right-of-use assets	33.21	-	33.21
Unwinding of discount on lease liabilities	25.42	-	25.42

Further, the Group incurred Rs. 5.96 million (31 March 2020: Rs. 19.41 million) towards expenses relating to short-term leases and leases of low-value assets. Lease contracts entered by the Group majorly pertains for land taken on lease to conduct its business in the ordinary course. The Group does not have any lease restrictions and commitment towards variable rent as per the lease contracts. The total cash outflow for leases is Rs. 50.14 million (31 March 2020: Rs. 51.28 million).

3.35. Segment reporting

The Group 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 Group 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 31 March 2021 and 31 March 2020 were as follows:

(₹ in Millions)

Customer name	For the year ended 31 March 2021		For the year ended 31 March 2020	
	Revenue	%	Revenue	%
Telangana State Government utilities	29,994.00	34.26%	30,015.41	35.46%
Indian Energy Exchange (IEX)	13,977.07	15.96%	12,263.18	14.49%
Bangladesh Power Development Board	9,545.43	10.90%	6,958.73	8.22%
Andhra Pradesh State Government utilities	8,932.19	10.20%	7,015.88	8.29%

Geographical segments

(₹ in Millions)

Revenue from operations	For the year ended 31 March 2021	For the year ended 31 March 2020
India	78,013.87	77,675.86
Bangladesh	9,545.43	6,958.73
Total	**87,559.30**	**84,634.59**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.36. Assets and liabilities relating to employee benefits

i) Defined contribution plan

The Group 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 Group has no obligations other than to make the specified contributions. The contribution to provident fund charged to the consolidated statement of profit and loss is Rs. 86.61 million (31 March 2020: Rs. 80.15 million).

ii) Defined benefit plan

The Group provides gratuity for its employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 1-5 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 or part thereof. The gratuity plan is a funded plan and the Group 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 year and are expenses charged to the consolidated statement of profit and loss.

A. Funding

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

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

B. Reconciliation of the present value of defined benefit obligation

(₹ in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	115.74	85.05
Current service cost	25.69	22.80
Interest cost	7.90	6.32
Past service cost	5.88	-
Benefits paid	(5.74)	(6.76)
Actuarial loss recognised in the other comprehensive income	3.13	8.33
Balance at the end of the year	**152.60**	**115.74**

C. Reconciliation of the present value of plan assets

(₹ in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	102.73	87.62
Contributions made by employer	26.96	18.01
Benefits paid	(14.32)	(8.24)
Interest income on plan assets	7.04	6.49
Actuarial gain on plan assets	(0.54)	(1.15)
Balance at the end of the year	**121.87**	**102.73**
Net defined benefit obligation	**30.73**	**13.01**
Disclosure in the Balance sheet:		
Funded asset (refer note 3.4)	15.29	10.71
Provision for employee benefits (refer note 3.17)	46.02	23.72

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.36. Assets and liabilities relating to employee benefits (Contd..)

ii) Defined benefit plan (Contd..)

D. Expense recognised in the consolidated statement of profit and loss

(₹ in Millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current service cost	25.69	22.80
Past service cost	5.88	-
Interest cost	7.90	6.32
Interest income	(7.04)	(6.49)
Total expense during the year	**32.43**	**22.63**

E. Remeasurements recognised in other comprehensive income

(₹ in Millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Actuarial loss on defined benefit obligation	3.13	8.33
Actuarial loss on planned asset	0.54	1.15
Actuarial loss for the year	**3.67**	**9.48**

F. Plan assets

(₹ in Millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
New Group Gratuity Cash Accumulation Plan with LIC	121.87	102.73

G. Summary of actuarial assumptions

Demographic assumptions

(₹ in Millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Mortality rate (% of IALM 06-08 and 12-14)	100.00%	100.00%
Attrition rate		
18-30 years	10.00%	10.00%
31-40 years	5.00%	5.00%
41 years and above	1.00%	1.00%
Financial assumptions		
Discount rate	6.82% - 7.05%	6.80% - 6.95%
Future salary growth rate	5% - 10%	5% - 10%

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.

(₹ in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Impact of the change in discount rate %		
0.50% increase	(8.80)	(8.12)
0.50% decrease	9.63	8.87
Impact of the change in salary growth rate %		
0.50% increase	9.39	8.86
0.50% decrease	(8.71)	(8.19)

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.36. Assets and liabilities relating to employee benefits (Contd..)

ii) Defined benefit plan (Contd..)

H. Asset-liability matching strategy

The Group 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 Group, 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 Group 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).

I. Maturity profile of the defined benefit obligation

Expected cash flows over the next year (valued on undiscounted basis):

(₹ in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Within 1 year	8.50	7.77
2 to 5 years	30.13	22.07
6 to 9 years	40.49	25.15
For year 10 and above	244.23	197.52

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 consolidated statement of profit and loss amounting to Rs. 34.26 million (31 March 2021: Rs. 27.41 million).

3.37. Related party disclosure

a) List of related parties

Name of the party	Nature of relationship
Sembcorp Industries Ltd, Singapore	Ultimate holding company
Sembcorp Utilities Pte. Ltd., Singapore	Holding company
Sembcorp India Private Limited, India	Entity under common control
Gayatri Projects Limited, India	
Gayatri Energy Ventures Private Limited, India	Key management personnel having significant influence (till 30 December 2019)
Deep Corporation Private Limited, India	
Gayatri Hi-Tech Hotels Limited, India	
Wong Kim Yin	Chairman (w.e.f. 11 August 2020)
Neil Garry Mcgregor	Chairman (till 30 June 2020)
Vipul Tuli	Managing Director
T V Sandeep Kumar Reddy	Director (till 31 December 2019)
Looi Lee Hwa	Director
Radhey Shyam Sharma	Independent Director
Kalaikuruchi Jairaj	Independent Director
Sangeeta Talwar	Independent Director
Bobby Kanubhai Parikh	Independent Director (till 01 September 2020)
Juvenil Jani	Chief Financial Officer
Narendra Ande	Company Secretary

Notes to the Consolidated Financial Statements
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3.37. Related party disclosure

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

(₹ in Millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Rent and utility expense		
Sembcorp India Private Limited	21.92	23.62
Deep Corporation Private Limited	-	9.09
Gayatri Hi-Tech Hotels Limited	-	0.88
Consultancy expenses		
Sembcorp Utilities Pte Ltd.	217.82	224.03
Interest expense on INR Denominated notes (without giving effect to fair valuation)		
Sembcorp Utilities Pte Ltd.	4,397.88	4,409.93
Bank guarantee fees/commission		
Sembcorp Utilities Pte Ltd.	223.55	222.13
Purchase of other intangible assets (SAP licenses)		
Sembcorp Utilities Pte. Ltd.	33.12	10.13
Reimbursement of share based payment		
Sembcorp Utilities Pte Ltd.	66.57	30.21
Reimbursement received		
Sembcorp India Private Limited	-	0.01
Purchase of property, plant and equipment		
Sembcorp India Private Limited	-	20.17
Reimbursement of expenses		
Sembcorp Utilities Pte Ltd.	8.48	19.80
Sembcorp India Private Limited	0.30	5.22
Sembcorp Industries Ltd	0.41	0.08
Margin money recovered		
Gayatri Projects Limited	-	564.73
Amount received and paid to Statutory Authorities on behalf		
Sembcorp Utilities Pte Ltd.	-	136.01
Interest received		
Gayatri Projects Limited	-	219.43
Interest paid on INR Denominated notes (Net of TDS)		
Sembcorp Utilities Pte Ltd.	5,498.15	3,515.94
Amount received on delay in equity infusion		
Gayatri Energy Ventures Private Limited	-	320.07
Infusion of equity share capital including share premium		
Sembcorp Utilities Pte Ltd.	-	5,169.00
Salaries to Key managerial person*		
Vipul Tuli	61.49	63.21
Juvenil Jani	21.00	24.18
Narendra Ande	5.60	5.35
Sitting fees to Directors (including taxes)		
Kalaikuruchi Jairaj	1.62	1.89
Radhey Shyam Sharma	1.65	1.89
Sangeeta Talwar	2.22	2.60
Bobby Kanubhai Parikh	0.47	0.94

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

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.37. Related party disclosure (Contd..)

c) Details of related party balances is as under:

(₹ in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Related party receivables		
Sembcorp Industries Limited (advance)	-	0.06
Related party payables		
Sembcorp Utilities Pte Ltd. (Trade payables)	79.18	76.20
Sembcorp Utilities Pte Ltd. (Other payables)	100.94	-
Sembcorp India Private Limited (Trade payables)	0.96	1.94
INR denominated Notes		
Sembcorp Utilities Pte Ltd	42,400.00	42,400.00
Interest accrued on INR denominated notes (without giving effect to fair valuation)		
Sembcorp Utilities Pte Ltd	6,662.98	8,003.62
Corporate guarantee given for external commercial borrowings/term loans		
Sembcorp Utilities Pte Ltd	42,718.33	45,539.13
(Represents the amount of facility outstanding)		
Corporate guarantee given for short-term borrowings		
Sembcorp Utilities Pte Ltd	-	4,752.04
(Represents the amount of facility outstanding)		

3.38. Contingent liabilities and commitments (to the extent not provided for)

I) Commitments

(₹ in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	493.50	1,314.12

II) Claims against the Group not acknowledged as debt in respect of

(₹ in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
(i) Income tax* (refer subnote a below)	749.53	1,183.04
(ii) Stamp duty (refer subnote b below)	-	-
(iii) Buildings and other construction works cess (BOCW Cess)	287.21	287.21
(iv) Entry tax**	150.62	150.62
(v) Works contract tax (refer subnote c below)	-	861.69
(vi) Service tax (refer subnote d below)***	798.13	798.13
(vii) Demand for fly ash disposal (National Green Tribunal) #	85.31	85.31
(viii) Township construction contract works ##	149.92	-
(ix) Others (refer note e below)	Amount not Ascertainable	Amount not Ascertainable

* Income tax paid under protest at 31 March 2021: Rs. 445.88 million (31 March 2020: Rs. 532.58 million) (including advance tax and tax deducted at source for respective years).

During the current year, the Group has received draft order u/s 144C for Assessment Year 2017-18 under Income Tax Act, 1961. The Group has filed reply against the draft order and wait for the final order.

** Entry tax paid under protest: Rs. 28.56 million (31 March 2020: Rs. 28.56 million).

*** Service tax paid under protest as at 31 March 2021: Rs. 59.86 million (31 March 2020: Rs. 59.86 million).

During the previous year, the Group has received a demand order from National Green Tribunal (NGT) levying environmental compensation charges towards non utilization/disposal of 100.00% fly ash. The estimated liability is Rs. 85.31 million as per order and the order is subject to similar proceedings pending before the Hon'ble Supreme Court where stay is operative.

"## The Group had entered into contract with Koneru Constructions Private Limited ('Koneru') for construction of Township at Nellore for an amount Rs. 454.06 million. The contract was completed on 31 October 2017, the full and final settlement was agreed with Koneru on 15 December 2017 and the final payment was released by the Group on 15 November 2018.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.38. Contingent liabilities and commitments (to the extent not provided for) (Contd..)

II) Claims against the Group not acknowledged as debt in respect of (Contd..)

During the year, Koneru has sought additional compensation of Rs. 149.91 million (approx.) from the Group for additional work executed, damages, loss of profits, recovery of liquidated damages etc. and also sought appointment of an arbitrator. Koneru has also filed proceedings application under Section 11 of Arbitration and Conciliation Act, 1996 against SEIL before the Hon'ble High Court of Telangana.

The Group is contesting the matter and has obtained legal opinion on the validity of the claims by Koneru. As per the legal opinion, the Group has a good arguable case in its favor on the basis of the following grounds:

a. Full and final settlement agreement was agreed between the parties and settled.

b. majority of the claims by Koneru are barred in terms of the laws of limitation in India.

On the basis of the above and the legal opinion received, management is of the view that no provision is required in the books of accounts.

Subnote:

a) During the year, the Group has opted Vivad Se Vishwas Scheme (VSVS) for settlement of withholding tax litigations for the previous years (from FY 2011-12 to FY 2015-16) pertaining to tax on guarantee fees to banks on buyer's credit and on service contracts pertaining to a vendor.

b) Based on NCC Limited ('NCCL') Warranty and Indemnity agreement dated 1 February 2014 entered between SEIL-P2, NCCL and other counterparts, the liability, if any arising on account of dispute relating to SEIL-P2, would be to the account of NCCL. Accordingly, there would not be any impact on the financial position of the Group on account of Stamp duty relating to SEIL-P2.

c) During the current year, the Group received favourable order from Commercial Taxes department, Government of Andhra Pradesh for works contract tax.

d) During the previous year, an 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 NCCL by SEIL. The order was issued for tax demand, interest and penalty of Rs. 796.80 million and Rs. 1.33 million retroactively towards service tax on liquidated damages and reimbursement of expenses to SCU respectively. The Group has filed appeal with the appellate tribunal on 20 March 2020 and also deposited 7.5% tax thereon and the hearing is currently awaited.

e) The Group 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.

The Group has a process whereby periodically all long-term contracts including derivative contracts are assessed for material foreseeable losses. At the year end, the Group 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 Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on derivative contracts.

On 28 February 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 Group has assessed the impact of the matter and concluded that there is no material impact on the financial statements. The Group will evaluate its position and update its provision, if required, on receiving further clarity on the subject.

III) Bank guarantees

(₹ in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Bank guarantees with customs and excise	8,387.81	8,932.02
Bank guarantees for PPA and other commitments	6,487.14	8,995.41
	14,874.95	**17,927.43**

Notes to the Consolidated Financial Statements
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3.38. Contingent liabilities and commitments (to the extent not provided for) (Contd..)

IV) Liquidated damages and bank guarantees encashment:

A. Sembcorp Gayatri Power Limited (SGPL) (merged with the Company):

SEIL-P2 had raised a claim for an amount of Rs. 2,882.50 million and of US$ 9.04 million, towards liquidated damages on its EPC contractor, NCC Limited ('NCCL'), towards the delay in the achievement of Provisional Acceptance on account of this delay, SEIL-P2 had to incur additional costs to commence the operations. Also a claim of US$ 40.97 million was raised on China National Technical I&E Corporation and Tianjin Electric Power Construction Company (CTC) Consortium towards the delay in agreed delivery schedule and non-achievement of Project Provisional Acceptance.

The Group had encashed performance bank guarantee (BGs) of Rs. 516.00 million on 19 April 2017 and Rs. 2,915.00 million on 3 November 2017 given by NCCL. NCCL had invoked Arbitration proceedings on 27 May 2017. NCCL had filed its statement of claims for Rs. 15,579.00 million with interest. SEIL P2 had filed its statement of defence along with its counter claims to the tune of Rs. 10,127.00 million and US$ 9.04 million.

The matter is pending disposal as of date and accordingly, no related adjustments have been made in the financial statements. Since the levy and encashment of BGs has been challenged by NCCL on the ground that liquidated damages are not payable by them, the recovery will be appropriately adjusted based on outcome of the arbitration proceeding.

B. Sembcorp Green Infra Limited and its subsidiaries:

In earlier year, the Group had terminated the comprehensive operation and maintenance (O&M) contract with an O&M vendor for 216 MW projects. The Group has retained bank guarantees amounting to Rs. 452.70 million (March 31, 2020: Rs. 452.70 million) and receivables amounting to Rs. 318.38 million (March 31, 2020: Rs. 311.05 million) from vendor.

3.39. Business combinations under common control

As a part of reorganisation of entities in the Group, the Board of Director of subsidiary Sembcorp Green Infra Limited (SGIL) along with its four wholly owned step down subsidiaries namely Green Infra Wind Ventures Limited (GIWVL), Green Infra Wind Limited (GIWL), Green Infra Wind Assets Limited (GIWAL) and Green Infra Wind Technology Limited (GIWTL) (collectively called "amalgamating entities"), unanimously approved the proposal for the amalgamation of amalgamating entities with SGIL, subject to necessary statutory/regulatory approvals (the Scheme).

The appointed date for the amalgamation proposed under the Scheme is 1 April 2019. Upon approval of the proposed the Scheme coming into effect and upon transfer and vesting of all assets and liabilities and the entire business of the amalgamating entities into SGIL in accordance with the provisions of the scheme, the shares held by SGIL in the amalgamating entities shall get cancelled and extinguished in entirety. As, SGIL holds 100.00% shares in these amalgamating entities, no share is required to be allotted by SGIL either to itself or to any of its nominee shareholders holding shares in the amalgamating entities

"Upon the proposed Scheme coming into effect, SGIL shall record the assets, liabilities and reserves of the amalgamating entities in its books in accordance with the 'pooling of interest' method, at their existing carrying amounts, prescribed under Appendix C of Ind AS 103 "Business Combinations" and/ or such other Ind AS, as may be applicable, as amended from time to time.

The Scheme has been filed with the Honorable High Court of Punjab and Haryana under Section 230 of Chapter XV of the Companies Act, 2013 for amalgamation of the amalgamating entities with SGIL. As approval of the Scheme is pending for by the Regional Director, no effect of the scheme has been currently given in the consolidated financial statements.

3.40 Share-based payments

The Group participates in Share based plans of parent company, Sembcorp Industries Limited (SCI) for its share-based remuneration arrangements which include Performance Share Plan (SCI PSP) and Restricted Share Plan (SCI RSP), collectively known as 'Share Plans 2010 and Share Plans 2020'. During the current year, shareholders of SCI have approved the SCI Share Plans 2020 to replace existing Share Plans 2010 which expired in April 2020. The SCI RSP is for directors and employees of the Group, whereas the SCI PSP is primarily for key executives of the Group. The detail of Share Plan is as follows:

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.40 Share-based payments (Contd..)

a) SCI Performance Share Plan (PSP)

The SCI PSP 2010 is targeted at senior management who shoulder the responsibility for the Group's performance and who are able to drive the growth of the Group to deliver long-term shareholder value. Senior management participants are required to hold a minimum percentage of the shares released to them under the SCI PSP 2010 to maintain a stake in the Group, for the duration of their employment or tenure with the Group.

b) SCI Restricted Share Plan (RSP)

Restricted shares will be granted to eligible employees based on financial performance and corporate objectives achieved in the preceding year. The performance criteria for FY2020 and FY2019 restricted shares awards granted are calibrated based on Earnings Before Interest Tax Depreciation and Amortisation (EBITDA), Return On Equity (ROE) (excluding Sembcorp Marine Ltd), and non-financial performance targets, comprising transformation milestones and adherence to environment, health and safety standards achieved by the SCI for the respective preceding financing year.

Till 2020, for managerial participants, depending on achievement of criteria outlined above, a quarter of the SCI RSP awards granted will vest immediately with the remaining three-quarters vest over the following three years in equal tranches, subject to individual performance and fulfilment of service conditions at vesting.

From 2021, Restricted shares will be awarded at the end of the two-year performance cycle depending on the extent of achievement of the performance conditions established at the onset. There is a further vesting period of three years after the performance period, during which one-third of the awarded shares are released each year to managerial participants.

A participant's award under the Share Plans 2020 and 2010 are determined by the Executive Resource & Compensation Committee (ERCC) of SCI taking into account, inter alia, the participant's performance during the relevant period, and his / her capability, entrepreneurship, scope of responsibility and skill set. For 2020, the ERCC decided not to grant any PSP Share attributed in part to the significant changes to the strategy of the business.

The details of the movement of PSP and RSP shares awarded during the year to employees of the Group are as follows:

The following are the summary of movement in PSP and RSP during the year ended 31 March 2021:

(₹ in Millions)

Particulars	SCI PSP 2010	SCI RSP 2010	SCI RSP 2020
Outstanding at the beginning of the year	3,26,000	6,82,859	-
Granted during the year	3,23,636	6,51,783	6,18,570
Vested and exercised during the year	-	(5,11,174)	(1,63,818)
Forfeited / lapsed during the year	(1,90,884)	-	-
At the end of the year	**4,58,752**	**8,23,468**	**4,54,752**

The following are the summary of movement in PSP and RSP during the year ended 31 March 2020:

(₹ in Millions)

Particulars	SCI RSP 2010	SCI RSP 2020
Outstanding at the beginning of the year	1,36,000	2,28,791
Granted during the year	2,30,000	7,32,348
Vested and exercised during the year	-	(2,07,200)
Forfeited / lapsed during the year	(40,000)	(71,080)
At the end of the year	**3,26,000**	**6,82,859**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.40 Share-based payments (Contd..)

b) SCI Restricted Share Plan (RSP) (Contd..)

The fair values of the PSP and RSP shares are estimated using a Monte Carlo simulation and weighted average cost methodology at the grant dates along with other factors as below.

Information on outstanding and exercisable options is set out below for the year ended 31 March 2021:

Particulars	SCI PSP 2010	SCI RSP 2010	SCI RSP 2020
Options outstanding at the end of the year	4,58,752	8,23,468	4,54,752
Remaining contractual life in years	1.62	1.83 - 1.96	2.00 - 2.44
Risk free interest rate (depending in maturity)	0.77% – 0.96%	0.77% – 0.96%	0.77% – 0.96%
Expected dividend yield shares	3.50%	3.50%	3.50%
Weighted average price (range) (SGD)	1.24	1.17- 1.40	1.73 - 1.93

Information on outstanding and exercisable options is set out below for the year ended 31 March 2020:

Particulars	SCI RSP 2010	SCI RSP 2020
Options outstanding at the end of the year	3,26,000	6,82,859
Remaining contractual life in years	2.62	2.67 - 2.92
Risk free interest rate (depending in maturity)	1.90%	1.90%
Expected dividend yield shares	3.20%	3.20%
Weighted average price (range) (SGD)	1.26	2.03 – 2.28

The Group has charged Rs. 66.57 million (31 March 2020: Rs. 32.85 million) for share based payments based on fair value of the performance shares and restricted shares at the grant date which being expensed over the vesting period of the shares. The Group recognises a provision when contractually obliged to pay or where there is a past practice that has created a constructive obligation to pay.

3.41. During the year ended 31 March 2020, the Government had announced key changes to corporate tax rates wherein existing domestic companies have been provided an option to pay income tax at a concessional rate of 22% along with applicable surcharge and cess without availing specified deductions, incentives and tax holidays and the such companies will also not be liable to pay taxes under MAT. The Management reviewed the projections of tax outflows post the above-mentioned amendment for each entity under the Group to opt for the best suitable tax structure basis the lower tax outflows under both new and existing tax structure along with the recognition and utilization of MAT credit in the books of accounts within a horizon of 15 years based on the past performance of the projects. Based on the internal assessments, the management decided to continue in the existing tax structure for availing the specified deductions for few entities under the Group while rest of the entities have opted for new tax structure having least tax outflows as compared to existing tax structure.

3.42. In earlier years, the Group had entered into various agreements with certain vendors for development of wind power project of 84 MW and for related services in the state of Karnataka. Subsequently, the Group had decided to execute these projects as 40 MW and 44 MW in two of its subsidiaries namely GIWEL and GIWPGL respectively.

During the year ended 31 March 2020, the management had re-assessed the viability of these projects based on the trend of power tariffs and management believed that it was not commercially feasible to execute the projects as Group would not have been able to meet its expected rate of return. Consequently, the Group impaired the amount lying in capital work-in-progress amounting to Rs. 297.86 million in the year ended 31 March 2020.

3.43 During earlier years, the Group had entered into an agreement with a project vendor for supply, erection, and commissioning of 300.30 MW wind power project consisting of 143 Wind Turbine Generators (WTGs) and the vendor was to perform all such activities and obligations for completion and successful commissioning of the project.

However, the project vendor has failed to deliver on certain contractual obligations relating to execution of sale deed relating to the land in the favour of the Group, obtaining requisite approvals, clearances and licenses as required under the agreement. Further, the project vendor has also defaulted in making payment to its certain vendors and contractors related to the project which had led to project and site disruption.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.43 (Contd..)

To ensure that pending activities are completed for the project, the Group has incurred cost amounting to Rs. 362.97 million for completion of the pending activities and have shared necessary communication with respect to the deduction to be made for the cost incurred with respect of these activities against the outstanding dues of the project vendor.

Considering the legal opinion obtained by the Group, terms of the agreement and facts of the matter, the management believes that the above matter is not expected to have any material adverse effect on its financial statements and accordingly, it has adjusted the cost incurred against the dues of the project vendor.

3.44. During the previous year, Gayatri Energy Ventures Private Limited ('GEVPL') who was having 5.95% shareholding in SEIL has sold off its stake to Sembcorp Utilities Pte. Limited. As part of the definitive agreement, Gayatri Energy Ventures Limited ('GEVPL) and Gayatri Projects Limited ('GPL') repaid the balance outstanding amount to the Group with interest. Hence, the Group had received Rs. 1,002.91 million against outstanding advance and reimbursement of interest cost. Accordingly, the Group had recognized Rs. 320.07 million received from GEVPL as miscellaneous income during the previous year.

3.45 During the previous year, the Group had filed insurance claim for damage and business interruption on account of breakdown of stator and repair of rotor with New India Assurance Company Limited. The Group has received insurance claim approval of Rs. 2,139.81 million (i.e. Rs. 658.09 million for stator and rotor damage claim and Rs. 1,481.72 million for Business Interruption Insurance claim). During the current year, the Group has received an insurance claim amounting to Rs. 889.41 million (31 March 2020: Rs. 1,118.43 million) and the same has been accounted as insurance income.

3.46 The Group has receivables of Rs. 1,543.88 million (31 March 2020: Rs711.03 million) related to GST input refund against the export of electricity made to Bangladesh. However, the input credit has been challenged by GST Authorities for which an application has been filed by the Group with Ministry of Revenue and the process for refund is at various stages with GST authorities.

3.47 The Group had in earlier year filed a petition under Section 79 of the Electricity Act, 2003 seeking compensation on account of Change in Law events in terms of its Power Purchase Agreement (PPA) entered into with Andhra Pradesh and Telangana DISCOMs for supply of 500 MW power from its power generation plant. Central Electricity Regulatory Commission (CERC) vide its order dated August 21, 2020, had accepted the events and claims set out by the Company as Change in Law events. Accordingly, during the period, the Group has accounted an amount of Rs 6,478.22 million for change in law claims up to 31 March 2021 of which Rs. 5,225.90 million has been accounted as revenue from operations while Rs. 1,252.31 million related to carrying cost has been classified as Other income.

3.48 During the year ended 31 March 2021, the Company has accounted late payment surcharges from customers Rs. 2,850.95 million includes Rs. 686.94 million as an adjusting event inline with the guidance under Ind AS 10 ('Events after the reporting period').

3.49 In view of recent surge in COVID-19 cases, few states reintroduced some restrictions and the Group continues to be vigilant and cautious. The Group has considered the possible impact of COVID-19 in preparation of the consolidated financial statements. The impact of the global health pandemic may be different from that estimated as at the date of approval of consolidated financial statements. Considering the continuing uncertainties, the Group will continue to closely monitor any material changes to future economic conditions.

3.50 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group 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 Group 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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.50. Additional information as required under schedule III of the Companies Act, 2013, in respect of consolidated subsidiaries are as below:

(₹ in Millions)

Particulars	Net Assets i.e. total assets minus total liabilities		Share in total comprehensive income/(loss)	
	Amount	As a % of consolidated net assets	Amount	As a % of consolidated total comprehensive income/(loss)
Parent				
Sembcorp Energy India Limited	1,09,581.97	66.13%	9,274.80	102.52%
Subsidiaries				
Sembcorp Green Infra Limited	24,484.03	14.77%	535.86	5.93%
TPCIL Singapore Pte. Ltd	1.00	0.00%	(0.36)	0.00%
Step-down subsidiaries				
Green Infra Wind Energy Limited	17,855.42	10.78%	(329.42)	(3.63%)
Green Infra Corporate Solar Limited	1,561.84	0.94%	(257.91)	(2.85%)
Green Infra Wind Power Limited	203.13	0.12%	(18.65)	(0.21%)
Green Infra Corporate Wind Limited	223.76	0.14%	(12.25)	(0.14%)
Green Infra Wind Energy Assets Limited	345.32	0.21%	(10.22)	(0.11%)
Green Infra Wind Farm Assets Limited	1,035.49	0.62%	79.04	0.87%
Green Infra Wind Energy Project Limited	867.08	0.52%	57.91	0.63%
Green Infra Wind Solutions Limited	822.56	0.50%	4.66	0.04%
Green Infra Wind Power Generation Limited	1,074.64	0.65%	(73.25)	(0.81%)
Green Infra Wind Farms Limited	(38.69)	(0.02%)	7.21	0.08%
Green Infra Wind Generation Limited	(337.84)	(0.20%)	(92.28)	(1.02%)
Green Infra Wind Power Projects Limited	154.71	0.09%	(40.27)	(0.45%)
Green Infra BTV Limited	1,519.25	0.92%	(86.90)	(0.96%)
Green Infra Wind Energy Theni Limited	201.59	0.12%	11.02	0.12%
Green Infra Wind Power Theni Limited	104.88	0.06%	17.95	0.20%
Mulanur Renewable Energy Limited	492.86	0.30%	16.19	0.18%
Green Infra Solar Energy Limited	670.90	0.40%	77.08	0.85%
Green Infra Solar Farms Limited	1,236.35	0.75%	81.25	0.90%
Green Infra Solar Projects Limited	325.27	0.20%	14.90	0.16%
Green Infra Wind Ventures Limited	787.28	0.48%	(36.52)	(0.40%)
Green Infra Renewable Energy Limited	2,774.51	1.67%	131.28	1.45%
Green Infra Wind Assets Limited	(119.15)	(0.07%)	(162.06)	(1.79%)
Green Infra Wind Technology Limited	0.49	0.00%	(8.00)	(0.09%)
Green Infra Wind Limited	(1.92)	0.00%	(0.08)	0.00%
Green Infra Renewable Projects Limited	(132.90)	(0.08%)	(132.99)	(1.47%)
Total	**1,65,693.83**	**100.00%**	**9,047.99**	**100.00%**
Non-controlling interests in subsidiaries	132.30		(55.42)	
Inter group eliminations and adjustments	(81,928.74)		(2.22)	
Consolidated figures	**83,897.39**		**8,990.35**	

As per our report on consolidated financial statements of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 116231W/ W-100024

for and on behalf of the Board of Directors of
Sembcorp Energy India Limited
CIN: U40103TG2008PLC057031

Hemant Maheshwari
Partner
Membership No: 096537

Wong Kim Yin
Chairman
DIN: 08806258

Vipul Tuli
Managing Director
DIN: 07350892

Juvenil Jani
Chief Financial Officer

Narendra Ande
Company Secretary
Membership No: A14603

Place: Hyderabad
Date: 24 May 2021

Place: Gurugram
Date: 24 May 2021

AGM Notice

Notice of the 13th Annual General Meeting

Notice is hereby given that the 13th Annual General Meeting (AGM) of the members of Sembcorp Energy India Limited will be held at shorter notice on Thursday, July 01, 2021, at the Registered office of the Company at 11.00 AM at 5th Floor, Tower C, Building No.- 8, DLF Cybercity, Gurugram - 122002, Haryana, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt (a) the Audited Financial Statements of the Company for the financial year ended March 31, 2021 together with the Reports of Directors and Auditors thereon and (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021 together with the Report of Auditors thereon and in this regard to pass the following resolution(s) as ordinary resolution(s);

   a. **"RESOLVED THAT** the Audited Financial Statements of the Company for the financial year ended March 31, 2021 together with the Reports of Directors and Auditors thereon be and are hereby considered and adopted."

   b. **"RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021 together with the Report of Auditors thereon be and are hereby considered and adopted."

2. To appoint a Director in place of Mr. Wong Kim Yin (DIN: 08806258), who retires by rotation and being eligible, offer himself for re-appointment and in this regard to pass the following resolution as an ordinary resolution:

   "RESOLVED THAT Mr. Wong Kim Yin (DIN: 08806258), who retires by rotation at the Annual General Meeting, be and is hereby re-appointed as a Director of the Company, whose office shall be liable to retirement by rotation."

3. To appoint Auditors of the Company and to fix their remuneration and in this regard to pass the following resolution as an ordinary resolution:

   "RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s Price Waterhouse, Chartered Accountants LLP (Firm Regn. No.- 012754N/N500016), be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of 18th Annual General Meeting of the Company to be held in year 2026, at such remuneration as may be fixed by the Board of Directors of the Company from time to time."

SPECIAL BUSINESS

4. **Appointment of Mr. Eugene Chee Mun Zheng Zhiwen Cheng (DIN: 09156438) as Director of the Company**

   To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:-

   "**RESOLVED THAT** pursuant to the provisions of Section 152 read with other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Eugene Chee Mun Zheng Zhiwen Cheng (DIN: 09156438), who was appointed as an additional director with effect from May 01, 2021 in accordance with the provisions of Section 161(1) of the Act and the Articles of Association of the Company and who holds office up to the date of this meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, whose period of office shall be liable to retirement by rotation.

   FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. **Ratification of Cost Auditor's Remuneration**

   To consider and if thought fit, to pass, with or without modifications the following resolution as an Ordinary Resolution;

   "RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the members of the Company hereby consider, approve and ratify the remuneration of Rs. 6,30,000/- (Rupees Six Lakhs thirty thousand only) excluding out of pocket expenses and Goods and Service tax payable to M/s. Narasimha Murthy & Co., Cost Accountants, who have been appointed as Cost auditors to conduct the audit of cost records maintained by the Company for the financial year 2021-22.

   FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby severally authorized to do all such things and deeds and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board of Directors

NARENDRA ANDE
COMPANY SECRETARY
M. No. A 14063

Place : Hyderabad
Date : June 28, 2021

Notes :

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), in regard to the business as set out in Item Nos. 4 and 5 above and the relevant details of the Directors seeking re-appointment/ appointment under Item Nos. 2 and 4 above as required under Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India, are annexed hereto.

2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. Such a proxy need not be a member of the Company. Proxies, in order to be valid and effective, must be received at the Company's Registered Office not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of companies, societies, partnership firms etc., must be supported by appropriate resolution/ authority as applicable, issued on behalf of the nominating organization. Proxy form is enclosed.

   Members are requested to note that in case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or member.

3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of board resolution on the letterhead of the company, signed by one of the directors or company secretary or any other authorized signatory named in the resolution, authorizing their representatives to attend and vote on their behalf at the meeting.

4. Members/Proxies are requested to hand over the enclosed Attendance Slip duly filled in, at the entrance for attending the meeting.

5. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

6. Relevant Documents referred to in the Notice and Explanatory Statement are available for inspection by the members at the Registered Office of the Company during Office hours between 03.00 P.M. and 05.00 P.M on all working days upto the date of the Annual General Meeting and also at the meeting.

7. The Record date for the purpose of identifying the Register of Members has been fixed as June 25, 2021.

8. Members are requested to notify immediately any change in their addresses and/or the Bank Mandate details to the Company / respective Depository Participants (DP).

9. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such members for change/deletion in such bank details.

10. The Notice of the AGM alongwith the Annual Report 2020-21 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/ Depositories, unless any member has requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

11. To support the 'Green Initiative', members who have not registered their e-mail addresses are requested to register the same with the Company/ Karvy /Depositories.

12. Process and manner for members opting for e-voting, if available, would be provided on availing the facility and as applicable to the company.

Annexure

Details of the Directors seeking appointment/ re-appointment at the forthcoming Annual General Meeting (In pursuance of Secretarial Standard - 2 on General Meetings)

Name of Director	**Mr. Wong Kim Yin**	**Mr. Eugene Chee Mun Zheng Zhiwen Cheng**
Date of Birth (Age)	July 29, 1970 (50 years)	November 03, 1977 (43 years)
Date of Appointment	August 11, 2020	May 01, 2021
Expertise in specific functional areas	Mr. Wong Kin Yin has over 20 years of leadership experience in the Energy sector and Investment management. Formerly the Group Chief Executive Officer of Singapore Power (SP Group), a leading energy utilities group in the Asia Pacific, Mr. Wong led the transformation of the Company towards an increased focus on sustainability and innovation.	Mr. Eugene Cheng holds Extensive experience in financial and strategic leadership across the aviation, offshore oil & gas, Marine engineering and Logistics industries. He was an Investment Banker with JP Morgan and Citigroup, specializing in M&A advisory, corporate financing and capital raising.
Qualifications	Bachelor of Science in Computer Science & Information Systems from the National University of Singapore and a Master's Degree in Business Administration from the University of Chicago Booth School of Business.	Bachelor (First Class Honours) and a Master of Accountancy from Nanyang Technological University.
Directorships held in other companies[1]	Sembcorp Green Infra Limited	Sembcorp Green Infra Limited
Membership/ Chairmanship of Committees of other Boards	Chairman of Executive Committee of Board of Directors of Sembcorp Green Infra Limited.	Nil
Terms and conditions of appointment	Mr. Wong is proposed to be appointed as Non -Executive Director of the Company without any remuneration, subject to retirement by rotation.	Mr. Eugene Cheng is proposed to be appointed as Non -Executive Director of the Company without any remuneration, subject to retirement by rotation.
Remuneration	Nil	Nil
No. of meetings of the Board attended during the year (2020-21)	04	NA
No. of shares held	Nil	Nil
Inter-se relationship with other Directors	None	None

[1]Excludes directorships held in foreign body corporates

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act") and the Articles of Association of the Company, had appointed Mr. Eugene Chee Mun Zheng Zhiwen Cheng (DIN: 09156438), as an Additional Director of the Company with effect from May 01, 2021. Pursuant to Section 161(1) of the Act, Mr. Eugene Cheng holds office up to the date of ensuing Annual General Meeting.

Mr. Eugene Cheng is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Details of Mr. Eugene Cheng are provided in the "Annexure" to the Notice, pursuant to Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India.

Mr. Eugene Cheng is interested in the resolution set out at Item No. 4 of the Notice with regard to his appointment. None of the other Directors or Key Managerial Personnel and their relatives, are concerned or interested (financially or otherwise) in the resolution.

The Board recommends the Ordinary Resolution set out at Item no. 4 for approval of the Members.

Item No. 5

Pursuant to Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a cost accountant in practice. On the recommendation of the Audit Committee, the Board of Directors have approved the appointment of M/s. Narasimha Murthy & Co., Cost Accountants, Hyderabad as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company for the Financial Year 2021-22, at a remuneration of Rs 6,30,000 (Rupees Six Lakhs Thirty Thousand Only) plus Goods and Service tax and actual out-of-pocket expenses.

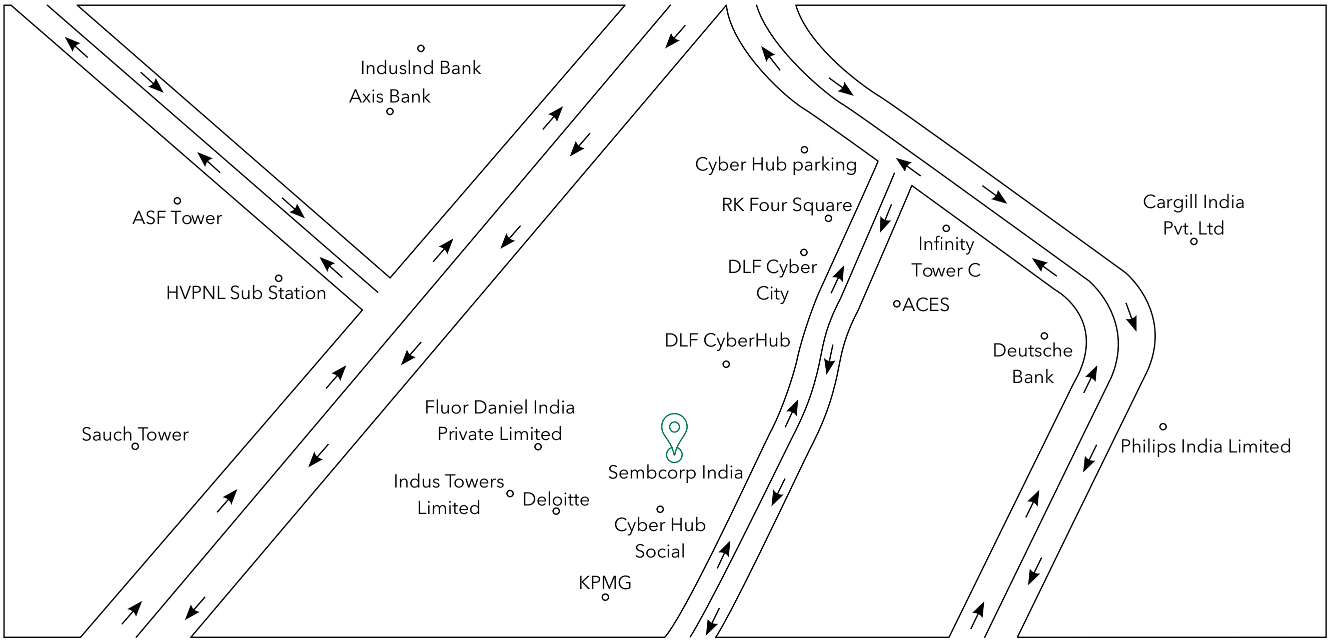
M/s. Narasimha Murthy & Co., Cost Accountants have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company having vast experience in the field of cost audit.

The Board commends the Resolution at Item No. 5 of the accompanying Notice for ratification of the Cost Auditors' remuneration by the Members of the Company.

None of the Directors or KMP of the Company or their respective relatives are concerned or interested in the Resolution at Item No. 5 of the accompanying Notice.

ROUTE MAP FOR AGM VENUE:

Venue for the Meeting : 5th Floor, Tower C, Building No.- 8, DLF Cybercity, Gurugram - 122002, Haryana.



NOTES

Sembcorp Energy India Limited

Reg Off: 5th Floor, Tower C, Building No.- 8, DLF Cybercity, Gurugram - 122002, Haryana
Ph: 0124-389 6700; Fax: 0124-389 6710 ; email: cs.india@sembcorp.com;
Website : www.sembcorpenergyindia.com

PROXY FORM (FORM NO. MGT-11)

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN:	U40103TG2008PLC057031
Name of the Company:	Sembcorp Energy India Limited
Registered Office:	5th Floor, Tower C, Building No.- 8, DLF Cybercity, Gurugram - 122002, Haryana

Name of the Member(s):

Registered Address:

E-mail id:

Folio No/ Client Id:

DP Id:

I/We, being the member (s) of .... shares of the above named company, hereby appoint:

Name:

Address:

E-mail ID:

Signature:

Or failing him;

Name:

Address:

E-mail ID:

Signature:

Or failing him;

Name:

Address:

E-mail ID:

Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Thursday, July 01, 2021 at 11.00 AM at 5th Floor, Tower C, Building No.- 8, DLF Cybercity, Gurugram - 122002, Haryana and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

Resolution No.	Resolution	For	Against
1	To consider and adopt : (a) the Audited Financial Statements of the Company for the financial year ended March 31, 2021 together with the Reports of Directors and Auditors thereon and (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021 together with the Report of Auditors thereon		
2	Re- appointment of Mr. Wong Kim Yin (DIN: 08806258) as Director, who retires by rotation and being eligible offers himself for reappointment.		
3.	Appointment of M/s Price Waterhouse, Chartered Accountants LLP (Firm Regn. No.- 012754N/N500016) as Statutory Auditors of the Company		
4.	Appointment of Mr. Eugene Chee Mun Zheng Zhiwen Cheng (DIN: 09156438) as Director of the Company.		
5.	Approval and ratification of Cost Auditor's Remuneration		

Signed this............. day of.................. 2021

Affix
Revenue
Stamp

Signature of shareholder

Signature of Proxy holder(s)

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A Proxy need not be a member of the Company.
3. Those Members who have multiple folios with different joint holders may use copies of the Proxy Form.

Sembcorp Energy India Limited

Reg Off: 5th Floor, Tower C, Building No.- 8, DLF Cybercity, Gurugram - 122002, Haryana
Ph: 0124-389 6700; Fax: 0124-389 6710 ; email: cs.india@sembcorp.com;
Website : www.sembcorpenergyindia.com

Attendance Slip for the 13th Annual General Meeting

(to be handed over at the Registration Counter)

I/We hereby record my /our presence at the 13th Annual General Meeting of the Company on Thursday, July 01, 2021 at 11.00 AM at the Registered office of the Company at 5th Floor, Tower C, Building No.- 8, DLF Cybercity, Gurugram - 122002, Haryana

NAME (S) AND ADDRESS OF THE MEMBER(S) ____

____

____

Folio No./DP ID No. and Client ID No * ____

Number of Shares ____

Please (tick) in the Box

☐ Member ☐ Proxy

________________________ ________________________
First / Sole Holder/ Proxy Second Holder/ Proxy

Notes:

I. Member / Proxy attending the Annual General Meeting (AGM) must bring his / her Attendance Slip which should be signed and deposited before entry at the Meeting Hall.

II. Duplicate Attendance Slip will not be issued at the venue.

*Applicable only in case of investors holding shares in Electronic Form.

Disclaimer

Registered Office
Sembcorp Energy India Limited
5th Floor, Tower C, Building No 8, DLF Cybercity,
Gurugram - 122002, Haryana