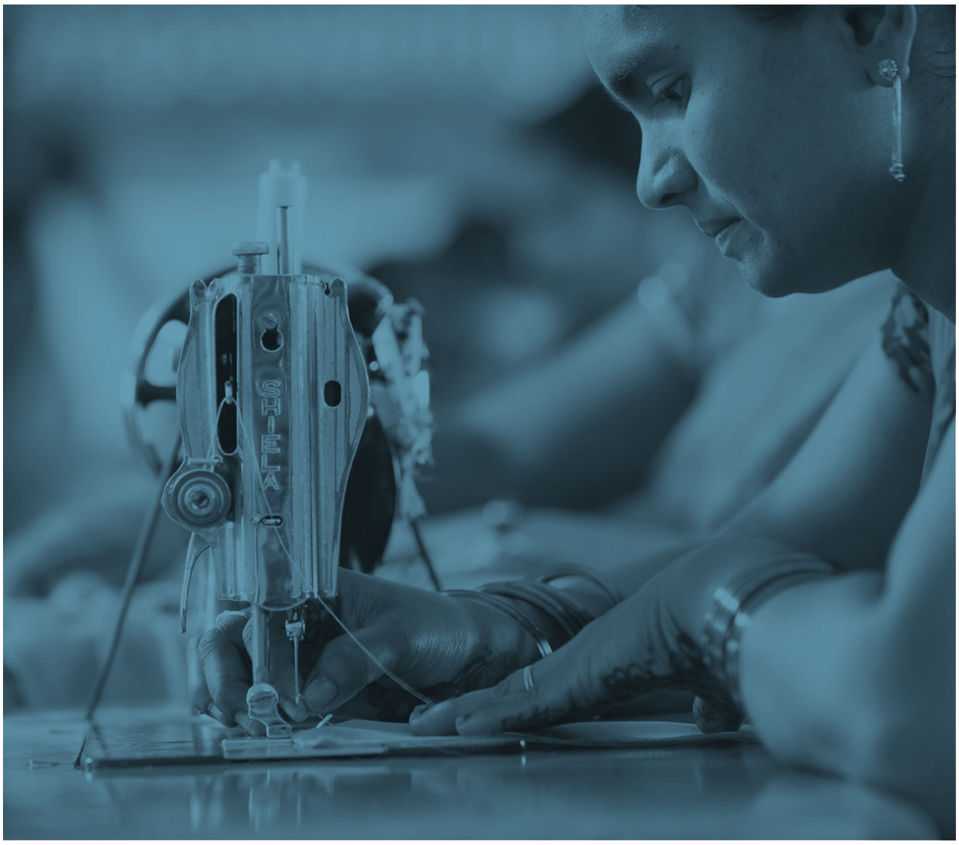
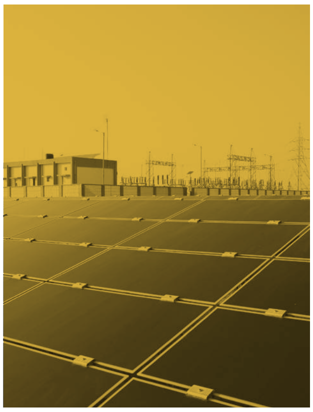
Resilient. Reinforced. Responsible.

Sembcorp Energy India Limited

Annual Report 2019-20





Corporate Information

Board of Directors

Wong Kim Yin
Chairman

Vipul Tuli
Managing Director

Looi Lee Hwa
Director

Radhey Shyam Sharma
Independent Director

Sangeeta Talwar
Independent Director

Bobby Kanubhai Parikh
Independent Director

Kalaikuruchi Jairaj
Independent Director

Key Managerial Personnel

Juvenil Ashwinkumar Jani
Chief Financial Officer

Narendra Ande
Company Secretary

Lenders

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

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

Bobby Kanubhai Parikh
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 Office

6-3-1090, A-5, TSR Towers,
Rajbhavan Road, Somajiguda,
Hyderabad, Telangana - 500082

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

Inside the Report

Resilient. Reinforced. Responsible.

In a world swept by remarkable transformations, the need to ensure relevance plays a pivotal role in keeping businesses afloat. And organisations that are rooted in sustainable performances reinforce their ability and resilience to weather storms, even as they are responsibly committed to long-term endeavours.

As India continues to grow and develop, its energy needs also continue to morph – increasing demand for clean and sustainable fuel. Capitalising on the immense need to meet the country's energy demands, Sembcorp's balance integrated power portfolio of thermal and renewable energy provide the perfect culmination of opportunity and sustainability to fuel a brighter future.

Focused on catering to the nation's evolving energy requirements, Sembcorp Energy India remains enthused to establish itself as a formidable supplier of cleaner energy – to deliver viable financial outcomes while staying true to its commitment of being a responsible player. Guided by a passion and purpose to successfully deliver innovative solutions, we diligently focus on forging strong partnerships that augur well for communities as well as the environment, thereby reinforcing our commitment to build nations of tomorrow.

Highlights FY 2019-20

"Our continued focus on strengthening the balance sheet has enabled us to reduce debt from 75% of the total capital in FY 18-19 to 72% in FY 19-20. Across the same period, return on equity improved from 1.94% to 4.13%."

— **Vipul Tuli**
Managing Director

Net block
(₹ In million)

2,52,198
FY 2019-20

2,48,293
FY 2018-19

EBITDA margin
(%)

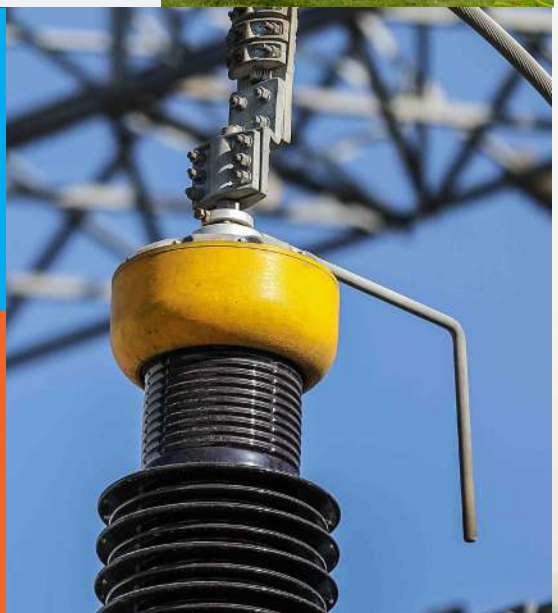
39.59
FY 2019-20

36.69
FY 2018-19

Profit after tax
(₹ In million)

3,082
FY 2019-20

1,275
FY 2018-19



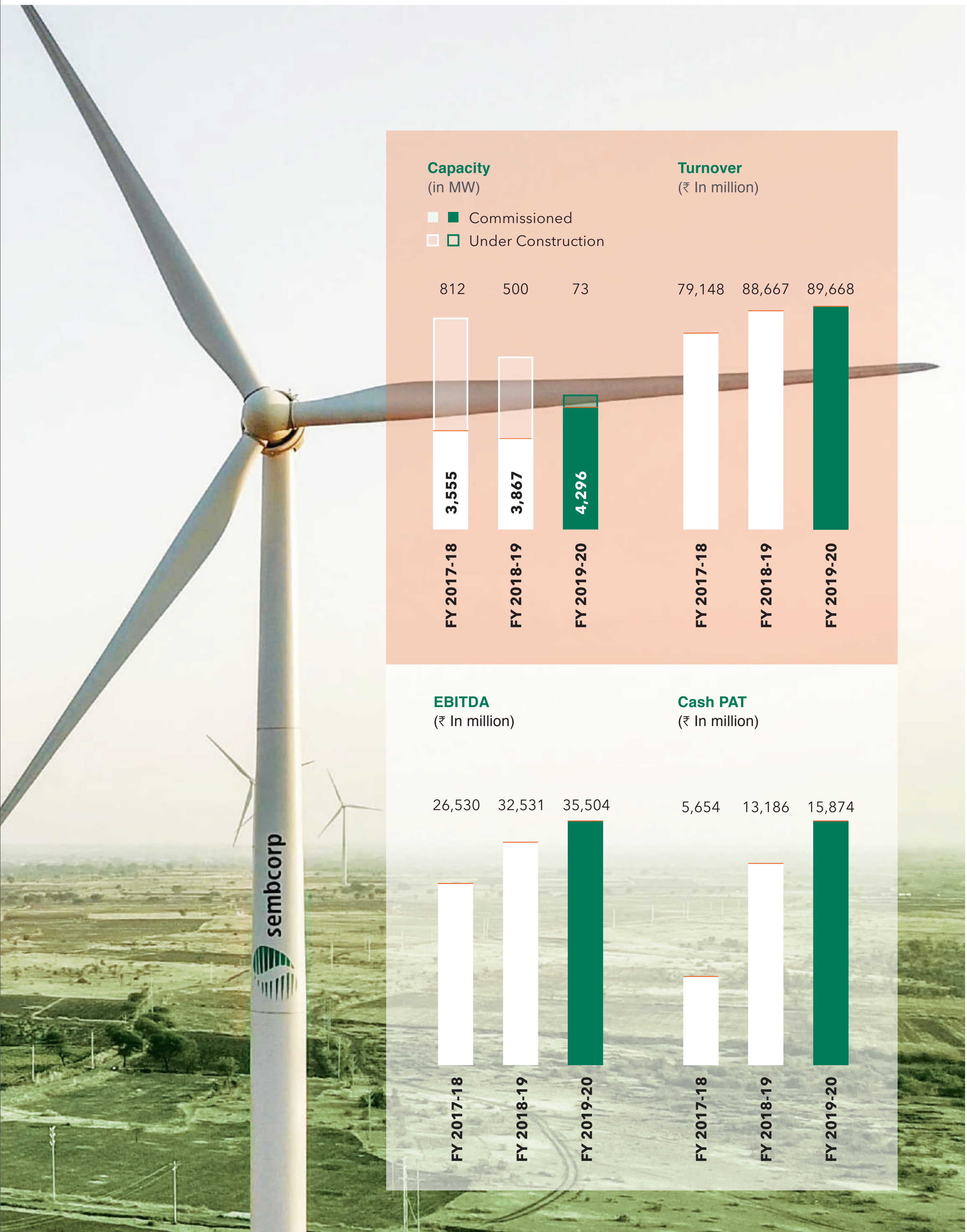
Net worth
(₹ In million)

74,673
FY 2019-20

65,630
FY 2018-19

8.84
ROCE
(%)

The information is prepared on the basis of SEIL consolidated financials. ROCE for FY 2018-19 was 8.53%.


Capacity
(in MW)
Commissioned
Under Construction
812
500
73
3,555
3,867
4,296
FY 2017-18
FY 2018-19
FY 2019-20
Turnover
(₹ In million)
79,148
88,667
89,668
FY 2017-18
FY 2018-19
FY 2019-20
EBITDA
(₹ In million)
26,530
32,531
35,504
FY 2017-18
FY 2018-19
FY 2019-20
Cash PAT
(₹ In million)
5,654
13,186
15,874
FY 2017-18
FY 2018-19
FY 2019-20
sembcorp

Managing Director's Message

Our results

89,668
Turnover (₹ in million)

141.7%
YoY Increases in PAT

9.1%
YoY increase in EBITDA

Against the backdrop of a challenging market scenario characterised by turbulence and a sentiment of caution, we registered a 141.7% rise in PAT to INR 3,082 Mn, while EBITDA stood at INR 35,504 Mn, increasing by 9.1% from the previous year.

Vipul Tuli
Managing Director

Dear Shareholders,

This report comes at a time when India, along with other countries, is facing unprecedented times due to the COVID-19 pandemic.

I am pleased to inform you that in FY 2019-20, we delivered another year of strong performance in a challenging macro environment. Your company delivered improved EBITDA and PAT for the year, reflecting the strength in our business model, that is built around a balanced power portfolio backed by strong development and asset management capabilities. Against the backdrop of a challenging market scenario characterised by turbulence and a sentiment of caution, we registered a 141.7% rise in PAT to INR 3,082 Mn, while EBITDA stood at INR 35,504 Mn, increasing by 9.1% from the previous year.

The series of events that plagued economies across the world since the beginning of 2019, continued to weigh down overall growth prospects in India too. The situation was further dampened by the COVID-19 pandemic that has gripped the world since early 2020, and India since March 2020. Yet, despite the lockdown and the associated socio-economic uncertainties, Sembcorp ensured that all its generating assets maintained electricity supply to its customers.

Continued reforms for power sector

The frail financial health of Discoms continues to cause liquidity risks and adversely impact the return on equity of independent power producers.

Against the backdrop of a sharp reduction in electricity demand, slowdown in Discom receivable collections due to the lockdown, and uncertainty regarding future economic recovery, a number of measures were announced by the Government of India to support the power sector. To alleviate the risk of interruption in generation, a liquidity package of upto INR 900 billion to clear outstanding dues of Discoms towards generators was announced, with disbursement currently underway. The introduction of the draft Electricity Act (Amendment) Bill 2020, proposing rationalisation of tariffs, obligation to supply, competition through open access, and setting up of the Electricity Contract Enforcement Authority were other crucial steps taken to fundamentally reform the power sector. A new national tariff policy is also in the final stages of approval.

Apart from the regulatory reforms, the Indian power sector continues to aggressively pursue its efforts to transition to a cleaner energy portfolio. In pursuit of achieving its long-term target of 450 GW, the Indian renewable energy sector is today one of the world's largest, fastest growing and most competitive markets. The renewable energy sector has witnessed rapid growth in the past decade, today contributing 8-9% of India's electricity, steadily moving towards contributing 15-20% in the next 10 years.

The next level of renewable energy growth in India, beyond 10% of power generated, will require a fresh set of reforms. These will need to include recognition of the true cost of renewables by making subsidies explicit, since the policy of passing on the costs of renewable interstate transmission and intermittency onto conventional generators and Discoms now appears to have run its course.

Installation of additional environmental control equipment to meet sulphur and nitrogen emission standards is a high priority for the country, and represents an imminent investing opportunity. Your company has made considerable progress in planning the required investments and securing approvals. However, uncertainty remains on the regulatory front, with tariff approvals necessary to proceed being resisted by Discoms, and lack of clarity on the policy front for recovery of costs for uncontracted plants.

The expected resolution of long pending issues in the power sector and accelerated investments in renewable energy in the country position us well. Our balanced energy portfolio, robust balance sheet and growing capabilities and track record are a strong platform for future growth.

Strengthening performance across the balanced portfolio

As the world steers through the energy transition, there is a visible, progressive shift towards cleaner energy solutions. At SEIL, our thermal and renewable energy portfolio has given us opportunities to create value for our stakeholders.

It gives me immense pleasure to inform that our renewables business unit has successfully commissioned the entire 800MW of generation capacity won in the first three SECI wind auctions. With this, SEIL now has the largest operational capacity from SECI wind projects.

We also continued to deliver with an accelerated performance in FY 19-20, with consolidated revenue from operations increasing by 1.1%, from INR 88,667 million in FY 18-19 to INR 89,668 million in the current year. Our consolidated EBITDA grew 9.1% to INR 35,504 million, while PAT increased to INR 3,082 million by a substantial 141.7%.

Our continued focus on strengthening the balance sheet has enabled us to reduce debt from 75% of the total capital in FY 18-19 to 72% in FY 19-20. Across the same period, return on equity improved from 1.94% to 4.13%.

Thermal business

- Availability and plant load factors (PLF) of our units were among the highest in the country.
  - Plant 1 was ranked 4th in the country (by the Central Electricity Authority) with a PLF of 88.9% in FY 2019-20 while Plant 2 recorded a PLF of 72.5%
  - Plant 1 availability stood at 97.5%, while Plant 2 availability was at 88.7% in FY 2019-20
- The business achieved its lowest specific oil consumption of 0.05 ml/kWh – an industry benchmark at

Managing Director's Message (continued)

Plant 1, while Plant 2 achieved 0.29 ml/kWh specific oil consumption.

- Plant 1 handled its highest ever coal receipt of 5.72 MMT by focusing on maximising conveyor availability and logistics management.
- Use of drone technology helped improve our coal stock yard management, resulting in the lowest coal loss of 0.65% at Plant 1 since inception, and 0.69% at Plant 2.

Renewable

- Our renewables business holds the unique distinction of being the first to fully commission a SECI wind power project.
- We were the first developer to successfully fully commission its committed capacity in SECI 1, SECI 2 and SECI 3 rounds.
- Currently we generate 800 MW of renewable energy from our three SECI projects – the largest operational capacity of SECI wind projects.
- During this year, we strengthened our in-house Operations & Maintenance (O&M) capabilities and processes, bringing 624 MW under self O&M activity. We now own the largest fleet of wind assets under self O&M among IPPs in India.

Dynamic operational processes

Our self O&M continues to gain strength year after year with a non-compromising attitude towards quality and safety, while also helping drive cost benefits with high operational efficiencies.

The continued strengthening of our Virtual Brain Platform (VBR), has further enhanced our capability for remote monitoring of our renewable energy assets across seven states in real-time. This proprietary analytics-based digital tool has brought fundamental transformation in our operations with significant cost benefits and high performance of our assets.

The introduction of drones for stockpile measurement in FY 19-20 is a result of our commitment towards building a digitised operating environment. This technology helps to complete the coal stock inventory management within hours, bringing efficiencies in inventory management, driving bottomline benefits and improving operations across multiple locations.

Workplace Health, Safety and Environment

Our employee health, safety and general well-being remain our most important business aspect. We continue to nurture and promote a strong culture of safety across our operating areas.

We continue to integrate our operating processes to ensure prompt action towards any untoward incidents on account of health and safety of our people. I am proud and happy to report that our employees displayed their unflinching commitment to keep the operations on at our thermal and renewable energy sites, literally lighting up the lives of our citizens across the country during the lockdown.

During these unprecedented times that have impacted all businesses, the dedication, discipline and courage of our employees at SEIL has helped the company maintain business continuity with highest standards of health and safety.

Managing and controlling emission levels and reducing our impact on environment remain a high priority. I am happy to report that we have made significant progress in effective prevention and minimisation of environmental impact by building a 'Green Belt' corridor, recycling fly ash utilisation and conserving water usage at our sites.

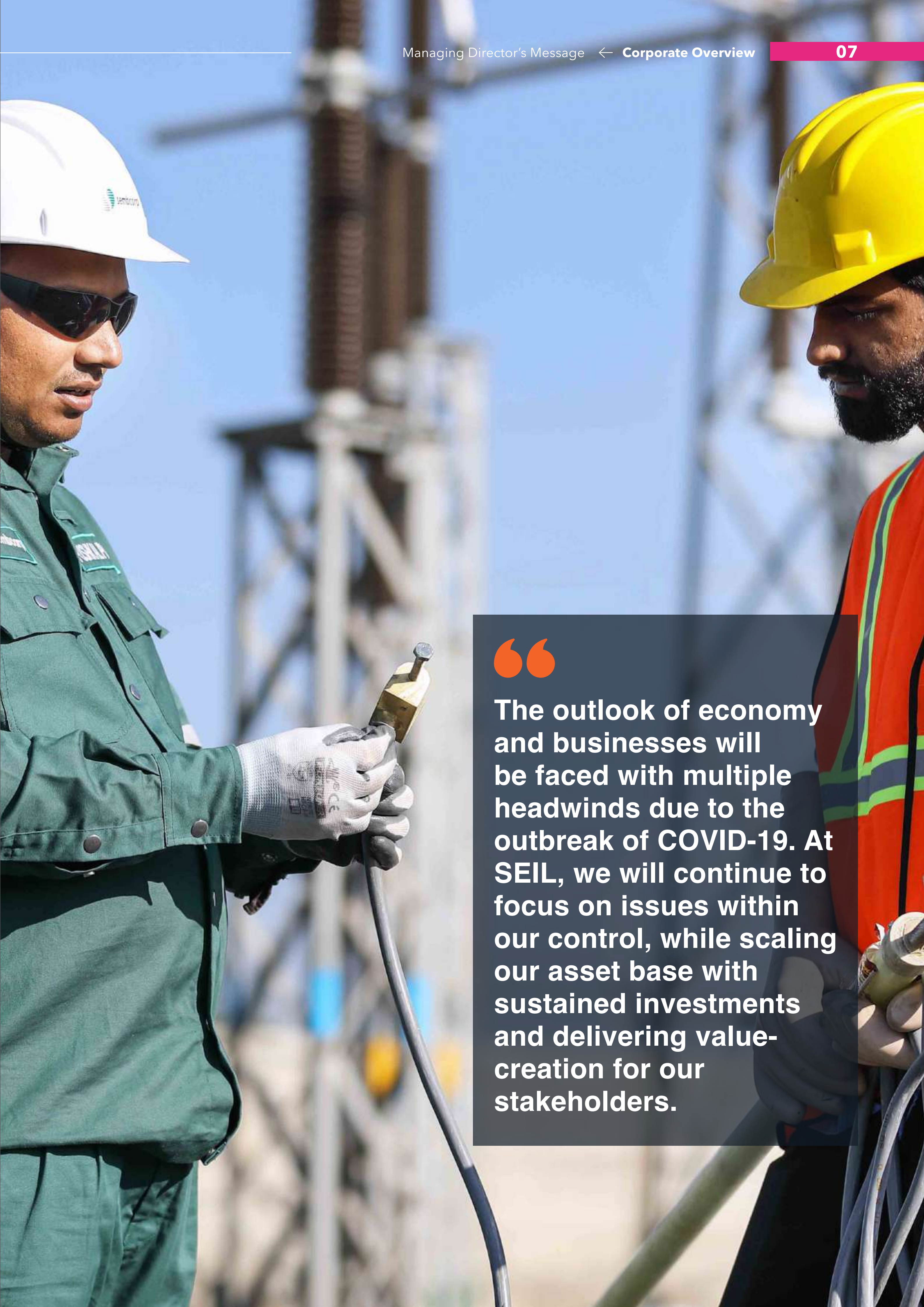
Appreciation

I thank all my colleagues at Sembcorp for their dedication and commitment in delivering the goods during these uncertain times, putting the service of the community ahead of their own comfort. I would like to acknowledge the continued trust and support we have received from our stakeholders that will help strengthen their positive association with SEIL in the coming years.

I am grateful to the Board of Directors and our promoters for their strong commitment, invaluable guidance and support in taking SEIL to newer heights of success. In particular, thanks and appreciation goes to our outgoing Chairman Neil McGregor, who has steered the company ably through tumultuous times.

Vipul Tuli

Managing Director



The outlook of economy and businesses will be faced with multiple headwinds due to the outbreak of COVID-19. At SEIL, we will continue to focus on issues within our control, while scaling our asset base with sustained investments and delivering value-creation for our stakeholders.

Board of Directors

Mr. Wong Kim Yin
Chairman

Mr. Vipul Tuli
Managing Director

Ms. Looi Lee Hwa
Director

Mr. Radhey Shyam Sharma
Independent Director

Ms. Sangeeta Talwar
Independent Director

Mr. Bobby Kanubhai Parikh
Independent Director

Mr. Kalaikuruchi Jairaj
Independent Director

Mr. Wong Kim Yin
Chairman

Wong Kim Yin is Group President & CEO of Sembcorp Industries. He is a member of the board's Executive Committee and Technology Advisory Panel.

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 transformation of the company 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 SkillsFuture 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 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 SEIL's thermal businesses in India, and as the head of group strategy at SCI. Prior to joining the SEIL 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 SEIL group, she was associated with Neptune Orient Lines Limited and Chartered Semiconductor Manufacturing Ltd.

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. Bobby Kanubhai Parikh
Independent Director

Bobby Kanubhai Parikh is an Independent Director on our Board. He holds a bachelor's degree in commerce from the University of Bombay and is a qualified chartered accountant. He is a partner at Bobby Parikh Associates. Previously, he was associated with Ernst & Young and BMR & Associates LLP.

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


ABB
ABB
ABB

Mapping our Journey

2008

January
SEIL incorporated

April
SGIL incorporated

June
SGPL incorporated

December
SGIL enters solar business

2011

September
SEIL given in principle MPP status

2012

April
SGPL given in principle MPP status

2013

April
SEIL signs long term PPA for 500 MW with united AP

2015

March
COD for first unit of SEIL

September
COD for second unit of SEIL

2016

February
SEIL signs long-term PPA for 570 MW with Telangana

November
COD for first unit of SGPL

2017

January
SEIL attains final MPP status

February
COD for second unit of SGPL

April
SGIL receives LoA for 250MW in SECI-I wind bid

August
SCU anounces stake increase to 100% in SGIL

November
SGIL receives LoA for 250MW in SECI-II wind bid

2018

February
SEIL acquires 100% stake in SGPL and SGIL

March
SGIL receives LoA for 300MW in SECI -II wind bid

August
SEIL wins 250MW Bangladesh power tender

October
India's first SECI auction wind project by Sembcorp dedicated to the nation

November
SGPL merged with SEIL

2019

December
Sembcorp Industries increases stake in SEIL to 100%

2020

February
Commissions SECI 2 wind project, maintaining the industry-leading track record of timely completion

Industry Overview

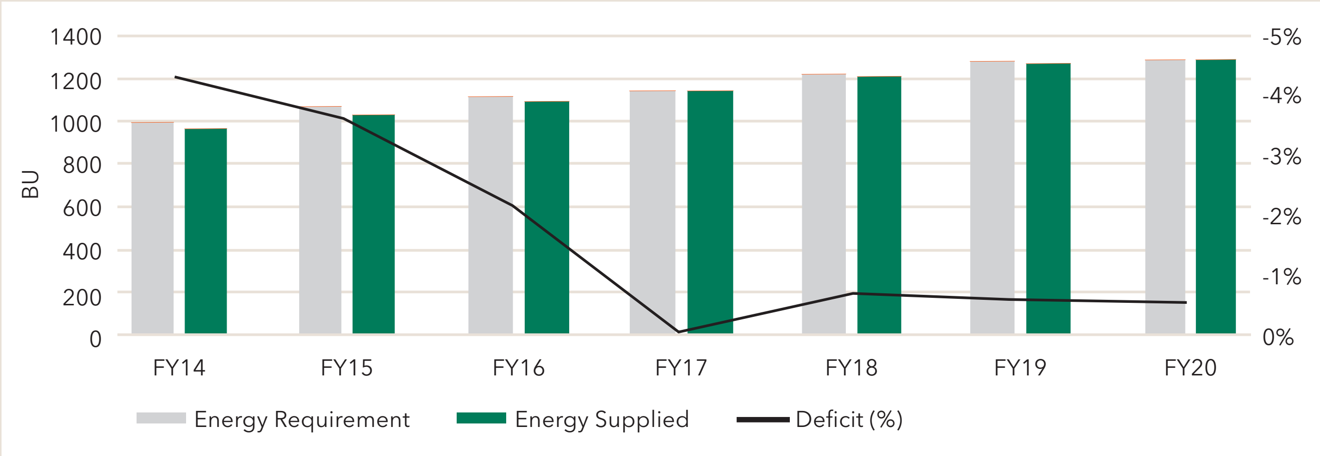
Steady growth in demand and supply

The Indian power sector, despite its inherent systemic stress, has been witnessing growth on the back of technological advancements in renewables and continued government support. With a total generation capacity of over 370,106MW[1] as on March 2020, India has emerged as the world's third-largest electricity producer. Of its total installed capacity, around 47%[2] is contributed by the private sector.

India's electricity demand growth till FY19 has been steady at 5%[3] over the last five years. In FY20, under exceptional circumstances stemming from the pandemic, strict lockdown was imposed on the country, this coupled with slower economic growth in the previous quarters, it resulted in lower growth at 1.3%[4]. With the opening up of economic activities post-COVID-19, short-term demand growth is expected to recover from the second or third quarter onwards in FY21.

[1,2,3,4] CEA

Figure 1: Steady growth in demand[5]



Long-term demand growth in the country is expected to rebound, and this increase in demand is expected to be the result of two factors. First, urbanisation-led increase in domestic and commerical power demand, and government policy initiatives that mandate providing uninterrupted electricity access to all, is expected to increase per capita electricity consumption. The second factor is electrification of the economy: shift from other fuels to electricity with standby power, agricultural applications, transportation, and cooking among others. According to a recent study6, the share of electricity in India's energy mix stands at 17%, which will move closer to 25% as in developed countries.

Increasing penetration of Renewable Energy in the power mix

In FY20, 9.4GW of renewable capacity was added in the country which surpassed thermal capacity addition of 6.8GW. As compared to FY19, there is marginal increase in RE capacity addition from 8.6 MW to 9.4 MW. This is mainly due to the problems in implementation of wind projects, mostly related to grid access and land. The total number of central bids closed in FY20 stands at 21,200 MW, (900 MW wind, 17,700 MW solar and 2,600 MW hybrid) with tariffs ranging from Rs 2.50/unit to Rs 2.84/unit*. These projects are expected to get commissioned in

**SECI has concluded peak power hybrid plus storage bid for 1200 MW for which lowest discovered tariff for peak and non-peak hours was Rs 6.12/unit and Rs 2.88/unit respectively.*

Figure 2: Renewables capacity addition overtakes thermal capacity[7]

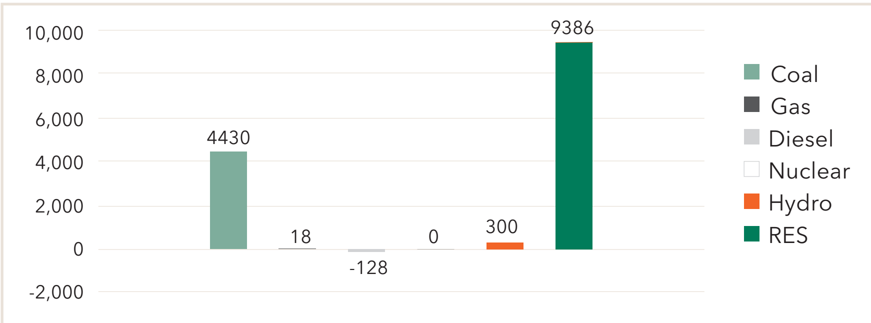
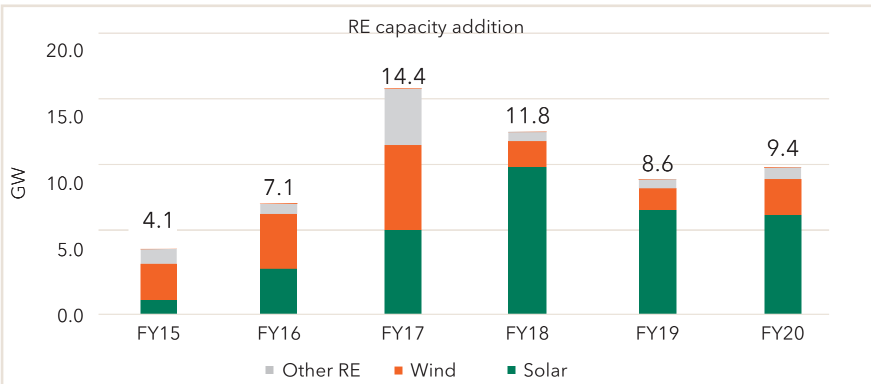


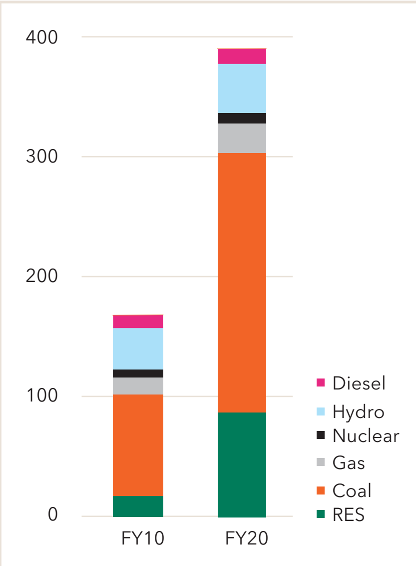
Figure 3: Renewable capacity addition[8]



[5]CEA | [6]IEA (Year 2017) | [7]CEA | [8]CEA

Industry Overview (continued)

Figure 4: Growing capacity, cleaner mix[9](GW)



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

Renewable power procurement is seeing a paradigm shift, from pure wind or solar to hybrid bids to procure peak and round-the-clock power. In FY20, SECI successfully tendered 1600MW[10] of hybrid bids. To further support renewable capacity addition and effective utilisation of existing thermal assets, a centralised bid of 5000MW has been floated to supply round-the-clock power from bundled renewable and thermal sources. Such bids are supposed to help tackle one of the major issues when it comes to renewable power generation, i.e. intermittency.

A number of other recent policy initiatives have been taken, which try to address long-term issues in the sector:

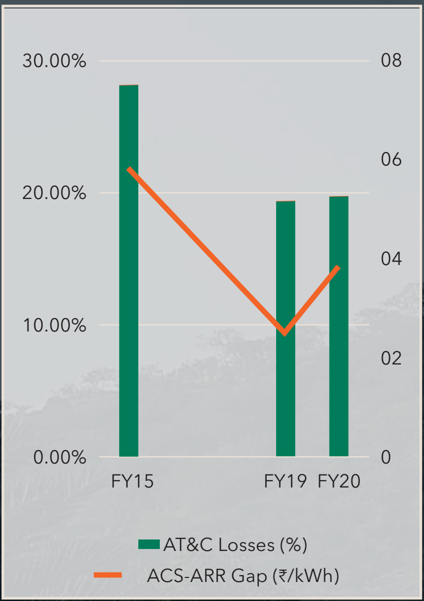
Introduction of pilot Security Constrained Economic Dispatch: In order to minimise cost of power, CERC had introduced a mechanism for optimising power dispatch through national level merit order, called SCED. Pilot phase included inter-state generating plants whose tariff is determined by CERC. The results of the pilot phase, which involved only Inter State Generating Stations plants, were encouraging with reduction of INR 845 crore in fuel cost during its first 9 months[11] of operation, i.e. around 1.5% reduction in generation cost. Though SCED provides a new market model, at the same time it also protects existing contracts of the participants.

Enforcing payment security mechanism for power procurement: One of the most critical problems of the power sector is Discoms not paying their dues on time. This has resulted in mounting receivables, almost to the tune of INR 94,000[12] crore in March 2020, considering only dues to private and central government generators. To address this,in an attempt end at not letting the receivables build further, the Ministry of Power issued an order for ensuring adequate payment security mechanism or advance payments as the prerequisite for power procurement. This has to some extent brought payment discipline in Discoms. The second step to solve the problem of receivables was to clear the past dues. A one-time liquidity injection was developed to address this.

[9]CEA | [10]1200MW – Peak power & 400MW - RTC | [11]April – December 2019 | [12]PRAAPTI Portal

Liquidity infusion for Discoms: Government announced liquidity injection of INR 90,000 crore into liquidity-starved Discoms to revive the sector. This liquidity infusion is being used to pay generators and transmission companies for pending dues from Discoms. These funds are provided in form of loans to be disbursed in two tranches. Further, in order to improve operational efficiency of Discoms in terms of AT&C losses and ACS-ARR gap, loan disbursement will be linked to reform measures such as increasing digital payment interfaces; prepaid metering in government departments, and making action plans for loss reduction ,among others.

Figure 5: AT&C losses and ACS-ARR gap



Introduction to Real Time Market (RTM): 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. However, a permanent mechanism to manage renewable integration as well as to provide for emergency situations is being evolved. In addition, and prior to ancillary services, the Discoms would require a liquid intra-day market for power to manage the variable generation and load. The central commission has enabled a framework for redesigning the real-time electricity market (RTM) in India. Such a market offers opportunity for thermal generation to provide balancing power at a short notice through a market mechanism. In addition to facilitating renewables' development, this also provides an opportunity for thermal plants to provide flexible power at market determined rates.

RTM will enable a new marketplace to cater the real-time energy needs by bringing the power trade a lot closer to the real-time power flow. Both buyers and sellers would get opportunities to optimally manage their portfolio through a transparent and efficient mechanism. In addition, it will also assist to integrate the intermittent or variable renewable energy into the grid.

[5]CEA | [6]IEA (Year 2017) | [7]CEA | [8]CEA

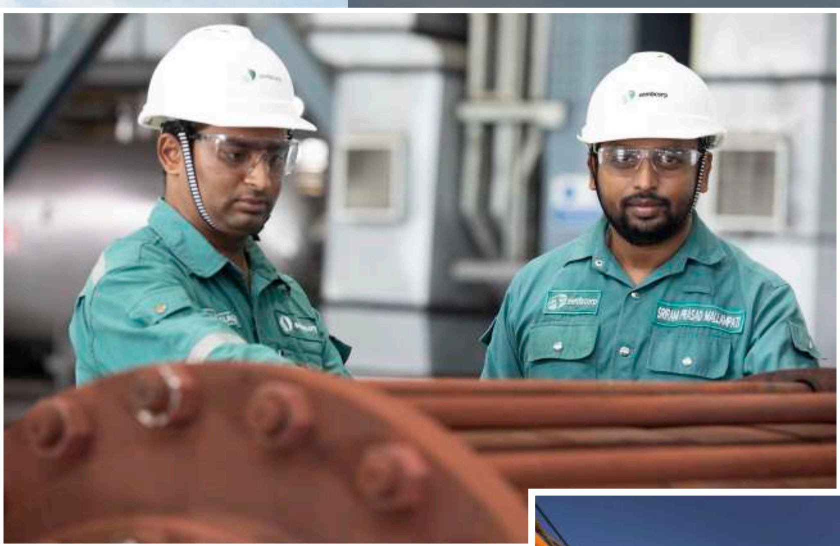
Industry Overview (continued)

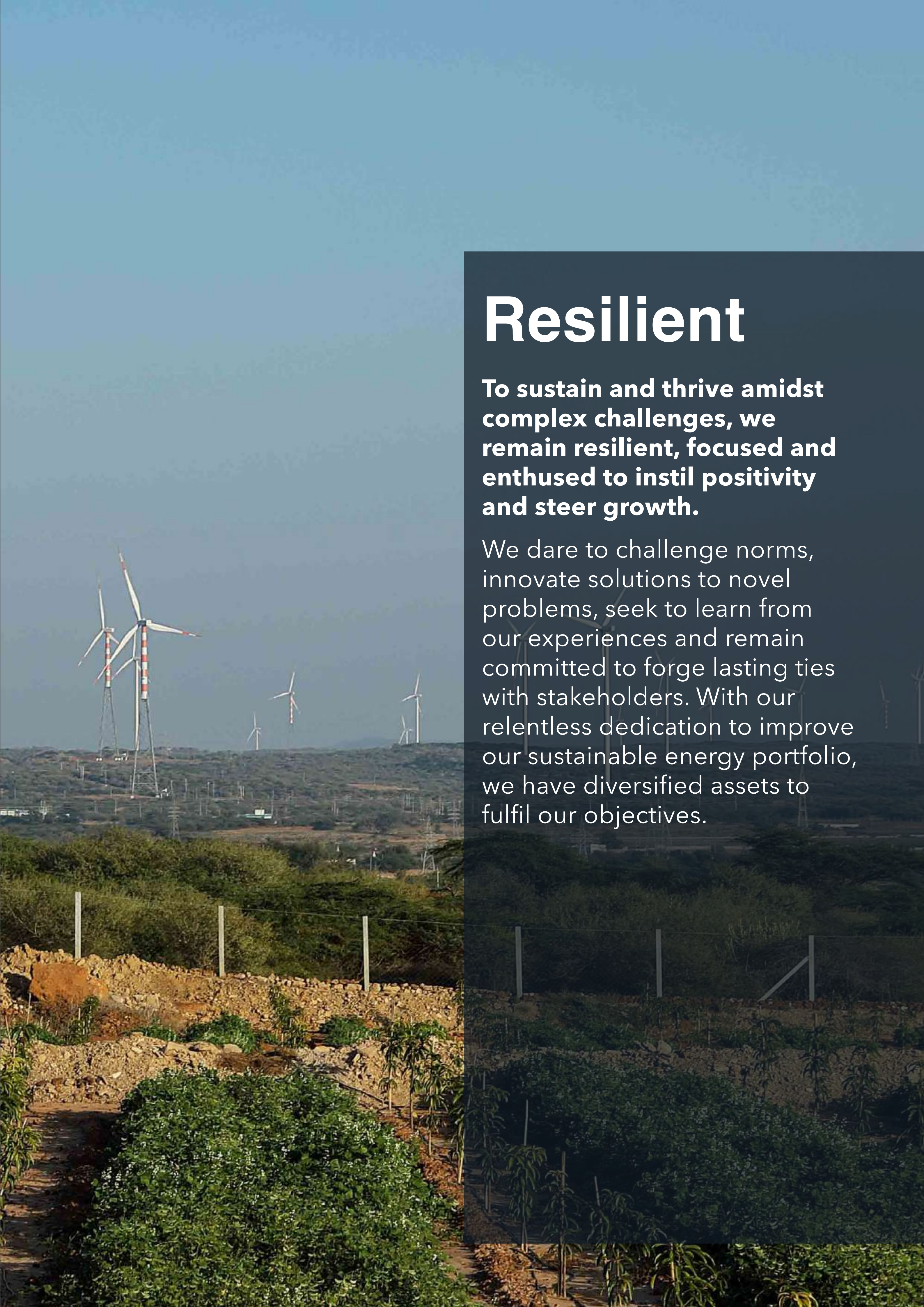
Optimum dispatch through national merit order: : With the success of pilot SCED with ISGS plants, CERC has now allowed voluntary participation of all the generators that are connected to ISTS. As it provides a win-win situation for both Discoms and sellers, this would eventually lead all the players to participate. Such an extension of SCED would result in formation of a pooled market model, operating on principles of merit-based economic dispatch (MBED). MBED would provide easier access to power markets for Discoms to balance their power portfolio with long- and medium-term contracts and meeting the residual demand through the pool market, resulting in optimised cost of supply of power.

The COVID-19 pandemic is expected to cause transformational changes in the market, leading to opportunities to attract significant foreign investments. With the Make in India programme and focus on development of export market, electricity will play an important role. Thus long-term reforms are also essential to ensure sustainable growth. Two important documents that are being worked on are the New Tariff Policy and amendments to the Electricity Act.

New Tariff Policy: The draft focuses on operational issues in short to medium term horizon. It is expected to empower consumers by giving them the right to quality and uninterrupted power, and by ensuring that the burden of Discoms' inefficiencies are not passed on to them. Tariff policy also focuses on reinforcing competition by providing time-bound open access, progressive reduction in cross subsidies and competitive procurement of power. Further, to make the sector sustainable, the policy will enable provisions for timely payments for power procurement, direct subsidy transfer and actions to resolve the issue of regulatory assets.

Proposed amendments in the Electricity Act: The proposed amendments not only look at providing statutory basis for reforms planned under the tariff policy, but also provide for major structural changes in the sector. One of the most important of these is creation of an Electricity Contract Enforcement Agency (ECEA). ECEA would resolve delays and value leakage due to dispute resolution by the regulatory commissions. Ample emphasis has been given to support renewable power through new provisions to address generation curtailment, and higher penalty for noncompliance of renewable purchase obligations. On the consumer side, provisions for cost-reflective tariff along with direct benefit transfer would bring financial discipline in Discoms. To address the concerns of of Discoms, a practical middle path of sub-licensee and enforcing provisions related to distribution franchisee is proposed. These provisions, if passed, should have a positive and long-term impact on the power sector.





Resilient

To sustain and thrive amidst complex challenges, we remain resilient, focused and enthused to instil positivity and steer growth.

We dare to challenge norms, innovate solutions to novel problems, seek to learn from our experiences and remain committed to forge lasting ties with stakeholders. With our relentless dedication to improve our sustainable energy portfolio, we have diversified assets to fulfil our objectives.

More about Sembcorp

We are among the leading independent power producers in India delivering cleaner, affordable and sustainable energy. We generate energy across thermal and renewable segments, with a cumulative 4,369 MW power generation capacity*.

Headquartered in Gurugram, Haryana, Sembcorp Energy India Limited (addressed as SEIL hereinafter) is a leading independent power producer in the country. Our belief in generating sustainable energy is validated by our presence in the thermal and renewable energy verticals with a power generation portfolio across seven states in India.

Our Portfolio**

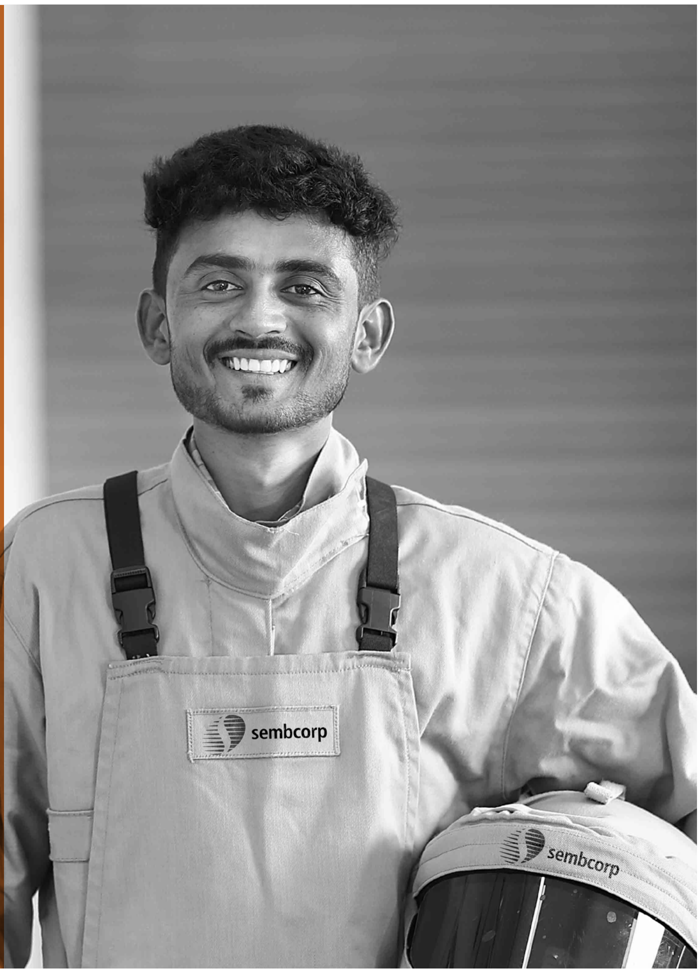
1,694
Total power generation capacity (in MW)

35
Wind energy assets

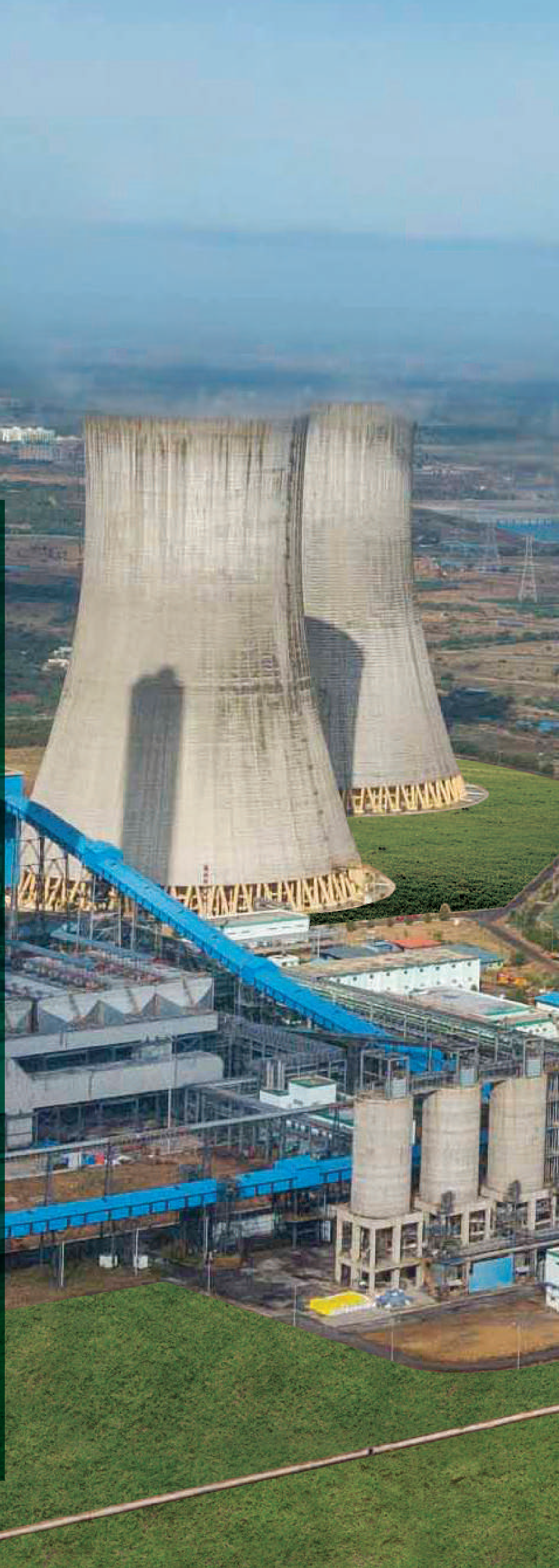
2,640
Total power generation capacity (in MW)

4
Supercritical thermal units

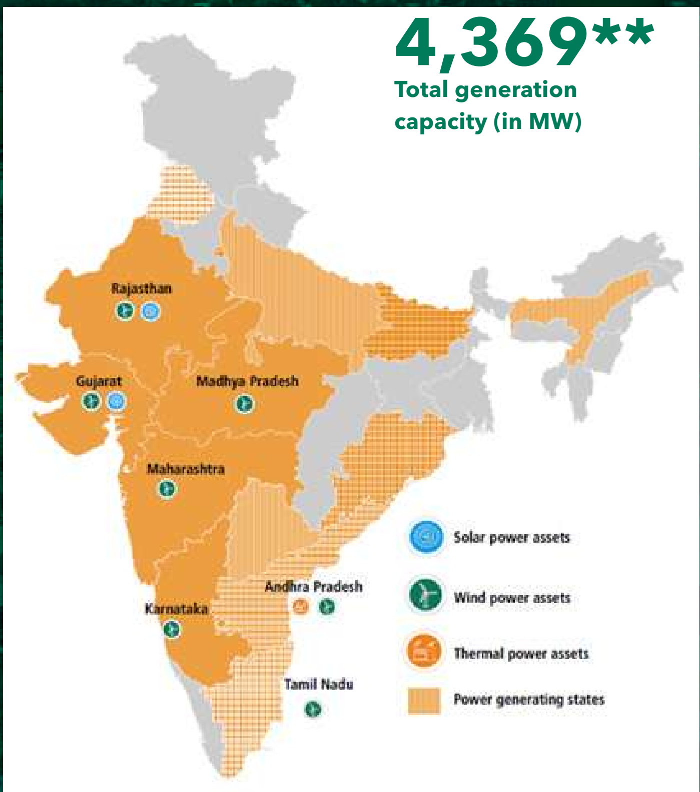
35
Total power generation capacity (in MW)



(*As on March 2020 including projects under construction) | ** As on 31st March 2019



With a presence across 9 states, SEIL has a diversified and balanced mix of assets



** Includes wind power projects under construction in Gujarat

More about Sembcorp (continued)

Culture - About Us

At the core of how SEIL operates lie our values: Creative Insight, Committed, Connected, Courageous, Curious. With a renewed focus on these values as well as SEIL Leadership Competencies, a set of skills and behaviours, our culture translates into day-to-day actions, helping us evolve as individuals and as teams.

Focussed efforts have been put in place to build Leadership Competencies, Digitalisation and Analytics Capability for monitoring Asset Performance and Behaviour-Based Safety.

A number of initiatives were also undertaken to ensure that care and support is given to employees through processes put in to address operational continuity while ensuring their safety and health amidst the COVID-19 lockdown. A range of workshops and training programmes focused on nutrition, stress management, change management, collaboration and team building were held to build employee capability and to support their physical and mental wellbeing.

Creative Insight

We innovate and solve complex problems

Committed

We walk the talk, do the right thing and deliver on our promises

Connected

We value our people forge strong partnerships and care for our communities and the environment

Courageous

We dare to challenge the norm and lead disruption

Curious

We continuously seek to learn about ourselves and the world around us

Reinforced

From commissioning major wind projects to addressing operational issues with state-of-the-art infrastructure, we are prepared to strengthen our core and enhance our efficiency. To improve accuracy levels and assess stockpiles on time, we have deployed new technology to enable stellar performances within shorter timeframes.

Staying true to our commitment to foster sustainability across our operations, we continue to efficiently utilise and recycle fly ash generated in our thermal power plants. We also derive incomparable outcomes from our in-house asset management capabilities. The use of Artificial Intelligence and Machine Learning strengthens our ability to design outstanding operational strategies. Further, a constant commitment to implement exceptional health, safety and environmental policies reinforces our eagerness to augur sustainability across organisational verticals.

Strength in Sustainability

SECI Projects

With a unique distinction of being the first to fully commission an SECI wind power auction project, SEIL today holds the distinction of having the largest generation capacity from SECI wind projects. This milestone also reinforces Sembcorp's strong expertise in developing and commissioning wind projects on time and contributing to India's clean energy portfolio.

We won 800MW wind bids from SECI 1, SECI 2 and SECI 3, conducted by the Solar Energy Corporation of India (SECI) on behalf of the Government of India's Ministry of New and Renewable Energy (MNRE).

During the year, we commissioned a combined capacity of 479 MW from SECI 2 and SECI 3 wind power projects. We now generate 728 MW of renewable energy from our three SECI projects, the largest operational capacity of SECI wind projects among IPPs. We successfully commissioned the 250 MW SECI 2 project during the year in review and plan to commission the balance capacity of 71 MW of SECI 3 by Q2 2020.

800 MW*

Of renewable energy generated from three SECI projects

*As on 31 March, 2020: 728 MW

The wind project for SECI 1 is located at Thoothukdi, Tamil Nadu. SECI 2 and SECI 3 wind projects are located in Bhuj, Gujarat.

The Renewable BU received CBIP National Award 2020 under category "Outstanding Contribution in Development of Wind Energy" for outstanding achievement for fastest capacity addition under National Wind Bids.

Coal stock management with drones

To enhance its digitisation drive, SEIL has taken steps to adopt drones in its state-of-the-art technological infrastructure. The inclusion of drones has helped measure stockpile with an aim to improve accuracy levels and reduce processing time.

We have four supercritical thermal power stations with a cumulative capacity of 660 MW, spread across almost 3000 acres of land situated near the coastal area of Nellore district. Coal, being the primary resource fuel, is stored in coalyards spread over a huge area. To avoid any operational interruption due to shortage of fuel, timely stock monitoring has been implemented to ensure a robust supply chain framework. Previously, stock was monitored manually at regular intervals, on a monthly and quarterly basis, to complete the physical verification (PV). However, with the introduction of drones, the process has been expedited and with efficiency.

Apart from scanning the coal stock, this technology helped deliver efficiencies across multiple operational processes at SEIL power stations. This has helped in the following ways:

- Inspection of internal surfaces of boilers for early identification of leaks during unit shutdowns
- Survey SEIL station properties for better planning of green belts
- Inspection of taller structures such as NDCT and chimney without any safety hazards
- Monitoring of risky areas without manual entry
- Remote monitoring and photography of station assets

Strength in Sustainability (continued)

Fly ash

In FY 2019-20, due to higher energy output by our thermal power plants in India, the total waste generated rose on account of increased fly ash production. About 70%, or approximately 1.250 million tonnes of fly ash, was recycled. To further improve recycling rates, we endeavour to install a fly ash classification and segregation plant at our thermal assets in India by the second half of 2020. The plant will help to process fly ash into fine-quality ash, which is in great demand in the market.

1.782

Total ash generated (million tons)

1.250

Total ash utilised/recycled (million tons)

Highlights 2019-20

- Consecutively achieved 100% total ash for six months. (i.e., Oct 2019 to March 2020).
- In FY 2019-20, we achieved 7390 MT (P1-5128 MT and P2-2262 MT) of fly ash, highest ever achieved by any power plant in India.
- We became the first Indian company to export dry fly ash to the USA in a dry bulk shipment of 40,000 MT.
- We supplied fly ash to cement industries, brick manufacturers and ready-mix concrete companies.

In-house asset management

In an effort to augment efficiency and maximise production at lowest lifecycle cost, we undertook a project to review our renewable asset portfolio. This initiative has not only helped in strengthening our capabilities within the organisation but also ensured reduction of Operations and Maintenance (O&M) costs without compromising on quality and safety parameters.

We strengthened our O&M capabilities to develop solutions that enhance the life of our renewable assets and help deliver operational excellence, assuring energy security and reliability for our customers.

During the year, several initiatives were undertaken as part of our self-performed asset management practice.

- Multiple trainings were conducted on safety and operational efficiency
- We introduced, reviewed and strengthened our asset management SOPs.
- To stabilise inventory levels and set-up safety stock, consolidation of inventory management systems were undertaken.
- Strategic supply chain initiatives were also introduced

624 MW

Under self O&M

Leveraging Artificial Intelligence and Machine Learning In Asset Operations

Virtual Brain Renewables is an analytics based digital asset management platform that enables the operations team monitor and manage turbines at over 30 wind energy sites. Indicators like speed, temperature, power output, plant load factors as well as wind versus power generation efficiency curves are now easily accessible to our team, enhancing overall operational efficiency. Providing real-time data and indicators, the digital platform helps in forecasting and timely anomaly detection for operations teams to carry our predictive maintenance.

35 assets

Managed through VBR

Safety at the Core

Ensuring occupational health and safety and minimising environmental impact are the foremost priorities of SEIL. We recognise that excellence in Health, Safety and Environment is an ongoing journey and remain committed to implementing best practices, complying with internal Sembcorp HSE standards, as well as national and international standards.

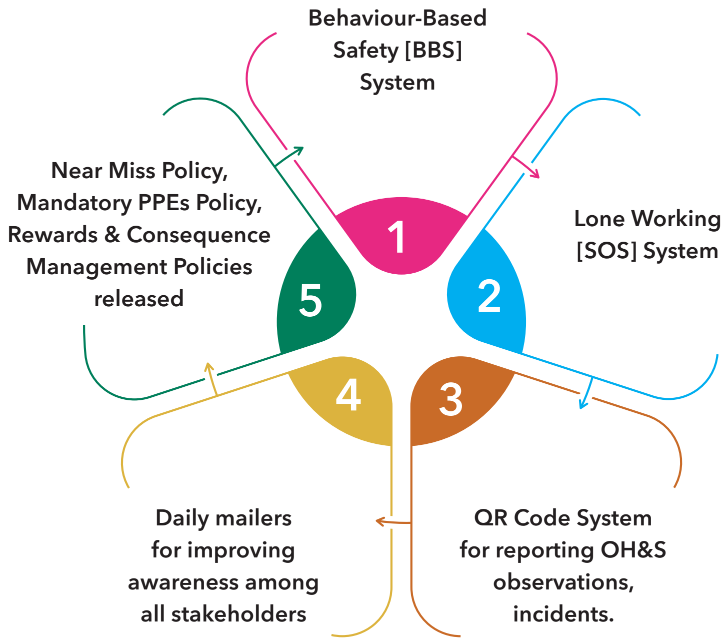
All our achievements and milestones in the last five years reflect our robust HSE management system and the true spirit in which it is implemented by all our staff. Management initiatives are massively improving staff commitment and participation in sustaining a positive Health & Safety culture.

We at SEIL, consider the Health, Safety & Wellbeing of our employees, subcontractors and all related personnel pivotal to the performance and improvement of our operations and social protection management system. To ensure maximum safety and security of our personnel, all Sembcorp facilities comply with international standards.

SEIL's management processes, including its commitment to environment and sustainability, reflect the robust governance practices of 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.

To strengthen our safety performance, we make efforts to identify all hazards and risks and implement control measures to reduce risks. We investigate incidents, near-misses and injuries with corrective actions in place. We are committed to keeping our employees and associates safe with our proactive HSE initiatives and interventions. During the year, Chemical Safety Audit was conducted by a third-party agency and its recommendations are being implemented in the organisation.

During the year 2019-20 following Occupational Health & Safety initiatives implemented:



Safety at the Core (continued)

Certifications

Our Company's Thermal Power Plant has been certified to be in compliance with ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007 standards, pursuant to a certificate of registration (MUM6046294) dated April 18, 2017 issued by Lloyd's Register Quality Assurance.

21.58
Accident free man-hours, as of March 31, 2020 (in million).

28,565
Training man-hours covering 100% of the employees, as of March 31, 2020 2020

We received the **BBS Site Award - 2019** for steady implementation of Behaviour Based Safety (BBS) and Leadership in Spreading the Movement and Mission of **BBS - Bharat Bane Surkshit**

Key operational HSE measures undertaken during the year - Thermal

- Conducted Monthly Mass Toolbox Talks for sustaining management-employee engagement and declaring the Monthly Safety Theme.
- An 'All Hands Meeting' was initiated by the BU Head and O&M Head with employees, workers, contract staff and other stakeholders at work locations.
- Skip Level Safety Townhall for SEIL Employees and Associates was conducted by BU Head and O&M Head for increased safety.
- Conducted emergency mock drills and fire rescue drills on a monthly Basis.
- Safety Culture Perception Survey was conducted to check incremental improvements.
- Monthly Safety Video Quiz was launched for employees to aid understanding and reinforcement of safety principles.
- Daily HSE Mailer was launched for greater awareness.
- Prepared and circulated Safety Manual for Plant and Township.
- Department HSE Performance Calculator was updated and implemented.
- Mandatory PPEs Policy, Rewards and Consequence Management Policy was released and implemented.
- Launched Safety to Next Level Campaign.
- Strengthened our due diligence and compliance levels.

Safety at the Core (continued)

Certifications

Our Company's Renewable Plant's management system for the generation and supply of power through renewable energy sources has been certified with ISO 9001:2015, ISO 14001:2015 and BS OHSAS 18001:2007 standards pursuant to certificates of registration (44 100 133353, 44 104 133353 and 44 116 133353 respectively) dated April 20, 2019 issued by TUV NORD CERT GmbH.

Actions taken in HSE over the last 12 months - Renewables

A positive health and safety culture, embraced from the top to bottom, acts as a key enabler of organisational success. During the year 2019-20, Sembcorp implemented certain HSE initiatives to improve its safety culture and HSE performance.

The Company conducted regular project HSE town hall meetings with contractors, senior management and sub-contractors on a quarterly basis and arranged risk-focused special toolbox meetings and Monthly Mass toolbox meetings to inculcate a positive safety culture among contractors. In order to confront last-minute risks prior to the start of work, a 360-degree Hazard Hunt programme was implemented across project sites. A Behaviour-Based Safety (BBS) Programme was also implemented along with the monthly Find It & Fix It HSE campaign, at all Sembcorp sites.

Since January 2020, a balanced HSE scorecard tool was implemented to drive a safe work culture across Sembcorp. The Company also strengthened HSE supervision across its O&M sites to ensure compliance with Sembcorp's HSE standards. Moreover, emergency preparedness across these sites was strengthened with the addition of AED, portable oxygen kits and escape masks. To further boost emergency response, all employees were provided with a pocket first-aid guide and field employees were trained on Global Wind Organisation (GWO)-certified Work at Height and Rescue, First Aid, CPR and AED procedures.

Responsible

As a responsible entity, we remain accountable to people as well as our natural ecosystem. Underlying our principles and values of sustainability lies a deep commitment to realise our duties to empower and enshrine change within communities.

While our educational and healthcare endeavours enable us to make meaningful contributions to their lives, vocational training and agricultural development programmes improve livelihoods. For us, an inclusive approach to initiate transformation in our natural environment reaffirms our obligations towards a sustainable future. From encouraging tree planting to enabling recycling and reuse, we continue to pave the way for managing and preserving our natural resources – in unique and innovative ways.

Committed to People and Communities

Playing our role as agents of transformation for a sustainable future

Anchored in our belief that sustainability is firmly linked to our ability to deliver long-term value and growth to all our stakeholders, we work closely with our communities to improve their quality of life and empower them in an all-encompassing manner, as well as ensure the highest standards of environmental management in our operational areas.

16.41*
Spent on CSR activities in FY 19-20 (₹ in million)

58,038*
Beneficiaries in FY 19-20

SDG goals

Key focus areas

- Education
- Healthcare
- Environment
- Agriculture sustainability
- Skills and Entrepreneur Development

*Total spent for renewable and thermal
*Total beneficiaries of renewable and thermal

Education

4 QUALITY EDUCATION

At Sembcorp, we believe education is the right of every child and is one of the key parameters for ensuring growth and development of a nation. We provide scholarships to deserving candidates, for primary as well as higher education. Additionally, we invest in infrastructure development of schools within our areas of operation. Apart from offering basic amenities to these schools, we leverage our resources and technical prowess to improve the quality of teaching and standard of education. Moreover, we encourage students to participate in varied co-curricular activities, including sports and other celebrations, with the aim to enable holistic development of every child.

Highlights of FY 19-20

- Provided conveyance facility to school children to prevent dropouts, which benefitted 240 students.
- Provided educational kits to 60 students on the eve of Independence Day.
- We made investments towards repairing schools where 65 students benefitted.
- Provided evening snacks to students from five mandals appearing for SSC examination – 2387 students benefitted.

Committed to People and Communities (continued)

Healthcare

Rural healthcare is one of biggest challenges facing the Health Ministry of India. With more than 60% population living in rural areas with poor access to health facilities, mortality rates due to diseases continue to rise. Some 65% of the country's population lives in rural areas where medical facilities are deplorable. There is a dire need for new practices and procedures to ensure that quality and timely healthcare reaches the deprived corners of our villages. Though the Government has a number of health programmes, their success and effectiveness are questionable due to gaps in their implementation.

Bringing quality healthcare closer to communities, our Mobile Health Services operates in the vicinity of Sembcorp sites in Annanthahali, Harpanhali , Bharmasagra, and Telagi in Karnataka. These MMUs are operating to meet the medical needs of the remote, underprivileged populations of the villages. The mobile MMU reaches out to a target population of ten villages, benefitting thousands of people.

26,921
Total patients

12,952
Female patients

Aiding patients with our mobile medical van

Mohammad Buden Sab, Bagali, Bellary district, Karnataka

Mohammad Buden Sab, a 45-year-old resident Bagali, a remote village in Bellary district, is a diabetic. The closest hospital from the village is 11 kms away and this prevented people like Mr. Buden to seek regular treatment. We deployed a mobile medical van through the Sembcorp-Wockhardt Foundation and Mr. Buden has been receiving medication, treatment and counselling free of cost. This has encouraged him to visit the mobile van regularly for his diabetes treatment.

Preventive diseases: Myalgia, upper respiratory tract infection, diabetes, anemia, eczema, sinusitis, gastric problems and body pain.

Agriculture sustainability

8 DECENT WORK AND ECONOMIC GROWTH

The Agriculture Development Project, introduced in Bhandwa village in Rojwas last year, continues to empower lives of the villagers. Based on a success model, SGIL introduced the same project at Rulki village (Rojwas) Ujjain district in Madhya Pradesh. It is estimated to have benefitted more than 250 households through livelihood generation, poverty alleviation, and knowledge in use of modern technology and marketing. The project reached out to directly to 1500 beneficiaries through its interventions in the domains of agriculture, education, livelihood, health and linkages with government schemes.

Key activities under the project includes

A. Community mobilisation
B. Meetings with stakeholders
C. Farmers' club development with Kisan Seva Kendra (KSK)
D. Domain expert training on modern agriculture processes, crop patterns, livestock management
E. Soil health management programme
F. Training on setting up kitchen gardens
G. SHG group formation for women empowerment
H. Adolescent girls' group formation
I. Education support for school-going children
J. Health camps

Farmer support program

Ravindra Patidar, Rulki,

Farmers in the village of Rulki lacked the knowledge and awareness about seed selection as well as soil health cards. As a result, the production of soyabean and chana per acre of land stood at 4.75 quintals and the income generated from it was around Rs.1,20,000 per acre. We provided soil cards to farmers to provide information on the type of crops to be grown on the available land. We also helped them reach out to the Krishi Vigyan Kendra to get information about modern methods of agriculture. Through this initiative, the production of both aforementioned crops increased to 5.5 quintals and their annual income grew by Rs.60,000 to reach Rs.1,80,000 per acre. Ravindra Patidar of Rulki village is one of the beneficiaries of this initiative.

1500+

Beneficiaries in FY 19-20

Committed to People and Communities (continued)

Empowering women through skill development

Vimala, DH Wada

Vimala lives in DH Wada village of Muthukur Mandal in Nellore district of Andhra Pradesh. The primary occupation of her family is cultivation. She belongs to a low-income family and has been a homemaker all her life. But her zeal to learn and earn pushed her to take advantage of the free training programmes conducted by Sembcorp Entrepreneurship Development Centre (SEDC). She enrolled herself in the clothes stitching unit and trained for three months. After the training, she secured a job in a tailoring shop and has been earning Rs. 8000 per month. This has empowered Ms. Vimala to take care of her children's education.

As stated during our interactions, she shared that her confidence levels have improved and her status within the family as well as the community was enhanced when she became financially independent.

553

In SEDC, we have trained women in different trades.

Vocational training at SEDC

Madhav, T. Gudur

Madhav hails from Totapalli Gudur in Nellore district, Andhra Pradesh, and belongs to a family of four dependent on his father, an agricultural labourer. When he came to know about the training programmes conducted by SEDC, he decided to visit the training centre along with his friends. He seized the opportunity and underwent the AC and refrigeration repair programme for three months. Soon after, Blaze IT Solutions and our CSR team helped him secure a job in Nellore as an assistant electrician.

He is now earning Rs.12,000 per month. A thrilled Mr.Gudur said the practical training helped him be financially independent. He now offers freelancing services for repairing ACs, washing machines and so on to earn more during his free time.

Environment

7 AFFORDABLE AND CLEAN ENERGY

11 SUSTAINABLE CITIES AND COMMUNITIES

Building green spaces – Fulfilling environmental commitments

We planted 19 species of flora around our thermal operations with a total of over 1,30,000 saplings planted across 180 acres in CY 2019. Our contribution to plant a total of 32 species and over 8,00,000 saplings across 750 acres, to build a greener environment, is now equivalent to approximately 416 soccer pitches.

This has helped us to create a Green Belt that aims to reverse land degradation while absorbing air pollutants in the atmosphere. In addition to this, we have adopted the Israeli technology of developing a mist chamber. This has led to the growth of 5 lakh saplings in our in-house facilities in the last two years, resulting in savings of ~INR 1.5 million.

Additional environmental initiatives undertaken in FY 2019-20

- Implemented an action plan to comply with the Government's Jal Shakthi Abhiyan [JSA] initiative to conserve and reuse water.
- Adopted scientific methods like establishment of mist chambers, drip and sprinkler systems, vermi- compost production and application of biopesticides for green belt development. In addition, peripheral planting within our compound walls have been undertaken with three-tier plantations.
- Conducted environment mock drill on chemical spillage and response

Sustainability

At Sembcorp, we continue to be responsible agents of transformation for a sustainable future. We are integrating our passion to do good with our aim of running a safe, successful and sustainable business. During the year we continued to deliver energy and innovative solutions that support development and create value – for our stakeholders and communities.

7 AFFORDABLE AND CLEAN ENERGY

13 CLIMATE ACTION

Generated

3,247.217

million units of renewable energy in FY 19-20

Avoided over

2.695

million tonnes of CO_2

Saved around

12.1

crore cubic metres of potable water saved by using sea water and recycling water

Provided

~4,900

people with access to clean drinking water

Achieved

70%

recycling rate for fly ash produced by our coal-fired power plants in India (i.e.,1.250 million tons)

Planted

~8 lakh

trees to help absorb 4,720 tonnes CO_2 emissions

Apex India Platinum Environment Excellence Award 2019

Apex India Gold CSR Excellence Award 2019

Generated

1,334

MUs of renewable energy generated from SECI projects, helped avoid over 1.10722 million tonnes of CO_2 emissions.

STATUTORY REPORTS

Directors' Report

To
The Members
SEMBCORP ENERGY INDIA LIMITED

Your Directors take pleasure in presenting the Twelfth Annual Report together with Audited Financial Statements of your Company for the year ended March 31, 2020.

FINANCIAL RESULTS

(₹ in Millions)

Particulars	Standalone		Consolidated	
	FY 2019-20	FY 2018-19	FY 2019-20	FY 2018-19
Revenue from Operations	**71,105**	**73,464**	**84,634**	**83,412**
Other Income	**3,538**	**2,127**	**5,034**	**5,255**
Total Revenue	**74,643**	**75,591**	**89,668**	**88,667**
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	23,044	21,313	35,503	32,531
Less: Depreciation/ Amortisation/ Impairment	7,469	7,407	12,016	11,179
Profit /loss before Finance Costs, Exceptional items and Tax Expense	15,575	13,906	23,487	21,352
Less: Finance Costs	14,389	14,539	20,413	19,021
Profit /loss before Exceptional items and Tax Expense	1,187	(633)	3,074	2,331
Add/(less): Exceptional items	-	-	-	-
Profit /loss before Tax Expense	**1,187**	**(633)**	**3,074**	**2,331**
Less: Tax Expense (Current & Deferred)	-	-	8	1,056
Profit /loss for the year (1)	**1,187**	**(633)**	**3,082**	**1,275**
Total Comprehensive Income/loss (2)	**327**	**669**	**325**	**(674)**
Total (1+2)	**1,514**	**(1,302)**	**3,407**	**601**
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 revenues of the Company during the Financial year 2019-20 were ₹ 74,643 million against ₹75,591 million in the previous year. The Standalone Profit after Tax for the Financial year 2019-20 increased to ₹ 1,187 million from ₹ (633) million in the previous year.

Consolidated

On a consolidated basis, total revenues of the Company during the Financial Year 2019-20 increased to ₹ 89,668 million from ₹ 88,667 million in the previous year. The Consolidated Profit after Tax for the Financial Year 2019-20 increased to ₹ 3,082 million from ₹ 1,275 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, 2020, your Company's portfolio comprises:

- 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;
- 35 wind energy assets with a total power generation capacity of approximately 1.73 GW located across seven states in India; this includes approximately 0.07 GW in one wind power assets, currently under construction in the state of Gujarat, India; and
- Three solar power assets with a total power generation capacity of 0.04 GW located in the states of Rajasthan and Gujarat, India.

Your Company sell 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.

Dividend

With a view to conserve resources for future business operations of the Company, your Directors do not recommend any dividend for the year under review.

Share Capital

During the year under review, your Company allotted 27,49,46,810 Equity Shares of ₹ 10/- each of the Company at a price of ₹ 18.80 per equity shares (including ₹ 8.80 as share premium), by way of Rights Issue to the existing Equity Shareholders of the Company. Consequently, the issued, subscribed and paid-up equity share capital has increased from ₹ 51,587.22 Million divided into 5,158,721,764 equity shares of ₹ 10/- each to ₹ 54,336.69 Million divided into 5,433,668,574 equity shares of ₹ 10/- each.

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

During the current year, Gayatri Energy Ventures Private Limited, which was a minority shareholder for 5.95% in your Company has sold off its stake to Sembcorp Utilities Pte. Ltd ('SCU'). Consequently, your Company has become wholly owned subsidiary of SCU.

Subsidiaries / Joint Ventures/ Associates

As on March 31, 2020, the Company had 28 subsidiaries out of which 20 are wholly owned subsidiaries. During the year, the following changes occurred in your Company's holding structure:

I. During the year under review, your Company invested ₹ 5,169 Million in Sembcorp Green Infra Limited and USD 25,000 in TPCIL Singapore Pte Ltd, wholly owned subsidiaries of the Company.

II. During the financial year ended March 31, 2020, Green Infra Clean Wind Energy Limited, a subsidiary of the Company filed an application under section 248 of the Companies Act, 2013 for removal of its name from the Register of Companies.

III. During the financial year ended March 31, 2020, Green Infra Renewable Projects Limited was incorporated as a wholly owned subsidiary of the Company.

IV. During the year, Green Infra Wind Assets Limited, Green Infra Wind Limited, Green Infra Wind Ventures Limited and Green Infra Wind Technology Limited, wholly owned subsidiaries of the Company have filed petition for the amalgamation with Sembcorp Green Infra Limited, which is a wholly owned subsidiary of the Company.

Your Company had complied with all applicable provisions under the Companies Act, 2013 and Foreign Exchange Management Act ("FEMA") 1999 in relation to investment received by the Company and in relation to the Downstream Investment the Company will obtain the certificate from Statutory Auditor and comply with the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 as applicable from time to time.

Pursuant to the provisions of Section 129 (3) of the Companies Act, 2013 ("Act"), a statement containing salient features of the Financial Statements of the subsidiaries is attached as **Annexure – 6** to the Directors' Report of the Company in Form AOC -1.

Your Company do not have investment in any Associate / Joint Venture Company as on March 31, 2020.

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 in the design or operation 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 your 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 in the year 2021.

The Auditors' Reports on the Standalone and the Consolidated Financial Statements 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 2019-20 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 was conducted by M/s Narasimha Murthy & Co., Cost Accountants, Hyderabad. The Cost Auditor's report on Cost Records and Statements maintained by the Company doesn't contain any qualification, reservation or adverse remark requiring any explanations / comments by the Board of Directors.

Your Board has appointed M/s Narasimha Murthy & Co., Cost Accountants, Hyderabad as Cost Auditors of the Company for the financial year 2020-21 and your Board seek your ratification for the remuneration proposed to be payable 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 2019-20.

Secretarial Audit Report for the financial year 2019-20 dated July 21, 2020, is annexed to the Directors' Report as **Annexure - 5**. 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 of the Company or otherwise under Section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

DIRECTORS AND KEY MANAGEMENT PERSONNEL

Director retire by rotation

Ms. Looi Lee Hwa retires by rotation as Director at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. Brief details of the Directors proposed to be re-appointed is provided in the explanatory statement, attached to the Notice of the Annual General Meeting.

Changes in the Directors

During the year, Mr. T.V. Sandeep Kumar Reddy resigned as Director of the Company with effect from December 31, 2019. The Board expresses its appreciation for Mr. Reddy for his valuable guidance as a Director of the Company.

In terms of Section 149 of the Act, Mr. Radhey Shyam Sharma, Ms. Sangeeta Talwar, Mr. Bobby Kanubhai Parikh 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, 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.

Mr. Neil Garry McGregor resigned from the Board effective from Jun 30, 2020 and Mr. Wong Kim Yin has been nominated on the board of your Company by the Holding Company Sembcorp Utilities Pte Ltd. Accordingly, Mr. Wong Kim Yin has been appointed as an Additional Director on the Board of your Company from August 11, 2020. Pursuant to the request received from the Shareholder proposing his candidature for appointment as Director, he is proposed to be appointed as regular Director in the upcoming Annual General Meeting of the Company.

Key Managerial Personnel (KMP)

The following 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 linked given http://sembcorpenergyindia.com/AboutUs/CodeEthics

PARTICULARS OF LOANS, GUARANTEES, INVESTMENETS AND SECURITIES

The Company, being an infrastructure company, is exempt from the provisions as applicable to loans, guarantees and securities 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, and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the Balance Sheet.

BOARD AND ITS COMMITTEES

Board Meetings

During the financial year ended March 31, 2020, 6 (six) meetings of the Board of Directors were held on May 09, 2019, May 17, 2019, August 13, 2019, November 13, 2019, February 14, 2020 and March 04, 2020.

Committees:

Audit Committee

The Audit Committee of the Company consists of four Directors Mr. R. S. Sharma, Chairman, 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, 2020.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company consists of four Directors Ms. Sangeeta Talwar, Chairman, Mr. R. S. Sharma, Mr. K. Jairaj, and Mr. Bobby K. Parikh as its other members. Details of the 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 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

Annual Performance Evaluation of the Board, Board Committees and Individual Directors for the financial year 2019-20 has been carried out through 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 11, 2020 and has given 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 laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

f) 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 & Wellbeing of our employees, subcontractors and all related personnel is vital. We have made Health, Safety & Environment as core value of our Company and HSE policy has been updated in line with ISO 45001.

Your Company believes that it is critical to protect the health and safety of those involved in its operations and to run an operation that is environmentally sustainable. To strengthen our safety performance, we ensure that all hazards and risks are identified and control measures implemented to reduce risks to as low as reasonably practicable, investigate incidents, near misses & injuries, implement corrective actions, share & apply what we have learned and focus on continually improving our work practices.

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

During the year 2019-20 following Occupational Health & Safety initiatives implemented:

- Monthly Mass Toolbox Talks is being conducted for sustaining Management - Employee engagement and declaring Monthly Safety Theme.
- All Hands Meeting initiated by BU Head and O&M Head with Employees, Workers, Contract staff and other stakeholders at work locations.
- Emergency Mock Drill was conducted for Earthquake and Tsunami scenario's
- Fire Rescue Mock drill conducted every month.
- Safety Culture Perception Survey was conducted to check the incremental improvement.
- Monthly Safety Video Quiz was launched for Employees for better understanding and reinforcement of Safety.
- Daily HSE Mailer was launched for greater awareness.
- Safety Manual for Plant and Township was prepared & circulated.
- Department HSE Performance Calculator was updated and implemented.
- Mandatory PPEs Policy, Rewards & Consequence Management Policy was released and implemented.
- Safety to Next Level Campaign was launched for accelerated improvements.

In-spite of best efforts in safety, one unfortunate "Lost Time Injury" incident happened at SEIL Project 1 in September 2019. All recommendations of Root Cause Analysis Committee has been implemented. Additionally Chemical Safety Audit by Third Party was conducted and all actionable activities have been implemented. More additional steps taken to strengthen Chemical Safety.

Our Company recognizes 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 and 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. 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 & CC, CPCB, & APPCB.

Your Company has been developing green cover by planting saplings to develop a dense green belt in and around its area of operations. More than 1,30,000 saplings of 32 different species have been planted. The Conocarpus Erectus and Casurina plant selections are based on eco-suitability and sustainability with environmental merits.

During the year 2019-20 following Environmental initiatives implemented:

- Implemented action plan to comply with Govt. of India "Jal Shakthi Abhiyan [JSA]" initiative to conserve & reuse water at SEIL.
- At SEIL we have adopted scientific methods like establishment of mist chamber, drip & sprinkler system, vermin-compost production & application of biopesticides for greenbelt development. Peripheral planting along inside of the compound wall has been taken-up with 3 tiers of plantations. We have developed 405 acres at SEIL P1 and 340 acres at SEIL P2 afforestation.

- Energy Audit carried out by CII & recommendations are being implemented.
- Conducted Environment Mock Drill on Chemical Spillage & Response.

Environment and Sustainability – Renewable

Your Company is committed to sustainable power generation and contributing to India's commitment to curbing rising carbon levels through its power generation from renewable energy sources. In 2019-20, SGIL, a subsidiary of your Company has mitigated 2.49 Million Metric tons of Co2 (37% higher than 2018-19) which demonstrates Sembcorp's commitment to Sustainable Development.

We work with all sincerity to understand environmental and social sensitivities in the areas where we operate with the aim of avoiding, minimizing and mitigating any potential impacts. SGIL has minimized environmental impact at project sites through optimized spatial planning for mapping most suited sites to avoid landscape saturation and pre-construction environmental socio-economic impact assessment (ESIA) to minimize environmental socio-economic & bio-diversity impacts in its operations.

During the year 2019-20 following HSE initiatives were undertaken to improve Safety culture and HSE performance across the organisation.

1. Regular Project HSE Townhall with Contractor Senior Management and sub-contractors on Quarterly basis. Risk focused special toolbox meetings and Monthly Mass toolbox meetings were conducted to imbibe safety mindset across the contractor workforce.
2. 360-degree Hazard Hunt program was implemented across the Project sites emphasizing the need for last moment situational risk assessments, prior to start of the work.
3. Behavior Based Safety (BBS) Program was implemented in 2019 and as on March 2020YTD, achieved overall Safety Index (Safe Act vs Total act) of 82% and percentage of At-Risk Behavior correction of 97%.
4. Engagement of Line Management -Regional Managers and Project Managers in driving Near miss (NM) reporting and corrective actions across the sites, resulted in 306% (322) increase in reporting of NM; Scaled up in hazard identification and closure by 147%
5. Find It & Fix It HSE campaigns focused on Hot Spots arrived out of Near Miss analysis resulted in reduction of potential severe NM (Level 1 and Level 2) cases.
6. Implemented balanced HSE scorecard tool based on 10 key Safety leading indicator metrics to drive safe work culture across its sites, since January 2020. Overall, Q1 2020 YTD score was 89%.
7. Implemented in-house developed Geotag tool for comprehensive closure of 2019 Group Integrated audit observations across all site, since March 2020. Overall Closure rate as of Q1 2020 YTD was 82.4%.
8. HSE revamp plan was initiated in March 2020 by the SGIL Management along with a collaborative initiative with Global Operations and Group Internal Audit with an aim to improve the governance of Safety through robust policies, procedures, safety systems and safety practices.
9. HSE improvement road map for Inox fleet was implemented, post self O&M take over in April 2019. This includes development of Safety risk assessments, trainings and individual turbine review for safety displays and fall protection systems.
10. Strengthened Daily Work Plan System by circulating the comprehensive plan of the day circulated in the morning indicating the concerned HSE supervisors for the work from Original Equipment Manufacturer (OEM) and SGIL.
11. HSE supervision across all the Self O&M sites was strengthened by deployment of HSE Supervisors to ensure assurance with Sembcorp HSE standards
12. Emergency preparedness and response across the self O&M sites was strengthened with addition of AED, Portable Oxygen kit and escape mask. Field employees were trained on Global Wind Organisation (GWO) certified Work at Height and Rescue, First aid, CPR & AED. Office emergency response team members were externally training on firefighting, First aid, CPR and AED. Pocket First aid Guide booklet provided to all field and office employees.

Your Company's Environmental Management efforts towards sustainable power generations was recognized with following awards in 2019 - 20

1. Apex India Platinum Environment Excellence Award 2019
2. Apex India Gold CSR Excellence Award 2019

Certifications

Our Company's Thermal Power Plant has been certified to be in compliance with ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007 standards, pursuant to a certificate of registration (MUM6046294) dated April 18, 2017 issued by Lloyd's Register Quality Assurance.

Our Company's Renewable Plant's management system for the generation and supply of power through renewable energy sources has been certified with ISO 9001:2015, ISO 14001:2015 and BS OHSAS 18001:2007 standards pursuant to certificates of registration (44 100 133353, 44 104 133353 and 44 116 133353 respectively) dated April 20 , 2019 issued by TUV NORD CERT GmbH.

GOVERNANCE

Corporate Governance Report

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 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 of 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 7.**

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 if involving employees 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 realizing 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 (ERM) 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 to affect Company's business or corporate standing or growth and manage them by calibrated action.

Under the Enterprise Risk Management framework, risk registers have been developed to document identification, analysis and management of risks. The Risk 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 ERM framework is supported by various supporting policies and procedures like Risk Management Policy, Code of Conduct, Governance Assurance Framework, 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.

The Company is in the process of implementing an Integrated Assurance Framework (IAF) to put greater emphasis on the three lines of defence model. 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.

Risk Management Governance Structure

The Board has overall responsibility for the governance of the Company's risk management. The board approves the company's levels of risk tolerance and risk policies, and oversees management in the design, implementation and monitoring of risk management systems. It also has the authority to approves 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 Chief Risk Officer (CRO) to assist the Board 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 champion / risk owner for the identified risks.

Business Continuity Management amid Covid-19 Flue 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 flue 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 organizations, 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 programs proposed to be undertaken can be accessed at the Company's website at https://sembcorpenergyindia.com/AboutUs/CodeEthics

The Annual Report on CSR activities in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 is appended as **Annexure - 3** to this Report.

HUMAN RESOURCES

We fully recognize that the execution of our business strategy and our future success rests on having a dynamic organization that is agile and competitive. Company's Human Resources play a pivotal role in enabling smooth implementation of key strategic decisions through aligned capability development, leadership development and performance management.

Organization structure changes and efforts to induct key skills to ensure productivity and to promote effectiveness in achieving business goals were undertaken. 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. Efforts towards development and retention of talent through a combination of measures related to capability building, engagement and competitive rewards were undertaken during the year. In addition, focussed efforts have been put in place to build Leadership Competencies, Digitalization and Analytics capability for monitoring Asset Performance and Behavioural Based Safety.

Various engagement initiatives involving employees and families were rolled out. Also, existing employee communication channels were strengthened through structured Town Hall meetings. A number of initiatives were also undertaken to ensure that care and support is given to employees through policies which help improve quality of life for employees. Consequent to these initiatives, the overall employee engagement score based on the internal "Make Us Better Survey" has shown a significant improvement in Employee Engagement level.

The Company recognizes the impact of wellness on our employees' overall effectiveness. The Company has established multiple channels to engage with its employees across all levels. Separate initiatives have been undertaken across various times of the year to improve the overall wellbeing of the employees and enhance team bonding. A number of 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 lockdown. A range of workshops and training programs focused on nutrition, stress management, change management, collaboration and team building were held to build employee capability and to support employees' physical and mental wellbeing.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information 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

Extract of Annual return

Extracts of Annual Return pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 in prescribed form MGT -9 is attached with this report as an **Annexure 4.**

Withdrawal of Draft Red Herring Prospectus ('DRHP')

This is in relation to the DRHP filed with Securities and Exchange Board of India ('SEBI') on February 22, 2018, we wish to inform that, pursuant to the resolution passed by the Board of Directors of the Company on May 09, 2019, the Company has withdrawn the DRHP on June 14, 2019, since Sembcorp Utilities Pte. Ltd., the Promoter of the Company, intends to inject fresh equity into the Company to support the development of the renewable energy business of your Company for the ongoing projects, which resulted in a change in the capital structure of the Company and necessitates the withdrawal of the DRHP under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

Further, your Company may re-consider undertaking an Initial Public Offering of its securities in the future, subject to suitable market conditions, receipt of requisite approvals and other considerations.

Transfer of unclaimed/ unpaid dividend to Investor Education and Protection Fund (IEPF)

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

REGULATORY AND LEGAL MATTERS

The businesses of the Company are governed primarily 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.

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: August 11, 2020
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 31,2020

A. CONSERVATION OF ENERGY

a) Steps taken or impact on conservation of energy:

SEIL P1:

i. Interconnection of CT makeup – Desalination pumps.

ii. Replacement of Existing lighting system with LED.

iii. Stacker cum reclaimer long travel speed increased for increasing feed rate and reduction of coal plant running hours.

iv. Corrrocoating of Pumps and Lines to avoid leakages and Outages.

SEIL P2

i. Destaging of Condensate Extraction Pump for reduction of pressure.

ii. Removal of SCAPH to reduce the Secondary air DP and FD fan power consumption.

iii. Installation of New Hot Air gates to avoid passing of Hot air.

SEIL P1 & P2

i. Stopping of CWP pumps in Part load & ambient temperature favourable conditions for energy saving without process degradation.

ii. Rectification of High energy steam/ water drain valves for leaking/bypassing of high energy kept under control.

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

c) Capital investment on energy conservation equipment-

Project	Energy conservation equipment	Capital investment on energy conservation equipment (₹ in millions)
P1	Installation of MILL-1G Aerofoil based PA Flow element	0.44
	Installation of Coal surface feeder	94.64
P2	Installation of Additional Thermo couples	0.85
	Flux meter introduced for scanning the SH & RH Tubes	0.04
P1 & P2	Boiler Vista (Black & Veatch) thermal model	6.495

B. TECHNOLOGY ABSORPTION

i) The efforts made towards technology absorption

Project	Efforts made towards technology absorption
P1	MILL-1G Aerofoil based PA Flow element installed for better accuracy to achieve required air flow to Mill and avoiding unnecessary air to Mill.
	Coal surface feeder Installed for Coal blending and Backup for reclaiming.
P2	Additional Thermo couples installed in unit-2 FSH and FRH zones for tube metal temperature monitoring.
	Oxide Scale detector & used for scanning the SH & RH tubes during AOH in order to find the blockage due to exfoliated materials.
P1 & P2	Boiler Vista (Black & Veatch) thermal model built for evaluating technical feasibility of different coal blending analysis.

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

SEIL P1:

i. Installation of MILL-1G Aerofoil based PA Flow element - Excess PA Flow to Mill Optimized resulting to energy saving in PA fans

ii. Boiler Vista (Black & Veatch) Thermal model - In view of changing coal and energy market, to sustain the changes to fire wide ranges of coals, Boiler predictive model introduced to identify optimal coal blend for operation under part load and full load conditions and Prediction of, Slagging & fouling scenario, Boiler Performance SOX, NOX emission and Boiler Temperature profile

iii. Coal surface feeder Installed in coal yard for Emergency reclaiming and Coal blending - Sudden breakdown of SCR or yard conveyor during reclaiming can be well supported by Surface feeder without any hassles and bunkering can be achieved as planned and also usable for conveyor blending.

SEIL P2:

i. Additional thermo couples installed for monitoring FSH &FRH tube metal temperatures to identify any short-term overheating during start-up. This is will help to control firing & avoiding Overheating.

ii. Oxide Scale detector introduced for scanning SH & RH tubes during AOH in order to find the blockage in tubes & exfoliated materials. Due to Scanning minimize the tube failure frequency & improve the reliability of Boiler.

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 - NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Total foreign exchange used and earned

Used : AUD- 1428
SGD- 2,186,015
USD- 370,897,127
EUR – 1,189,643
GBP – 18,282
AUD- 1428

Earned : SGD- 8,750
USD- 102,192,942

Annexure – 2

Annexures to Directors' Report

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: August 11, 2020
Place: Gurugram

Annexure – 3

Annexures to Directors' Report

Responsibility Towards Community

Sembcorp Energy India Limited

Sustainability and CSR report 2019-20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A B
F G

Driven by a purpose and passion to enable a sustainable future, Sembcorp believes in embedding responsible practices in everything it does.

From supporting our communities and empowering people, our thrust remains on creating exceptional value for stakeholders across verticals. Our commitment to do the right things and deliver on our promises, motivates us to resort to innovative solutions for complex challenges. We deeply value our relationships with people and trust our abilities to manage resources efficiently while minimizing our environmental footprints- to design a safe, secure and sustainable future.

Committed to People and Communities

Our commitment to sustainability

Playing our role as agents of transformation for a sustainable future.

Anchored in our belief that sustainability is firmly linked to our ability to deliver long-term value and growth to all our stakeholders, we work closely with our communities to improve their quality of life and empower them in an all-encompassing manner, as well as ensure the highest standards of environmental management in our operational areas.

11.95
Spent on CSR activities in Thermal (Rs. million)

553
No. of women and youth trained in SEDC

4500
Families
No. of beneficiaries

1600
No. of students benefitted

SDG goals

Key focus areas

Education

Healthcare

Skill and Entrepreneurship Development

Environment

Education

At Sembcorp, we believe education is the right of every child and is one of the key parameters for ensuring growth and development of a nation. We provide scholarships to deserving candidates, for primary as well as higher education. Additionally, we invest in infrastructure development of schools within our areas of operation. Apart from offering basic amenities to these schools, we leverage our resources and technical prowess to improve the quality of teaching and standard of education. Moreover, we encourage students to participate in varied co-curricular activities, including sports and other celebrations, with the aim to enable holistic development of every child.

Highlights of FY 19-20

- Provided conveyance facility to school children to prevent dropouts, which benefitted 240 students.
- Provided educational kits to 60 students on the eve of Independence Day.
- We made investments towards repairing schools where 65 students benefitted.
- Provided evening snacks to students from five mandals appearing for SSC examination – 2387 students benefitted.

Committed to People and Communities (continued)

Healthcare

Sr. No	CSR Activity	No. of Beneficiaries
1.	Operation and Maintenance of 9 RO plants covering 9 villages in all the surrounding villages	4500 families
2.	9 Medical camps were conducted 9 Villages with the support from Our Occupational Health Center Doctor and Primary Health Center medical Officer	820 Patients
3.	100 Concrete dustbins were provided in 2 Villages as part of sanitation and hygiene drive and garbage removal program. Implemented And Village Hygiene Maintained for one Year in Two Panchayats Nelaturu and Pynapuram	1400 families
4.	Drinking water supplied to public at TP Gudur police station premises during the Month of Jun'19 on the request of District Administration	10500 Members
5.	Rendered Ambulance services during emergency needs of surrounding villagers	64 Families
6.	Corona Virus Awareness by Sticking Wall Posters, publicity with pamphlets and Door to Door communication of Precaution against virus and awareness in schools and Government offices at Village and Mandal Level	6500 Families of inner and outer ring Villages

Covid 19 initiative

With an aim to support the communities around its area of thermal operations, SEIL has organised various awareness campaigns on the coronavirus in the local community to sensitise them about the virus and its spread. The Company has put up posters in the surrounding schools, anganwadis, govt mandal offices and in prominent places within the villages of Muthukuru and TP Guduru mandals and also distributed pamphlets to villagers to build awareness on the precautions to be taken to prevent the spread of virus.

Skill and Entrepreneurship Development

Empowering women through skill development

Vimala, D H Wada

Vimala lives in DH Wada village of Muthukur Mandal in Nellore district of Andhra Pradesh. The primary occupation of her family is cultivation. She belongs to a low-income family and has been a homemaker all her life. But her zeal to learn and earn pushed her to take advantage of the free training programmes conducted by Sembcorp Entrepreneurship Development Centre (SEDC). She enrolled herself in the clothes stitching unit and trained for three months. After the training, she secured a job in a tailoring shop and has been earning Rs. 8000 per month. This has empowered Ms. Vimala to take care of her children's education.

As stated during our interactions, she shared that her confidence levels have improved and her status within the family as well as the community was enhanced when she became financially independent.

Vocational training at SEDC

Madhav, T. Gudur

Madhav hails from Totapalli Gudur in Nellore district, Andhra Pradesh, and belongs to a family of four dependent on his father, an agricultural labourer. When he came to know about the training programmes conducted by SEDC, he decided to visit the training centre along with his friends. He seized the opportunity and underwent the AC and refrigeration repair programme for three months. Soon after, Blaze IT Solutions and our CSR team helped him secure a job in Nellore as an assistant electrician.

He is now earning Rs.12,000 per month. A thrilled Mr.Gudur said the practical training helped him be financially independent. He now offers freelancing services for repairing ACs, washing machines and so on to earn more during his free time.

Committed to People and Communities (continued)

Environment

1. Tree plantation drive was conducted in Andhra Pradesh Residential Girls Hostel by involving 850 girl children and 60 SEIL employees by planting 2500 plants in the extent of 10 acres.

2. Tree plantation drives were conducted in Sembcorp Entrepreneurship Development Centre by involving 50 women trainees from the surrounding villages and 50 SEIL employees.

3. As part of Sembcorp Gives back celebrations, organized awareness program with a theme titled ` Say no to plastics as part of Swatch Bharath Program for Community women members and distributed Jute Bags stitched by the Community women trained in SEDC supported by Andhra Pradesh Skill Development Corporation, Government of Andhra Pradesh.

4. Fire safety drive was conducted by Fire and HSE Department for women trainees undergoing training in SEDC from the surrounding villages.

Sustainability

At Sembcorp, we continue to be responsible agents of transformation for a sustainable future. We are integrating our passion to do good with our aim of running a safe, successful and sustainable business. During the year we continued to deliver energy and innovative solutions that support development and create value – for our stakeholders and communities.

7 AFFORDABLE AND CLEAN ENERGY

13 CLIMATE ACTION

Provided

~4,900

people with access to clean drinking water

Saved around

12.1

crore cubic meter of portable water saved by using sea water and recycling water

Planted

~8lakhs

trees to help absorb 4720 tonnes CO_2 emissions

Committed to People and Communities (continued)

Annual Report on Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs as given below:

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.

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

- **Skill and Entrepreneurship Development** *(Item (ii) of Schedule VII)*
- **Education** *(Item (ii) of Schedule VII)*
- **Healthcare** *(Item (i) & (ix) of Schedule VII)*
- **Contribution to Incubators** *(Item (ix) of Schedule VII)*

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

2. The Composition of the CSR Committee

The CSR Committee of Board consists of the following members as given below :

Ms. Sangeeta Talwar	Chairperson
Mr. R.S. Sharma	Member
Mr. Vipul Tuli	Member
Mr. K Jairaj	Member

3. Average net profit of the Company for last three financial years is ₹ **172.42 millions**

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) is ₹ **3.45 million**

5. Details of CSR spent during the financial year

(a) Total amount to be spent for the financial year - ₹ **3.45 Million**

(b) Amount unspent, if any - Nil

(c) Manner in which the amount spent during the financial year is detailed below :

Sr. No	CSR Project or Activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken.	Amount Outlay (Budget) project or programs wise (₹) in Millions	Amount spent on the projects or programs subheads: (1) Direct Expenditure (2) Overheads (₹) in Millions		Cumulative Expenditure upto the reporting period (₹) in Millions	Amount Spent: Direct or through implementing agency
					Direct	O/Hds		
1. Skill and Entrepreneurship Development programs for women and youth – item (ii) of Schedule VII								
1.1	Skill and Entrepreneurship Development	Employment enhancing Vocational skills for women and youth trainings in SEDC.	Local Area and in SPSR, Nellore District	1.24	1.24	-	1.24	Implemented Through Blaze IT Solutions
1.2		Women and youth trainings - Functional expenses		0.50	-	0.50	0.50	Direct
Total Skilling and Entrepreneurship Development				**1.74**	**1.24**	**0.50**	**1.74**	
2. Promotion of Education - item (ii) of Schedule VII								
2.1	Promotion of Education	Promotion of Education – a) providing transportation facilities to all the school going children in surrounding villages.	Local Area and in SPSR, Nellore District	1.80	1.80	-	1.80	Direct
2.2		b) providing evening snacks for students appearing for SSC Final Examinations.		0.95	0.95	-	0.95	Direct with support from Mandal Development officer of the Government.
Total Promotion of Education				**2.75**	**2.75**	**-**	**2.75**	

Sr. No	CSR Project or Activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken.	Amount Outlay (Budget) project or programs wise (₹) in Millions	Amount spent on the projects or programs subheads: (1) Direct Expenditure (2) Overheads (₹) in Millions		Cumulative Expenditure upto the reporting period (₹) in Millions	Amount Spent: Direct or through implementing agency
					Direct	O/Hds		
3. Promoting health care including preventive health care, sanitation and making available safe drinking water – item (i) & (ix) of Schedule VII								
3.1	Health Care	Promoting health care including preventive health care by conducting medical camps in surrounding villages.	Local Area and in SPSR, Nellore District	0.14	0.14	-	0.14	Direct
3.2		Sanitation in two Panchayats.		0.58	0.58	-	0.58	Direct
3.3		Making available safe drinking water.		3.86	3.86	-	3.86	Implemented through Naandi Community water services
3.4		COVID 19 – Preventive and mitigation measures by conducting Community Sanitization drives, Providing masks and awareness in the surrounding villages (Item ix of Schedule VII)..		0.79	0.79	-	0.79	Direct
Total Promotion of Health Care				**5.37**	**5.37**	**-**	**5.37**	
4. Contribution to incubators funded by State Government - item (ix) Schedule VII								
4.1	Incubator Support	Contribution to incubators funded by State Government by support to District Administration for setting up Emergency Operations Centre.	Local Area and in SPSR, Nellore District	2.09	2.09	-	2.09	Direct
Support to Incubators				**2.09**	**2.09**	**-**	**2.09**	
Total Expenditure				**11.95**	**11.45**	**0.50**	**11.95**	

6. Reasons for not spending two percent of the average net profit of the last three financial years or any part thereof on CSR. if any- Not Applicable
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

Vipul Tuli
Managing Director

Sangeeta Talwar
Chairman, CSR Committee

Annexure – 4

Annexures to Directors' Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31st, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and Other Details:

CIN	U40103TG2008PLC057031
Registration Date	08/01/2008
Name of the Company	Sembcorp Energy India Limited
Category / Sub-Category of the Company	Public Company/ Limited by Shares
Address of the Registered office and contact details	6-3-1090, A-5, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad, Telangana – 500082 Email : cs.india@sembcorp.com Website: sembcorpenergyindia.com Tel +91 40 3304 8300 Fax +91 40 2337 0360
Whether listed company	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	KFin Technologies Private Limited Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032, India Tel: +91 40 6716 2222 Toll Free (India): 1-800-3454-001 Fax : +91 40 2342 0814 Email : einward.ris@kfintech.com www.kfintech.com

II. Principal Business Activities of the Company:

All the business activities contributing 10% or more of the total turnover of the company shall be stated :-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Generation of Power as an Operator	35102	100%

III. Particulars of Holding, Subsidiary and Associate Companies -

S. No.	Name of the company	Address of the company	CIN/GLN	Holding/ subsidiary/ Associate	% of shares held	Applicable Section
1.	Sembcorp Utilities Pte Ltd ('SCU')	30 Hill Street, #05-04, Singapore, 179360, Singapore	Foreign Body Corporate 197300648H	Holding	100%	2 (46)
2.	TPCIL Singapore Utilities Pte Ltd ('TPCIL SG')	30 Hill Street, #05-04, Singapore, 179360, Singapore	Foreign Body Corporate 201434377G	Subsidiary	100%	2(87)(ii)
3.	Sembcorp Green Infra Limited ('SGIL')	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U45400HR2008PLC068302	Subsidiary	100%	2(87)(ii)
4.	Green Infra Wind Ventures Limited ("GIWVL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U40101HR2010PLC070260	Subsidiary	100%	2(87)(ii)
5.	Green Infra Corporate Wind Limited ("GICWL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U45203HR2008PLC070247	Subsidiary	100%	2(87)(ii)
6.	Green Infra Wind Energy Assets Limited ("GIWEAL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U40101HR2011PLC072040	Subsidiary	100%	2(87)(ii)
7.	Green Infra Wind Energy Project Limited ("GIWEPL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U40108HR2011PLC070251	Subsidiary	100%	2(87)(ii)
8.	Green Infra Wind Farm Assets Limited ("GIWFAL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U40102HR2011PLC070253	Subsidiary	100%	2(87)(ii)
9.	Green Infra Wind Power Limited ("GIWPL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U40102HR2010PLC070255	Subsidiary	100%	2(87)(ii)
10.	Green Infra Wind Generation Limited ("GIWGL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U40300HR2011PLC071902	Subsidiary	70.53%	2(87)(ii)
11.	Green Infra Wind Power Generation Limited ("GIWPGL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U40108HR2011PLC078213	Subsidiary	71.16%	2(87)(ii)
12.	Green Infra BTV Limited ("GIBTVL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U40109HR2008PLC070246	Subsidiary	90.46%	2(87)(ii)
13.	Green Infra Wind Power Theni Limited ("GIWPTL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U40105HR2011PLC070256	Subsidiary	73.21%	2(87)(ii)
14.	Green Infra Wind Energy Theni Limited ("GIWETL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U40109HR2011PLC070252	Subsidiary	73.02%	2(87)(ii)
15.	Green Infra Wind Assets Limited ("GIWAL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U45203HR2008PLC078209	Subsidiary	100%	2(87)(ii)

S. No.	Name of the company	Address of the company	CIN/GLN	Holding/ subsidiary/ Associate	% of shares held	Applicable Section
16.	Green Infra Wind Energy Limited ("GIWEL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U23200HR2005PLC078211	Subsidiary	100%	2(87)(ii)
17.	Green Infra Wind Power Projects Limited ("GIWPPL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U40108HR2011PLC078214	Subsidiary	69.03%	2(87)(ii)
18.	Green Infra Wind Farms Limited ("GIWFL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U45203HR2008PLC071903	Subsidiary	60.92%	2(87)(ii)
19.	Green Infra Clean Wind Energy Limited ("GICWEL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U40106HR2012PLC070198	Subsidiary	100%	2(87)(ii)
20.	Green Infra Corporate Solar Limited ("GICSL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U40106HR2011PLC078215	Subsidiary	100%	2(87)(ii)
21.	Green Infra Wind Limited ("GIWL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U40300HR2011PLC070254	Subsidiary	100%	2(87)(ii)
22.	Green Infra Wind Solutions Limited ("GIWSL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U40300HR2012PLC070258	Subsidiary	100%	2(87)(ii)
23.	Green Infra Wind Technology Limited ("GIWTL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U40300HR2012PLC070259	Subsidiary	100%	2(87)(ii)
24.	Green Infra Solar Energy Limited ("GISEL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U40107HR2010PLC070248	Subsidiary	100%	2(87)(ii)
25.	Green Infra Solar Farms Limited ("GISFL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U40107HR2010PLC070249	Subsidiary	100%	2(87)(ii)
26.	Green Infra Solar Projects Limited ("GISPL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U40108HR2011PLC070250	Subsidiary	100%	2(87)(ii)
27.	Mulanur Renewable Energy Limited ("MREPL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U40300HR2016PLC070808	Subsidiary	67.30%	2(87)(ii)
28.	Green Infra Renewable Energy Limited ("GIREL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U74999HR2017PLC067954	Subsidiary	100.00%	2(87)(ii)
29.	Green Infra Renewable Projects Limited ("GIRPL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U40106HR2020PLC085475	Subsidiary	100.00%	2(87)(ii)

Note: All the above subsidiaries are as per Section 2(87) and includes direct and indirect* subsidiaries.

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01.04.2019)				No. of Shares held at the end of the year (as on 31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub -total (A)(1) :-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	
b) Other Individuals	-	-	-	-	-			-	
c) Bodies Corporate	4,83,52,67,901	-	4,83,52,67,901	93.73	5,43,36,68,484	-	5,43,36,68,484	100	6.27
d) Banks/ FI	-	-	-	-	-	-	-	-	
e) Any other (As Nominee of SCU)	90	-	90	-	90	-	90	-	
Sub - total (A) (2):-	**4,83,52,67,991**	**-**	**4,83,52,67,991**	**93.73**	**543,36,68,574**	**-**	**543,36,68,574**	**100**	**6.27**
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	**4,83,52,67,991**	**-**	**4,83,52,67,991**	**93.73**	**543,36,68,574**	**-**	**543,36,68,574**	**100**	**6.27**
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government	-	-	-	-	-	-	-	-	-
e) Venture Capital funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2. Non Institutions	-	-	-	-	-	-	-	-	-
A. Bodies Corporates									
i) Indian	32,34,52,917	-	32,34,52,917	6.27	-	-	-	-	(6.27)
ii) Overseas	-	-	-	-	-	-	-	-	

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01.04.2019)				No. of Shares held at the end of the year (as on 31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Individual	-	-	-	-	-	-	-	-	-
i) Individual share-holders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual share-holders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
Others (specify) (as a Nominee of GEVPL)	730	126	856	-	-	-	-	-	-
Sub-total (B)(2):-	**32,34,53,647**	**126**	**32,34,53,773**	**6.27**	**-**	**-**	**-**	**-**	**(6.27)**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**32,34,53,647**	**126**	**32,34,53,773**	**6.27**	**-**	**-**	**-**	**-**	**(6.27)**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**5,15,87,21,638**	**126**	**5,15,87,21,764**	**100.00**	**5,43,36,68,574**	**-**	**5,43,36,68,574**	**100.00**	**-**

ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2019)			Shareholding at the end of the year (as on 31.03.2020)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	Sembcorp Utilities Pte Ltd along with its nominees	4,83,52,67,991	93.73	12.48	543,36,68,574	100	19.37	6.27
	Total	**4,83,52,67,991**	**93.73**	**12.48**	**543,36,68,574**	**100**	**19.37**	**6.27**

iii) Change in Promoters' (Shareholding (please specify, if there is no change)

S. No.	Name of the Shareholder	Shareholding at the beginning of the year		Date	Reason	Increase/ Decrease in Shareholding		Cumulative Shareholding during the year (As on 31.03.2020)	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Sembcorp Utilities Pte Ltd along with its nominees	4,83,52,67,991	93.73	09.07.2019	Right Issue	27,49,46,810	0.32	5,11,02,14,801	94.05
				30.12.2019	Transfer of shares	32,34,53,773	5.95	5,43,36,68,574	100

iv) Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	Type	Name of the Shareholder	Shareholding at the beginning of the year (as on 01.04.2019)		Date	Reason	Increase/Decrease in shareholding		Cumulative Shareholding during the year (As on 31.03.2020)	
			No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Body Corporate	Gayatri Energy Ventures Private Limited along with its Nominees	32,34,53,773	6.27	30.12.2019	Transfer	(32,34,53,773)	(6.27)	Nil	Nil

v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name of the Director / Key Managerial Personnel	Shareholding at the beginning of the year (As on 01.04.2019)		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year (As on 31.03.2020)	
		No. of Shares	% of total Shares of the company			No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	Mr. Neil Garry McGregor	-	-	31.03.2020	At the end of the year	-	-	-	-
2.	Mr. Vipul Tuli*	-	-	10.12.2019	Transfer of shares	6	Negligible	6	Negligible
				31.03.2020	At the end of the year	-	-	6	Negligible
3.	Ms. Looi Lee Hwa	-	-	31.03.2020	At the end of the year	-	-	-	-
4.	Mr. Radhey Shyam Sharma	-	-	31.03.2020	At the end of the year	-	-	-	-
5.	Ms. Sangeeta Talwar	-	-	31.03.2020	At the end of the year	-	-	-	-
6.	Mr. Bobby Kanubhai Parikh	-	-	31.03.2020	At the end of the year	-	-	-	-
7.	Mr. Kalaikuruchi Jairaj	-	-	31.03.2020	At the end of the year	-	-	-	-
8.	Mr. Juvenil Ashwinkumar Jani*	18	Negligible	31.03.2020	At the end of the year	-	-	18	Negligible
9.	Mr. Narendra Ande	-	-	31.03.2020	At the end of the year	-	-	-	-

* held as a nominee of Sembcorp Utilities Pte. Ltd.

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Millions)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	105,167.07	42,400.00	-	147,567.07
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	145.26	6,703.27	-	6,848.53
Total (I + ii + iii)	**105,312.33**	**49,103.27**	**-**	**154,415.60**
Change in Indebtedness during the financial year				
Addition	12,993.50	7,369.13		20,362.63
Reduction	(20,296.66)	(3,516.00)	-	(23,812.66)
Net Change	**(7,303.16)**	**3,853.13**	**-**	**(3,450.03)**
Indebtedness at the end of the financial year				
Principal Amount	97,712.73	45,855.44	-	143,568.17
Interest due but not paid	-	-	-	-
Interest accrued but not due	296.44	7,100.96	-	7,397.40
Total (i+ii+iii)	**98,009.17**	**52,956.40**	**-**	**150,965.57**

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Managing Director Mr. Vipul Tuli, Managing Director	Total Amount (in ₹)
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,75,80,991	3,75,80,991
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39,600	39,600
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2.	Stock Option	81,87,898	81,87,898
3.	Sweat Equity	-	-
4.	Commission	-	-
	- as % of profit/		
	- others, specify		
5.	Others-Project Completion Bonus/Variable Pay	1,74,02,300	1,74,02,300
6.	**Total (A)**	**6,32,10,789**	**6,32,10,789**
7.	Ceiling as per the Act	Not Applicable	

B. Remuneration to other Directors

(₹)

Sl. no.	Particulars of Remuneration	Name of Directors				Total
		Mr. Radhey Shyam Sharma	Ms. Sangeeta Talwar	Mr. Bobby Kanubhai Parikh	Mr. Kalaikuruchi Jairaj	
1.	**Independent Directors**	16,00,000	16,00,000	8,00,000	16,00,000	56,00,000
	Fee for attending Board/ Committee Meetings					
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	**16,00,000**	**16,00,000**	**8,00,000**	**16,00,000**	**56,00,000**
2.	**Other Non-Executive Directors**					
	Fee for attending Board	-	-	-	-	-
	Committee Meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	**-**	**-**	**-**	**-**	**-**
	Total (B)=(1+2)	**16,00,000**	**16,00,000**	**8,00,000**	**16,00,000**	**56,00,000**
	Total Managerial remuneration*					**6,88,10,789**
	Overall Ceiling as per the Act			Not Applicable		

*Total managerial remuneration to Managing Director and other Directors (being total of A and B)

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		Total Amount (in ₹)
		Mr.Juvenil Ashwinkumar Jani Chief Financial Officer	Mr. Narendra Ande, Company Secretary	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,68,36,742	44,36,560	2,12,73,302
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2.	Stock Option	10,74,467	-	10,74,467
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit/			
	- others, specify			
5.	Others-Project Completion Bonus/Variable Pay	62,65,164	9,10,587	71,75,751
6.	**Total (A)**	**2,41,76,373**	**53,47,147**	**2,95,23,520**

VII. Penalties/Punishment/Compounding of Offences:

Type	Section of the Companies Act	Brief description	Detail of Penalty/ Punishment/ Compounding fees imposed	Authority[RD/ NCLT/Court	Appeal made if any
A. Company					
Penalty					
Punishment			None		
Compounding					
A. Directors					
Penalty					
Punishment			None		
Compounding					
C. Other Officers in default					
Penalty					
Punishment			None		
Compounding					

For and on behalf of the Board

Wong Kim Yin
Chairman
(DIN: 08806258)

Vipul Tuli
Managing Director
(DIN: 07350892)

Date: August 11, 2020
Place: Gurugram

Annexure – 5

Annexures to Directors' Report

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,2020

To,
The Members,
SEMBCORP ENERGY INDIA LIMITED
6-3-1090, A-5, TSR Towers Rajbhavan Road,
Somajiguda Hyderabad, Telangana - 500082

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, 2020 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 and relied on the information provided by the management and its Officers for the financial year ended on 31st March, 2020 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;

(4) The Company has identified the following applicable specific Act:

(i) The Electricity Act, 2003;

(5) The Central and State laws, Regulations, Guidelines, Rules etc, as identified and applicable to the Company.

We have also examined compliances with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) with respect to board and general meetings.

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

a. 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.

b. Adequate notice was given to all directors for convening the Board / Committee meetings, agenda and detailed notes on agenda were sent at least seven days in advance and through shorter notice for some of the board and committee meetings, 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.

c. During the period under review, resolutions were carried through majority. As confirmed by the Management, there were no dissenting views expressed by any of the members on any business transacted at the meeting held during the period under review.

d. Based on the information, documents provided and the representations made by the Company, its officers during our audit process and, in our opinion , there are adequate systems and processes exists in the Company to commensurate with the size and operations of the Company, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

e. The compliance by the Company of the applicable financial laws like direct and indirect tax laws and labour laws, general and specific laws, filing of periodical returns, maintenance of financial records and books of accounts has not been reviewed by us since the same have been subject to review by Statutory Auditors, Internal Auditors and other professionals.

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 issued and allotted 27,49,46,810 Equity Shares of Rs. 10 each at a premium of Rs. 8.80/- per share, aggregating to Rs. 516,90,00,028/- by way of Rights issue to Sembcorp Utilities Pte Ltd.

2. Gayatri Energy Ventures Private Limited, which was a minority shareholder for 5.95% in the Company has sold off its entire stake to Sembcorp Utilities Pte. Ltd ('SCU') consequently, the Company has become a wholly owned subsidiary of SCU.

3. Mr. T. V. Sandeep Kumar Reddy resigned as a director of the Company w.e.f. 31 December 2019.

4. During the year under review, your Company invested 5,169 Million in Sembcorp Green Infra Limited and USD 25,000 in TPCIL Singapore Pte Ltd, wholly owned subsidiaries of the Company.

5. The Company had filed Draft Red Herring prospectus ('DRHP') with Securities and Exchange Board of India ('SEBI') on 22 February 2018 in relation to the proposed Initial Public Offering of equity shares of the Company. During the Audit period, the Company withdrew the DRHP filed with SEBI, pursuant to SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, on the ground of fresh investment in equity capital of the Company by the promoter and the change in the capital structure of the Company post such investment.

For **BS & Company Company Secretaries LLP**

Date: 21.07.2020
Place: Hyderabad

K.V.S. Subramanyam
Designated Partner
FCS No. 5400
C P No.: 4815
UDIN: F005400B000484285

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

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 applicable laws, rules and regulations etc.

5. We further report that, based on the information provided by the Company, its officers, authorized representatives during the conduct of the audit and also on the review of quarterly compliance report by the management and the respective heads, taken on record by the Board of the Company, in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws and Data protection policy.

6. We further report that the compliance by the Company of applicable fiscal laws like Direct & Indirect tax laws, labour laws have not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

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

For **BS & Company Company Secretaries LLP**

Date: 21.07.2020
Place: Hyderabad

K.V.S. Subramanyam
Designated Partner
FCS No. 5400
C P No.: 4815
UDIN: F005400B000484285

Annexure – 6

Annexures to Directors' Report

Form AOC-I

(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)

Sl 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, 2020	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	75.39	2.92	(1.56)	1.36	-	-	-	(0.28)	-	(0.28)	-	100.00
2	Sembcorp Green Infra Limited	No	INR		3,492.10	20,456.07	26,117.59	2,169.42	23,320.58	436.96	865.72	167.87	697.85	-	100.00
3	Green Infra Wind Ventures Limited	No	INR		960.30	(136.50)	1,919.13	1,095.32	1,917.10	-	(229.37)	-	(229.37)	-	100.00
4	Green Infra Wind Energy Limited	No	INR		18,214.95	(300.99)	54,221.57	36,307.61	2,625.98	4,080.22	995.43	388.97	606.46	-	100.00
5	Green Infra Wind Farms Limited	No	INR		8.00	(53.90)	1,164.33	1,210.23	359.54	222.20	43.91	22.93	20.98	-	60.93
6	Green Infra Wind Power Limited	No	INR		302.27	(80.48)	778.14	556.36	133.67	123.82	(14.11)	(26.10)	12.00	-	100.00
7	Green Infra Corporate Wind Limited	No	INR		296.34	(60.34)	817.28	581.28	158.25	133.39	(7.05)	(17.77)	10.73	-	100.00
8	Green Infra Wind Energy Assets Limited	No	INR		19.48	336.06	852.78	497.25	269.00	143.11	47.27	10.83	36.44	-	100.00
9	Green Infra Wind Generation Limited	No	INR		18.74	(264.30)	1,120.86	1,366.42	31.51	213.83	(59.10)	(50.49)	(8.61)	-	70.55
10	Green Infra Wind Power Projects Limited	No	INR		17.49	177.49	1,199.65	1,004.67	263.50	282.00	(99.77)	(22.23)	(77.54)	-	69.06
11	Green Infra Wind Energy Project Limited	No	INR		315.50	493.67	1,384.09	574.92	414.85	245.91	116.65	(35.99)	152.63	-	100.00
12	Green Infra Wind Power Generation Limited	No	INR		1,339.29	(191.40)	7,458.75	6,310.86	69.69	1,235.10	(218.56)	(19.68)	(198.88)	-	71.16
13	Green Infra Wind Farm Assets Limited	No	INR		733.00	223.45	2,992.52	2,036.07	934.19	521.06	232.49	61.98	170.51	-	100.00
14	Green Infra Solar Energy Limited	No	INR		7.88	585.95	1,126.21	532.38	351.61	230.16	118.02	49.58	68.45	-	100.00
15	Green Infra Solar Farms Limited	No	INR		20.52	1,134.58	2,145.72	990.62	634.52	314.54	156.11	(42.91)	199.02	-	100.00
16	Green Infra Solar Projects Limited	No	INR		5.50	304.87	570.73	260.36	168.39	82.24	41.59	(8.46)	50.05	-	100.00
17	Green Infra BTV Limited	No	INR		812.50	793.65	2,691.64	1,085.49	247.79	519.62	175.22	(137.45)	312.67	-	90.46
18	Green Infra Wind Energy Theni Limited	No	INR		139.00	51.56	393.57	203.01	59.91	65.34	8.52	4.55	3.97	-	73.02
19	Green Infra Wind Power Theni Limited	No	INR		56.00	30.93	170.60	83.67	73.78	33.41	27.37	7.32	20.05	-	73.21
20	Green Infra Corporate Solar Limited	No	INR		1,080.65	739.11	11,342.48	9,522.72	846.33	1,962.40	(230.90)	(70.70)	(160.20)	-	100.00
21	Mulanur Renewable Energy Limited	No	INR		402.80	73.88	1,431.39	954.71	16.59	257.35	(27.33)	2.42	(29.76)	-	67.30
22	Green Infra Renewable Energy Limited	No	INR		2,300.00	343.24	18,136.05	15,492.81	17.17	2,328.93	59.03	(42.49)	101.52	-	100.00
23	Green Infra Wind Solutions Limited	No	INR		854.50	(36.60)	3,647.11	2,829.20	57.81	546.32	13.08	3.37	9.71	-	100.00
24	Green Infra Wind Limited*	No	INR		21.50	(23.33)	4.84	6.67	-	-	(20.70)	0.00	(20.70)	-	100.00
25	Green Infra Wind Technology Limited*	No	INR		0.50	7.99	57.65	49.16	-	-	(6.56)	0.02	(6.57)	-	100.00
26	Green Infra Wind Assets Limited*	No	INR		3.50	39.41	570.03	527.12	570.00	-	2.69	-	2.69	-	100.00
27	Green Infra Renewable Projects Limited*	No	INR		0.10	(0.01)	0.10	0.01	-	-	(0.01)	-	(0.01)	-	100.00
28	Green Infra Clean Wind Energy Limited#	No	INR		0.50	(0.50)	-	-	-	-	(0.06)	-	(0.06)	-	100.00

Refer 0.00 million as figures less than 0.005 million

* Subsidiaries which are yet to commence operations

Subsidiaries which have been liquidated or sold during the year

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

	Name of Associates/Joint Ventures	**Nil**	**Nil**	**Nil**
1	Latest audited Balance Sheet Date			
2	Shares of Associate/Joint Ventures held by the company on the year end			
	No.			
	Amount of Investment in Associates/Joint Venture			
	Extend of Holding%			
3	Description of how there is significant influence		Nil	
4	Reason why the Associate/Joint venture is not consolidated			
5	Net worth attributable to shareholding as per latest Audited Balance Sheet			
6	Profit/Loss for the year			
	i. Considered in Consolidation			
	ii. Not Considered in Consolidation			

1. Names of Associates or Joint ventures which are yet to commence operations.
2. Names of Associates or Joint ventures which have been liquidated or sold during the year

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

Neil Garry McGregor
Chairman
DIN: 07754310

Vipul Tuli
Managing Director
DIN: 07350892

Juvenil Jani
Chief Financial Officer

Narendra Ande
Company Secretary
Membership No: A14603

Place: Gurugram
Date: 1 June, 2020

Annexures to Directors' Report

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 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 of 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 seven members, with one Executive Director and six Non-Executive Directors (NEDs) including two women Directors, out of which four are Independent Directors as on March 31, 2020. 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, 2020 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. Neil Garry McGregor	Chairman	Non-Executive,	1	Nil	Nil	Nil
2.	Ms. Looi Lee Hwa	Director	Non-Independent	1	Nil	Nil	Nil
3.	Mr. Vipul Tuli	Managing Director	Executive	1	6*	Nil	Nil
4.	Mr. R S Sharma	Director		5	Nil	0	4
5.	Ms. Sangeeta Talwar	Director	Non-Executive	6	Nil	2	5
6.	Mr. Bobby K. Parikh	Director	Independent	5	Nil	5	0
7.	Mr. Kalaikuruchi Jairaj	Director		7	Nil	2	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. Neil Garry McGregor	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. Bobby Parikh	Biocon Ltd. Indostar Capital Finance Ltd.	Independent Director
7.	Mr. Kalaikuruchi Jairaj	Adani Transmission Limited CESC Ltd. CESC 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 ensuring 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 Director	Expertise in specific functional area
Mr. Neil Garry McGregor	Holds bachelor's degree in engineering and master's degree in business administration in international finance and completed Advanced Management Programme at INSEAD, France
Ms. Looi Lee Hwa	Held the head positions for the legal functions, advisor on all legal related issues and corporate secretarial matters
Mr. Vipul Tuli	Multifunctional experience in energy, chemicals and infrastructure sectors.
Mr. R S Sharma	Severed in 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	She has multifunctional exposure across the disciplines of Marketing, Sales, Human Resources and General Management
Mr. Bobby Parikh	Area of focus is providing tax and regulatory advice in relation to transactions and other forms of business reorganizations, whether inbound, outbound or wholly domestic.
Mr. Kalaikuruchi Jairaj	Held key appointments in the Infrastructure, Energy, Transport and Urban Development sectors including Principal Secretary, Energy Department.

Board Meeting

Dates for Board meetings in 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 2019-20, six Board meetings were held on May 09, 2019, May 17, 2019, August 13, 2019, November 13, 2019, February 14, 2020 and March 04, 2020.

The names and categories of the Directors on the Board and their attendance at Board Meetings and the Annual General Meeting during the Financial Year 2019-20 is as follows;

Sl No.	Name of the Director	Designation	No. of Board meetings held	Number of Board meetings attended	Attendance at AGM on September 09, 2019
1.	Mr. Neil Garry McGregor	Chairman	6	6	No
2.	Mr. Vipul Tuli	Managing Director	6	6	No
3.	Ms. Looi Lee Hwa	Director	6	5	No
4.	Mr. R S Sharma	Director	6	6	No
5.	Ms. Sangeeta Talwar	Director	6	6	No
6.	Mr. Bobby K. Parikh	Director	6	5	No
7.	Mr. Kalaikuruchi Jairaj	Director	6	6	No
8.	Mr. T.V. Sandeep Kumar Reddy*	Director	6	4	Yes

* Resigned as a director w.e.f December 31, 2019

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 11, 2020 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, upon appointment, 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, six meetings of the Audit Committee were held on May 09, 2019, May 17, 2019, August 13, 2019, November 13, 2019, December 10, 2019 and February 14, 2020.

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

Sl No.	Members	Designation	No of meetings held	No of meetings attended
1.	Mr. R.S. Sharma	Chairman	6	6
2.	Mr. K Jairaj	Member	6	6
3.	Ms. Sangeeta Talwar	Member	6	6
4.	Ms. Looi Lee Hwa	Member	6	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 is comprised of four 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 July 10, 2019 and March 11, 2020.

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

Sl No.	Members	Designation	No of meetings held	No of meetings attended
1.	Ms. Sangeeta Talwar	Chairperson	2	2
2.	Mr Bobby K. Parikh	Member	2	2
3.	Mr. R S Sharma	Member	2	2
4.	Mr. T.V. Sandeep Kumar Reddy*	Member	1	1
5.	Mr. K Jairaj	Member	2	2

* ceased to be member of the committee consequent to his resignation as a Director of the Company w.e.f December 31,2019

Remuneration to Directors

Details of remuneration and perquisites paid to the Managing Director and sitting fees paid to the Non- Executive Independent Directors can be referred in MGT 9, attached as an annexure to the Directors' Report.

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 incurred by the Directors for attending the Board/ Committee Meetings.

Corporate Social Responsibility (CSR) Committee

The Board has constituted the Corporate Social Responsibility Committee in reference 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 organizations, local communities, environment and society at large.

The Corporate Social Responsibility Committee of the Company is comprised of 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 November 13, 2019.

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

Sl No.	Members	Designation	No of meetings held	No. of meeting attended
1.	Ms. Sangeeta Talwar	Chairperson	1	1
2.	Mr. R.S. Sharma	Member	1	1
3.	Mr. T.V. Sandeep Kumar Reddy*	Member	1	1
4.	Mr. Vipul Tuli	Member	1	1
5.	Mr. K Jairaj	Member	1	1

* ceased to be member of the committee consequent to his resignation as a Director of the Company w.e.f December 31,2019

The CSR Committee was set up to formulate and monitor 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.

Your company is the wholly owned subsidiary of the Sembcorp Utilities Pte Ltd., Singapore. 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 are 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 Resolutions passed
2018-19	Monday, September 09, 2019 at 11.00. A.M.	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurugram – 122002, Haryana	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
2016-17	Thursday, September 28, 2017 at 11.00. A.M.		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 'Investor Relations' 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): A 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. Your company is not yet registered on the SCORES portal.

General Shareholder Information

(a) Details of AGM : Wednesday, September 23, 2020 at 11.00 AM at 5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurugram – 122002, Haryana

(b) Financial Year : April 01 2019 to March 31, 2020

(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 2020:

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, 2020

Sl. 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, 2020 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, 2020.

During the year, the Company has not issued any GDRs/ADRs/Warrants or any other convertible instruments nor outstanding as on March 31, 2020.

Commodity price risk and hedging activity:

The Company is exposed to risk from market fluctuations of coal price for its imported coal-based power plant in India 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 ICRA Rating (Short Term) – December 2019 - A1+ against the financial facilities from Banks/ Financial Institutions.

Other Disclosures

1. There were no materially significant related party transactions 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 issued 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. 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 given in the Notice of the AGM to be held on September 23, 2020.
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): U40103TG2008PLC057031
- International Securities Identification Number (ISIN) for equity shares : INE460M01013

Wong Kim Yin
Chairman
(DIN: 08806258)

Vipul Tuli
Managing Director
(DIN: 07350892)

Date: August 11, 2020
Place: Gurugram

STANDALONE 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 2020, 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 2020, 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 auditor's 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 standalone financial statement does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 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/loss 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 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 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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 2020 on its financial position in its standalone financial statements - Refer Note 2.30 to the standalone financial statements;

ii. Provision has been made in the standalone financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts. Refer Note 2.4 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 standalone financial statements since they do not pertain to the financial year ended 31 March 2020.

(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: 116231W/W-100024

Hemant Maheshwari
Partner
Membership No.: 096537
UDIN: 20096537AAAAAS4232

Place: Hyderabad
Date: 1 June 2020

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 (formerly Thermal Powertech Corporation India Limited) ("the Company") on the standalone financial statements for the year ended 31 March 2020, 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 Ind AS financial statements are held in the name of the Company, except for the following land parcels.

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 with 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 generally 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 2020 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 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	111.90 (59.63)*	Assessment year 2012-13	Hon'ble High Court of Telangana and Andhra Pradesh
Income tax Act, 1961	Income tax and interest	98.61 (63.62)*	Assessment year 2013-14	Commissioner of Income- tax, Appeals (CIT(A))
Income tax Act, 1961	Income tax and interest	152.96 (93.63)*	Assessment year 2014-15	Commissioner of Income- tax, Appeals (CIT(A))
Income tax Act, 1961	Income tax and interest	18.70 (18.68)*	Assessment year 2014-15	Income tax Appellate Tribunal
Income tax Act, 1961	Income tax and interest	203.25 (72.07)*	Assessment year 2015-16	Commissioner of Income- tax, Appeals (CIT(A))
Income tax Act, 1961	Income tax and interest	549.38 (109.88)*	Financial year 2011-12 to 2017-18	Deputy Commissioner of Income tax, Appeals (DCIT(A))
Income tax Act, 1961	Income tax and interest	255.52 (114.07)*	Assessment year 2016-17	Commissioner of Income- tax, Appeals (CIT(A))
AP Entry of Goods into local areas Act, 2001	Entry tax	43.30 (15.15)*	Financial year 2013-15	Appellate Deputy Commisioner
AP Entry of Goods into local areas Act, 2001	Entry tax	107.32 (13.41)*	Financial year 2015-17	Commercial Tax Officer (Nellore)
AP Value added tax Act, 2005	Works contract tax	861.69	Financial year 2009-14	Commercial tax officer, Nellore
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. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

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 our examination of the records of the Company, preferential allotment of equity shares during the year under review are in compliance with the requirements of Section 42 of the Act. The amount received have been used for the purposes for which the funds were raised.

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: 116231W/W-100024

Hemant Maheshwari
Partner
Membership No.: 096537
UDIN: 20096537AAAAAS4232

Place: Hyderabad
Date: 1 June 2020

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

(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 the financial statements of Sembcorp Energy India Limited ("the Company") as of 31 March 2020 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 2020, 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 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 (hereinafter referred to as "the Act").

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 financial statements to future periods are subject to the risk that the internal financial controls with reference to 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: 116231W/W-100024

Hemant Maheshwari
Partner
Membership No.: 096537
UDIN: 20096537AAAAAS4232

Place: Hyderabad
Date: 1 June 2020

Standalone balance sheet

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

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	2.1	160,038.80	167,215.62
(b) Capital work-in-progress	2.1	722.70	754.05
(c) Goodwill	2.2	1,234.20	1,234.20
(d) Other intangible assets	2.2	0.53	6.66
(e) Financial assets			
(i) Investments	2.3	54,770.14	49,599.35
(ii) Derivatives	2.4	1,429.63	109.29
(iii) Other financial assets	2.5	3,813.04	3,681.72
(f) Non-current tax assets		786.98	687.29
(g) Other non-current assets	2.6	343.43	200.15
Total non-current assets		**223,139.45**	**223,488.33**
II Current assets			
(a) Inventories	2.7	7,680.90	5,428.88
(b) Financial assets			
(i) Investments	2.3	1,164.69	644.66
(ii) Trade receivables	2.8	21,439.00	19,447.10
(iii) Cash and cash equivalents	2.9	1,654.08	16.98
(iv) Bank balances other than (iii) above	2.9	4,267.40	4,487.76
(v) Derivatives	2.10	1,570.25	47.75
(vi) Other financial assets	2.11	5,152.08	9,111.09
(c) Other current assets	2.12	1,877.89	1,459.70
Total current assets		**44,806.29**	**40,643.92**
Total assets		**267,945.74**	**264,132.25**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	2.13	54,336.69	51,587.22
(b) Other equity	2.14	45,735.76	41,308.28
Total equity		**100,072.45**	**92,895.50**
LIABILITIES			
I Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	2.15	126,392.45	127,331.14
(ii) Other financial liabilities	2.16	7,160.70	6,726.91
(b) Provisions	2.17	52.09	43.54
Total non-current liabilities		**133,605.24**	**134,101.59**
II Current liabilities			
(a) Financial liabilities			
(i) Borrowings	2.18	12,617.57	16,486.03
(ii) Trade payables	2.19		
Dues to micro and small enterprises		0.83	1.52
Dues to creditors other than micro and small enterprises		4,279.40	3,178.07
(iii) Derivatives	2.20	146.88	1,664.58
(iv) Other financial liabilities	2.21	12,407.91	11,058.66
(b) Current tax liabilities (net)		336.49	336.49
(c) Other current liabilities	2.22	4,471.90	4,403.32
(d) Provisions	2.23	7.07	6.49
Total current liabilities		**34,268.05**	**37,135.16**
Total liabilities		**167,873.29**	**171,236.75**
Total equity and liabilities		**267,945.74**	**264,132.25**

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: 1 June 2020

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

Neil McGregor
Chairman
DIN: 07754310

Vipul Tuli
Managing Director
DIN: 07350892

Juvenil Jani
Chief Financial Officer

Narendra Ande
Company Secretary
Membership No: A14603

Place: Gurugram
Date: 1 June 2020

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 2020	For the year ended 31 March 2019
I Revenue			
Revenue from operations	2.24	71,105.36	73,463.94
Other income	2.25	3,538.06	2,126.78
Total income		**74,643.42**	**75,590.72**
II Expenses			
Cost of fuel		43,118.24	45,931.12
Transmission charges		2,731.53	3,574.02
Employee benefit expenses	2.26	1,675.11	1,592.74
Finance costs	2.27	14,388.55	14,539.16
Depreciation and amortisation expense	2.28	7,468.89	7,406.63
Operating and other expenses	2.29	4,074.09	3,179.87
Total expenses		**73,456.41**	**76,223.54**
III Profit/(loss) before tax		**1,187.01**	**(632.82)**
IV Tax expense			
Current tax		-	-
Deferred tax		-	-
V Profit/(loss) for the year		**1,187.01**	**(632.82)**
VI Other comprehensive income			
(A) Items that will not be reclassified subsequently to the statement of profit and loss			
Remeasurement of defined benefit liability, net		(6.54)	0.96
		(6.54)	**0.96**
(B) Items that will be reclassified subsequently to the statement of profit and loss			
Effective portion of changes in fair value of cash flow hedge		333.57	(669.70)
		333.57	**(669.70)**
VII Total comprehensive income/(loss) for the year		**1,514.04**	**(1,301.56)**
Earnings/(loss) per equity share* (face value of share Rs.10 each)			
Basic and diluted (Rs.)	2.32	0.22	(0.12)

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: 1 June 2020

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

Neil McGregor
Chairman
DIN: 07754310

Vipul Tuli
Managing Director
DIN: 07350892

Juvenil Jani
Chief Financial Officer

Narendra Ande
Company Secretary
Membership No: A14603

Place: Gurugram
Date: 1 June 2020

Standalone statement of cash flows

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

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
A. Cash flows from operating activities		
Profit/(loss) before tax	1,187.01	(632.82)
Adjustments:		
Depreciation and amortisation expense	7,468.89	7,406.63
De recognition of property, plant and equipment	297.17	-
Finance costs	14,381.40	14,539.16
Unwinding of discount on lease liabilities	7.15	-
Allowance for expected credit losses	211.40	94.36
Interest income	(583.45)	(535.61)
(Gain)/ loss on sale of property, plant and equipment, net	0.33	(0.34)
Unrealised (gain)/ loss on derivatives	(85.70)	246.64
Net gain on fair value changes classified as FVTPL	(78.66)	(4.70)
Net exchange differences	388.68	114.33
Operating cash flows before working capital changes	**23,194.22**	**21,227.65**
(Increase)/decrease in inventories	(2,252.02)	697.40
Increase in trade receivables	(2,126.85)	(5,208.11)
(Increase)/decrease in unbilled revenue	3,206.80	(1,618.28)
(Increase)/ decrease in financial and non-financial assets including derivative assets and liabilities	(137.23)	242.42
Increase in trade payable, other financial liabilities and current liabilities	1,256.69	323.01
Increase in provisions	9.13	2.69
Cash generated from operations	**23,150.74**	**15,666.78**
Income-tax paid (net)	(99.69)	(47.97)
Net cash generated from operating activities	**23,051.05**	**15,618.81**
B. Cash flows from investing activities		
Payment for purchase of property, plant and equipment and capital work-in-progress	(509.66)	(2,121.92)
Proceeds from sale of property, plant and equipment	-	1.64
Interest income received	688.75	418.34
Investment in bank deposits, net	(51.60)	(5,178.43)
Purchase of mutual funds, net	(441.37)	(639.96)
Investment in subsidiaries	(5,170.79)	-
Net cash used in investing activities	**(5,484.67)**	**(7,520.33)**
C. Cash flows from financing activities		
Proceeds from issue of shares including securities premium	5,169.00	-
Repayment of long-term borrowings	(3,810.63)	(3,525.03)
Net (repayment)/proceeds from short-term borrowings	(4,000.07)	1,325.41
Repayment of lease liabilities	(19.81)	-
Interest and finance charges paid	(13,267.77)	(11,461.57)
Net cash used in financing activities	**(15,929.28)**	**(13,661.19)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**1,637.10**	**(5,562.71)**
Cash and cash equivalents at the beginning of the year	16.98	5,579.69
Cash and cash equivalents at the end of the year	**1,654.08**	**16.98**

Standalone statement of cash flows (continued)

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

Note:

Components of cash and cash equivalents:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash on hand	-	0.04
Balance with scheduled banks		
- in current accounts	118.89	11.43
- in deposit accounts	1,535.19	5.51
Total cash and cash equivalents (refer note 2.9)	**1,654.08**	**16.98**

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 2019	Net cash flows	Foreign exchange movement and borrowing cost	As at 31 March 2020
Long-term borrowings	131,081.04	(3,810.63)	3,680.19	130,950.60
Short-term borrowings	16,486.03	(4,000.07)	131.61	12,617.57
	147,567.07	**(7,810.70)**	**3,811.80**	**143,568.17**

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: 1 June 2020

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

Neil McGregor
Chairman
DIN: 07754310

Vipul Tuli
Managing Director
DIN: 07350892

Juvenil Jani
Chief Financial Officer

Narendra Ande
Company Secretary
Membership No: A14603

Place: Gurugram
Date: 1 June 2020

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 2018	**51,587.22**	**37,787.50**	**16,013.56**	**-**	**(11,574.83)**	**(262.65)**	**93,550.80**
Loss for the year	-	-	-	-	(632.82)	-	(632.82)
Fair value of interest free INR denominated notes from holding company	-	-	-	646.26	-	-	646.26
Other comprehensive income/(loss)	-	-	-	-	0.96	(669.70)	(668.74)
Balance as at 31 March 2019	**51,587.22**	**37,787.50**	**16,013.56**	**646.26**	**(12,206.69)**	**(932.35)**	**92,895.50**
Transition adjustment of Ind AS 116 Leases	-	-	-	-	(15.25)	-	(15.25)
Equity shares issued during the year	2,749.47	2,419.53	-	-	-	-	5,169.00
Profit for the year	-	-	-	-	1,187.01	-	1,187.01
Fair value of interest free INR denominated notes from holding company	-	-	-	509.16	-	-	509.16
Other comprehensive income/(loss)	-	-	-	-	(6.54)	333.57	327.03
Balance as at 31 March 2020	**54,336.69**	**40,207.03**	**16,013.56**	**1,155.42**	**(11,041.47)**	**(598.78)**	**100,072.45**

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: 1 June 2020

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

Neil McGregor
Chairman
DIN: 07754310

Vipul Tuli
Managing Director
DIN: 07350892

Juvenil Jani
Chief Financial Officer

Narendra Ande
Company Secretary
Membership No: A14603

Place: Gurugram
Date: 1 June 2020

Notes to the standalone financial statements

for the year ended 31 March 2020

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 2020.

The financial statements were authorised for issue by the Company's Board of Directors on 1 June 2020.

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 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.

Notes to the standalone financial statements

for the year ended 31 March 2020 (continued)

1. Significant accounting policies (continued)

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 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 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 based on estimates and assumptions relating to tariff, operational

Notes to the standalone financial statements

for the year ended 31 March 2020 (continued)

1. Significant accounting policies (continued)

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 Standards issued but not yet effective

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

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.

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, taking into account 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 represents 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.

Notes to the standalone financial statements

for the year ended 31 March 2020 (continued)

1. Significant accounting policies (continued)

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.

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.

Notes to the standalone financial statements

for the year ended 31 March 2020 (continued)

1. Significant accounting policies (continued)

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.

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

Notes to the standalone financial statements

for the year ended 31 March 2020 (continued)

1. Significant accounting policies (continued)

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.

1.13 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the statement of profit and loss over the tenure of the loan.

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

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

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.

Notes to the standalone financial statements

for the year ended 31 March 2020 (continued)

1. Significant accounting policies (continued)

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 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 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 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.

Notes to the standalone financial statements

for the year ended 31 March 2020 (continued)

1. Significant accounting policies (continued)

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.

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,

Notes to the standalone financial statements

for the year ended 31 March 2020 (continued)

1. Significant accounting policies (continued)

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.

Certain lease arrangements includes 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

Notes to the standalone financial statements

for the year ended 31 March 2020 (continued)

1. **Significant accounting policies (continued)**

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 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.

Notes to the standalone financial statements

for the year ended 31 March 2020 (continued)

1. Significant accounting policies (continued)

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-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 2020

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

2.1. Property, plant and equipment and Capital work-in-progress

Particulars	Land (owned)	Land (leased) (Note 1)	Roads	Office buildings	Factory buildings	Furniture and fittings	Vehicles	Office equipments	Electrical installations	Plant and equipments	Computers	ROU Assets	Total of Property, Plant and equipment	Capital work-in-progress
Balance as at 1 April 2018	**2,442.04**	**619.63**	**2,195.74**	**1,487.86**	**750.83**	**91.78**	**73.64**	**122.56**	**95.93**	**179,310.65**	**87.74**	**-**	**187,278.40**	**875.67**
Additions	-	-	50.55	28.42	24.05	5.47	3.13	2.30	-	2,131.75	14.06	-	2,259.73	1,966.86
Disposals	-	-	-	-	-	-	-	-	-	(1.24)	(4.04)	-	(5.28)	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,088.48)
Balance as at 31 March 2019	**2,442.04**	**619.63**	**2,246.29**	**1,516.28**	**774.88**	**97.25**	**76.77**	**124.86**	**95.93**	**181,441.16**	**97.76**	**-**	**189,532.85**	**754.05**
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**	**1,526.59**	**790.55**	**112.90**	**79.59**	**126.77**	**95.93**	**181,465.53**	**110.82**	**738.24**	**189,806.77**	**722.70**
Accumulated depreciation														
Balance as at 1 April 2018	-	-	546.65	49.42	80.31	21.80	15.86	74.02	40.39	14,060.44	36.97	-	14,925.86	-
Depreciation for the year	-	-	193.16	32.00	24.61	9.69	9.48	20.60	13.50	7,070.41	21.81	-	7,395.26	-
Disposals	-	-	-	-	-	-	-	-	-	(0.05)	(3.84)	-	(3.89)	-
Balance as at 31 March 2019	**-**	**-**	**739.81**	**81.42**	**104.92**	**31.49**	**25.34**	**94.62**	**53.89**	**21,130.80**	**54.94**	**-**	**22,317.23**	**-**
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	22.95	25.39	10.77	7.88	14.82	6.75	7,115.89	22.24	13.76	7,462.63	-
Disposals	-	-	-	-	-	-	-	(0.08)	-	(59.95)	(3.96)	-	(63.99)	-
Balance as at 31 March 2020	**-**	**-**	**961.99**	**104.37**	**130.31**	**42.26**	**33.22**	**109.36**	**60.64**	**28,186.74**	**73.22**	**65.86**	**29,767.97**	**-**
Carrying amounts (net)														
As at 31 March 2019	**2,442.04**	**619.63**	**1,506.48**	**1,434.86**	**669.96**	**65.76**	**51.43**	**30.24**	**42.04**	**160,310.36**	**42.82**	**-**	**167,215.62**	**754.05**
As at 31 March 2020	**2,442.04**	**-**	**1,355.82**	**1,422.22**	**660.24**	**70.64**	**46.37**	**17.41**	**35.29**	**153,278.79**	**37.60**	**672.38**	**160,038.80**	**722.70**

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. As the land is a freehold land, Company had not paid any lease for the past years.

During the year, APIIC has 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 has 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 2.15 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 the 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 2.30).

Notes to the standalone financial statements

for the year ended 31 March 2020

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

2.2. Intangible assets and Goodwill

Particulars	Goodwill	Other intangible assets (Softwares)
Gross carrying amount		
Balance as at 1 April 2018	**1,234.20**	**92.37**
Additions	-	3.47
Balance as at 31 March 2019	**1,234.20**	**95.84**
Balance as at 1 April 2019	1,234.20	95.84
Additions	-	0.13
Balance as at 31 March 2020	**1,234.20**	**95.97**
Accumulated amortisation		
Balance as at 1 April 2018	**-**	**77.81**
Amortisation for the year	-	11.37
Balance as at 31 March 2019	**-**	**89.18**
Balance as at 1 April 2019	-	89.18
Amortisation for the year	-	6.26
Balance as at 31 March 2020	**-**	**95.44**
As at 31 March 2019	**1,234.20**	**6.66**
As at 31 March 2020	**1,234.20**	**0.53**

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

2.3. Investments

Particulars	Number of units 31 March 2020	Number of units 31 March 2019	As at 31 March 2020	As at 31 March 2019
A) Non-current investments:				
Investments in subsidiaries				
(Unquoted, valued at cost unless stated otherwise)				
Equity instruments:				
TPCIL Singapore Pte Limited 49,000 (31 March 2019: 24,000) equity shares of SGD 1 each, fully paid-up			2.92	1.13
Sembcorp Green Infra Limited 349,210,001 (31 March 2019: 285,395,187) equity shares of Rs. 10 each, fully paid-up			54,767.22	49,598.22
			54,770.14	**49,599.35**
B) Current investments:				
Investments in mutual funds (Debt securities):				
(Quoted, valued at fair value through profit or loss)				
SBI Liquid Fund - Direct Plan - Growth	139,632	69,337	434.11	203.05
UTI Liquid Cash Fund - Direct Plan - Growth	118,446	78,862	385.12	241.38
Baroda Liquid Fund Plan B- Direct Plan - Growth	92,970	93,065	212.83	200.23
Axis Liquid Fund - Direct Plan - Growth	60,163	-	132.63	-
			1,164.69	**644.66**
Aggregate value of unquoted investments			54,770.14	49,599.35
Aggregate fair value of quoted investments			1,164.69	644.66
Aggregate provision for impairment in value of investments			-	-

Notes to the standalone financial statements

for the year ended 31 March 2020

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

2.4. Derivatives

Particulars	As at 31 March 2020	As at 31 March 2019
Derivatives designated as cash flow hedge		
- Fair value of cross currency interest rate swaps	1,429.63	109.29
	1,429.63	**109.29**

The Company's exposure to currency and liquidity risk related to the above financial instruments is disclosed in note 2.42

2.5. Other non-current financial assets

Particulars	As at 31 March 2020	As at 31 March 2019
Non-current		
(Unsecured, considered good)		
Margin money deposits and other deposits with banks*	3,712.54	3,440.58
Interest accrued on deposits	100.50	241.14
	3,813.04	**3,681.72**

*Reserved against margin money for bank guarantees and debt service coverage requirement of long-term borrowings as at the year end

2.6. Other non-current assets

Particulars	As at 31 March 2020	As at 31 March 2019
(Unsecured, considered good)		
Capital advances	124.87	157.81
Prepayments	1.17	5.47
Balances with government authorities	206.68	23.49
Contribution to gratuity fund (refer note 2.36)	10.71	13.38
	343.43	**200.15**

2.7. Inventories

Particulars	As at 31 March 2020	As at 31 March 2019
(Valued at lower of cost and net realisable value)		
Fuel*	5,853.92	3,893.58
Stores and spares	1,826.98	1,535.30
	7,680.90	**5,428.88**

* Includes materials-in-transit amounting to Rs. 2,482.81 million (31 March 2019: Rs. 755.61 million).

2.8. Trade receivables

Particulars	As at 31 March 2020	As at 31 March 2019
(Unsecured)		
Trade receivables		
(a) considered good	21,760.86	19,558.80
(b)credit impaired	-	-
Less: Allowance for expected credit loss	(321.86)	(111.70)
	21,439.00	**19,447.10**

Notes to the standalone financial statements

for the year ended 31 March 2020

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

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 receivable 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 allowances related to trade receivables are disclosed in note 2.42

2.9. Cash and bank balances

Particulars	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents:		
Cash on hand*	-	0.04
Balance with banks:		
- In current accounts	118.89	11.43
- Deposits with original maturity of less than three months**	1,535.19	5.51
	1,654.08	**16.98**
Bank balances other than those disclosed above:		
Deposits due to mature after three months but before twelve months from the reporting date**	4,267.40	4,487.76
	4,267.40	**4,487.76**

*Cash on hand includes Nil (31 March 2019: Rs. 0.04 million) held in foreign currency.

**Includes Rs. 203.78 million (31 March 2019: Rs. 716.56 million) held as margin money towards bank guarantees and other commitments.

2.10. Derivatives

Particulars	As at 31 March 2020	As at 31 March 2019
Current		
Derivatives designated as cash flow hedge		
- Fair value of forward contracts	46.88	-
- Fair value of commodity hedge contracts	-	47.75
Derivatives not designated as cash flow hedge		
- Fair value of forward contracts	1,523.37	-
	1,570.25	**47.75**

The Company's exposure to currency and liquidity risk related to the above financial instruments is disclosed in note 2.42

2.11. Other financial assets

Particulars	As at 31 March 2020	As at 31 March 2019
(Unsecured, considered good)		
Security deposits:		
- Rental deposits	0.96	0.96
- Electricity deposits	1.00	12.91
- Other deposits	5.15	5.24
Margin money deposit with related party (refer note 2.43)	-	564.73
Interest accrued on deposits	181.16	145.82
Premium on forward contracts	134.63	344.21
Unbilled receivables	4,830.82	8,037.62
Less: Allowance for expected credit loss	(1.64)	(0.40)
	5,152.08	**9,111.09**

Notes to the standalone financial statements

for the year ended 31 March 2020

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

2.12. Other current assets

Particulars	As at 31 March 2020	As at 31 March 2019
(Unsecured, considered good)		
Advances to suppliers and service providers	645.56	814.74
Advances to employees	-	1.68
Balance with government authorities	719.27	59.03
Prepayments (refer note 2.35)	513.06	583.90
Other receivables	-	0.35
	1,877.89	**1,459.70**

2.13. Share capital

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised		
Equity shares		
15,000,000,000 (31 March 2019: 15,000,000,000) equity shares of Rs.10 each	150,000.00	150,000.00
	150,000.00	**150,000.00**
Issued, Subscribed and fully paid up		
5,433,668,574 (31 March 2019: 5,158,721,764) equity shares of Rs.10 each, fully paid up (refer note below)	54,336.69	51,587.22
	54,336.69	**51,587.22**

Of the above issued, subscribed and fully paid up equity share capital 5,433,668,574 (31 March 2019: 4,835,273,373) 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 2019: 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 2019: Nil) 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 period is set out below:

Equity shares

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	5,158,721,764	51,587.22	5,158,721,764	51,587.22
Shares issued during the year	274,946,810	2,749.47	-	-
Shares outstanding at the end of the year	5,433,668,574	54,336.69	5,158,721,764	51,587.22

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

Equity Shares

Name of shareholders	As at 31 March 2020		As at 31 March 2019	
	No. of shares	% of holding	No. of shares	% of holding
Sembcorp Utilities Pte Ltd (SCU), Singapore	5,433,668,574	100.00%	4,835,273,373	93.73%
Gayatri Energy Ventures Private Limited (GEVPL)	-	-	323,448,391	6.27%

Notes to the standalone financial statements

for the year ended 31 March 2020

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

2.13. Share capital (continued)

On 30 December 2019 Sembcorp Utilities Pte. Limited has acquired 5.95% shareholding from Gayatri Energy Ventures Private Limited ('GEVPL') and became 100.00% shareholder of the Company.

Terms and rights attached to equity shares:

Equity shares of the Company have a 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.

2.14. 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 amalgamation

Capital reserve on amalgamation is the difference between the consideration for acquisition of Sembcorp Gayatri Power Limited (SGPL) and the amount of share capital and security premium of SGPL 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.

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.

2.15. Borrowings

Particulars	As at 31 March 2020	As at 31 March 2019
Non-current borrowings		
Secured From banks		
- Rupee term loans	39,222.40	43,085.66
- Foreign currency non repatriable (FCNR) term loan*	28,987.21	26,698.56
- External commercial borrowings	15,782.84	15,146.92
Unsecured From related party (refer note 2.43)		
- INR denominated notes	42,400.00	42,400.00
	126,392.45	**127,331.14**

*During the previous year, the Company had converted Rupee term loan of Rs. 19,999.25 million pertaining to SEIL-P1 and Rupee term loan of Rs. 7,500.00 million pertaining to SEIL-P2 into FCNR term loans and during the current year the same was rolled forward for a further period of 1 year for SEIL-P1 and for 6 months for SEIL-P2 upon maturity in the current year.

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for the year ended 31 March 2020

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

2.15. Borrowings (continued)

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 2019: 643,970,442) fully paid equity shares of Rs. 10 each 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.
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 2019: Nil) fully paid up equity shares of Rs. 10 each 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 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 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 126 to 360 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 at 8.74% to 8.88% p.a.).

b) External commercial borrowings

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.

Notes to the standalone financial statements

for the year ended 31 March 2020

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

2.15. Borrowings (continued)

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 2021	293.26	30 September 2021
2	9,000.00	27 March 2017	10%	27 March 2027	865.12	30 September 2021
3	9,000.00	6 April 2017	10%	6 April 2027	2,565.18	30 September 2021
4	9,000.00	7 April 2017	10%	7 April 2027	2,140.68	30 September 2021
5	7,506.10	7 April 2017	10%	7 April 2027	2,139.39	30 September 2021
	42,400.00				**8,003.63**	

The holding company has deferred the repayment of tranche 1 principal amount and interest accrued as at 31 March 2020 to 30 September 2021 at the request of the Company. Finance component on account of interest free deferment is recognised at fair value in other equity.

2.16. Other financial liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Non-current		
Retention bonus payable	-	23.64
Lease liability (refer note 2.33)	59.74	-
Interest accrued but not due on INR denominated notes (refer note 2.15 (c))	7,100.96	6,703.27
	7,160.70	**6,726.91**

2.17. Provisions

Particulars	As at 31 March 2020	As at 31 March 2019
Non-current		
Provision for employee benefits		
- Compensated absences	52.09	43.54
	52.09	**43.54**

2.18. Borrowings

Particulars	As at 31 March 2020	As at 31 March 2019
Short-term and repayable on demand:		
Secured		
- Working capital demand loans	7,687.87	9,589.73
- Cash credit accounts	0.42	4,792.04
- Buyers credit	1,473.84	2,104.26
Unsecured		
- Commercial papers	3,455.44	-
	12,617.57	**16,486.03**

Notes to the standalone financial statements

for the year ended 31 March 2020

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

2.18. Borrowings (continued)

a) Terms and nature of security:

Loans from banks by SEIL-P1

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.

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

Borrowings to the extent of Rs. 2,000 million from Development Bank of Singapore Limited is secured by corporate bank guarantee from Sembcorp Utilities Pte Ltd.

Loans from banks by SEIL-P2

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.

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

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 and can be renewed/repaid upon maturity on mutual agreement.

Rate of interest:

Working capital loans and cash credit loans outstanding's carries an interest of 7.55% to 9.10% p.a. (31 March 2019: 8.3 % to 10.15% p.a.) buyers credit outstanding's carry LIBOR based interest in the range of 1.67% to 2.82% p.a (31 March 2019: 3.80% to 4.05% p.a) and Commercial Paper outstanding's having carrying rate of 6.5% p.a.

2.19. Trade payables

Particulars	As at 31 March 2020	As at 31 March 2019
Dues to micro and small enterprises (refer note 2.37)	0.83	1.52
Dues to other than micro and small enterprises:		
- related parties (refer note 2.43)	48.07	26.74
- others	4,231.33	3,151.33
	4,280.23	**3,179.59**

2.20. Derivatives

Particulars	As at 31 March 2020	As at 31 March 2019
Current		
Derivatives designated as cash flow hedge		
- Fair value of commodity hedge contracts	146.88	489.52
- Fair value of forward contracts	-	40.03
Derivatives not designated as cash flow hedge		
- Fair value of forward contracts	-	1,135.03
	146.88	**1,664.58**

The Company's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in note 2.42

Notes to the standalone financial statements

for the year ended 31 March 2020

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

2.21. Other Current financial liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Current maturity of long-term borrowings (refer note 2.15)	4,558.15	3,749.90
Interest accrued but not due on borrowings(refer note 2.15)	296.44	145.26
Capital creditors (refer note 2.31)	466.11	455.75
Payable to employees	102.34	87.30
Retention bonus payable	21.91	18.40
Retention money payable (refer note 2.31)	6,906.73	6,596.94
Lease liability (refer note 2.33)	9.35	-
Other payables	46.88	5.11
	12,407.91	**11,058.66**

The Company's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in note 2.42

2.22. Other current liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Current		
Advances from customers	6.47	8.53
Dues to statutory authorities	241.15	177.56
Unearned income	298.99	292.31
Other payables (refer note 2.31)	3,925.29	3,924.92
	4,471.90	**4,403.32**

2.23. Provisions

Particulars	As at 31 March 2020	As at 31 March 2019
Current		
Provision for employee benefits		
- Compensated absences	7.07	6.49
	7.07	**6.49**

2.24. Revenue from operations

Particulars	For the year ended 31 March 2020	For the yea rended 31 March 2019
Sale of electricity	71,069.43	73,416.60
Other operating revenue:		
- Sale of fly ash	35.93	47.34
	71,105.36	**73,463.94**

Reconciliation of revenue recognised with the contracted price is as follows:

Particulars	For the year ended 31 March 2020	For the yea rended 31 March 2019
Contract price	71,577.89	74,228.75
Adjustments for:		
Rebates	(321.87)	(505.85)
Deviation charges (refer note 1.16)	(179.91)	(239.02)
Unearned income*	(6.68)	(67.28)
Sale of electricity	**71,069.43**	**73,416.60**

*Represents provision for coal mix deviation as per the terms of long-term PPA.

Notes to the standalone financial statements

for the year ended 31 March 2020

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

2.24. Revenue from operations (continued)

Changes in unearned income are as follows:

Particulars	For the year ended 31 March 2020	For the yea rended 31 March 2019
Balance at the beginning of the year	292.31	225.03
Revenue recognised during the year out of opening balance	-	-
Increase during the year	6.68	67.28
Balance at the end of the year	**298.99**	**292.31**

Unearned income represents provision for coal mix deviation as per the terms of long-term PPA.

Refer note 2.34 for individual customer represents 10% or more of the Company's total revenue during the year ended 31 March 2020 and 31 March 2019.

Impact of COVID-19

The Company operates in essential commodity sector and does not foresee any impact on revenue. However, risk assessment is a continuous process and the Company will continue to monitor the impact of the changes in future economic conditions on its business.

2.25. Other income

Particulars	For the year ended 31 March 2020	For the yea rended 31 March 2019
Interest income	583.45	535.61
Late payment surcharge from customers	946.45	1,150.30
Gain on derivative contracts, net	191.81	397.35
Gain on sale of property, plant and equipment, net	-	0.34
Net gain on mutual funds fair value changes classified as FVTPL	78.66	4.70
Income from insurance claims	1,057.19	-
Miscellaneous income (refer note 2.46)	680.50	38.48
	3,538.06	**2,126.78**

2.26. Employee benefit expenses

Particulars	For the year ended 31 March 2020	For the yea rended 31 March 2019
Salaries, wages and bonus	1,475.25	1,428.09
Contribution to provident and other funds (refer note 2.36)	78.90	67.87
Share based payments (refer note 2.44)	30.21	18.72
Staff welfare expenses	90.75	78.06
	1,675.11	**1,592.74**

2.27. Finance costs

Particulars	For the year ended 31 March 2020	For the yea rended 31 March 2019
Interest expense on financial liabilities measured at amortised cost	13,693.12	14,011.98
Unwinding of discount on lease liabilities (refer note 2.33)	7.15	-
Other borrowing costs	688.28	527.18
	14,388.55	**14,539.16**

Notes to the standalone financial statements

for the year ended 31 March 2020

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

2.28. Depreciation and amortisation expense

Particulars	For the year ended 31 March 2020	For the yea rended 31 March 2019
Depreciation on property, plant and equipment	7,448.87	7,395.26
Depreciation on right of use assets (refer note 2.33)	13.76	-
Amortisation on intangible assets	6.26	11.37
	7,468.89	**7,406.63**

2.29. Operating and other expenses

Particulars	For the year ended 31 March 2020	For the yea rended 31 March 2019
Legal and professional fees (refer note 2.39)	477.65	376.24
Consumption of stores, spares and consumables	719.48	473.18
Insurance	532.77	374.19
Repairs and maintenance		
- Buildings and civil works	53.29	40.56
- Plant and equipments	926.91	847.65
- Others	114.98	103.13
Allowance for expected credit losses	211.40	94.36
Loss on foreign currency transactions and translation (net)	592.42	501.19
Vehicle hire charges	65.20	40.17
Security expenses	63.21	79.08
Travelling and conveyance	72.55	94.96
Health and safety expenses	42.47	19.60
Commission charges	8.02	0.72
Rates and taxes	13.09	14.75
Expenditure on corporate social responsibility (refer note 2.38)	11.95	14.90
Advertisement expenses	8.13	8.53
Communication expenses	17.16	9.30
Rent (refer note 2.33)	18.26	28.99
Training and seminar	9.62	3.65
Printing and stationery	5.05	2.65
Directors' sitting fees	6.61	7.20
Loss on sale of property, plant and equipment, net	0.33	-
Miscellaneous expenses	103.54	44.87
	4,074.09	**3,179.87**

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

Particulars	As at 31 March 2020	As at 31 March 2019
I) Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	315.60	310.12
	315.60	**310.12**
II) Claims against the Company not acknowledged as debt in respect of:		
(i) Income tax*	1,183.04	638.90
(ii) Stamp duty (refer note a below)	-	-
(iii) Buildings and other construction works cess (BOCW Cess)	287.21	287.21
(iv) Entry tax **	150.62	214.25
(v) Works contract tax	861.69	861.69

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

2.30. Contingent liabilities and commitments (to the extent not provided for) (continued)

Particulars	As at 31 March 2020	As at 31 March 2019
(vi) Service tax (refer note b below) ***	798.13	917.64
(vii) Demand for fly ash disposal (National Green Tribunal) #	85.31	-
(viii) Others (refer note c below)	Amount not ascertainable	Amount not ascertainable
	3,366.00	**2,919.69**

*Tax paid under protest as at 31 March 2020: Rs. 532.58 million (31 March 2019: Rs. 422.70 million) (including advance tax and tax deducted at source for respective years).

**Entry tax paid under protest as at 31 March 2020: Rs. 28.56 million (31 March 2019: Rs. 15.15 million).

***Service tax paid under protest as at 31 March 2020 Rs. 59.86 million (31 March 2019: NIL)

#During the current year, the Company has received a demand order from National Green Tribunal (NGT) levying environmental compensation charges towards non utilization/disposal of 100% 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

III) Bank guarantees with customs and others		
Bank guarantees with customs and excise	8,932.02	8,975.92
Bank guarantees for PPA and other commitments	8,995.41	7,202.57
	17,927.43	**16,178.49**

Notes:

a. 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.

b. During the current 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 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.

c. 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.

2.31. 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'), towards the delay in the achievement of Provisional Acceptance 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.

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

2.32. Earnings per share

Particulars	For the year ended 31 March 2020	For the yea rended 31 March 2019
Net profit/(loss) for the year	1,187.01	(632.82)
Number of equity shares		
Number of shares at the beginning of the year	5,158,721,764	5,158,721,764
Weighted average number of equity shares issued during the year	200,372,196	-
Weighted average number of equity shares outstanding during the year	**5,359,093,960**	**5,158,721,764**
Earnings/(loss) per equity share (face value of share Rs.10 each)		
- Basic and diluted (refer note)	0.22	(0.12)

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

2.33. 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.

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

Particulars	Gross carrying amount as at 31 March 2020	Accumulated depreciation as at 31 March 2020	Net carrying amount as at 31 March 2020
Leasehold land and buildings	738.24	65.86	672.38

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

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for the year ended 31 March 2020

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

2.33. Right-of-use assets and leases (continued)

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	Amount
Depreciation charged on right-of-use assets	13.76
Unwinding of Interest expense on lease liabilities	7.15

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

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. 19.81 million for the year ended 31 March 2020.

2.34. 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 only in India 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 2020 and 31 March 2019 were as follows:

Customer name	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Revenue	%	Revenue	%
Telangana State Government utilities	30,015.41	42.23%	28,018.02	38.16%
Indian Energy Exchange (IEX)	12,263.18	17.26%	12,561.37	17.11%
Andhra Pradesh State Government utilities	7,015.88	9.87%	7,830.73	10.67%
Manikaran Private Limited	1,029.08	0.17%	8,127.17	11.07%

2.35. Initial Public Offering ('IPO')

During the year the Company has withdrawn the process of listing of its equity shares on stock exchanges in India for which DRHP was. filed in February 2018. Hence, Rs. 182.99 million being expenses incurred by the Company towards the proposed IPO has been expensed off during the current year.

2.36. 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. 62.22 million (31 March 2019: Rs. 55.76 million).

ii) Defined benefit plan

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

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2.36. Assets and liabilities relating to employee benefits (continued)

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 2020	As at 31 March 2019
B. Reconciliation of the present value of defined benefit obligation		
Balance at the beginning of the year (As reported earlier)	58.41	45.74
Current service cost	12.83	11.17
Interest cost	4.26	3.39
Benefits paid	(3.82)	(3.70)
Actuarial (gains)/loss recognised in the other comprehensive income		
- experience adjustments	2.99	(0.49)
- changes in financial assumptions	2.48	0.67
- demographic assumptions	-	(0.05)
Liabilities assumed*	-	1.68
Balance at the end of the year	**77.15**	**58.41**

*For employees transferred from other group companies.

C. Reconciliation of the present value of plan assets

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	71.79	49.80
Contributions paid into the plan by employer	18.01	20.83
Benefits paid	(6.13)	(3.70)
Expected return on plan assets	5.26	3.77
Actuarial gain/(loss) on plan assets	(1.07)	1.09
Balance at the end of the year	**87.86**	**71.79**
Net defined benefit obligation/(asset)	**(10.71)**	**(13.38)**
Disclosure in the balance sheet:		
Non-current	10.71	13.38
Current	-	-

*For employees transferred from other group companies.

D. Expense recognized in the statement of profit and loss

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current service cost	12.83	11.17
Interest cost on obligation	4.26	3.39
Interest income on plan assets	(5.26)	(3.77)
	11.83	**10.79**
Remeasurements recognised in Other comprehensive income		
Actuarial (gain)/ loss on defined benefit obligation	5.47	0.13
Return on plan assets excluding interest income	1.07	(1.09)
	6.54	**(0.96)**

Notes to the standalone financial statements

for the year ended 31 March 2020

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

2.36. Assets and liabilities relating to employee benefits (continued)

E. Plan assets

Particulars	As at 31 March 2020	As at 31 March 2019
Plan assets comprise of the following:		
New Group Gratuity Cash Accumulation Plan with LIC	87.86	71.79

F. Summary of actuarial assumptions

Demographic assumptions

Particulars	As at 31 March 2020	As at 31 March 2019
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	6.95%	7.50%
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.

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 2020		31 March 2019	
	Increase	Decrease	Increase	Decrease
Sensitivity factor (%)	0.50%	0.50%	0.50%	0.50%
Change in discount rate%	(5.53)	6.03	(3.22)	3.54
Change in salary growth rate %	6.12	(5.66)	3.48	(3.23)

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 2020	As at 31 March 2019
Within 1 year	6.91	3.24
2 to 5 years	17.45	13.15
6 to 9 years	24.25	17.92
For year 10 and above	165.31	138.76

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.17.99 million (31 March 2019: Rs. 3.72 million).

Notes to the standalone financial statements

for the year ended 31 March 2020

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

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

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2020 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 2020	As at 31 March 2019
the amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	0.83	1.52
- Interest	-	-
the amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006);	-	-
the amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year;	-	-
the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006;	-	-
the amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purposes of disallowances as a deductible expenditure under the MSMED Act, 2006;	-	-

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

2.38. 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.

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Gross amount required to be spent by the Company	8.32	-
Amount spent:		
Construction/acquisition of any asset	-	-
On purposes other than above:		
Amount spent by the Company on various welfare activities	11.95	14.90
Total amount spent	**11.95**	**14.90**

Notes to the standalone financial statements

for the year ended 31 March 2020

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

2.39. Auditor's remuneration (including taxes)

Particulars	For the year ended 31 March 2020	For the yea rended 31 March 2019
- Statutory audit fee	4.13	4.13
- Other services	10.35	8.26
- Reimbursement of expenses	1.14	1.26
	15.62	**13.65**

2.40. Deferred tax

Particulars	For the year ended 31 March 2020	For the yea rended 31 March 2019
Deferred tax liability		
Excess of depreciation on assets under Income Tax law over depreciation provided in accounts	12,606.06	12,504.03
Unamortised part of borrowing costs	126.72	-
Fair value adjustment of current investments	7.14	-
	12,739.92	**12,504.03**
Deferred tax asset		
Allowance for expected credit loss	137.63	39.17
Provision for employee benefits	41.87	17.48
Expenses to be allowed as deductible in future	3,448.88	6,209.98
Unabsorbed loss and depreciation as per Income Tax law#	9,111.54	6,237.40
	12,739.92	**12,504.03**
Net deferred tax liability/ asset at the end of the year	**-**	**-**
Opening deferred tax liabilities	-	-
Deferred tax expenses recognised in statement of profit and loss	-	-
Deferred tax credit recognised in other comprehensive income	-	-
Closing deferred tax liabilities	-	-

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.

Particulars	For the year ended 31 March 2020	For the yea rended 31 March 2019
Reconciliation of effective tax rate		
Profit/(loss) before tax	1,187.01	(632.82)
Enacted tax rate in India	25.17%	34.94%
Computed expected tax expenses/ (benefit)	**298.75**	**(221.13)**
Carried forward losses from earlier accounting periods in respect of which deferred tax asset was not recognised earlier	(298.75)	221.13
Total tax expenses/ (benefit)	**-**	**-**

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

Notes to the standalone financial statements

for the year ended 31 March 2020

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

2.41. 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 2020	As at 31 March 2019
Debt A	143,568.17	147,567.07
Total equity B	100,072.45	92,895.50
Total debt and equity	**243,640.62**	**240,462.57**
Debt-to-equity ratio (A/B)	**1.43**	**1.59**

2.42. 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 2020:

Particulars	Note	Carrying amount				Fair value		
		FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets								
Trade receivables	2.8	-	-	21,439.00	21,439.00	-	-	-
Cash and cash equivalents	2.9	-	-	1,654.08	1,654.08	-	-	-
Other bank balances	2.9	-	-	4,267.40	4,267.40	-	-	-
Other financial assets	2.5 & 2.11	-	-	8,965.12	8,965.12	-	-	-
Derivatives	2.4 & 2.10	85.71	2,914.17	-	2,999.88	-	2,999.88	-
Current investments	2.3	1,164.69	-	-	1,164.69	1,164.69	-	-
		1,250.40	**2,914.17**	**36,325.60**	**40,490.17**	**1,164.69**	**2,999.88**	**-**
Financial liabilities								
Borrowings	2.15 &2.18	-	-	139,010.02	139,010.02	-	-	-
Trade payables	2.19	-	-	4,280.23	4,280.23	-	-	-
Other financial liabilities	2.16 &2.21	-	-	19,568.61	19,568.61	-	-	-
Derivatives	2.20	-	146.88	-	146.88	-	146.88	-
		-	**146.88**	**162,858.86**	**163,005.74**	**-**	**146.88**	**-**

Notes to the standalone financial statements

for the year ended 31 March 2020

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

2.42. Financial instruments - Fair values and risk management (continued)

As at 31 March 2019:

Particulars	Note	Carrying amount				Fair value		
		FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets								
Trade receivables	2.8	-	-	19,447.10	19,447.10	-	-	-
Cash and cash equivalents	2.9	-	-	16.98	16.98	-	-	-
Other bank balances	2.9	-	-	4,487.76	4,487.76	-	-	-
Other financial assets	2.5 & 2.11	-	-	12,792.81	12,792.81	-	-	-
Derivatives	2.4 & 2.10	-	157.04	-	157.04	-	157.04	-
Current investments	2.3	644.66	-	-	644.66	644.66	-	-
		644.66	**157.04**	**36,744.65**	**37,546.35**	**644.66**	**157.04**	**-**
Financial liabilities								
Borrowings	2.15 &2.18	-	-	143,817.17	143,817.17	-	-	-
Trade payables	2.19	-	-	3,179.59	3,179.59	-	-	-
Other financial liabilities	2.16 &2.21	-	-	17,785.57	17,785.57	-	-	-
Derivatives	2.20	1,135.03	529.95	-	1,664.98	-	1,664.98	
		1,135.03	**529.95**	**164,782.33**	**166,447.31**	**-**	**1,664.98**	**-**

Note:

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

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

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

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

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

Valuation techniques and significant unobservable inputs

Investment in mutual funds:

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

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

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

Notes to the standalone financial statements

for the year ended 31 March 2020

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

2.42. Financial instruments - Fair values and risk management (continued)

B) Financial risk management objectives and policies

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

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

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

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

a) Market risk

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

(i) Interest rate risk

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

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

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

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

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

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

Particulars	As at 31 March 2020	As at 31 March 2019
Fixed rate instruments		
Non-current and current borrowings	55,017.57	52,144.27
Effect of interest rate swaps	16,475.70	15,874.81
	71,493.27	**68,019.08**
Variable rate instruments		
Non-current and current borrowings	88,550.60	95,422.80
Effect of interest rate swaps (Hedge portion)	(16,475.70)	(15,874.81)
	72,074.90	**79,547.99**
	143,568.17	**147,567.07**

Notes to the standalone financial statements

for the year ended 31 March 2020

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

2.42. Financial instruments - Fair values and risk management (continued)

(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 2020		As at 31 March 2019	
		Indian Rupees	Foreign currency	Indian Rupees	Foreign currency
Financial assets					
Cash on hand	USD	-	-	0.02	0.00
Cash on hand	SGD	-	-	0.02	0.00
Trade receivables	USD	1,147.37	15.22	418.32	6.05
Other financial assets (unbilled receivables)	USD	934.79	12.40	691.23	9.99
Total financial assets		**2,082.16**		**1,109.59**	
Financial liabilities					
Borrowings - ECB, FCNR and Buyer's credit	USD	(47,092.58)	(623.87)	(44,780.21)	(646.11)
Trade payables	USD	(935.54)	(12.41)	(682.86)	(9.87)
Trade payables	SGD	(25.07)	(0.48)	(8.25)	(0.16)
Other financial liabilities	GBP	-	-	(1.65)	(0.02)
Other financial liabilities	USD	(3,969.07)	(52.65)	(3,641.75)	(52.65)
Total financial liabilities		**(52,022.26)**		**(49,114.72)**	
Net financial liabilities		**(49,940.10)**		**(48,005.13)**	
Less: Derivatives					
Foreign exchange forward contracts	USD	1,473.79	19.55	2,711.59	39.20
FCNR term loans	USD	29,071.58	384.82	26,801.13	386.19
Cross currency interest rate swaps	USD	16,547.21	219.50	15,874.81	229.50
		47,092.58		**45,387.53**	
Net exposure in respect of recognised assets/ (liabilities)		**(2,847.52)**		**(2,617.60)**	

*refer 0.00 for the amount below 0.005 million

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.

	Profit/(loss)		Equity increase/(decrease) net of tax	
	Strengthening	Weakening	Strengthening	Weakening
USD (5% movement)				
As at 31 March 2020	141.12	(141.12)	141.12	(141.12)
As at 31 March 2019	130.39	(130.39)	130.39	(130.39)

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for the year ended 31 March 2020

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

2.42. Financial instruments - Fair values and risk management (continued)

Impact of COVID-19 (Global pandemic)

The Company based on their assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The Company continues to believe that there is no impact on effectiveness of its hedges.

(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 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Coal commodity hedge contracts	USD	4,61,385	8,30,000	(146.88)	(441.77)

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.

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

2.42. Financial instruments - Fair values and risk management (continued)

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

Particulars	Fair value of derivative asset/ (liability)		Nominal values in Foreign currency		Nominal values Indian Rupees	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Derivatives designated as cash flow hedges:						
Cross currency interest rate swaps						
In USD	1,429.63	109.29	219.50	229.50	16,547.21	15,874.81
Commodity hedge contracts						
In USD	-	47.75	-	6.52	-	450.89
In USD	(146.88)	(489.52)	32.44	42.09	2,445.29	2,911.37
Forward options						
In USD	46.88	(40.03)	12.20	15.76	922.93	1,148.73
Derivatives not designated as cash flow hedge:						
Forward contracts and swaps						
In USD	85.71	(1,135.03)	410.99	425.39	30,983.04	29,512.72

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 2.5, 2.8 and 2.11 represent the maximum credit risk exposure.

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 2020 and 31 March 2019, 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.

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for the year ended 31 March 2020

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

2.42. Financial instruments - Fair values and risk management (continued)

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 As at 31 March 2020	Allowance for expected credit loss As at 31 March 2019
Trade and unbilled receivables		
Balance at the beginning of the year	112.10	17.74
Movement in expected credit loss allowance	211.40	94.36
Balance at the end of the year	**323.50**	**112.10**

Other financial assets/ derivative assets

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

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

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

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

c) Liquidity risk

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

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2.42. Financial instruments - Fair values and risk management (continued)

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

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)*	130,950.60	12,164.41	81,081.67	118,740.60	211,986.68
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 of borrowings)	15,010.46	7,865.28	8,070.67	7.37	15,943.32
Derivatives	146.88	146.88	-	-	146.88
	163,005.74	**37,074.37**	**89,152.34**	**118,747.97**	**244,974.68**

As at 31 March 2019

Particulars	Carrying value	Contractual cash flows (Gross)			
		within 12 months	1-5 years	More than five years	Total
Borrowings - long-term (including current maturities)*	131,081.04	19,528.10	58,477.81	122,554.20	200,560.11
Borrowings - short-term	16,486.03	16,486.03	-	-	16,486.03
Trade payables	3,179.59	3,179.59	-	-	3,179.59
Other financial liabilities (excluding current maturities of borrowings)	14,035.67	7,308.76	7,373.17	-	14,681.93
Derivatives	1,664.58	1,664.58	-	-	1,664.58
	166,446.91	**48,167.06**	**65,850.98**	**122,554.20**	**236,572.24**

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

d) Other risk – Impact of COVID-19

As part of its risk assessment process, the Company has considered the possible risk that may result from the pandemic relating to COVID-19 and its impact on the carrying amounts of trade receivables, investments, financial instruments and effectiveness of its hedges. Based on the management's analysis of the current indicators of the future economic condition on its business and the estimates used in its financial statements, the Company does not foresee any impact in the recoverability of the carrying value of the assets. The risk assessment is a continuous process and the Company will continue to monitor the impact of the changes in future economic conditions on its business.

Notes to the standalone financial statements

for the year ended 31 March 2020

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

2.43. 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)
Neil Mcgregor	Chairman
T V Sandeep Kumar Reddy	Director (Up to 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
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 2020	For the year ended 31 March 2019
Contract work		
Gayatri Projects Limited	-	43.68
Rent and utility expense		
Deep Corporation Private Limited	9.09	10.68
Gayatri Hi-Tech Hotels Limited	0.88	0.03
Sembcorp India Private Limited	20.35	18.60
Consultancy expenses		
Sembcorp India Private Limited	-	7.38
Sembcorp Utilities Pte Ltd	199.21	161.55
Bank guarantee fees/ commission		
Sembcorp Utilities Pte Ltd	222.13	228.23
Interest expense on INR Denominated notes (without giving effect to fair valuation)		
Sembcorp Utilities Pte Ltd	4,409.93	4,397.88
Purchase of property, plant and equipment		
Sembcorp India Private Limited	20.17	-
Reimbursement of expenses		
Deep Corporation Private Limited	-	0.67
Sembcorp Green Infra Limited	0.81	0.57
Sembcorp India Private Limited	5.22	4.41
Sembcorp Utilities Pte Ltd	18.80	9.24
Gayatri Energy Ventures Private Limited	-	20.00
Sembcorp Industries Ltd	0.02	-

Notes to the standalone financial statements

for the year ended 31 March 2020

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

2.43. Related party disclosure (continued)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Manpower consultancy charges		
Sembcorp India Private Limited	-	46.22
Share based payments reimbursement		
Sembcorp Utilities Pte Ltd	30.21	18.72
Margin money recovered		
Gayatri Projects Limited	564.73	100.00
Amount received and paid to Statutory Authorities on behalf		
Sembcorp Utilities Pte Ltd	136.01	-
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	-
Interest paid on INR Denominated notes(Net of TDS)		
Sembcorp Utilities Pte Ltd	3,515.94	-
Investment in subsidiaries		
TPCIL Singapore Pte Ltd	1.78	-
Sembcorp Green Infra Limited	5,169.00	-
Salaries to Key managerial person*		
Narendra Ande	5.35	5.30
Juvenil Jani	24.18	21.62
Vipul Tuli	63.21	65.32
Sitting fees to Directors (including taxes)		
Radhey Shyam Sharma	1.89	2.12
Tantra Narayan Thakur	-	0.59
Kalaikuruchi Jairaj	1.89	1.42
Sangeeta Talwar	1.89	1.65
Bobby Kanubhai Parikh	0.94	0.83

*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 2020	As at 31 March 2019
Related party receivables		
Gayatri Projects Limited (margin money deposit)	-	564.73
Sembcorp India Private Limited	-	5.22
Gayatri Projects Limited (advance)	-	2.10
Related party payables		
Gayatri Projects Limited (Retention money payable)	-	53.03
Sembcorp India Private Limited (Trade payables)	1.61	-
Sembcorp Utilities Pte Ltd (Trade payables)	46.46	26.74
Deep Corporation Private Limited (Other payable)	-	1.30
Sembcorp Green Infra Limited (Other payable)	-	0.24
Related party borrowings		
Sembcorp Utilities Pte Ltd	42,400.00	42,400.00

Notes to the standalone financial statements

for the year ended 31 March 2020

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

2.43. Related party disclosure (continued)

Particulars	As at 31 March 2020	As at 31 March 2019
Interest accrued on INR denominated notes		
Sembcorp Utilities Pte Ltd	8,003.62	7,349.53
Corporate guarantee given for external commercial borrowings/term loans		
Sembcorp Utilities Pte Ltd	45,539.13	44,825.04
(Represents the amount of facility outstanding)		
Corporate guarantee given for short-term borrowings		
Gayatri Energy Ventures Private Limited	-	662.26
Sembcorp Utilities Pte Ltd	4,752.04	11,110.97
(Represents the amount of facility outstanding)		

2.44. Share-based Payments

The Company participates in Performance Share Plan ("SCI PSP") and the Restricted Share Plan ("SCI RSP") of Sembcorp Industries Ltd (SCI). The Company has to pay SCI an amount of equivalent to the value of of SCI shares on date of vesting, delivered to the employee. The details are as under:

a) Performance Share Plan

Under the SCI PSP, the awards granted conditional on performance targets are set based on medium-term corporate objectives at the start of each rolling three-year performance qualifying period. A specific number of performance shares shall be awarded at the end of the three-year performance cycle depending on the extent of the achievement of the performance conditions established at the onset. The performance levels were calibrated based on Wealth Added and Total Shareholder Return by SCI.

b) Restricted Share Plan

Under the SCI RSP, the awards granted conditional on performance targets are set based on corporate objectives at the start of each rolling two-year performance qualifying period. The performance criteria for the restricted shares are calibrated based on Return on Total Assets (excluding Sembcorp Marine Ltd) and Group Profit from Operations for awards granted year on year. The managerial participants of the SCI Group will be awarded restricted shares under SCI RSP.

A specific number of restricted shares shall be awarded at the end of the two-year performance cycle depending on the extent of the 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.

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

As at 31 March 2020

Particulars	SCI PSP	SCI RSP
Outstanding at the beginning of the year	1,36,000	2,08,408
Shares transferred out on transfer of employees*	-	18,168
Shares granted during the year	2,30,000	4,75,262
Shares lapsed arising from targets not met	(40,000)	(2,25,368)
At the end of the year	**3,26,000**	**4,76,470**

Notes to the standalone financial statements

for the year ended 31 March 2020

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

2.44. Share-based Payments (continued)

As at 31 March 2019

Particulars	SCI PSP	SCI RSP
Outstanding at the beginning of the year	-	-
Shares transferred out on transfer of employees*	1,16,500	1,63,088
Shares granted during the year	96,000	1,68,358
Shares lapsed arising from targets not met	(76,500)	(1,23,038)
At the end of the year	**1,36,000**	**2,08,408**

*Certain employees of Sembcorp Group have been transferred to Company from other group companies. PSP and RSP relating to these employees has been transferred during the year.

The Company had charged Rs. 30.21 (31 March 2019: Rs. 18.72) million on account of share based payments is based on the fair value of the performance shares and restricted shares at the grant date being expensed over the vesting period.

2.45. During the year ended 31 March 2020, the Government has 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 Company will also not be liable to pay MAT.

The Management reviewed the projections of tax outflows post the above-mentioned amendment to opt the best suitable tax structure basis the lower tax outflows under both new and existing tax structure. Based on the internal assessments, the Management has decided to opt new tax structure having least tax outflows as compared to existing tax structure.

2.46. During the current 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 during the year.

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: 1 June 2020

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

Neil McGregor
Chairman
DIN: 07754310

Vipul Tuli
Managing Director
DIN: 07350892

Juvenil Jani
Chief Financial Officer

Narendra Ande
Company Secretary
Membership No: A14603

Place: Gurugram
Date: 1 June 2020

CONSOLIDATED FINANCIAL STATEMENTS

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 2020, 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 2020, 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 is sufficient and appropriate to provide a basis for our opinion on the consolidated 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 audit 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 consolidated financial statement 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 matter to those charged with governance and take necessary actions, as applicable under applicable laws and regulations.

Responsibilities of Management and Those Charge with Governance 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/ loss 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 (company and subsidiary) 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 and 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. 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 consolidated financial statements of a subsidiary (which comprise 26 step-down subsidiaries) whose consolidated financial statements reflect total assets of Rs. 103,527 million as at 31 March 2020, total revenues of Rs. 13,529 million and net cash outflows of Rs. 1,220 million for the year ended on that date, as considered in the consolidated financial statements of the Group. These consolidated financial statements of the subsidiary have been audited by other auditor whose report has 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 disclosure, included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the audit report of other auditors.

(b) We did not audit the financial statements of a subsidiary incorporated outside India, whose financial statements reflect total assets of Rs. 1.36 as at 31 March 2020, total revenues of Rs. Nil and net cash inflows amounting to Rs. 1.26 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 the subsidiary, 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 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2020 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 and its subsidiary 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 subsidiary, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group. Refer Note 3.38 to the consolidated financial statements.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts. Refer Note 3.15 to the consolidated financial statements in respect of such items as it relates to the Group.

iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary incorporated in India during the year ended 31 March 2020.

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 2020.

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 auditor of such subsidiary company incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary company 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 and its subsidiary company 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
UDIN: 20096537AAAAAT9205

Place: Hyderabad
Date: 1 June 2020

Annexure A to the independent auditors' report on the consolidated financial statements of Sembcorp Energy India Limited for the year ended 31 March 2020

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

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2020, 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 2020, 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 Responsibility 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 (hereinafter referred to as "the Act").

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.

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 insofar as it relates to a subsidiary (which comprises of 26 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
UDIN: 20096537AAAAAT9205

Place: Hyderabad
Date: 1 June 2020

Consolidated balance sheet

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

Particulars	Notes	As at 31 March 2020	As at 31 March 2019
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	3.1	246,315.92	227,315.34
(b) Capital work-in-progress	3.1	4,637.45	19,720.84
(c) Goodwill	3.2	1,234.20	1,234.20
(d) Other intangible assets	3.2	10.36	22.35
(e) Financial assets			
(i) Derivative assets	3.3	1,899.35	520.19
(ii) Other financial assets	3.4	5,991.67	5,508.49
(f) Non-current tax assets (net)	3.5	1,146.67	1,011.07
(g) Deferred tax assets	3.6	186.66	-
(h) Other non-current assets	3.7	1,415.01	7,146.72
Total non-current assets		**262,837.29**	**262,479.20**
II Current assets			
(a) Inventories	3.8	7,787.23	5,468.14
(b) Financial assets			
(i) Investments	3.9	3,230.07	2,926.61
(ii) Trade receivables	3.10	22,928.57	20,954.73
(iii) Cash and cash equivalents	3.11	4,422.65	4,003.84
(iv) Bank balances other than (iii) above	3.11	4,293.48	4,782.16
(v) Derivative assets	3.3	1,597.51	47.75
(vii) Other financial assets	3.4	6,756.33	10,344.59
(c) Other current assets	3.7	2,850.74	2,107.62
Total current assets		**53,866.58**	**50,635.44**
Total assets		**316,703.87**	**313,114.64**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	3.12	54,336.69	51,587.22
(b) Other equity	3.13	20,150.37	13,805.03
(c) Non-controlling interests		185.76	238.17
Total equity		**74,672.82**	**65,630.42**
LIABILITIES			
I Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	3.14	182,166.56	176,603.19
(ii) Derivatives	3.15	9.85	5.66
(iii) Other financial liabilities	3.16	7,335.38	6,726.91
(b) Provisions	3.17	377.23	240.83
(c) Deferred tax liabilities (net)	3.6	780.27	730.32
(d) Other non-current liabilities	3.18	405.92	512.02
Total non-current liabilities		**191,075.21**	**184,818.93**
II Current liabilities			
(a) Financial liabilities			
(i) Borrowings	3.19	23,993.82	31,059.56
(ii) Trade payables	3.20		
Dues to micro and small enterprises		8.25	4.51
Dues to creditors other than micro and small enterprises		4,530.13	3,409.86
(iii) Derivatives	3.15	146.98	1,664.58
(iv) Other financial liabilities	3.16	17,254.82	21,569.64
(b) Other current liabilities	3.18	4,638.26	4,537.91
(c) Provisions	3.17	9.47	8.76
(d) Current tax liabilities (net)	3.21	374.11	410.47
Total current liabilities		**50,955.84**	**62,665.29**
Total liabilities		**242,031.05**	**247,484.22**
Total equity and liabilities		**316,703.87**	**313,114.64**

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: 1 June 2020

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

Neil McGregor
Chairman
DIN: 07754310

Vipul Tuli
Managing Director
DIN: 07350892

Juvenil Jani
Chief Financial Officer

Narendra Ande
Company Secretary
Membership No: A14603

Place: Gurugram
Date: 1 June 2020

Consolidated 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 2020	For the year ended 31 March 2019
I Revenue			
Revenue from operations	3.22	84,634.59	83,412.38
Other income	3.23	5,033.82	5,254.48
Total income		**89,668.41**	**88,666.86**
II Expenses			
Cost of fuel	3.24	43,118.24	45,931.12
Transmission charges	3.25	2,859.14	3,716.14
Employee benefits expense	3.26	2,095.37	1,876.89
Finance costs	3.27	20,413.01	19,021.03
Depreciation and amortisation expenses	3.28	12,016.27	11,178.77
Operating and other expenses	3.29	6,091.95	4,611.60
Total expenses		**86,593.98**	**86,335.55**
III Profit before tax		**3,074.43**	**2,331.31**
IV Tax expense	3.30		
Current tax expense		128.55	656.94
Deferred tax (credit)/charge		(136.31)	399.17
Total tax (credit)/expense		**(7.76)**	**1,056.11**
V Profit for the year		**3,082.19**	**1,275.20**
VI Other comprehensive income/(loss)			
(A) Items that will not be reclassified subsequently to the statement of profit and loss			
Remeasurement of defined benefit liabilities, net		(9.48)	(5.86)
Tax effect on above item	3.30	0.40	1.76
		(9.08)	**(4.10)**
(B) Items that will be reclassified subsequently to the statement of profit and loss			
Effective portion of changes in fair value of cash flow hedge		333.57	(669.70)
Tax effect on above item		-	-
		333.57	**(669.70)**
VII Total comprehensive income for the year		**3,406.68**	**601.40**
Attributable to:			
Shareholders of the Company		3,451.31	559.05
Non-controlling interests		(44.63)	42.35
		3,406.68	**601.40**
Profit/(loss) for the year attributable to:			
Shareholders of the Company		3,126.72	1,232.55
Non-controlling interests		(44.53)	42.65
		3,082.19	**1,275.20**
Other comprehensive income/(loss) attributable to:			
Shareholders of the Company		324.59	(673.50)
Non-controlling interests		(0.10)	(0.30)
		324.49	**(673.80)**
Earnings per equity share (face value of share Rs.10 each)	3.31		
- Basic and diluted (Rs.)		0.58	0.24

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: 1 June 2020

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

Neil McGregor
Chairman
DIN: 07754310

Vipul Tuli
Managing Director
DIN: 07350892

Juvenil Jani
Chief Financial Officer

Narendra Ande
Company Secretary
Membership No: A14603

Place: Gurugram
Date: 1 June 2020

Consolidated 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 2020	For the year ended 31 March 2019
A. Cash flow from operating activities		
Profit before tax	**3,074.43**	**2,331.31**
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expenses	12,016.27	11,178.77
De recognition of property, plant and equipment	315.11	216.61
Loss/(gain) on disposal of property, plant and equipment, net	0.33	(0.34)
Impairment of capital work-in-progress and deposits	327.08	-
Unrealised loss on foreign exchange translations, net	390.10	114.57
Doubtful receivables/advance written off	0.35	0.92
Allowance for expected credit losses, net	376.12	46.31
Provision no longer required, written back	-	(25.17)
(Gain)/loss on derivatives, net	(167.49)	184.67
Unwinding of discount on lease liabilities	25.42	-
Finance costs	20,387.59	19,021.03
Net gain on fair value changes classified as FVTPL	(270.71)	(203.84)
Interest income	(887.63)	(781.01)
Operating cash flows before working capital changes	**35,586.97**	**32,083.83**
Movements in working capital:		
(Increase)/decrease in inventories	(2,319.09)	662.33
Increase in trade receivables	(2,264.08)	(4,195.86)
Decrease/(increase) in financial and non-financial assets including derivative assets and liabilities	3,027.38	(1,880.90)
Decrease/(increase) in trade payables and other financial liabilities	1,279.00	(13.72)
Decrease in other liabilities	(49.44)	(798.27)
Increase in provisions	28.24	13.14
Cash generated from operations	**35,288.98**	**25,870.55**
Income-tax paid (net of refund)	(290.88)	(765.51)
Net cash generated from operating activities	**34,998.10**	**25,105.04**
B. Cash flows from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress), capital advances and payment to capital vendors	(16,542.41)	(23,642.32)
Proceeds from sale of property, plant and equipment	-	1.64
Purchase of mutual funds, net	(75.09)	(86.56)
Investment in bank deposits, net	(143.25)	(5,236.36)
Interest income received	974.11	647.02
Acquisition of shares in subsidiaries from non-controlling interest	(1.30)	(2.66)
Sale of shares in subsidiaries to non-controlling interest	0.60	0.03
Net cash used in investing activities	**(15,787.34)**	**(28,319.21)**
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	18,410.63	24,131.88
Repayment of long-term borrowings	(15,038.75)	(9,804.25)
Net proceeds of short-term borrowings	(7,197.35)	2,448.59
Repayment of lease liabilities	(51.28)	-
Interest and finance charges paid	(20,070.61)	(17,031.26)
Net cash used in financing activities	**(18,791.95)**	**(255.04)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	418.81	(3,469.21)
Cash and cash equivalents at the beginning of the year	4,003.84	7,473.05
Cash and cash equivalents at the end of the year	**4,422.65**	**4,003.84**

Consolidated statement of cash flow (continued)

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

Note:

Components of cash and cash equivalents:

Particulars	As at 31 March 2020	As at 31 March 2019
Components of cash and cash equivalents comprise:		
Cash on hand	-	0.04
Balance with scheduled banks		
- in current accounts	1,645.19	2,538.47
- in deposit accounts	2,777.46	1,465.33
Total cash and cash equivalents (Refer note no. 3.11)	**4,422.65**	**4,003.84**

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

Particulars	As at 31 March 2019	Net cash flows	Foreign exchange movement and borrowing cost	As at 31 March 2020
Long-term borrowings	182,875.08	3,168.28	3,911.31	189,954.67
Short-term borrowings	31,059.56	(7,197.35)	131.61	23,993.82
	213,934.64	**(4,029.07)**	**4,042.92**	**213,948.49**

Significant accounting policies 2

The accompanying notes form an integral part of the consolidated 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: 1 June 2020

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

Neil McGregor
Chairman
DIN: 07754310

Vipul Tuli
Managing Director
DIN: 07350892

Juvenil Jani
Chief Financial Officer

Narendra Ande
Company Secretary
Membership No: A14603

Place: Gurugram
Date: 1 June 2020

Consolidated statement of changes in equity

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

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	Other reserves	Capital redemption reserve	Debenture redemption reserve	General reserve	Retained earnings	Effective portion of cash flow hedge			
Balance as at 1 April 2019	**51,587.22**	**37,787.50**	**(14,550.18)**	**1,121.58**	**3.29**	**1.01**	**125.00**	**74.00**	**(11,701.23)**	**(262.65)**	**64,185.54**	**199.83**	**64,385.37**
Transactions with shareholders:													
Adjustments due to change in stake of step-down subsidiaries	-	-	-	-	1.40	-	-	-	-	-	1.40	(4.01)	(2.61)
	-	**-**	**-**	**-**	**1.40**	**-**	**-**	**-**	**-**	**-**	**1.40**	**(4.01)**	**(2.61)**
Comprehensive income/(loss) for the year:													
Profit for the year	-	-	-	-	-	-	-	-	1,232.55	-	1,232.55	42.65	1,275.20
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-	(3.80)	(669.70)	(673.50)	(0.30)	(673.80)
Fair value of interest free INR denominated notes from holding company	-	-	-	-	646.26	-	-	-	-	-	646.26	-	646.26
	-	**-**	**-**	**-**	**646.26**	**-**	**-**	**-**	**1,228.75**	**(669.70)**	**1,205.31**	**42.35**	**1,247.66**
Balance as at 31 March 2019	**51,587.22**	**37,787.50**	**(14,550.18)**	**1,121.58**	**650.95**	**1.01**	**125.00**	**74.00**	**(10,472.48)**	**(932.35)**	**65,392.25**	**238.17**	**65,630.42**
Transactions with shareholders:													
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)	-	(0.00)	-	(0.00)
Transition adjustment of Ind AS 116 "Leases"	-	-	-	-	-	-	-	-	(28.15)	-	(28.15)	-	(28.15)
Adjustments due to change in stake of step-down subsidiaries	-	-	-	-	7.08	-	-	-	-	-	7.08	(7.78)	(0.70)
	2,749.47	**2,419.53**	**-**	**-**	**7.08**	**0.85**	**(125.00)**	**125.00**	**(42.59)**	**-**	**5,134.34**	**(7.78)**	**5,126.56**

Consolidated statement of changes in equity (continued)

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

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	Other reserves	Capital redemption reserve	Debenture redemption reserve	General reserve	Retained earnings	Effective portion of cash flow hedge			
Comprehensive income/(loss) for the year:													
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
	-	**-**	**-**	**-**	**509.16**	**-**	**-**	**-**	**3,117.74**	**333.57**	**3,960.47**	**(44.63)**	**3,915.84**
Balance as at 31 March 2020	**54,336.69**	**40,207.03**	**(14,550.18)**	**1,121.58**	**1,167.19**	**1.86**	**-**	**199.00**	**(7,397.33)**	**(598.78)**	**74,487.06**	**185.76**	**74,672.82**

Significant accounting policies 2

The accompanying notes form an integral part of the consolidated 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: 1 June 2020

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

Neil McGregor
Chairman
DIN: 07754310

Vipul Tuli
Managing Director
DIN: 07350892

Juvenil Jani
Chief Financial Officer

Narendra Ande
Company Secretary
Membership No: A14603

Place: Gurugram
Date: 1 June 2020

Notes to the consolidated financial statements

for the year ended 31 March 2020 (continued)

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 1,621.15 MW of wind power projects and 35.00 MW of solar power projects. 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 comprises of the Company and its subsidiaries (collectively referred as the 'Group').

The consolidated financial statements was authorised for issue by the Company's Board of Directors on 1 June 2020.

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 2020.

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

Notes to the consolidated financial statements

for the year ended 31 March 2020 (continued)

2. Significant accounting policies (continued)

intra-group balances, intra-group transactions and unrealised profits / losses, unless cost/revenue cannot be recovered.

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:

Name of entity	Date of Incorporation	Country of Incorporation	% of Ownership interest and voting power as at 31 March 2020	31 March 2019
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 Asset 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	71.16%	72.29%
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%

Notes to the consolidated financial statements

for the year ended 31 March 2020 (continued)

2. Significant accounting policies (continued)

Name of entity	Date of Incorporation	Country of Incorporation	% of Ownership interest and voting power as at	
			31 March 2020	31 March 2019
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%	99.00%
Green Infra Renewable Projects Limited (GIWPL)	18 February 2020	India	100.00%	-
Green Infra Clean Wind Energy Limited (GICWEL)*	24 July 2012	India	-	100.00%

* During the current year, the subsidiary filed an application for its closure before Registrar of Companies under Fast Track Exit scheme.

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-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.

Notes to the consolidated financial statements

for the year ended 31 March 2020 (continued)

2. Significant accounting policies (continued)

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 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 Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from1 April 2020.

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;

Notes to the consolidated financial statements

for the year ended 31 March 2020 (continued)

2. Significant accounting policies (continued)

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 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 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

Notes to the consolidated financial statements

for the year ended 31 March 2020 (continued)

2. Significant accounting policies (continued)

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, taking into account 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 represents 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.

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

Notes to the consolidated financial statements

for the year ended 31 March 2020 (continued)

2. Significant accounting policies (continued)

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 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

Notes to the consolidated financial statements

for the year ended 31 March 2020 (continued)

2. Significant accounting policies (continued)

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. 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

Notes to the consolidated financial statements

for the year ended 31 March 2020 (continued)

2. Significant accounting policies (continued)

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.

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.

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.

Notes to the consolidated financial statements

for the year ended 31 March 2020 (continued)

2. Significant accounting policies (continued)

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 settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.18 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.

Notes to the consolidated financial statements

for the year ended 31 March 2020 (continued)

2. Significant accounting policies (continued)

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.

2.19 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.

2.20 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 is impaired. Ind AS 109 requires expected credit losses ('ECL') to be measured through a loss allowance. The Group recognises life time 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.

Notes to the consolidated financial statements

for the year ended 31 March 2020 (continued)

2. Significant accounting policies (continued)

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 includes 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 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.

Notes to the consolidated financial statements

for the year ended 31 March 2020 (continued)

2. Significant accounting policies (continued)

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 company 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.

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.

Notes to the consolidated financial statements

for the year ended 31 March 2020 (continued)

2. Significant accounting policies (continued)

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.

Notes to the consolidated financial statements

for the year ended 31 March 2020

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

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

Particulars	Land (owned)	Land (leased) (subnote 1)	Roads	Right of use assets	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 2018	3,217.38	1,200.80	2,195.74	-	1,491.53	750.83	91.78	73.97	154.28	95.93	232,847.10	100.68	36.20	242,256.22	9,691.52
Additions	331.28	-	50.55	-	28.42	24.05	5.47	2.80	49.70	-	19,593.38	23.77	0.71	20,110.13	30,340.05
Disposals/adjustments	-	-	-	-	-	-	-	-	(0.11)	-	(454.30)	(5.24)	-	(459.65)	(799.63)
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(19,511.10)
Balance as at 31 March 2019	**3,548.66**	**1,200.80**	**2,246.29**	**-**	**1,519.95**	**774.88**	**97.25**	**76.77**	**203.87**	**95.93**	**251,986.18**	**119.21**	**36.91**	**261,906.70**	**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**	**282,371.96**	**135.96**	**37.26**	**292,946.64**	**4,935.31**
Accumulated depreciation															
Balance as at 1 April 2018	-	58.47	546.65	-	49.85	80.31	21.82	15.87	84.49	40.39	22,549.28	44.50	6.10	23,497.73	-
Depreciation for the year	-	24.08	193.16	-	32.12	24.61	9.67	9.47	26.53	13.50	10,788.55	29.50	4.06	11,155.25	-
Disposals/adjustments	-	-	-	-	-	-	-	-	(0.11)	-	(56.47)	(5.04)	-	(61.62)	-
Balance as at 31 March 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	-
Provision for impairment (refer note 3.43)	25.12	-	-	-	-	-	-	-	-	-	-	-	-	25.12	297.86
Disposals/adjustments	-	-	-	-	-	-	-	-	(0.15)	-	(87.27)	(6.57)	-	(93.99)	-
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**
Carrying amounts (net)															
As at 31 March 2019	**3,548.66**	**1,118.25**	**1,506.48**	**-**	**1,437.98**	**669.96**	**65.76**	**51.43**	**92.96**	**42.04**	**218,704.82**	**50.25**	**26.75**	**227,315.34**	**19,720.84**
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**	**237,594.50**	**46.43**	**22.97**	**246,315.92**	**4,637.45**

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. As the land is a freehold land, Group had not paid any lease for the past years.

   During the current year, APIIC has raised a demand amounting to Rs. 19.81 million for lease rentals (including interest) pertaining to previous years which was paid by the Group. On transition to Ind AS 116 ""Leases"", the Group has categorized the payment of considration 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 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.

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 the 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 Rs. 1,072.30 million (31 March 2019: Rs. 799.63 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.

Notes to the consolidated financial statements

for the year ended 31 March 2020

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

3.2 Other intangible assets and Goodwill

Particulars	Customer contracts	Softwares and licenses	Total of other intangible assets	Goodwill
Gross carrying amount				
Balance as at 1 April 2018	**32.10**	**106.63**	**138.73**	**1,234.20**
Additions	-	4.50	4.50	-
Disposals	-	(0.02)	(0.02)	-
Balance as at 31 March 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**
Accumulated amortisation				
Balance as at 1 April 2018	**10.75**	**86.61**	**97.36**	**-**
Accumulated amortisation	6.42	17.10	23.52	-
Balance as at 1 April 2018	-	(0.02)	(0.02)	-
Balance as at 31 March 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**	**-**
Carrying amounts (net)				
As at 31 March 2019	**14.93**	**7.42**	**22.35**	**1,234.20**
As at 31 March 2020	**8.51**	**1.85**	**10.36**	**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 elected to apply Ind AS 103 exemption for the business combinations 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.

3.3 Derivative assets

	As at 31 March 2020	As at 31 March 2019
Non-current		
Derivative designated as cash flow hedge		
- Fair value of cross currency interest rate swaps	1,429.63	109.29
Derivatives not designated as cashflow hedge		
- Fair value of cross currency interest rate swaps	449.99	385.06
- Fair value of foreign exchange option contracts	19.73	21.23
- Fair value of interest rate swaps	-	4.61
	1,899.35	**520.19**
Current		
Derivative designated as cash flow hedge		
- Fair value of forward contracts	46.88	-
- Fair value of commodity hedge contracts	-	47.75
Derivatives not designated as cash flow hedge		
- Fair value of forward contracts	1,523.37	-
- Fair value of cross currency interest rate swaps	27.20	-
- Fair value of interest rate swaps	0.06	-
	1,597.51	**47.75**

The Group's exposure to currency and liquidity risk related to above derivative assets are disclosed in note 3.32.

Notes to the consolidated financial statements

for the year ended 31 March 2020

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

3.4 Other financial assets

	As at 31 March 2020	As at 31 March 2019
(Unsecured, considered good)		
Non-current		
Margin money deposits and other deposits with banks*	5,808.73	5,176.80
Interest accrued on deposits	161.98	293.38
Advance recoverable	-	27.00
Security deposits	20.96	11.31
	5,991.67	**5,508.49**
Current		
Unbilled receivables	5,768.14	8,770.25
Less: Allowance for expected credit loss	(12.47)	(1.80)
Income accrued on generation based incentive	305.99	297.82
Interest accrued on deposits	183.42	151.13
Margin money deposit with related party (refer note 3.37)	-	564.73
Amount recoverable from related party (refer note 3.37)	0.06	-
Advance given for purchase of mutual funds	42.50	0.28
Security deposits	23.01	41.08
Premium on forward contracts	134.63	344.21
Other recoverable (refer note 3.38 (IV)(B)(ii))	311.05	176.89
	6,756.33	**10,344.59**

* Reserved against margin money for bank guarantees and debt service coverage requirement of long-term borrowings as at the year end.

3.5 Non-current tax assets

	As at 31 March 2020	As at 31 March 2019
Advance income taxes (net of provision for tax)	614.09	588.37
Taxes paid under protest (refer note 3.38)	532.58	422.70
	1,146.67	**1,011.07**

3.6 Deferred tax assets and liabilities

	As at 31 March 2020	As at 31 March 2019
Deferred tax liabilities on:		
Excess of depreciation on assets under Income Tax law over depreciation provided in accounts	17,888.25	16,741.34
Fair value adjustment of current investments	11.92	11.50
Unamortised part of prepayment expenses	341.81	189.30
Unamortised part of borrowing costs	128.57	0.39
	18,370.55	**16,942.53**
Deferred tax assets on:		
Provision for asset retirement obligation	73.05	49.55
Allowance for expected credit loss	185.31	44.49
Lease liabilities	43.96	-
Operation and maintenance expenses equalization reserve	112.45	116.22
MAT credit entitlement	560.78	-
Expenses to be allowed as deductible in future	3,506.65	6,249.39
Unabsorbed depreciation/carried forward tax losses #	13,294.74	9,752.56
	17,776.94	**16,212.21**
Net deferred tax assets and liabilities	**593.61**	**730.32**
Classification:		
Deferred tax liabilities (net)	**780.27**	**730.32**
Deferred tax assets (net)	**186.66**	**-**
Net deferred tax liabilities at the beginning of the year	730.32	332.91
Deferred tax (credit)/expenses recognised in the statement of profit and loss	(136.31)	399.17
Deferred tax credit recognised in other comprehensive income	(0.40)	(1.76)
Net deferred tax liabilities at the end of the year	**593.61**	**730.32**

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.

During the year ended 31 March 2020, the Group did not recognise deferred tax assets of Rs. 3,003.82 million on unused tax loss and depreciation in absence of reasonable certainty of future taxable profits.

Notes to the consolidated financial statements

for the year ended 31 March 2020

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

3.7 Other assets

Particulars	As at 31 March 2020	As at 31 March 2019
(Unsecured, considered good)		
Non-current		
Capital advances	336.95	6,682.69
Balance with government authorities	206.68	-
Contribution to gratuity fund (refer note 3.36)	10.71	13.38
Prepayments	860.67	450.65
	1,415.01	**7,146.72**
Current		
Advance to suppliers and service providers	932.54	910.24
Balance with government authorities	724.33	80.60
Staff advances	0.82	2.68
Prepayments (refer note 3.39)	1,193.05	1,113.75
Other receivables	-	0.35
	2,850.74	**2,107.62**

3.8 Inventories

	As at 31 March 2020	As at 31 March 2019
(Valued at lower of cost and net realisable value)		
Fuel*	5,853.92	3,893.58
Stores and spares	1,933.31	1,574.56
	7,787.23	**5,468.14**

* includes materials-in-transit amounting to Rs. 2,482.81 million, (31 March 2019: Rs. 755.61 million).

3.9 Current investments

	Number of units		As at	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Investment in mutual funds (debt securities)				
Quoted, valued at fair value through profit or loss				
IDFC Cash Fund - Direct Plan - Growth	26,317	26,615	63.21	60.32
DSP Liquidity Fund - Direct Plan - Growth	70,132	106,590	199.22	284.96
L&T Liquid Fund - Direct Plan - Growth	59,244	125,163	161.24	320.75
Kotak Liquid Fund - Direct Plan - Growth	76,521	69,865	307.22	264.39
TATA Liquid Fund - Direct Plan - Growth	59,613	58,237	186.71	171.48
Sundram Money Fund - Direct Plan - Growth	10,779,730	3,744,137	451.35	147.56
UTI Liquid Cash Fund - Direct Plan - Growth	118,446	78,862	385.12	241.38
Axis Liquid Fund - Direct Plan - Growth	60,163	-	132.63	-
SBI Liquid Fund - Direct Plan - Growth	139,632	125,806	434.11	368.43
Aditya Birla Sun Life Liquid Fund - Direct Plan - Growth	437,986	778,402	139.96	233.86
ICICI Prudential Liquid Fund - Direct Plan - Growth	706,265	1,235,940	207.49	341.63
Baroda Liquid Fund Plan B- Direct Plan - Growth	92,970	93,065	212.83	200.23
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	104,320	-	311.22	-
Edelweiss Liquid Fund - Direct Plan - Growth	-	93,271	-	224.12
Reliance Liquid Fund - Direct Plan - Growth	-	6,647	-	30.32
HSBC Cash Fund - Direct Plan - Growth	-	19,974	-	37.18
			3,230.07	**2,926.61**
Aggregate fair value of quoted investments			3,230.07	2,926.61
Aggregate provision for impairment in value of investments			-	-

Notes to the consolidated financial statements

for the year ended 31 March 2020

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

3.10 Trade receivables

	As at 31 March 2020	As at 31 March 2019
(Unsecured)		
Trade receivables		
(a) considered good	23,423.44	21,084.15
(b)credit impaired	-	-
Less: Allowance for expected credit loss	(494.87)	(129.42)
	22,928.57	**20,954.73**

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

	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents:		
Cash on hand*	-	0.04
Balance with banks:		
in current accounts	1,645.19	2,538.47
Deposits with original maturity of less than three months**	2,777.46	1,465.33
	4,422.65	**4,003.84**
Bank balances other than those disclosed above		
Deposits due to mature after three months but before twelve months from the reporting date**	4,293.48	4,782.16
	4,293.48	**4,782.16**

* Cash on hand includes Nil (31 March 2019: Rs. 0.04 million) held in foreign currency.

** Includes Rs. 203.78 million (31 March 2019: Rs. 716.56 million) held as margin money towards bank guarantees and other commitments.

Note: The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2020.

3.12 Share capital

	As at 31 March 2020	As at 31 March 2019
Authorised		
Equity shares		
15,000,000,000 (31 March 2019: 15,000,000,000) equity shares of Rs.10 each (refer note 3.40)	150,000.00	150,000.00
	150,000.00	**150,000.00**
Issued, Subscribed and fully paid up		
5,433,668,574 (31 March 2019: 5,158,721,764) equity shares of Rs.10 each, fully paid up (refer note below)	54,336.69	51,587.22
	54,336.69	**51,587.22**

Of the above issued, subscribed and fully paid up equity share capital, 5,433,668,574 (31 March 2019: 4,835,273,373) 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 2019: 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 2019: Nil) equity shares of the Company for loans availed by SEIL-P2.

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for the year ended 31 March 2020

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3.12 Share capital (continued)

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 2020		As at 31 March 2019	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
Outstanding at the beginning of the year	5,158,721,764	51,587.22	5,158,721,764	51,587.22
Issued during the year	274,946,810	2,749.47	-	-
Outstanding at the end of the year	**5,433,668,574**	**54,336.69**	**5,158,721,764**	**51,587.22**

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 2020		As at 31 March 2019	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares				
Sembcorp Utilities Pte. Ltd., Singapore	5,433,668,574	100.00%	4,835,273,373	93.73%
Gayatri Energy Ventures Private Limited	-	-	323,448,391	6.27%

On 30 December 2019, Sembcorp Utilities Pte. Limited has acquired 5.95% shareholding from Gayatri Energy Ventures Private Limited ('GEVPL') and became 100.00% shareholder of the Company.

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

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.

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.

Notes to the consolidated financial statements

for the year ended 31 March 2020

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

3.13. Other equity (contd.)

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.

Debenture redemption reserve

One of the subsidiary, Green Infra Wind Farm Assets Limited (GIWFAL) allotted 500, 12% Non-convertible debentures of face value of Rs. 1.00 million each. GIWFAL has 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, read with rule 18 under Companies (Share capital and Debentures) Rules, 2014. During the year, DRR has been transferred to General reserve pursuant to amendment in Companies (Share Capital and Debentures) rules, 2019.

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.

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

	As at 31 March 2020	As at 31 March 2019
A) Non-current borrowings:		
Secured		
From banks		
External commercial borrowings	17,273.99	16,883.09
Term loans	62,972.69	60,024.69
Foreign currency non repatriable (FCNR) term loan	28,987.21	26,698.56
From financial institutions		
External commercial borrowings	2,441.56	2,663.08
Term loans	17,991.11	17,433.77
From others		
10,000 (31 March 2019: 10,000) 9.85% Non-convertible debentures of face value of Rs. 1.00 million each	9,700.00	10,000.00
500 (31 March 2019: 500) 12% Non-convertible debentures of face value of Rs. 1.00 million each	400.00	500.00
Unsecured		
From related party (refer note 3.37)		
INR denominated notes	42,400.00	42,400.00
	182,166.56	**176,603.19**
B) Current maturities of long-term borrowings:		
Current maturities	7,788.11	6,271.89
	7,788.11	**6,271.89**

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for the year ended 31 March 2020

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

Long-term borrowings in the Group	Interest rate and repayment terms of the long-term borrowings	Security terms of the long-term borrowings
External commercial borrowings (ECB) of Rs. 16,475.70 million (31 March 2019: Rs. 15,783.47 million) from banks for SEIL – P1	ECB loans carry interest at 3 month LIBOR plus 1.15% p.a. (31 March 2019: 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.	ECB loans are guaranteed by Sembcorp Utilities Pte Ltd, the holding company.
Rupee term loans of Rs. Rs.21,894.26 million (31 March 2019: 24,422.61 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 9.25% - 9.75% p.a. (31 March 2019: 9.20% - 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 consisting of Rs. 1,943.17 million 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 2019: 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. 21,193.43 million (31 March 2019: 21,777.25 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 9.50% - 9.70% p.a. (31 March 2019: 9.25% - 9.50% p.a.) The term loans facility are 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 2019: Nil) 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.
Foreign currency non repatriable (FCNR) term loan of Rs. 28,987.21 million (31 March 2019: 26,698.56) for SEIL – P1 and P2	FCNR term loans tenure is 126 to 360 days (31 March 2019: 358 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 FCNR is secured as per the rupee term loan with respective lenders as mentioned above.

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

Long-term borrowings in the Group	Interest rate and repayment terms of the long-term borrowings	Security terms of the long-term borrowings
During the previous year, the Company has converted Rupee term loan of Rs. 19,999.25 million pertaining to SEIL-P1 and Rupee term loan of Rs. 7,500.00 million pertaining to SEIL-P2 into FCNR 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 8.74% - 8.88% p.a. (31 March 2019: 9.01% to 9.05% p.a.). The Company has obtained hedge contract on principle and interest payable.	
Rs. 42,400.00 million (31 March 2019: 42,400.00 million) INR denominated notes for SEIL - P2.	INR denominated notes are repayable in single 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.

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 2021	293.26	30 September 2021
2	9,000.00	27 March 2017	10.00% p.a.	27 March 2027	865.12	30 September 2021
3	9,000.00	6 April 2017	10.00% p.a.	6 April 2027	2,565.18	30 September 2021
4	9,000.00	7 April 2017	10.00% p.a.	7 April 2027	2,140.68	30 September 2021
5	7,506.10	7 April 2017	10.00% p.a.	7 April 2027	2,139.38	30 September 2021
	42,400.00				**8,003.62**	

The holding company has deferred the repayment of tranche 1 principle amount and interest accrued as at 31 March 2020 to 30 September 2021 at the request of the Company. Finance component on account of interest free deferment is recognised at fair value as other equity.

(i) Term loans of Rs. 12,770.00 million (31 March 2019: Rs. 3,750.00 million) from banks in GIWEL (ii) Rs. 10,000.00 million (31 March 2019: Rs. 10,000.00 million), 10,000 numbers 9.65% Non-convertible debentures of Rs. 1.00 million each in GIWEL	Interest rate on loan is in the range of 8.50% - 9.65% (31 March 2019: 9.65%) and is repayable in 76 unequal quarterly installments and 12 unequal quarterly installments starting from 31 January, 2021 and 30 June 2020. During the year ended 31 March 2020, existing loan having interest rate in the range of 9.65% - 10.30% p.a. have been refinanced by new loan. During the year ended 31 March 2019, few of the existing loans have been repaid entirely. The said loan had interest rate in the range of 9.30% - 9.45 % p.a. 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 2019: 9.65%)	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 GIWEL in favour of the Security/ Debenture Trustee and lenders of the respective projects under GIWEL
(i) Term loans of Rs. 7,584.62 million (31 March 2019: Rs. 7,585.07 million) from banks in GIREL	Interest rates are in the range of 9.60% - 9.85% p.a. (31 March 2019: 9.00% - 9.85% p.a.) and are repayable in 71 structured unequal quarterly installments starting from 31 December 2019.	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

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

Long-term borrowings in the Group	Interest rate and repayment terms of the long-term borrowings	Security terms of the long-term borrowings
(ii) Term loans of Rs. 5,363.73 million (31 March 2019: 5,316.80 million) from financial institutions in GIREL		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. 1,477.37 million (31 March 2019: Rs. 3,279.11 million) from banks in GICSL Term loans of Rs. 3,541.84 million (31 March 2019: Rs. 2,282.78 million) from financial institutions in GICSL	Interest rates are in the range of 10.55% - 11.35% p.a. (31 March 2019: 9.95% - 11.35% p.a.) and is repayable in 57 quarterly unequal installments starting from 15 January 2016 and 30 June 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 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 borrowing of Rs. 2,313.76 million (31 March 2019: Rs. 2,476.48 million) from foreign financial institution in GICSL	Interest rates are in the range of 10.28% to 10.97% p.a. (31 March 2019: 10.28% to 10.97% p.a.) and is 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.
Term loans of Rs. 4,169.90 million (31 March 2019: Rs. 4,543.66 million) from financial institutions in GIWPGL Term loan of Rs. 553.68 million (31 March 2019: Rs. 601.39 million) from bank in GIWPGL	Interest rates are in the range of 9.90% - 10.50% p.a. (31 March 2019: 9.60% - 9.90% 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.	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.
Term loan of Rs. 912.50 million (31 March 2019: Rs. 1,000 million) from financial institution in GIWFL	Interest on the loan is 10.00% p.a. (31 March 2019: 10.00% p.a.) and is repayable in 44 structured unequal quarterly installments starting from 30 June 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, cash flows,

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Long-term borrowings in the Group	Interest rate and repayment terms of the long-term borrowings	Security terms of the long-term borrowings
	During the year ended 31 March 2019, existing loan having interest in the range of 10.25% - 10.50% p.a. was repaid entirely in October 2018 by refinancing from short-term loan which was further refinanced by long-term loan in March 2019.	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. 531.19 million (31 March 2019: Rs. 568.19 million) from financial institution in GIWPL	Interest on loan is in the range of 9.70% - 10.80% p.a. (31 March 2019: 10.80% p.a.) and is repayable in 54 structured unequal quarterly installments starting from 15 March 2016.	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 2019: 51.00%) equity shares of Rs. 10 each of the GIWPL held by GIWVL have been pledged in favour of the lender
Term loan of Rs. 543.11 million (31 March 2019: Rs. 580.89 million) from financial institution in GICWL	Interest on loan is in the range of 9.70% - 10.80% p.a. (31 March 2019: 10.80% p.a.) and is repayable in 54 structured unequal quarterly installments starting from 15 March 2016.	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 2019: 51.00%) Equity shares of the GICWL held by GIWVL have been pledged in favour of the financial institution.
Term loan of 455.00 million (31 March 2019: Nil) from financial institution in GISEL	Interest rate is 9.60% p.a. (31 March 2019: Nil) 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.

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Long-term borrowings in the Group	Interest rate and repayment terms of the long-term borrowings	Security terms of the long-term borrowings
Term loan of Rs. 755.83 million (31 March 2019: Rs. 822.80 million) from financial institution in GIWGL	Interest on loan is 9.55% - 10.08% p.a. (31 March 2019: 9.55% p.a.) and is repayable in 59 structured unequal quarterly installments starting from 30 September 2017.	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.
Term loan of Rs. 579.04 million (31 March 2019: Rs. 636.94 million) from financial institution in GIWPPL	Interest on loan is in the range of 9.45% - 10.04% p.a. (31 March 2019: 9.45% p.a.) and is repayable in 48 structured unequal quarterly installments starting from 30 June 2017.	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 and pledge of Nil (31 March 2019: 51%) preference shares of the GIWPPL held by SGIL in favour of the Security Trustee.
Term loans of Rs. 1,383.27 million (31 March 2019: Rs. 1,508.01 million) from financial institutions in GIWFAL Rs. 500.00 million (31 March 2019: Rs. 500.00 million) 12% Non-Convertible Debentures of Rs. 1.00 million each in GIWFAL	(i) Interest rates are in the range of 10.00% - 11.45% p.a. (31 March 2019: 10.00% - 11.25% p.a.) and are repayable in 64 structured quarterly unequal installments starting from 1 April 2015. (ii) Non-convertible debentures are issued at 12.00% interest rate (31 March 2019: 12.00%) and are repayable in 4 yearly installments and starting at the ended of 6th year from the date of allotment (30 December 2014).	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 2019: 51.00%) of the equity shares of GIWFAL held by GIWVL have been pledged in favour of the Security/Debenture Trustee
Term loan of Rs. 537.97 million (31 March 2019: Rs. 606.94 million) from financial institution in GIWEPL	Interest on loan is in the range of 9.45% - 10.04% p.a. (31 March 2019: 9.45% 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.

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Long-term borrowings in the Group	Interest rate and repayment terms of the long-term borrowings	Security terms of the long-term borrowings
Term loan of Rs. 927.32 million (31 March 2019: Rs. 1,132.30 million) from financial institution in MREL	Interest rate is in the range of 9.80% - 10.10% p.a. (31 March 2019: 9.60% - 10.10% p.a.) and is repayable in 59 structured unequal quarterly installments starting from 31 December 2017.	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 .
Term loans of 2,284.15 million (31 March 2019: Rs. 2,449.37 million) from banks in GIWSL	Interest rates are in the range of 9.60% - 9.80% p.a. (31 March 2019: 9.35% - 9.60% 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 2019: 26.00%) equity shares of the GIWSL held by promoter have been pledged in favour of the Lender.
(i) External commercial borrowing of USD 8.94 million equivalent to Rs. 673.70 million (31 March 2019: USD 10.05 million equivalent to Rs. 695.50 million) from bank in GISFL (ii) External commercial borrowing of Rs. 277.36 million (31 March 2019: Rs. 311.19 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 2019: 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 2019: 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, along with 51.00% (31 March 2019: 51.00%) of equity shares of GISFL and GISPL have been pledged in favour of the Security Trustee of Lenders as per the common loan agreement between the lenders with GISFL and GISPL.
(i) External commercial borrowing of USD 2.34 million equivalent to Rs. 176.21 million (31 March 2019: 2.63 million equivalent to Rs. 181.91 million) from bank in GISPL (ii) External commercial borrowing of Rs. 71.96 million (31 March 2019: Rs. 80.73 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 2019: 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 2019: 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 2019: 51.00%) of equity shares of the GISPL and GISFL have been pledged in favour of the Security Trustee of Lenders as per the common loan agreement between the lenders with GISFL and GISPL.

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for the year ended 31 March 2020

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

Long-term borrowings in the Group	Interest rate and repayment terms of the long-term borrowings	Security terms of the long-term borrowings
(i) External commercial borrowing of JPY 136.37 million equivalent to Rs. 94.98 million (31 March 2019: JPY 227.28 million equivalent to Rs. 142.09 million) from bank in GIBTVL (ii) Term loan of Nil (31 March 2019: Rs. 68.57 million) from bank in GIBTVL	(i) External commercial borrowing from bank carries an interest rate of JPY LIBOR + 1.81% p.a. (31 March 2019: 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 date of first disbursements i.e. 22 February 2012. (ii) The term loan carries an interest rate in the range of 9.90% to 10.90% p.a. (31 March 2019: 9.95% to 10.70% p.a.) and was repayable in 35 quarterly equal installments starting from 15 months from date of first disbursements i.e. 7 September 2011. The entire loan has been repaid during the year.	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 12.59 million equivalent to Rs. 949.32 million (31 March 2019: USD 14.98 million equivalent to Rs. 1,036.09 million) from banks in GIBTVL	(i) External commercial borrowings of outstanding USD 1.19 million (31 March 2019: USD 3.58 million) carries an interest rate of 6M LIBOR + 4.50% p.a. (31 March 2019: 6M LIBOR + 4.50% p.a.) and are repayable in 14 half yearly equal installments of USD 1.19 million starting from 31 December 2013. (ii) External commercial borrowings of outstanding USD 11.40 million (31 March 2019: USD 11.40 million) carries an interest rate of 6M LIBOR + 2.74% p.a. (31 March 2019: 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 is 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

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for the year ended 31 March 2020

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

3.15 Derivative liabilities

	As at 31 March 2020	As at 31 March 2019
Non-current		
Derivatives not designated as cash flow hedge		
- Fair value of interest rate swaps	9.85	4.73
- Fair value of foreign exchange option contracts	-	0.93
	9.85	**5.66**
Current		
Derivatives designated as cash flow hedge		
- Fair value of commodity hedge contracts	146.88	489.52
- Fair value of forward contracts	-	40.03
Derivatives not designated as cash flow hedge		
- Fair value of forward contracts	-	1,135.03
- Fair value of foreign exchange option contracts	0.10	-
	146.98	**1,664.58**

The Group's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in note 3.32.

3.16 Other financial liabilities

	As at 31 March 2020	As at 31 March 2019
Non-current		
Interest accrued on INR denominated notes (refer note 3.37)	7,100.96	6,703.27
Lease liabilities (refer 3.34)	234.42	-
Retention bonus payable	-	23.64
	7,335.38	**6,726.91**
Current		
Current maturities of long-term borrowings (refer note 3.14)	7,788.11	6,271.89
Capital creditors	1,651.04	8,062.67
Interest accrued on borrowings	613.85	413.31
Retention bonus payable	21.91	18.40
Retention money payable (refer note 3.38 (IV)(A))	6,906.73	6,596.94
Amount payable to employees	127.73	112.34
Lease liabilities (refer 3.34)	9.35	-
Other payables	136.10	94.09
	17,254.82	**21,569.64**

The Group's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in note 3.32.

3.17 Provisions

	As at 31 March 2020	As at 31 March 2019
Non-current		
Provision for employee benefits		
- Gratuity (refer note 3.36)	23.67	10.81
- Compensated absences	69.52	51.91
Other provisions		
Provision for asset retirement obligation (refer subnote below)	284.04	178.11
	377.23	**240.83**

Notes to the consolidated financial statements

for the year ended 31 March 2020

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

3.17 Provisions (continued)

	As at 31 March 2020	As at 31 March 2019
Current		
Provision for employee benefits		
- Gratuity (refer note 3.36)	0.05	-
- Compensated absences	7.15	6.49
Other provisions		
Provision for captive consumption tax	2.27	2.27
	9.47	**8.76**

	As at 31 March 2020	As at 31 March 2019
Movement in provision for asset retirement obligation is as follows:		
At the beginning of the year	178.11	287.16
Movement in provision during the year (including unwinding of interest)	105.93	(109.05)
At the end of the year	**284.04**	**178.11**

3.18 Other liabilities

	As at 31 March 2020	As at 31 March 2019
Non-current		
Operation and maintenance expenses equalisation reserve	405.92	487.13
Lease equalisation reserve	-	24.89
	405.92	**512.02**
Current		
Operation and maintenance expenses equalisation reserve	63.04	44.70
Advance from customers	7.05	20.70
Unearned income	298.99	292.31
Dues to statutory authorities	343.89	255.28
Other payables (refer note 3.38 (IV) (A))	3,925.29	3,924.92
	4,638.26	**4,537.91**

3.19 Short-term borrowings

	As at 31 March 2020	As at 31 March 2019
Secured		
Working capital loans from banks including buyer's credit	9,162.13	16,893.29
Bills discounted against letter of credit	9,476.25	1,739.08
Short-term project loans	-	6,824.72
Unsecured		
Short-term project loans	1,900.00	2,000.00
Commercial papers	3,455.44	3,250.00
Bills discounted against letter of credit	-	352.47
	23,993.82	**31,059.56**

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

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 loans from banks including buyer's credit of Rs. 8,062.13 million (31 March 2019: 13,559.39 million) for SEIL – P1	Working capital loans currently carry an interest in the range of 7.55% - 9.10% p.a. (31 March 2019: 8.30% - 10.15% p.a.) and buyers credit carry LIBOR based interest rate which was in the range of 1.67% to 2.82% p.a. (31 March 2019: 3.80% to 4.05% p.a.) and tenure is 180 days from the date of draw down and cash credits are repayable on demand for the projects and	Short-term borrowings from banks are 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.
Commercial papers of Rs. 3,455.44 million (31 March 2019: Nil) for SEIL – P1	Commercial paper carries an interest rate 6.5% p.a. and shall be matured with in 90 days and can be renewed/repaid upon maturity on mutual agreement.	These commercial papers are unsecured.
Working capital loans from banks including buyer's credit of 1,100.00 million (31 March 2019: Rs. 2,926.64 million) for SEIL – P2	Working capital loans currently carry an interest of 7.55% to 9.10% p.a. (31 March 2019: 8.35% to 9.70% p.a.) and buyers credit carries LIBOR based interest in range of 1.62% to 2.82% p.a. (31 March 2019: 3.80% to 4.05% p.a.)	Secured by first ranking pari passu charge of registered mortgage of freehold land of 150 sq. mtrs at Village Zaap, Sudhagad Taluka, Raigad, Maharashtra and equitable mortgage over 1,216.88 acres of owned land situated at Pynampuram Village, Muthukur Mandal, SPSR Nellore District in the state of Andhra Pradesh and first ranking pari passu charge over all the present and future assets (both tangible and intangible) of SEIL – P2 The fund based working capital facilities from State Bank of India are secured by the Corporate guarantee of Sembcorp Utilities Pte Ltd. The working capital facilities from DBS bank and HSBC Bank are secured by corporate guarantee from Sembcorp Utilities Pte Ltd.
Bills discounted against letter of credit of Rs. 8,016.63 million (31 March 2019: 822.43 million) from banks in GIWEL	Bills discounted carry an interest rate in the range of 7.00% - 8.70% p.a. (31 March 2019: 8.70% p.a.) and are repayable within 180 - 365 days from the date of issuance of Bill of Exchange.	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/Debenture Trustee and lenders of the respective projects under GIWEL

Notes to the consolidated financial statements

for the year ended 31 March 2020

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

Short-term borrowings in the Group	Interest rate and repayment terms of the short-term borrowings	Security terms of the short-term borrowings
Bills discounted against letter of credit of Rs. 1,459.62 million (31 March 2019: Nil) from banks in GIWEL	Bills discounted carry an interest rate of 8.65% p.a. (31 March 2019: Nil) and is repayable within 365 days from the date of issuance	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.
Nil (31 March 2019: Rs. 407.26 million million) working capital loans from banks in GIWEL	The working capital loan carried interest rate in the range of 8.40% - 9.00% p.a. (31 March 2019: 8.19% - 9.30% p.a.) and was repayable on demand.	Working Capital facility are 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 GIWEL in favour of the respective lenders of the respective projects under GIWEL.
Nil (31 March 2019: Rs. 5,474.89) loans from banks in GIWEL	Interest rate was on based of MCLR rates plus spread margin and was in the range of 7.94 % - 10.06% p.a. (31 March 2019: 8.16 % - 9.51% p.a.) and was repayable within 12 months from the date of loan taken.	Secured by first rank pari passu charge by way of hypothecation of all movable assets including plant and machinery, spares, tools and accessories, furniture and fixtures, vehicles and other movable assets on which the loan has been drawn.
Bills discounted against letter of credit of Nil (31 March 2019: Rs. 916.65 million) from banks in GIREL	Bill discounted carried an interest rate of 8.60% p.a. (31 March 2019: 7.20% - 8.60% p.a.) and are repayable within 365 days from the date of issuance of Bill of Exchange. During the year ended 31 March 2020, the entire facility has been repaid by long-term facility.	Secured by charge on all immovable properties, the entire movable properties and intangible assets including plant and machinery, machinery spares, tools and accessories, furniture, fixture, 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; by way of assignment of security interests on project documents and contracts.
Nil (31 March 2019: 91.66 million) loan from bank in GIWETL Nil (31 March 2019: 119.28 million) loan from bank in GIWPTL Nil (31 March 2019: 539.50 million) loan from bank in GIWEAL Nil (31 March 2019: 599.39 million) loan from bank in GISEL	Interest rates was in the range of 6.93% - 10.06% p.a. (31 March 2019: 8.27% - 9.51% p.a.) and was repayable within 12 months from the date of disbursement of loan.	Secured by first rank pari passu charge by way of hypothecation on entire movable assets including plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, and all other movable assets pertaining to the project for the loan has been taken.

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

Short-term borrowings in the Group	Interest rate and repayment terms of the short-term borrowings	Security terms of the short-term borrowings
Rs. 1,900.00 million (31 March 2019: Nil) from bank in SGIL	Interest rates is in the range of 7.90% - 8.75% p.a. (31 March 2019: Nil) and are repayable within 3 - 6 months from the date of disbursement.	The said loan is unsecured.
Bills discounted against letter of credit of Nil (31 March 2019: Rs. 352.47 million) from banks in GIWEL	Bill discounted carried an interest rate of 8.70% (31 March 2019: 8.70% p.a.) and were repayable within 365 days from the date of issuance of bill of exchange.	The said facility is unsecured.
Nil (31 March 2019: 2,000.00) loan from bank in GIWEL	Interest rates was on based of MCLR rates plus spread margin and was 6.90% - 8.95% (31 March 2019: 8.95%) and is repayable within 12 months from the date of disbursement of loan.	These loans are unsecured.
Commercial papers Nil (31 March 2019: 3,250.00 million) issued by GIWEL	Commercial papers had a discount rate in the range of 6.00% - 8.95% p.a. (31 March 2019: 8.70% - 8.95% p.a.) and was repayable within 89 - 276 days from the date of issue.	These commercial papers are unsecured.

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3.20 Trade payables

	As at 31 March 2020	As at 31 March 2019
Total outstanding dues to micro and small enterprises	8.25	4.51
Total outstanding dues to other than micro and small enterprises		
- related parties (refer note 3.37)	78.14	52.81
- others	4,451.99	3,357.05
	4,538.38	**3,414.37**

The Group's exposure to currency and liquidity risks related to trade payables are disclosed in note 3.32.

3.21 Current tax liabilities

	As at 31 March 2020	As at 31 March 2019
Provision for taxes (net of advance tax)	374.11	410.47
	374.11	**410.47**

3.22 Revenue from operations

	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of electricity	83,976.29	82,810.36
Other operating revenues:		
Income from generation based incentive	497.67	471.65
Income from sale of renewable energy certificates	119.96	81.76
Income from sale of voluntary emission reduction certificates	4.66	-
Other operating revenue (including sale of fly ash)	36.01	48.61
	84,634.59	**83,412.38**

	For the year ended 31 March 2020	For the year ended 31 March 2019
Reconciliation of revenue from electricity recognised with the contracted price is as follows:		
Contract price	84,882.73	83,787.74
Adjustments for:		
Rebates	(512.51)	(606.03)
Deviation charges	(387.25)	(304.07)
Unearned income	(6.68)	(67.28)
Sale of electricity	**83,976.29**	**82,810.36**
Changes in unearned income are as follows:		
Balance at the beginning of the year	292.31	225.03
Revenue recognised during the year out of opening balance	-	-
Increase during the year	6.68	67.28
Balance at the end of the year	**298.99**	**292.31**

Unearned income represents provision for coal mix deviation as per the terms of long-term PPA.

Refer note 3.35 for individual customer represents 10% or more of the Group's total revenue during the year ended 31 March 2020 and 31 March 2019.

Impact of COVID-19 (Global pandemic)

The Group operates in essential commodity sector and does not foresee any impact on revenue. However, risk assessment is a continuous process and the Group will continue to monitor the impact of the changes in future economic conditions on its business.

Notes to the consolidated financial statements

for the year ended 31 March 2020

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

3.23 Other income

	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income under effective interest rate method	887.63	781.01
Net gain on fair value changes classified as FVTPL		
- mutual funds	270.59	203.34
- other financial assets	0.12	0.50
Late payment surcharges from customers	946.45	1,150.30
Liquidated damages recovered	838.42	1,865.40
Income from insurance claims	1,118.43	52.17
Gain on derivative contracts, net	273.60	459.32
Liabilities no longer required, written back (refer note 3.38 (IV))	15.69	671.49
Provision no longer required, written back	-	25.17
Gain on sale of property, plant and equipment, net	-	0.34
Miscellaneous income (refer note 3.44)	682.89	45.44
	5,033.82	**5,254.48**

3.24 Cost of fuel

	For the year ended 31 March 2020	For the year ended 31 March 2019
Coal and alternative fuel cost	43,118.24	45,931.12
	43,118.24	**45,931.12**

3.25 Transmission charges

	For the year ended 31 March 2020	For the year ended 31 March 2019
Transmission charges	2,859.14	3,716.14
	2,859.14	**3,716.14**

3.26 Employee benefits expense

	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, wages and bonus	1,851.35	1,675.59
Contribution to provident and other funds (refer note 3.36)	101.45	86.74
Employee shared based expenses (refer note 3.41)	32.85	22.14
Staff welfare expenses	109.72	92.42
	2,095.37	**1,876.89**

3.27 Finance costs

	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense on financial liabilities measured at amortised cost	19,607.56	18,454.82
Unwinding of discount on asset retirement obligation	22.58	16.19
Unwinding of discount on lease liabilities (refer 3.34)	25.42	-
Other borrowing costs	757.45	550.02
	20,413.01	**19,021.03**

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

3.28 Depreciation and amortisation expense

	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation on property, plant and equipment	11,970.02	11,155.25
Depreciation on right to use assets (refer 3.34)	33.21	-
Amortisation on intangible assets	13.04	23.52
	12,016.27	**11,178.77**

3.29 Operating and other expenses

	For the year ended 31 March 2020	For the year ended 31 March 2019
Operation and maintenance expenses	825.71	692.79
Consumption of stores, spares and consumables	854.37	513.13
Site expenses	69.45	24.90
Repairs and maintenance		
- Buildings and civil works	75.36	40.56
- Plant and equipment	945.38	870.07
- Others	119.46	123.42
Travelling and conveyance	203.22	141.08
Insurance	603.45	419.81
Security charges	111.08	111.56
Legal and professional expenses (refer subnote below)	621.11	586.62
Health and safety expenses	42.47	19.60
Expenditure on corporate social responsibility	16.41	22.75
Rates and taxes	79.98	67.32
Rent	21.56	68.44
Directors' sitting fee	11.01	12.49
Commission charges	11.95	6.48
Communication expenses	24.48	12.97
Business promotion	9.72	10.42
Impairment of property, plant and equipment and capital work-in-progress	327.08	-
Loss on foreign exchange fluctuations, net	593.84	501.43
Loss on sale of property, plant and equipment, net	0.33	-
Property, plant and equipment written off (refer note 3.38 (IV))	17.93	216.61
Allowance for expected credit loss	376.12	46.31
Doubtful receivables and advances written off	0.35	0.92
Miscellaneous expenses	130.13	61.75
	6,091.95	**4,611.60**

Auditor's remuneration (including taxes)

	For the year ended 31 March 2020	For the year ended 31 March 2019
- statutory audit fee	11.55	11.55
- for other services	15.38	13.99
- for reimbursement of expenses	1.95	2.03
	28.88	**27.57**

Notes:

The above auditor's remuneration includes audit fees paid to auditors of the subsidiaries in the Group.

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for the year ended 31 March 2020

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

3.30 Tax expenses

	For the year ended 31 March 2020	For the yea rended 31 March 2019
Current tax expense	128.43	649.57
Current tax expense (changes in estimates related to prior years)	0.12	7.37
Deferred tax (credit)/charge	(136.31)	399.17
	(7.76)	**1,056.11**
Tax effect on other comprehensive income	(0.40)	(1.76)
	(8.16)	**1,054.35**
Reconciliation of effective tax rate		
Profit before tax	**3,074.43**	**2,331.31**
Enacted tax rate in India	25.17%	34.94%
Computed expected tax expenses (a)	**773.77**	**814.65**
Effect of		
MAT credit (recognised)/not recognised	(448.97)	626.09
Tax on changes in estimates related to prior years	(54.37)	(282.60)
Adjustments due to income taxable at different tax rates	(28.28)	(211.18)
Non-deductible expenses	89.55	35.35
Changes in permanent difference of deferred tax assets/liabilities	268.44	(97.80)
Non-taxable income (income under section 80IA)	(86.26)	(84.12)
Transition adjustment of Ind AS 116 "Leases"	(9.51)	-
Deferred tax asset not recognised on losses	(512.13)	255.72
Income tax expense (b)	**(7.76)**	**1,056.11**
Tax effect on other comprehensive income	(0.40)	(1.76)
	(8.16)	**1,054.35**
Effective tax rate (a/b)	**-0.27%**	**45.23%**

3.31 Earnings per share

	For the year ended 31 March 2020	For the yea rended 31 March 2019
Profit attributable to equity shareholders of the Company	3,126.72	1,232.55
Number of equity shares		
Number of shares at the beginning of the year	5,158,721,764	5,158,721,764
Add: Weighted average number of shares issued during the year	200,372,196	-
Weighted average number of shares outstanding during the year	**5,359,093,960**	**5,158,721,764**
Earnings per equity share (face value of share Rs.10 each)		
- Basic and diluted earnings per share (Rs.)	0.58	0.24

Note: The Group did not have any potentially dilutive securities in any of the period presented.

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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 2020:

	Note	Carrying amount				Fair value		
		FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets								
Derivative assets	3.3	496.98	2,999.88	-	3,496.86	-	3,496.86	-
Investments - mutual funds	3.9	3,230.07	-	-	3,230.07	3,230.07	-	-
Financial assets not measured at fair value								
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	-	-	-
		3,727.05	**2,999.88**	**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	-
Financial liabilities not measured at fair value								
Borrowings (excluding current maturities)	3.14 & 3.19	-	-	206,160.38	206,160.38	-	-	-
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**	**235,288.96**	**235,445.79**	**-**	**156.83**	**-**

As at 31 March 2019:

	Note	Carrying amount				Fair value		
		FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets								
Derivative assets	3.3	410.90	157.04	-	567.94	-	567.94	-
Investments - mutual funds	3.9	2,926.61	-	-	2,926.61	2,926.61	-	-
Financial assets not measured at fair value								
Trade receivables	3.1	-	-	20,954.73	20,954.73	-	-	-
Cash and cash equivalents	3.11	-	-	4,003.84	4,003.84	-	-	-
Other bank balances	3.11	-	-	4,782.16	4,782.16	-	-	-
Other financial assets	3.4	-	-	15,853.08	15,853.08	-	-	-
		3,337.51	**157.04**	**45,593.81**	**49,088.36**	**2,926.61**	**567.94**	**-**
Financial liabilities								
Derivative liabilities	3.15	1,140.69	529.55	-	1,670.24	-	1,670.24	-
Financial liabilities not measured at fair value								
Borrowings (excluding current maturities)	3.14 & 3.19	-	-	207,662.75	207,662.75	-	-	-
Trade payables	3.20	-	-	3,414.37	3,414.37	-	-	-
Other financial liabilities (including current maturities)	3.16	-	-	28,296.55	28,296.55	-	-	-
		1,140.69	**529.55**	**239,373.67**	**241,043.91**	**-**	**1,670.24**	**-**

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.

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3.32. Financial instruments - fair values and risk management (continued)

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 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.

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3.32. Financial instruments - fair values and risk management (continued)

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

Particulars	31 March 2020	31 March 2019
Fixed rate instruments		
Non-current and current borrowings	79,171.58	72,867.74
Effect of interest rate swaps	18,369.92	17,896.64
	97,541.50	**90,764.38**
Variable rate instruments		
Non-current and current borrowings	135,200.64	141,066.90
Effect of interest rate swaps	(18,369.92)	(17,896.64)
	116,830.72	**123,170.26**
	214,372.22	**213,934.64**

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:

Particulars	Currency	31 March 2020		31 March 2019	
		Indian Rupees	Foreign currency	Indian Rupees	Foreign currency
Financial assets					
Cash on hand	USD	-	-	0.02	0.00
Cash on hand	SGD	-	-	0.02	0.00
Trade receivables	USD	1,147.37	15.22	418.32	6.05
Other financial assets (unbilled receivables)	USD	934.79	12.40	691.23	9.99
Total financial assets		**2,082.16**		**1,109.59**	
Financial liabilities					
Borrowings ECB, FCNR and Buyer's credit	USD	(48,891.82)	(647.74)	(46,693.71)	(673.77)
Borrowings ECB	JPY	(94.98)	(136.37)	(142.09)	(227.28)
Trade payables	USD	(935.99)	(12.42)	(682.86)	(9.87)
Trade payables	SGD	(54.79)	(1.05)	(34.23)	(0.67)
Trade payables	EUR	(0.19)	-	(2.38)	(0.03)
Other financial liabilities	USD	(3,986.25)	(52.80)	(3,663.93)	(52.87)
Other financial liabilities	GBP	-	-	(1.65)	(0.02)
Other financial liabilities	JPY	(0.29)	(0.54)	(0.51)	(0.95)
Total financial liabilities		**(53,964.31)**		**(51,221.36)**	
Net financial liabilities		**(51,882.15)**		**(50,111.77)**	
less:					
Foreign exchange forward contracts	USD	1,473.79	19.55	2,711.59	39.20
FCNR term loans	USD	29,071.58	384.82	26,801.13	386.19
Cross currency and interest rate swaps	USD	18,363.63	243.52	17,810.49	257.39
Forward options	JPY	95.27	136.91	142.60	228.23
Total		**49,004.27**		**47,465.81**	
Net exposure in respect of recognised assets/ (liabilities)		**(2,877.88)**		**(2,645.96)**	

*Refer 0.00 for figures less than Rs 0.005 million.

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

3.32. Financial instruments - fair values and risk management (continued)

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.

Particulars	Profit/(loss)		Equity increase/(decrease), net of tax	
	Strengthening	Weakening	Strengthening	Weakening
USD (5% movement)				
31 March 2020	141.15	(141.15)	141.15	(141.15)
31 March 2019	130.39	(130.39)	130.39	(130.39)

Impact of COVID-19 (Global pandemic)

The Group based on their assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic. The Group has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The Group continues to believe that there is no impact on effectiveness of its hedges.

(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:

Particulars	Contracts currency	Quantity of open contracts (MT)		Fair value of derivative asset/ (liability) (Rs.)	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
Coal commodity hedge contracts	USD	461,385	830,000	(146.88)	(441.77)

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.

Notes to the consolidated financial statements

for the year ended 31 March 2020

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

3.32. Financial instruments - fair values and risk management (continued)

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:

Particulars	Fair value of derivative asset/ (liability)		Nominal values in Foreign currency		Nominal values Indian Rupees	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Derivatives designated as cash flow hedges:						
Cross currency interest rate swaps						
In USD	1,429.63	109.29	219.50	229.50	16,547.21	15,874.81
Commodity hedge contracts						
In USD	(146.88)	(441.77)	32.44	48.61	2,445.29	3,362.25
Forward and option contracts						
In USD	46.88	(40.03)	12.20	15.76	922.93	1,148.73

Particulars	Fair value of derivative asset/ (liability)		Nominal values in Foreign currency		Nominal values Indian Rupees	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Derivatives not designated as non-cash flow hedges:						
Options						
In USD	(0.10)	(0.93)	0.01	0.06	0.81	4.42
In JPY	19.73	21.23	141.85	76.68	98.80	47.94
Forward contracts and swaps						
In USD	562.96	(745.36)	438.31	459.17	32,545.72	31,849.24
In JPY	(9.85)	(4.73)	136.37	227.28	94.98	142.09

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 3.9 represent the maximum credit risk exposure.

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

3.32. Financial instruments - fair values and risk management (continued)

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.

Impairment

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

Particulars	Allowance for expected credit loss		
	Trade receivables	Unbilled revenue	Total
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
31 March 2019			
Balance at the beginning of the year	72.23	12.68	84.91
Movement in expected credit loss allowance	57.19	(10.88)	46.31
Balance at the end of the year	129.42	1.80	131.22

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.

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.

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

3.32. Financial instruments - fair values and risk management (continued)

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 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)*	189,954.67	20,833.79	128,219.94	155,573.61	304,627.34
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)	16,802.09	9,505.40	8,210.54	187.16	17,903.10
Derivative contracts	156.83	146.98	9.85	-	156.83
	235,445.79	**59,018.37**	**136,440.33**	**155,760.77**	**351,219.47**

As at 31 March 2019

Particulars	Carrying value	Contractual cash flows (Gross)			
		within 12 months	1-5 years	More than five years	Total
Borrowings - long-term (including current maturities)*	182,875.08	25,319.51	98,122.39	164,852.26	288,294.16
Borrowings - short-term	31,059.56	31,059.56	-	-	31,059.56
Trade payables	3,414.37	3,414.37	-	-	3,414.37
Other financial liabilities (excluding current maturities of borrowings)	22,024.66	14,651.49	7,373.17	-	22,024.66
Derivative contracts	1,670.24	1,664.58	5.66	-	1,670.24
	241,043.91	**76,109.51**	**105,501.22**	**164,852.26**	**346,462.99**

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

d) Other risk

Impact of COVID-19 (Global pandemic)

As part of its risk assessment process, the Group has considered the possible risk that may result from the pandemic relating to COVID-19 and its impact on the carrying amounts of trade receivables, investments, financial instruments and effectiveness of its hedges. Based on the management's analysis of the current indicators of the future economic condition on its business and the estimates used in its financial statements, the Group does not foresee any impact in the recoverability of the carrying value of the assets. The risk assessment is a continuous process and the Group will continue to monitor the impact of the changes in future economic conditions on its business.

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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:

Particulars		31 March 2020	31 March 2019
Debt	A	213,948.49	213,934.64
Total equity	B	74,672.82	65,630.42
Total debt and equity		**288,621.31**	**279,565.06**
Debt-to-equity ratio	(A/B)	**2.87**	**3.26**

3.34. 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 Group with effect from 1 April 2019.

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 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 Group 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 1 April 2019. Accordingly, a right-of-use asset of Rs. 941.23 million and a corresponding lease liability of Rs. 269.63 million has 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.

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.

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

Particulars	Gross carrying amount as at 31 March 2020	Net carrying amount as at 31 March 2020
Leasehold land and buildings	941.23	803.02

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3.34. Leases (continued)

Lease liability	As at 31 March 2020
Present value of lease liability	
Current	9.35
Non- current	234.42
Maturity analysis	
0 - 1 year	48.04
1 - 5 years	206.92
More than 5 years	187.16

During the current year, there were no addition in the right-of-use assets and lease liability in the Group.

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

Particulars	Depreciation charged on right-of-use assets	Unwinding of discount on lease liabilities
Leasehold land & buildings	33.21	25.42

Further, the Group incurred Rs. 19.41 million towards expenses relating to short-term leases and leases of low-value assets for the year ended 31 March 2020.

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. 51.28 million for the year ended 31 March 2020.

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 only in India 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 2020 and 31 March 2020 were as follows:

Customer name	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Revenue	Percentage	Revenue	Percentage
Telangana State Government utilities	30,015.41	35.46%	28,018.02	33.59%
Indian Energy Exchange (IEX)	12,263.18	14.49%	12,561.37	15.06%

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. 80.15 million (31 March 2019: Rs. 70.55 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/

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3.36. Assets and liabilities relating to employee benefits (continued)

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

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	85.05	59.01
Current service cost	22.80	18.35
Interest cost	6.32	4.41
Benefits paid	(6.76)	(5.00)
Actuarial loss recognised in the other comprehensive income	8.33	6.60
Liabilities assumed*	-	1.68
Balance at the end of the year	**115.74**	**85.05**

* For employee transferred from other group companies.

C. Reconciliation of the present value of plan assets

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	87.62	65.17
Contributions paid into the plan by employer	18.01	20.83
Benefits paid	(8.24)	(4.07)
Interest income on plan assets	6.49	4.95
Actuarial gain on plan assets	(1.15)	0.74
Balance at the end of the year	**102.73**	**87.62**

Particulars	As at 31 March 2020	As at 31 March 2019
Net defined benefit obligation/(asset)	**13.01**	**(2.57)**
Disclosure in the Balance sheet:		
Funded asset	10.71	13.38
Provision for employee benefits	23.72	10.81

D. Expense recognised in the consolidated statement of profit and loss

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current service cost	22.80	18.35
Interest cost	6.32	4.41
Interest income	(6.49)	(4.95)
Total expense during the year	**22.63**	**17.81**

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3.36. Assets and liabilities relating to employee benefits (continued)

E. Remeasurements recognised in Other comprehensive income

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Actuarial loss on defined benefit obligation	8.33	6.60
Actuarial gain on planned asset	1.15	(0.74)
Total expense during the year	**9.48**	**5.86**

F. Plan assets

Plan assets comprise of the following:

Particulars	As at 31 March 2020	As at 31 March 2019
New Group Gratuity Cash Accumulation Plan with LIC	102.73	87.62

G. Summary of actuarial assumptions

Demographic assumptions

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
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	6.80% - 6.95%	7.50% - 7.75%
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.

Particulars	As at 31 March 2020	As at 31 March 2019
Impact of the change in discount rate %		
0.5% increase	(8.12)	(4.38)
0.5% decrease	8.87	4.82
Impact of the change in salary growth rate %		
0.5% increase	8.86	4.72
0.5% decrease	(8.19)	(4.36)

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).

Notes to the consolidated financial statements

for the year ended 31 March 2020

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

3.36. Assets and liabilities relating to employee benefits (continued)

I. Maturity profile of the defined benefit obligation

Expected cash flows over the next year (valued on undiscounted basis):

Particulars	As at 31 March 2020	As at 31 March 2019
Within 1 year	7.77	3.80
2 to 5 years	22.07	15.96
6 to 9 years	25.15	18.57
For year 10 and above	197.52	161.37

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. 27.41 million (31 March 2019: Rs. 11.51 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	Key management personnel having significant influence (Up to 30 December 2019)
Gayatri Energy Ventures Private Limited, India	Key management personnel having significant influence (Up to 30 December 2019)
Deep Corporation Private Limited, India	Key management personnel having significant influence (Up to 30 December 2019)
Gayatri Hi-Tech Hotels Limited, India	Key management personnel having significant influence (Up to 30 December 2019)
Neil Garry Mcgregor	Chairman
Vipul Tuli	Managing Director
T V Sandeep Kumar Reddy	Director (Up to 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
Juvenil Jani	Chief Financial Officer
Narendra Ande	Company Secretary

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

	For the year ended 31 March 2020	For the year ended 31 March 2019
Contract work		
Gayatri Projects Limited	-	43.68
Rent and utility expense		
Sembcorp India Private Limited	23.62	21.57
Deep Corporation Private Limited	9.09	10.68
Gayatri Hi-Tech Hotels Limited	0.88	0.03
Consultancy expenses		
Sembcorp Utilities Pte Ltd	224.03	178.57
Sembcorp India Private Limited	-	25.76

Notes to the consolidated financial statements

for the year ended 31 March 2020

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

3.37. Related party disclosure (continued)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Manpower consultancy charges		
Sembcorp India Private Limited	-	46.22
Interest expense on INR Denominated notes (without giving effect to fair valuation)		
Sembcorp Utilities Pte Ltd	4,409.93	4,397.88
Bank guarantee fees/commission		
Sembcorp Utilities Pte Ltd	222.13	228.23
License costs		
Sembcorp Utilities Pte. Ltd	10.13	7.10
Reimbursement of share based payment		
Sembcorp Utilities Pte Ltd	30.21	22.14
Reimbursement received		
Sembcorp India Private Limited	0.01	0.01
Purchase of property, plant and equipment		
Sembcorp India Private Limited	20.17	-
Reimbursement of expenses		
Sembcorp Utilities Pte Ltd	19.80	12.76
Sembcorp India Private Limited	5.22	4.49
Deep Corporation Private Limited	-	0.67
Sembcorp Industries Ltd	0.08	-
Gayatri Energy Ventures Private Limited	-	20.00
Liabilities written back		
Sembcorp Utilities Pte Ltd	-	(18.58)
Margin money recovered		
Gayatri Projects Limited	564.73	100.00
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	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	63.21	65.32
Juvenil Jani	24.18	21.62
Narendra Ande	5.35	5.30
Alluri Nagamani	-	0.86
Kanchan Pal Singh	-	0.08
Biren S Fozdar	-	4.17
Sitting fees to Directors (including taxes)		
Kalaikuruchi Jairaj	1.89	1.42
Radhey Shyam Sharma	1.89	2.12
Sangeeta Talwar	2.60	2.55
Bobby Kanubhai Parikh	0.94	1.73
Tantra Narayana Thakur	-	0.59

* 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 2020

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

3.37. Related party disclosure (continued)

c) Details of related party balances is as under:

	As at 31 March 2020	As at 31 March 2019
Related party receivables		
Gayatri Projects Limited (margin money deposit)	-	564.73
Gayatri Projects Limited (advance)	-	2.10
Sembcorp India Private Limited	-	5.22
Sembcorp Industries Limited (advance)	0.06	-
Related party payables		
Sembcorp Utilities Pte Ltd (Trade payables)	76.20	52.81
Sembcorp India Private Limited (Trade payables)	1.94	-
Deep Corporation Private Limited (Other payable)	-	1.30
Gayatri Projects Limited (Retention money payable)	-	53.03
INR denominated Notes		
Sembcorp Utilities Pte Ltd	42,400.00	42,400.00
Interest accrued on INR denominated notes		
Sembcorp Utilities Pte Ltd	8,003.62	7,349.53
Corporate guarantee given for external commercial borrowings/term loans		
Sembcorp Utilities Pte Ltd	45,539.13	44,825.04
(Represents the amount of facility outstanding)		
Corporate guarantee given for short-term borrowings		
Sembcorp Utilities Pte Ltd	4,752.04	11,110.97
Gayatri Energy Ventures Private Limited	-	662.26
(Represents the amount of facility outstanding)		

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

I) Commitments

	As at 31 March 2020	As at 31 March 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,314.12	10,319.71

II) Claims against the Group not acknowledged as debt in respect of

Particulars	As at 31 March 2020	As at 31 March 2019
(i) Income tax*	1,183.04	638.90
(ii) Stamp duty (Refer subnote a below)	-	-
(iii) Service tax (refer subnote b below)**	798.13	917.64
(iv) Buildings and other construction works cess (BOCW Cess)	287.21	287.21
(v) Entry tax***	150.62	214.25
(vi) Works contract tax	861.69	861.69
(vii) Demand for fly ash disposal (National Green Tribunal)^	85.31	-
(viii) Others (refer subnote c below)	*Amount not Ascertainable*	*Amount not Ascertainable*

* Income tax paid under protest at 31 March 2020: Rs. 532.58 million (31 March 2019: Rs. 422.70 million) (including advance tax and tax deducted at source for respective years).

**Service tax paid under protest as at 31 March 2020: Rs. 59.86 million (31 March 2019: Nil).

*** Entry tax paid under protest: Rs. 28.56 million (31 March 2019: Rs 15.15 million).

^ During the current 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.

Notes to the consolidated financial statements

for the year ended 31 March 2020

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

3.38. Contingent liabilities and commitments (to the extent not provided for) (continued)

Subnote:

a) 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.

b) During the current 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 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.

c) 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.

III) Bank guarantees

Particulars	As at 31 March 2020	As at 31 March 2019
Bank guarantees with customs and excise	8,932.02	8,975.92
Bank guarantees for PPA and other commitments	8,995.41	7,202.57
	17,927.43	**16,178.49**

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, 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:

i. In an earlier year, the Group had served various notices of default to an operation and maintenance vendor due to performance issues which were not in line with the agreed terms as per the operation and maintenance agreement (O&M contract). As the concerned vendor failed in taking necessary action for curing the defaults, the Group terminated the O&M contract with the vendor. The Group had also invoked the performance bank guarantees related to the terminated agreements amounting to Rs. 1,010.54 million.

During the year ended 31 March 2019, the parties reached an out of Court settlement and a Settlement Agreement was executed. As agreed between the parties, all existing operation and maintenance contracts were terminated and the funds against the invoked bank guarantees were retained by the Group. Thus, out of the encashment of bank guarantees, Rs. 996.09 million had been accounted as liquidated damages. Further, the Group has also written back the operation and maintenance expenses equalisation reserve amounting to Rs. 293.64 million in the year ended 31 March 2019 pertaining to all such contracts that were terminated. The Group had subsequently paid the outstanding financial liability amounting to Rs. 472.68 million to the vendors.

Notes to the consolidated financial statements

for the year ended 31 March 2020

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

3.38. Contingent liabilities and commitments (to the extent not provided for) (continued)

As stipulated in the agreement, the O&M vendor has to hand over the wind turbine generators (WTGs) in fully working condition subject to a few WTGs for which the Group had to provide the requisite component of the WTGs to bring it into working condition. Accordingly, during the year ended 31 March 2019, the Group had written off amounting to Rs. 216.61 million for discarded components of such WTGs.

ii. During the year ended 31 March 2019, two of the subsidiaries had entered into a settlement agreement with an operation and maintenance (O&M) vendor for 216 MW projects and terminated the existing operation and maintenance agreements. Accordingly, the Group had written back the operation and maintenance expenses equalisation reserve amounting to Rs. 345.82 million in the year ended 31 March 2019 pertaining to such terminated contracts. Further, as per the terms of the agreement, the Group had retained bank guarantees of Rs. 452.70 million which will be returned to the vendor post completion of certain activities as stipulated in the agreement and settlement of Rs. 311.05 million as recoverable from such vendor.

3.39. Initial Public Offering (IPO)

During the current year, the Group has withdrawn the process of listing of its equity shares on stock exchanges in India for which DRHP was filed in February 2018. Hence, Rs. 182.99 million being expenses incurred by the Group towards the proposed IPO has been expensed off during the current year.

3.40. 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 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 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 stand cancelled and extinguished in entirety. Since, SGIL holds 100% share in these amalgamating entities, no shares shall be 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 becoming effective, 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 given in the consolidated financial statements.

3.41 Share-based payments

The Group participates in Performance Share Plan ("SCI PSP") and the Restricted Share Plan ("SCI RSP") of Sembcorp Industries Ltd (SCI). The Group has to pay an amount of equivalent to the value of SCI shares on date of vesting, delivered to the employee. The details are as under:

a) Performance Share Plan

Under the SCI PSP, the awards granted conditional on performance targets are set based on medium-term corporate objectives at the start of each rolling three-year performance qualifying period. A specific number of performance shares shall be awarded at the end of the three-year performance cycle depending on the extent of the achievement of the performance conditions established at the onset. The performance levels were calibrated based on Wealth Added and Total Shareholder Return by SCI.

Notes to the consolidated financial statements

for the year ended 31 March 2020

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

3.41 Share-based payments (continued)

b) Restricted Share Plan

Under the SCI RSP, the awards granted conditional on performance targets are set based on corporate objectives at the start of each rolling two-year performance qualifying period. The performance criteria for the restricted shares are calibrated based on Return on Total Assets (excluding Sembcorp Marine Ltd) and Group Profit from Operations for awards granted in 2016. The managerial participants of the SCI Group will be awarded restricted shares under SCI RSP.

A specific number of restricted shares shall be awarded at the end of the two-year performance cycle depending on the extent of the 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.

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

As at 31 March 2020

Particulars	SCI PSP	SCI RSP
Outstanding at the beginning of the year	136,000	231,774
Shares transferred out on transfer of employees*	-	18,168
Shares granted during the year	230,000	732,349
Shares lapsed arising from targets not met	(40,000)	(225,368)
Shares transferred out	-	(72,619)
At the end of the year	**326,000**	**684,304**

As at 31 March 2019

Particulars	SCI PSP	SCI RSP
Outstanding at the beginning of the year	-	-
Shares transferred out on transfer of employees*	116,500	163,088
Shares granted during the year	96,000	203,108
Shares lapsed arising from targets not met	(76,500)	(98,675)
Shares transferred out	-	(35,747)
At the end of the year	**136,000**	**231,774**

* Certain employees of Sembcorp Group have been transferred to Group from other group companies. PSP and RSP relating to these employees has been transferred during the year.

The Group has charged Rs. 32.85 million (31 March 2019: Rs. 22.14 million) for share based payments based on the fair value of the performance shares and restricted shares at the grant date being expensed over the vesting period.

3.42. During the year ended 31 March 2020, the Government has 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 entities under Group to opt 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, considering utilisation of MAT credit within a horizon of 15 years (as considered 5 year in earlier years) based on the past performance of the projects. Based on the internal assessments, the management has decided to continue in the existing tax structure for availing the specified deductions for few entities under Group while rest entities have opted for new tax structure having least tax outflows as compared to existing tax structure.

3.43. In earlier years, the Group had entered into various agreements with certain vendors for development of wind power project of 84 MW and providing 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 subsidiaries namely GIWEL and GIWPGL respectively. The Group had obtained Government Order and Power Evacuation approval in respect of these 84 MW and accordingly an amount of Rs. 297.86 million was accounted as capital-work-in-progress against the milestone achieved.

Notes to the consolidated financial statements

for the year ended 31 March 2020

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

3.43. (continued)

During the year ended 31 March 2020, the management re-assessed the viability of these projects based on the trend of recent power tariffs and management believes that it is not commercially feasible to execute the project as the Group will not be able to meet its expected rate of return. Consequently, the Group has decided to impair the amount lying in capital work-in-progress amounting to Rs. 297.86 million.

3.44. During the current 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 has received Rs. 1,002.91 million against outstanding advance and reimbursement of interest cost. Accordingly, the Group has recognized Rs. 320.07 million received from GEVPL as miscellaneous income during the year.

3.45. Additional information as required under schedule III of the Companies Act, 2013, in respect of consolidated subsidiaries are as below:

Name of the entity	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	100,072.45	64.09%	1,514.04	46.39%
Subsidiaries				
Sembcorp Green Infra Limited	23,948.17	15.33%	696.04	21.34%
Green Infra Wind Energy Limited	17,913.96	11.47%	605.89	18.56%
Green Infra Corporate Solar Limited	1,819.76	1.17%	(160.44)	(4.92%)
Green Infra Wind Power Limited	221.78	0.14%	12.90	0.40%
Green Infra Corporate Wind Limited	236.01	0.15%	11.72	0.36%
Green Infra Wind Energy Assets Limited	355.54	0.23%	37.51	1.15%
Green Infra Wind Farm Assets Limited	956.45	0.61%	172.76	5.29%
Green Infra Wind Energy Project Limited	809.17	0.52%	152.55	4.66%
Green Infra Wind Solutions Limited	817.90	0.52%	9.76	0.29%
Green Infra Wind Power Generation Limited	1,147.89	0.74%	(198.99)	(6.10%)
Green Infra Wind Farms Limited	(45.90)	(0.03%)	20.79	0.64%
Green Infra Wind Generation Limited	(245.56)	(0.16%)	(8.61)	(0.26%)
Green Infra Wind Power Projects Limited	194.98	0.12%	(76.41)	(2.34%)
Green Infra BTV Limited	1,606.15	1.03%	312.48	9.57%
Green Infra Wind Energy Theni Limited	190.56	0.12%	4.47	0.14%
Green Infra Wind Power Theni Limited	86.93	0.06%	20.17	0.62%
Mulanur Renewable Energy Limited	476.68	0.31%	(29.74)	(0.91%)
Green Infra Solar Energy Limited	593.83	0.38%	68.83	2.11%
Green Infra Solar Farms Limited	1,155.10	0.74%	200.24	6.14%
Green Infra Solar Projects Limited	310.37	0.20%	50.33	1.54%
Green Infra Wind Ventures Limited	823.80	0.53%	(229.37)	(7.03%)
Green Infra Renewable Energy Limited	2,643.24	1.69%	101.76	3.12%
Green Infra Wind Assets Limited	42.91	0.03%	2.69	0.08%
Green Infra Wind Technology Limited	8.49	0.01%	(6.57)	(0.20%)
Green Infra Wind Limited	(1.83)	0.00%	(20.70)	(0.63%)
Green Infra Renewable Projects Limited	0.10	0.00%	-	0.00%
Green Infra Clean Wind Energy Limited	-	-	(0.06)	0.00%
TPCIL Singapore Pte. Ltd	1.36	0.00%	(0.28)	(0.01%)
Total	**156,140.29**	**100.00%**	**3,263.76**	**100.00%**

Notes to the consolidated financial statements

for the year ended 31 March 2020

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

3.45. Additional information as required under schedule III of the Companies Act, 2013, in respect of consolidated subsidiaries are as below: (continued)

Name of the entity	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)
Non-controlling interests in subsidiaries	185.76		(44.63)	
Inter group eliminations and adjustments	(81,653.23)		187.55	
Consolidated figures	**74,672.82**		**3,406.68**	

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: 1 June 2020

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

Neil McGregor
Chairman
DIN: 07754310

Vipul Tuli
Managing Director
DIN: 07350892

Juvenil Jani
Chief Financial Officer

Narendra Ande
Company Secretary
Membership No: A14603

Place: Gurugram
Date: 1 June 2020

Notice of the 12th Annual General Meeting

Notice is hereby given that the 12th Annual General Meeting (AGM) of the members of Sembcorp Energy India Limited will be held on Wednesday, September 23, 2020, at the Corporate 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, 2020 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, 2020 together with the Report of Auditors thereon and in this regard to pass the following resolutions as an ordinary resolution(s);

   a. **"RESOLVED THAT** the Audited Financial Statements of the Company for the financial year ended March 31, 2020 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, 2020 together with the Report of Auditors thereon be and are hereby considered and adopted."

2. To appoint a Director in place of Ms. Looi Lee Hwa, who retires by rotation and being eligible, offers herself for re-appointment and in this regard to pass the following resolution as an ordinary resolution:

   "RESOLVED THAT Ms. Looi Lee Hwa (DIN- 08058201) who retires by rotation be and is hereby re-appointed as a Director of the Company, whose office shall be liable to retire by rotation."

SPECIAL BUSINESS

3. **Appointment of Mr. Wong Kim Yin (DIN -08806258) 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. Wong Kim Yin (DIN - 08806258), who was appointed as an Additional Director with effect from August 11, 2020 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 retire by rotation.

   RESOLVED FURTHER 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."

4. **Approval 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. 6,00,000/- (Rupees Six Lakhs 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 2020-21.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such things and deeds as may be required in this regard."

By order of the Board of Directors

NARENDRA ANDE
COMPANY SECRETARY
M. No. A 14063

Place : Gurugram
Date : August 11, 2020

Notes :

1. The relative Explanatory Statements pursuant to Section 102 of the Companies Act, 2013 (the Act), in regard to the business as set out in Item Nos. 3 and 4 above and the relevant details of the Directors seeking re-appointment/ appointment under Item Nos. 2 and 3 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 a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. 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 authorised 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 authorised signatory named in the resolution, authorising their representatives to attend and vote 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 Corporate 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 August 28, 2020.

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 2019-20 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 Karvy /Depositories.

12. Process and manner for members opting for e-voting would be provided on availing the facility and as applicable to the company.

Details of the Directors seeking appointment/ re-appointment at the forthcoming Annual Ordinary General Meeting (In pursuance of Secretarial Standard - 2 on General Meetings)

Name of Director	Ms. Looi Lee Hwa	Mr. Wong Kim Yin
Date of Birth (Age)	July 01, 1965 (55 years)	July 29, 1970 (50 years)
Date of Appointment	February 02, 2018	August 11, 2020
Expertise in specific functional areas	Ms. Looi Lee Hwa held the head positions for the legal functions, advisor on all legal related issues and corporate secretarial matters	Mr Wong Kim 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.
Qualifications	LLB(Hons) from National University of Singapore	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.
Directorships held in other companies	Sembcorp India Private Limited	Sembcorp Green Infra Limited
Membership/ Chairmanship of Committees of other Boards	Nil	Nil
Remuneration	Nil	Nil
No. of meetings of the Board attended during the year	5 (five)	NA.
No. of shares held	Nil	Nil
Inter-se relationship with other Directors	None	None

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

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. Wong Kim Yin (DIN -08806258), as an Additional Director of the Company with effect from August 11, 2020. Pursuant to Section 161(1) of the Act, Mr. Wong Kim Yin holds office up to the date of this meeting.

The Company has received notice, in writing, from a member under Section 160 of the Act, proposing the candidature of Mr. Wong Kim Yin as Director of the Company.

Mr. Wong Kim Yin 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. Wong Kim Yin 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. Wong Kim Yin is interested in the resolution set out at Item No. 3 of the Notice with regard to his appointment and none of the Directors or Key Managerial Personnel and their relatives, except Mr. Wong Kim Yin are concerned or interested (financially or otherwise) in the resolution.

The Board recommends the Ordinary Resolution set out at Item no. 3 for approval of the Members.

Item No. 4

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 of Directors, 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 2020-21, at a remuneration of Rs 6,00,000 (Rupees Six Lakhs Only) plus Goods and Service tax and actual out-of-pocket expenses.

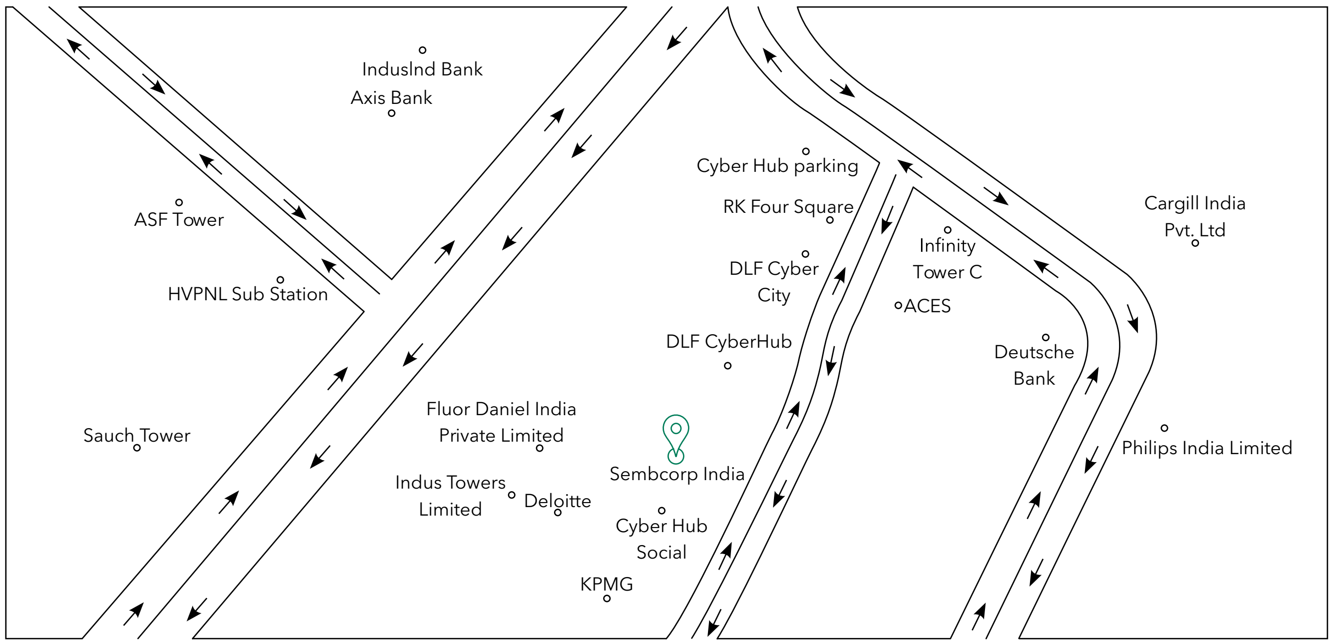
M/s. Narasimha Murthy & Co., Cost Accountants have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company having vast experience in the field of cost audit.

The Board commends the Resolution at Item No. 4 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. 4 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: 6-3-1090, A-5, T.S.R Towers, Rajbhavan Road, Somajiguda, Hyderabad – 500 082, Telangana
Ph:040-49048300; Fax: 040-23370360 ; email: cs.india@sembcorp.com;
Website : www.sembcorpenergyindia.com

(FORM NO. MGT-11)

PROXY FORM

[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	6-3-1090, A-5, T.S.R Towers, Rajbhavan Road, Somajiguda, Hyderabad – 500 082

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 Wednesday, September 23, 2020 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, 2020 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, 2020 together with the Report of Auditors thereon		
2	Re- appointment of Ms. Looi Lee Hwa as Director, who retires by rotation and being eligible offers herself for reappointment.		
3	Appointment of Mr. Wong Kim Yin as Director of the Company		
4	Approval of Cost Auditor's Remuneration		

Signed this…………. day of……………… 2020

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: 6-3-1090, A-5, T.S.R Towers, Rajbhavan Road, Somajiguda, Hyderabad – 500 082, Telangana
Ph:040-49048300; Fax: 040-23370360 ; email: cs.india@sembcorp.com;
Website : www.sembcorpenergyindia.com

Attendance Slip for the 12th Annual General Meeting

(to be handed over at the Registration Counter)

I/We hereby record my /our presence at the 12th Annual General Meeting of the Company on Wednesday, September 23, 2020 at 11.00 AM at the corporate 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.

sembcorp

Registered Office
6-3-1090,A-5,TSR Towers, Rajbhavan Road, Somajiguda,
Hyderabad, Telangana - 500082