INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TRN ENERGY PRIVATE LIMITED

Report on the Audit of the Ind AS Financial Statements

Qualified Opinion

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

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

Basis for Qualified Opinion

We draw attention to Note 30(b) to the Ind AS financial statements which states that the Company has recognized revenue on account of disputed capacity charge aggregating to Rs. 13,516.34 lakhs till 31 March 2021, including Rs. 1,883.81 lakhs for the current year, based on the Declared Capacity informed by it to PTC/UP Discoms, although PTC India Limited/ UP Discoms have not accepted the said Declared Capacity. The Company has therefore not recognized the expense on account of penalty pertaining to the said Declared Capacity aggregating to Rs. 2,526.55 lakhs till 31 March 2021, including Rs. 291.48 lakhs for the current year, imposed by PTC/UP Discoms. The Company has filed Petition with CERC w.r.t the claim on account of Capacity Charges due to the above mentioned difference in Declared Capacity. The Petition is currently pending before Hon'ble CERC. As a result of this, the revenue for the current year is overstated by Rs. 1,883.81 lakhs, expense for the current year is understated by Rs. 291.48 lakhs and accordingly the Trade Receivables are overstated by Rs. 16,042.89 lakhs as at 31 March 2021.

We also draw attention to Note 30(c) to the Ind AS financial statements which states that the Company had recorded trading margin aggregating to Rs. 5,084.62 lakhs as an expense in the financial statements in the previous years upto period ended 31 March 2020. However, pursuant to new Trading License Regulations, 2020 issued by CERC on 02 January 2020 and considering the fact that PTC had not created payment security mechanism as per the terms of PPA before 31 January 2020, the Company has during the year ended 31 March 2021, raised debit note of Rs. 5,058.24 lakhs towards excess trading margin charged upto the period ended 30 January 2020 and the said amount has been included under revenue from operations during the current year. As a result of this, the revenue for the current year is overstated by Rs. 5,058.24 lakhs and accordingly the Trade Receivables are overstated by Rs. 5,058.24 lakhs as at 31 March 2021.

The recognition of above revenue items constitutes departure from Ind AS 115, "Revenue from Contracts with Customers" which clearly states that revenue from sale of goods or services shall be recognised on satisfaction of some conditions, one of the condition being that *"it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of consideration when it is due".*

We were therefore unable to obtain sufficient and appropriate audit evidence to ensure probability of recovery in relation to above said revenue and henceforth unable to comment on recognition of this revenue as per Ind AS 115.

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We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the "*Auditor's Responsibilities for the Audit of the Ind AS 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 Ind AS financial statements under the provision 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 qualified opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 39 read with Note 29(i)(g) of Ind AS financial statements, wherein it has been stated that the Company has been in financial stress since last 2 years and there have been delays/defaults in payments of principal and interest to its term lenders, which were subsequently regularized. Also, the Company has various issues in relation to payments to vendors, statutory dues, water charges, revenue disputes with PTC etc. and has therefore approached its lenders for implementation of flexible structuring which has been approved by its lenders with certain additional sanctioned terms.

However despite the flexible structuring, the Company continues to remain in stress due to unexpected breakdown of Unit-II of 300MW in March 2021 and consequential fall in revenue from operation which indicates that material uncertainty exists which may cast a significant doubt on Company's ability to continue as a going concern. The management is however hopeful for recovery considering the fact that it has long term Power Purchase Agreement (PPA) with PTC/UPDiscoms and CSPTrd. Co and also has a fuel supply agreement for a substantial portion of long term power supply. The Company is also working actively to resolve/settle its various issues including arbitration proceeding with its EPC contractors and is therefore hopeful of a better financial position & expects to generate sufficient working capital to run its power plant at optimum levels so as to meet its obligations to term lenders, working capital lenders, vendors and statutory dues. Based on the reasons described above, the financial statements of the Company have been prepared as a Going Concern.

Our Report is not modified in respect of this matter.

Emphasis of Matters

1. We draw attention to Note 29(i)(d) of the Ind AS financial statements wherein it has been stated that Chhattisgarh State Power Trading Company Limited (CSPTrdCo.) has demanded Liquidated Damages of Rs. 475 lakhs due to non-supply of 5% of net injection to CSPTrdCo during the period January 2016 to May 2017 because of delay in commissioning of project. The Company is contesting this demand based on the facts and relevant provisions of the PPA and has accordingly not made any provision towards this amount.

   Further, during the current year and in the past also, the Company was not able to deliver 5% of net injection to CSPTrdCo. Accordingly, CSPTrdCo. levied the penalties of Rs. 1,550.02 lakhs, Rs. 267.62 lakhs, Rs. 1,296.68 lakhs and Rs. 314.03 lakhs for the year 2017-18, 2018-19, 2019-20 and 2020-21 (upto June 2020) respectively on account of short supply of power. Considering the demand for penalty towards short supply of power raised by CSPTrdCo, the Company has made a provision of Rs. 1,371.00 lakhs during the year ended 31 March 2020. CSPTrdCo has already deducted an amount of Rs. 315.00 lakhs from the payments made and the Company has adjusted the same against the above stated provision for penalty. The Company will continue to explore the option of compensating this shortfall by supplying extra power in future. The final outcome of the above demand will be known only upon the settlement of the same with CSPTrdCo. Further, no provision has been made for penalty on account of short supply of power to CSPTrdCo by the Company during the year ended 31 March 2021.

   Our report is not modified in respect of this matter.

2. We draw attention to Note 29(i)(e) of the Ind AS financial statements wherein it has been stated that the Company has to deposit electricity duty on auxiliary consumption with the State of Chhattisgarh on monthly basis. The Company has outstanding liability of Rs. 4,372.82 lakhs towards the same as at 31 March 2021 (Rs. 3,142.77 lakhs as at 31 March 2020). However, the Company has not made any provision for the interest amounting to Rs. 2,169.33 lakhs as per notice dated 23 June 2021 received from the office of Chief Electrical Inspector.

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The Company has applied to Govt. of Chhattisgarh in August 2021 seeking relief on the various grounds. In view of the above application, the Company is hopeful of getting the waiver of the interest demanded and has not made provision for the same.

Our report is not modified in respect of this matter.

3. We draw attention to Note 29(i)(i) of the Ind AS financial statements wherein it has been stated that there is credit balance of Rs. 19,864.84 lakhs of BGR Energy Systems Limited (BGR), the EPC Contractor for the 2x300 MW TPP of the Company, and China Western Power Corporation (CWPC). During the year ended 31 March 2019, the Company had also encashed the Performance Bank Guarantees of Rs. 8,698.37 lakhs.

   BGR has invoked arbitration as per the terms of EPC Contract and as a result of this, the Company and BGR have constituted an Arbitral Tribunal. BGR had filed its claim of Rs. 56,398.00 lakhs before Arbitrator. The Company filed its reply to the said claim and raised a counter claim of Rs. 280,905.00 lakhs plus USD 190.00 lakhs on 05 December 2018.

   The matter is pending before the Arbitral Tribunal for final arguments of the claims/ counter claims made by BGR and the Company. The Company will be able to evaluate all the above balances only when dispute between the parties is settled by the Arbitrator. Pending the final outcome of the arbitration proceedings, the Company has disclosed the aforesaid net amount of Rs. 19,864.84 lakhs and encashed amount of Rs. 8,698.37 lakhs under the head "Other non-current financial liabilities" in the financial statement.

   Our report is not modified in respect of this matter.

4. We draw attention to Note 30(a) & (d) of the Ind AS financial statements wherein it has been stated that PTC/UP Discoms have made certain other deductions w.r.t matters pertaining to tariff year differences, rebate, etc. from the monthly / supplementary invoices raised by the Company. The Company has filed petition before Hon'ble Central Electricity Regulatory Commission (CERC) in respect of these matters and also certain other matters such as delay in payments of monthly/supplementary bills, failure to establish payment security mechanism, non- reimbursement of transmission charges, etc. The Petition is currently pending before Hon'ble CERC.

   Our report is not modified in respect of this matter.

5. We draw attention to Note 33 read with Note 29(i)(j) of the Ind AS financial statements wherein it has been stated that Water Resource Department, Chhattisgarh (WRD) had allocated 19.00 MCM (Million Cu.M) p.a. water to the Company from Kurket River. The Company had deposited an amount of Rs. 3,630.07 lakhs with WRD. The Company has received the bills of water charges on the basis of 90% of the 19.00 MCM p.a till 30 September 2019 and recorded the same accordingly. Thereafter, WRD has stopped the billing of water charges. The Company has made the provision towards water charge for the period October 2019 to March 2021 on the same principles, i.e. on 90% of the 19.00 MCM p.a at the applicable rates.

   The Company has not made payments towards water charges bills and has not accounted for the interest liability due to non-payments of the water charges. Accordingly, various demand letters have been received by the Company from WRD. Company is contesting the demands raised by WRD on various grounds.

   In view of the above, the Company has shown amount outstanding of Rs. 2,830.05 lakhs towards the water charges payable under the head "Trade payables" and has separately shown the above mentioned advances deposited. Pending the settlement, the Company has not adjusted this advance with the liability.

   Our report is not modified in respect of this matter.

6. We draw attention to Note 37 of the Ind AS financial statements wherein it has been stated that the Company defaulted in repayment of the dues of term lenders in September 2019 and October 2019, which were paid in the month of January 2020 and February 2020 respectively. Further, the Company could not repay dues of term lenders from November 2019 and subsequent periods. Consequently, REC being the lead lender to the term loan facility declared loan account of the Company as Non-Performing Assets (NPA) in the month of March 2020.

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In the month of August 2020, the Company has cleared overdues of its term lenders and working capital lenders till 29 February 2020 and has applied for moratorium from 01 March 2020 in accordance with RBI guidelines which has been approved by lenders.

The Company has also approached its rupee term lenders for approval of flexible structuring scheme in accordance with RBI guidelines. The rupee term lenders of the Company approved the flexible structuring proposal and the rupee term loan has been structured in line with the flexible structuring scheme (5/25) of RBI on 31 March 2021. The main feature of flexible structuring involves deferment of principal repayment of Rs. 24,224.00 lakhs w.e.f. December 2020 to March 2022 and extension of repayment tenor till 30 June 2038.

During the year ended 31 March 2021, the Company has received certain amounts from PTC/ UP Discoms as payment towards its energy bills, transmission charges and change in law claim for the period up to 31 March 2019 under Atmanirbhar Scheme of Government of India. The Company utilized this amount to clear overdues of all lenders except IIFCL UK till 31 March 2021.

Despite the above flexible structuring, the Company continues to remain in stress till date due to unexpected breakdown of Unit II of 300 MW in March 2021, insufficient working capital, payment of additional/penal interest to lenders, delay in receipts of payments from PTC/UP Discoms and creation of DSRA resulting in fall in revenue from operations.

Our report is not modified in respect of this matter.

Information Other than the Ind AS Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Company's annual report, but does not include the Ind AS financial statements and our auditors' report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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In preparing the Ind AS financial statements, 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 management 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 Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 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 Ind AS 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 Ind AS 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, misrepresentation, 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 system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS 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.

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Other Matters

1. We draw attention to Note 19 to the Ind AS financial statements with respect to closing balance of trade payables as on 31 March 2021. The Company has closing balance of Rs. 197.16 lakhs as on 31 March 2021 related to micro enterprises and small enterprises (MSME), which is still unpaid and Note 29(h) which explain that the Company has received some notices from Micro and Small Enterprises Facilitation Council w.r.t to application filed by certain Micro, Small and Medium Enterprises regarding non-payment of their dues along with interest thereon. There are certain MSME parties where dues are outstanding for more than 45 days as at 31 March 2021. The Company has not made any provision towards interest pending certain ongoing reconciliations in respect of outstanding dues of MSME parties. However, the management has informed that the Company will pay the balance amount in due course. The above does not have material effect on the financial statements of the Company. Hence, no provision for any consequential liability for interest and penalty has been made in the financial statements for the year ended 31 March 2021.

   Our report is not modified in respect of this matter. ·

2. According to the information and explanations provided to us and based on our examination of the records of the Company, we have noticed that the Company is yet to appoint Company Secretary (CS) post the resignation of CS on 03 September 2021. The Company is required to fill the vacancy for the respective position within a period of six months from the date of such vacancy by virtue of section 203 of the Act. Considering the above-mentioned provisions, the financial statements have been signed by other Key Managerial Personnel's (KMP's) and the management has assured us that the vacancy for the position will be filled within the stipulated time.

   Our report is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government 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 said Order, to the extent applicable.

2. As required by Section 143(3) of the Act, 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;

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

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";

   (g) In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid managerial remuneration during the year and thus the Company is not in breach of the limits prescribed in section 197 of the Act; and

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

(i) The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its Ind AS financial statements (refer note 29 to 35 to the Ind AS financial statements);

(ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) The Company did not have any dues on account of Investor Education and Protection Fund.

For **N G C & Company**
Chartered Accountants
ICAI Firm Registration No.: 033499N

N G C & Company
New Delhi
Chartered Accountants

Raina Bajaj
Partner
Membership No.: 526726
UDIN: 21526726AAAADJ7972

Place: Gurugram
Date : 29 November 2021

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF TRN ENERGY PRIVATE LIMITED

The Annexure referred to in our report to the members of the Company on the Ind AS financial statements for the year ended 31 March 2021, we report that:

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

(b) The Company has a regular programme of physical verification of its property, plant and equipment. According to that programme, the Company has physically verified certain assets during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed during physical verification of property, plant and equipment.

(c) According to the information and explanations given to us and on the basis our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) The inventories, except stock lying with third parties, have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. As informed to us, the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of accounts.

(iii) 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 ('the Act'). Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, investments or provided any guarantees or securities during the year. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly, the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder, are not applicable.

(vi) The Company is required to maintain the books of account pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to ensure whether they are adequate or complete.

(vii)(a) According to the information and explanations given to us the amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Duty of Customs, Cess and other material statutory dues, as applicable, have been deposited with substantial delays during the year by the Company with the appropriate authorities, except for the following dues which are still payable:

Particulars	**Amount (Rs. in lakhs) (excluding interest)**	**Period**
TDS Payable	579.76	Mar'20
	294.89	Mar'21
Electricity Duty Payable	4,372.82	Feb'18 to Mar'21

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According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Goods and Service Tax, Duty of Customs, Cess and other material statutory dues, as applicable, were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable except as mentioned below:

S. No.	Nature of dues	Amount (Rs. in lakhs) (excluding interest)	Period	Payment Date
1	Electricity Duty	3,667.92	Feb'18 to Sep'20	Not yet deposited
2	TDS on Interest	579.76	Mar'20	Not yet deposited

(b) According to the information and explanations given to us, there are no dues of Income Tax, Goods and Service Tax, Duty of Customs and Cess, as applicable, which have not been deposited with the appropriate authorities on account of any dispute except as mentioned below:

Name of the statute	Nature of dues	Amount (Rs. in lakhs)	Amount paid (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	431.84	-	Assessment Year 2012-13	Delhi High Court
Central Goods and Services Tax Act, 2017	Goods & Service Tax	112.60	-	2015-16, 2016-17 & 2017-18)	Directorate general of GST
Employees' State Insurance Corporation	ESI	14,243.57	-	01 June 2016 to 31 March 2017	Chhattisgarh high court

(viii) The Company has defaulted in payment of loans to banks during the year. The details of such defaults as on balance sheet date are as under:

Name of the Lenders	Nature of Dues	Amount of default as at 31 Mar 2021 (Rs. in lakhs)	Period of default	Remarks*
India Infrastructure Finance Co Ltd, UK	Principal	245.17	March-21	Paid in May-21
	Interest	117.67	July-20**	Paid in April-21
	Interest	96.96	August-20**	Paid in May-21
	Interest	75.91	January-21	Paid in April-21
	Interest	74.15	February-21	Paid in May-21
	Interest	90.53	March-21	Paid in May-21
Axis Bank	Swap Settlement Charges	231.19	February-21 & March-21	Paid in May-21

*Refer note no. 37 to the Ind AS financial statement.

**There was a moratorium of 6 months for payment of the said interest as per RBI COVID Circular.

(ix) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and the term loans taken by the Company have been applied for the purpose for which they were raised.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not paid/provided for managerial remuneration during the year. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company.

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

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with sections 177 and 188 of the Act where applicable, for all transactions with the related parties and the details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable Indian Accounting Standards (Ind AS).

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

(xv) In our opinion and according to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **N G C & Company**
Chartered Accountants
ICAI Firm Registration No.: 033499N

N G C & Company
New Delhi
Chartered Accountants

Raina Bajaj

Raina Bajaj
Partner
Membership No.: 526726
UDIN: 21526726AAAADJ7972

Place: Gurugram
Date : 29 November 2021

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF TRN ENERGY PRIVATE LIMITED

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of such internal financial controls over financial reporting, 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 Ind AS 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 the Ind AS 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 Ind AS financial statements.

N G C & Company New Delhi Chartered Accountants

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

For **N G C & Company**
Chartered Accountants
ICAI Firm Registration No.: 033499N

N G C & Company
New Delhi
Chartered Accountants

Raina Bajaj
Partner
Membership No.: 526726
UDIN: 21526726AAAADJ7972

Place: Gurugram
Date : 29 November 2021

TRN Energy Private Limited
Balance Sheet as at 31 March 2021
(All amounts are in Rupees lakhs, unless otherwise stated)

	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment (including RoU assets)	3	2,99,039.97	3,18,512.69
(b) Capital work-in-progress	3	234.49	157.36
(c) Financial assets			
(i) Loans	4	24.94	31.63
(ii) Other financial assets	5	471.00	2,912.68
(d) Non-current tax assets (net)		1,367.35	1,240.46
(e) Deferred tax assets (net)	6	36,569.89	36,569.89
(f) Other non-current assets	7	3,797.93	3,760.52
Total non-current assets		**3,41,505.57**	**3,63,185.23**
(2) Current assets			
(a) Inventories	8	7,017.41	5,856.14
(b) Financial assets			
(i) Trade receivables	9	45,127.29	50,517.06
(ii) Cash and cash equivalents	10	812.95	105.23
(iii) Other bank balances	10	1,699.09	855.68
(iv) Other financial assets	11	20,311.10	29,888.93
(c) Other current assets	12	4,350.38	5,279.04
Total current assets		**79,318.22**	**92,502.08**
TOTAL ASSETS		**4,20,823.79**	**4,55,687.31**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	13	62,584.41	62,584.41
(b) Instruments entirely equity in nature	13	11,982.40	11,982.40
(c) Other equity	14	(90,346.93)	(56,297.36)
Total equity		**(15,780.12)**	**18,269.45**
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	3,30,493.52	2,73,832.40
(ii) Other financial liabilities	16	37,173.14	28,968.09
(b) Provisions	17	144.93	224.68
Total non-current liabilities		**3,67,811.59**	**3,03,025.17**
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	23,090.46	58,757.40
(ii) Trade and other payable	19		
- Total outstanding dues of micro enterprises and small enterprises		197.16	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		33,924.78	35,284.07
(iii) Other financial liabilities	20	6,012.15	36,523.24
(b) Other current liabilities	21	5,554.17	3,816.23
(c) Provisions	22	13.60	11.75
Total current liabilities		**68,792.32**	**1,34,392.69**
TOTAL EQUITY AND LIABILITIES		**4,20,823.79**	**4,55,687.31**
Significant accounting policies	2		

The accompanying notes form an integral part of the financial statements.
As per our report of even date attached

For **N G C & Company**
Chartered Accountants
ICAI Firm Registration No. : 033499N

N G C & Company New Delhi Chartered Accountants

Raina Bajaj
Partner
Membership No.: 526726

Place : Gurugram
Date : 29 November 2021

For and on behalf of the Board of Directors of
TRN Energy Private Limited

Kamal Kant
Managing Director and CEO
DIN: 03509325

Sanjay Jain
Director & CFO
DIN: 00364854

Place: Gurugram
Date : 29 November 2021

TRN Energy Private Limited

TRN Energy Private Limited
Statement of profit and loss for the year ended 31 March 2021
(All amounts are in Rupees lakhs, unless otherwise stated)

		Note	For the year ended 31 March 2021	For the year ended 31 March 2020
	Income:			
I	Revenue from operations	23	73,741.50	76,604.38
II	Other income	24	329.19	773.01
III	**Total income (I+II)**		**74,070.69**	**77,377.39**
IV	**Expenses:**			
	Power, fuel and water charges		33,504.65	34,140.71
	Employee benefits expenses	25	1,392.61	1,520.78
	Finance costs	26	42,995.69	41,361.54
	Depreciation and amortisation	3	19,552.25	19,558.00
	Other expenses	27	10,802.77	12,680.39
	Total expenses		**1,08,247.97**	**1,09,261.42**
V	**Loss before tax (III-IV)**		**(34,177.28)**	**(31,884.03)**
VI	**Tax expense:**			
	Deferred tax charge /(credit)	6	-	(1,123.85)
	Tax for earlier year w/off		0.11	-
VII	**Loss for the year (V-VI)**		**(34,177.39)**	**(30,760.18)**
VIII	**Other comprehensive income/(loss)**			
	Items that will not be reclassified subsequently to profit or loss			
	- Net actuarial gains/(loss) on defined benefit plans		127.82	(4.49)
			127.82	(4.49)
	Income tax expense /(credit) relating to above items that will not be reclassified to profit or loss (refer note- 6)		-	(1.57)
			127.82	**(2.92)**
IX	**Total comprehensive income/(loss) for the year (VII+VIII)**		**(34,049.57)**	**(30,763.10)**
	Earnings/(loss) per equity share (Rs.)	28		
	- Basic		(5.44)	(4.92)
	- Diluted		(5.44)	(4.92)
	(Face value of Rs. 10 each)			
	Significant accounting policies	2		

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

As per our report of even date attached

For **N G C & Company**
Chartered Accountants
ICAI Firm Registration No. : 033499N

Raina Bajaj
Partner
Membership No.: 526726

Place : Gurugram
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For and on behalf of the Board of Directors of
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Date : 29 November 2021

Sanjay Jain
Director & CFO
DIN: 00364854

N G C & Company New Delhi Chartered Accountants

TRN Energy Private Limited

TRN Energy Private Limited
Statement of Cash Flow for the year ended 31 March 2021
(All amounts are in Rupees lakhs, unless otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
A) Cash flow from operating activities:		
Net loss before tax	(34,177.28)	(31,884.03)
Adjustment for:-		
- Depreciation	19,552.25	19,558.00
- Unrealised Exchange fluctuation	281.60	2,483.81
- Interest income	(167.54)	(742.19)
- Interest expense	42,995.69	41,361.53
Operating profit/(loss) before working capital changes	**28,484.72**	**30,777.12**
Adjustments for :		
(Decrease)/increase in trade payables	(1,162.13)	2,687.58
Increase in other current liabilities	1,724.66	767.17
Increase in long term and short term provisions	49.92	21.75
(Increase)/decrease in inventories	(1,161.27)	1,903.34
Decrease in trade receivables	5,389.77	11,972.88
Decrease in long term and short term loans	6.69	2.95
Decrease/(increase) in other current and non-current assets	25,075.99	(21,309.87)
Cash flow from operations	**58,408.35**	**26,822.92**
Taxes paid (net)	(127.01)	(510.56)
Net cash flow from operating activities (A)	**58,281.34**	**26,312.36**
B) Cash flow from investing activities:		
Purchase of property plant and equipment/ capital work in progress	(106.82)	(3.00)
Movement of fixed deposits	159.50	1,750.56
Deposit against DSRA	(14,700.00)	-
Interest income received	167.54	742.19
Net cash flow from investing activities (B)	**(14,479.78)**	**2,489.75**
C) Cash flow from financing activities:		
Proceeds from secured loans	-	20,686.00
Repayments of secured loans	(10,773.10)	(7,963.78)
Proceeds from unsecured loans	165.00	4,377.95
Repayments of unsecured loans	-	(22,235.00)
Movement in cash credit and working capital demand loan	1,165.05	321.10
Interest paid	(33,650.79)	(24,071.28)
Net cash used in financing activities (C)	**(43,093.84)**	**(28,885.01)**
D) Net decrease in cash and cash equivalents (A+B+C)	707.72	(82.91)
E) Cash and cash equivalents as at the beginning of the year	105.23	188.13
F) Cash and cash equivalents as at the end of the year	**812.95**	**105.23**
Component of cash and cash equivalents (refer note 10)		
Balance with banks:		
- Current accounts	804.70	98.05
Cash on hand	8.25	6.96
DD in hand	-	0.22
	812.95	**105.23**

Change in liability arising from financing activities

Particulars	**Balance as at 01 April 2020**	**Cash flow**	**Adjustments***	**Balance as at 31 March 2021**
Borrowings-Non current (refer note 15)	2,92,642.69	26,223.89	15,493.80	3,34,360.37
Borrowings-Current (refer note 18)	58,757.40	(35,666.94)	-	23,090.46
	3,51,400.09	**(9,443.05)**	**15,493.80**	**3,57,450.83**

Particulars	**Balance as at 01 April 2019**	**Cash flow**	**Adjustments***	**Balance as at 31 March 2020**
Borrowings-Non current (refer note 15)	2,97,808.04	(7,843.78)	2,678.43	2,92,642.69
Borrowings-Current (refer note 18)	53,832.56	3,030.05	1,894.79	58,757.40
	3,51,640.60	**(4,813.73)**	**4,573.22**	**3,51,400.09**

* On account of foreign exchange adjustments, loan processing fees and unwinding of equity component of compound financial instruments.

Note:

The cash flow statement has been prepared in accordance with 'Indirect method' as set out in the Ind AS-7 on "Statements of Cash Flow ' as specified in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014.

As per our report of even date attached

For **N G C & Company**
Chartered Accountants
ICAI Firm Registration No. : 033499N

N G C & Company New Delhi Chartered Accountants

Raina Bajaj
Partner
Membership No.: 526726

Place : Gurugram
Date : 29 November 2021

For and on behalf of the Board of Directors of
TRN Energy Private Limited

Kamal Kant
Managing Director and CEO
DIN: 03509325

Place: Gurugram
Date : 29 November 2021

Sanjay Jain
Director & CFO
DIN: 00364854

TRN Energy Private Limited

TRN Energy Private Limited
Statement of Changes in Equity for the year ended 31 March 2021
(All amounts are in Rupees lakhs, unless otherwise stated)

a. Equity share capital

Balance as at 01 April 2019	62,584.41
Changes during the year ended 31 March 2020	-
Balance as at 31 March 2020	**62,584.41**
Changes during the year ended 31 March 2021	-
Balance as at 31 March 2021	**62,584.41**

b. Instruments entirely equity in nature

Balance as at 01 April 2019	11,982.40
Changes during the year ended 31 March 2020	-
Balance as at 31 March 2020	**11,982.40**
Changes during the year ended 31 March 2021	-
Balance as at 31 March 2021	**11,982.40**

c. Other equity

Particulars	**Other equity (refer note 14)**			**Remeasurement of defined benefit obligations**	**Total**
	Equity component of compound financial instruments	**Securities premium account**	**Retained earnings**		
Balance as at 01 April 2019	1,633.27	32.34	(27,209.74)	9.87	(25,534.26)
Loss for the year	-	-	(30,760.18)	-	(30,760.18)
Other comprehensive income/(loss) (net of tax)	-	-	-	(2.92)	(2.92)
Total comprehensive income/(loss) for the year	-	-	(30,760.18)	(2.92)	(30,763.10)
Balance as at 31 March 2020	**1,633.27**	**32.34**	**(57,969.92)**	**6.95**	**(56,297.36)**
Balance as at 01 April 2020	1,633.27	32.34	(57,969.92)	6.95	(56,297.36)
Loss for the year	-	-	(34,177.39)	-	(34,177.39)
Other comprehensive income/(loss) (net of tax)	-	-	-	127.82	127.82
Total comprehensive income/(loss) for the year	-	-	(34,177.39)	127.82	(34,049.57)
Balance as at 31 March 2021	**1,633.27**	**32.34**	**(92,147.31)**	**134.77**	**(90,346.93)**

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

As per our report of even date attached

For **N G C & Company**
Chartered Accountants
ICAI Firm Registration No. : 033499N

N G C & Company New Delhi Chartered Accountants

Raina Bajaj
Partner
Membership No.: 526726

Place : Gurugram
Date : 29 November 2021

For and on behalf of the Board of Directors of
TRN Energy Private Limited

Kamal Kant
Managing Director and CEO
DIN: 03509325

Sanjay Jain
Director & CFO
DIN: 00364854

Place: Gurugram
Date : 29 November 2021

TRN Energy Private Limited

1. Background

TRN Energy Private Limited, ('the Company') was incorporated on 17 November 2006 (CIN U40109DL2006PTC155618). The Company is domiciled in India, with its registered office situated at 18, Vasant Enclave, Rao Tula Ram Marg, New Delhi-110057.

The Company is engaged in the business of thermal power generation. The Company has achieved COD of first and second unit of its 2x300 MW Thermal Power Plant located at Nawapara, Raigarh, Chhattisgarh on 19 August 2016 and 01 May 2017 respectively. A major part of the power generated is sold under the terms of long term Power Purchase Agreements (PPAs).

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Basis of preparation of financial statements

i) Statement of compliance

These Ind AS financial statements ("Financial Statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act. In addition, the guidance notes / announcements issued by ICAI are also applied except where compliance with other statutory promulgation requires a different treatment.

ii) Historical cost convention

The financial statements have been prepared under historical cost convention on accrual basis except for some assets and liabilities which have been measured at fair value/amortised cost.

iii) Functional and presentation currency

These financial statements are presented in Indian Rupees ("INR" or "Rs."), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest lakhs (upto two decimals), except as stated otherwise.

iv) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

Assets:

An asset is treated as current when it satisfies any of the following criteria:
(1) It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
(2) It is held primarily for the purpose of being traded;
(3) It is expected to be realised within 12 months after the reporting date; or
(4) 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.

The Company classifies all other assets as non-current.

N G C & Company New Delhi Chartered Accountants

Sd/-

TRN Energy Private Limited

Liabilities:

A liability is classified as current when it satisfies any of the following criteria:
(1) It is expected to be settled in the Company's normal operating cycle;
(2) It is held primarily for the purpose of being traded;
(3) It is due to be settled within 12 months after the reporting date; or
(4) 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.

The Company classifies all other liabilities as non-current.

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

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current-non-current classification of assets and liabilities.

b. Summary of significant accounting policies

i. Property, plant and equipment

(a) Initial recognition and measurement

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

When parts of an item of property, plant and equipment have different useful lives, they are recognized separately.

Expenditure on major inspection and overhauls of generating unit is capitalized, when it meets the asset recognition criteria.

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalized. Other spare parts are carried as inventory and recognized in the Statement of Profit and Loss on consumption.

Significant judgment is required to apply for the accounting of non-current assets held for sale under Ind AS 105 'Non-current Assets Held for Sale and Discontinued Operations'. In assessing the applicability, management has exercised judgment to evaluate the availability of the asset for immediate sale, management's commitment for the sale and probability of sale within one year to conclude if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

(b) Subsequent costs

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the Statement of Profit and Loss as incurred.

N G C & Company New Delhi Chartered Accountants

TRN Energy Private Limited

(c) Decommissioning costs

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

(d) Derecognition

Property, plant and equipment are derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the Statement of Profit and Loss.

(e) Depreciation

For assets used for power operations:
Pursuant to Part 'B' of Schedule II to the Act, the useful life or residual value of any specific asset, as notified for accounting purposes by a regulatory authority constituted under an Act of Parliament or by the Central Government shall be applied in calculating the depreciation to be provided for such asset irrespective of the requirements of this Schedule.

Ministry of Power, Government of India vide resolution dated 6th January 2006, has notified Tariff Policy in terms of Section 3 of the Electricity Act, 2003. The said tariff policy inter alia provides that rates of depreciation as notified by Central Electricity Regulatory Commission ('CERC') would be applicable for the purpose of tariffs as well as accounting. CERC has also notified the rates of depreciation as well as methodology for computing such depreciation and depreciation is to be provided up to 90% of the cost of asset, based on straight line method of calculating the depreciation.

Common machinery spares:
The items of spare parts, stand-by equipment and servicing equipment (Common machinery spares) when they meet the definition of Property, plant and equipment are depreciated over 2 to 15 years based on the technical evaluation of useful life.

ii. Capital work in progress

The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and borrowing costs.

Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets.

iii. Intangible assets

(a) Initial recognition and measurement

Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

Expenditure incurred which are eligible for capitalizations under intangible assets are carried as intangible assets under development till they are ready for their intended use.

(b) Derecognition

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the Statement of Profit and Loss.

N G C & Company New Delhi Chartered Accountants

TRN Energy Private Limited

(c) Amortisation

Cost of software recognized as intangible asset, is amortized on straight line method over a period of legal right to use or 6 years, whichever is less. Other intangible assets are amortized on straight line method over the period of legal right to use or life of the related asset, whichever is less.

iv. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial assets

a. Initial recognition and measurement

On initial recognition, financial assets are recognised at fair value. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the Statement of Profit and Loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

b. Subsequent measurement

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:
(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI (Fair value through other comprehensive income)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:
(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
(b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL (Fair value through profit or loss)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

N G C & Company New Delhi Chartered Accountants

TRN Energy Private Limited

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

c. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  (a) the Company has transferred substantially all the risks and rewards of the asset, or
  (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

d. Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
(b) Financial assets that are debt instruments and are measured as at FVTOCI.
(c) Trade receivables under Ind AS 18.
(d) Loan commitments which are not measured as at FVTPL.
(e) Financial guarantee contracts which are not measured as at FVTPL.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

B. Financial liabilities

a. Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, borrowings and derivative financial instruments.

b. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortized cost

After initial measurement, such financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the profit or loss. This category generally applies to trade payables and other contractual liabilities.

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Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit and loss.

Borrowings

After initial recognition, borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

c. Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

C. Derivative financial instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as cross currency swaps to hedge its foreign currency risks and interest rate risks of foreign currency loans. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken to Statement of Profit and Loss.

v. Inventories (valued at lower of cost and net realisable value)

Inventories are valued at lower of cost and net realisable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The basis for determination of cost of various categories of inventories is as follows:

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A. Fuel for thermal power plants:

Value/cost of fuel for thermal power plants is computed on first in first out basis (FIFO).

B. Stores and spare parts:

Value/cost of stores and spare parts is computed on moving weighted average method.

vi. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and fixed deposits with banks with original maturity of three months or less, which are subject to an insignificant risk of changes in value.

vii. Revenue recognition

Revenue is recognised on satisfaction of performance obligation upon transfer of control of promised goods or services to the customers at an amount which the Company expects to be entitled in exchange for promised goods or services excluding amount collected on behalf of third parties (for example some taxes). Discounts given to customers are deducted from the amount of revenue.

The Company did not have any contract where the payment terms agreed by the parties had any explicit or implicit financing component.

Revenue in excess of invoicing are classified as contract asset while invoicing in excess of revenues are classified as contract liabilities.

The Company's revenue arises from the following:

A. Power operations:

Revenue from sale of thermal power is recognised based on tariffs as per the terms of the Power Purchase Agreements, petition filed with regulatory authorities for tariff and arrangements entered into by the Company with respective customers.

B. Sale of coal:

Revenue from sale of coal is recognized when the customer obtains the control and the Company expects the amount to be entitled on transfer of goods. The amount of revenue is exclusive of duty and taxes and net of returns.

C. Other income:

Interest income is recognized, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR). For debt instruments measured either at amortized cost, interest income is recorded using the EIR. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the Statement of Profit and Loss.

Insurance claims are accounted for based on certainty of realization.

Revenue from rentals and operating leases is recognized on an accrual basis in accordance with the substance of the relevant agreement.

Scrap is accounted for as and when sold.

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viii. Expenditure:

Expenses are accounted on accrual basis.

ix. Employee benefits

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. 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.

Defined contribution plans:

A defined contribution plan i.e. provident fund is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal and constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Statement of Profit and Loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

Defined benefit plans:

A defined benefit plan i.e. gratuity, is a post-employment benefit plan.

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

The present value of the defined benefit obligation denominated in rupees. is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than rupees, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in Statement of Profit and Loss as past service cost.

Compensated absences:

Benefits under the Company's compensated absences scheme constitute other long-term employee benefits. The liability in respect of compensated absences is provided on the basis of an actuarial valuation done by an independent actuary at the year end. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

x. Convertible preference shares

Ind AS 32 'Financial Instruments' defines an equity instrument as 'any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities'. The accounting definition of 'Equity' is principle based as compared to the legal definition of "Equity" or "shares", such that any contract that evidences residual interest in an entity's net asset is termed as 'Equity' irrespective of whether it is legally recognized as a "Share" or not.

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Accordingly, all instruments (including convertible preference shares and convertible debentures) that meet the definition of 'Equity' as per Ind AS 32 and when they do not have any component of liability, are considered as having the nature of 'Equity' for the purpose of Ind AS Schedule III. Such instruments are termed as "Instruments entirely equity in nature'.

xi. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or development of qualifying assets are capitalized as part of cost of such asset until such time the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale.

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. When the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for the acquisition, construction/exploration or erection of the qualifying asset.

Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalization. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Other borrowing costs are recognized as an expense in the year in which they are incurred.

xii. Foreign currency translation

Transactions and Balances

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalized as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or Statement of Profit and Loss are also recognised in Other Comprehensive Income or Statement of Profit and Loss, respectively.

xiii. Leases

As lessee

The Company has adopted Ind AS 116-Leases effective 01 April 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised with no impact on retained earnings on the date of initial application (01 April 2019). Accordingly, previous period information has not been restated.

As a lessee, the Company previously classified leases as operating or finance lease based on its assessment of whether the lease transferred significantly all of the risk and rewards incidental to the ownership of the underlying asset of the Company.

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The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116. The Company as a lessee assesses, the contract is, or contains, a lease if the contract involves:

a) the use of an identified asset,
b) the right to obtain substantially all the economic benefits from use of the identified asset, and
c) the right to direct the use of the identified asset.

Right of use assets ("ROU")

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

The right-of-use assets (it includes prepayment for all the future rentals) are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use 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.

Right-of-use assets are depreciated on a straight-line basis over the lease term.

The right-of-use assets are also subject to impairment in accordance with Ind AS 36 "Impairment of assets".

xiv. Income Taxes

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

- Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

  Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

- Deferred tax is recognized 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:

  - temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that effects neither accounting nor taxable profit or loss at the time of the transaction;

  - temporary differences related to freehold land and investments in subsidiaries, to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

  - taxable temporary differences arising on the initial recognition of goodwill.

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Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

Deferred tax assets are recognised for unused tax losses, unused 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 used. 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. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

xv. Earnings per share

Basic earnings per equity share is calculated by dividing the profit or loss attributable to owners of the Company by the weighted average number of equity shares outstanding during the year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per equity share adjust the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

xvi. Provisions and contingent liabilities

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/ independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

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xvii. Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

xviii. Critical estimates and judgements

The preparation of Financials Statements requires management to make judgements, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis, revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Recognition and estimates of tax expense including deferred tax – Note 2(b)(xiv) & 6
- Estimated impairment of financial assets and non-financial assets – Note 2(b)(iv) & (xvii)
- Assessment of useful life of property, plant and equipment and intangible asset – Note 2(b)(i) & (iii)
- Estimation of assets and obligations relating to employee benefits – Note 2(b)(ix) & 41
- Valuation of inventories – Note 2(b)(v) & 8
- Recognition and measurement of contingency: Key assumption about likelihood and magnitude of an outflow of resources – Note 2(b)(xvi) & 29
- Lease classification – Note 2(b)(xiii) & 45

xix. Measurement of fair values

A number of accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques.

The different levels of fair value have been defined below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and traded bonds that have quoted price.

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Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments. This level includes derivative MTM assets/liabilities.

There have been no transfers in either direction for the years ended 31 March 2021 and 31 March 2020.

Valuation technique used to determine fair value

Specific valuation technique used to value financial instruments includes:

- the use of quoted market prices or dealer quotes for similar instruments.
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- the fair value of principal swaps is determined using forward exchange rates at the balance sheet date.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

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3 **Property, plant and equipment and capital work in progress**

a. **Property, plant and equipment**

Particulars	Tangible assets											Total Assets
	Freehold land	Leasehold land	Buildings	Factory building	Plant and machinery	Furniture and fittings	Office equipments	Computers and data processing units	Motor vehicles	Transmission line	Right of Use (RoU) Assets (refer note 47)	
Gross carrying amount												
Balance as at 01 April 2019	2,787.15	907.90	6,073.23	22,905.57	3,37,924.00	201.98	87.79	249.44	79.91	12,274.94	-	3,83,491.91
Transition impact of Ind AS 116	-	907.90	-	-	-	-	-	-	-	-	-	907.90
Reclassification on adoption of Ind AS 116	-	-	-	-	-	-	-	-	-	-	774.81	774.81
Restated balance as at 01 April 2019	**2,787.15**	-	**6,073.23**	**22,905.57**	**3,37,924.00**	**201.98**	**87.79**	**249.44**	**79.91**	**12,274.94**	774.81	**3,83,358.82**
Additions during the year	-	-	-	-	-	-	4.54	0.41	-	-	32.10	37.05
Balance as at 31 March 2020	**2,787.15**	-	**6,073.23**	**22,905.57**	**3,37,924.00**	**201.98**	**92.33**	**249.85**	**79.91**	**12,274.94**	**806.91**	**3,83,395.87**
Additions during the year	-	-	60.54	18.15	-	-	0.84	-	-	-	-	79.53
Balance as at 31 March 2021	**2,787.15**	-	**6,133.77**	**22,923.72**	**3,37,924.00**	**201.98**	**93.17**	**249.85**	**79.91**	**12,274.94**	**806.91**	**3,83,475.40**
Accumulated depreciation												
Balance as at 01 April 2019	-	133.09	460.33	1,860.87	41,090.13	35.18	21.36	136.24	25.31	1,695.76	-	45,458.27
Transition impact of Ind AS 116	-	133.09	-	-	-	-	-	-	-	-	-	133.09
Restated balance as at 01 April 2019	-	-	**460.33**	**1,860.87**	**41,090.13**	**35.18**	**21.36**	**136.24**	**25.31**	**1,695.76**	-	**45,325.18**
Depreciation for the year	-	-	202.85	765.05	17,842.39	12.93	7.38	37.82	8.21	648.12	33.25	19,558.00
Balance as at 31 March 2020	-	-	**663.18**	**2,625.92**	**58,932.52**	**48.11**	**28.74**	**174.06**	**33.52**	**2,343.88**	**33.25**	**64,883.18**
Depreciation for the year	-	-	202.89	765.06	17,842.39	12.93	5.92	32.41	8.21	648.12	34.32	19,552.25
Balance as at 31 March 2021	-	-	**866.07**	**3,390.98**	**76,774.91**	**61.04**	**34.66**	**206.47**	**41.73**	**2,992.00**	**67.57**	**84,435.43**
Carrying amount (net)												
Balance as at 31 March 2020	2,787.15	-	5,410.05	20,279.65	2,78,991.48	153.87	63.59	75.79	46.39	9,931.06	773.66	3,18,512.69
Balance as at 31 March 2021	2,787.15	-	5,267.70	19,532.74	2,61,149.09	140.94	58.51	43.38	38.18	9,282.94	739.34	2,99,039.97

b. **Capital work in progress**

As at 31 March, 2020

Particulars	Balance as at 01 April 2019	Additions during the year	Capitalization/ Adjustment during the year	Closing balance as on 31 March 2020
Capital work in progress	158.52	47.49	48.65	157.36
Total	**158.52**	**47.49**	**48.65**	**157.36**

As at 31 March, 2021

Particulars	Balance as at 01 April 2020	Additions during the year	Capitalization/ Adjustment during the year	Closing balance as on 31 March 2021
Capital work in progress	157.36	155.82	78.69	234.49
Total	**157.36**	**155.82**	**78.69**	**234.49**

Notes:

(i) For assets pledged as security - *refer note 15 & 18.*

(ii) For capital commitment - *refer note 29(ii).*

(iii) On adoption of Ind AS 116, the Company has reclassified unamortised premium for Leasehold Land as 'Right-of-use' assets amounting to Rs. 774.81 Lakhs (net) and 'Lease liabilities' amounting to Rs. Nil, as at 01 April 2019.

4. Loans (non-current)
(Unsecured, considered good unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
Security deposits	24.94	31.63
	24.94	**31.63**

5. Other financial assets (non-current)
(Unsecured, considered good unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
Foreign exchange forward contract receivable	471.00	1,909.77
Deposits with banks maturing after 12 months (refer note 10)	-	1,002.91
	471.00	**2,912.68**

6. Deferred tax assets (net)

	As at 31 March 2021	As at 31 March 2020
(i) The balances comprises temporary differences attributable to the following:		
Deferred tax assets arising on account of		
-Provision for gratuity *	-	60.69
-Provision for compensated absences *	-	21.93
-Unabsorbed depreciation	70,756.50	68,133.20
-Carry forward losses *	3,494.40	3,494.40
-Other items *	-	1,272.58
	74,250.90	**72,982.80**
Less: Deferred tax liability arising on account of		
-Property, plant and equipment	37,681.01	35,908.48
-Measurement of loan at amortised cost *	-	504.43
	37,681.01	**36,412.91**
Deferred tax asset (net)	**36,569.89**	**36,569.89**

(ii) Movement in deferred tax balances

Particulars	Balance as at 01 April 2020	Recognised in Statement of profit and loss	Recognised in OCI	Balance as at 31 March 2021
Deferred tax asset				
-Carry forward losses and unabsorbed depreciation *	71,627.60	2,623.30	-	74,250.90
-Provisions and others*	1,355.20	(1,355.20)	-	-
	72,982.80	1,268.10	-	74,250.90
Deferred tax liability				
-Property, plant and equipment	35,908.48	1,772.53	-	37,681.01
-Others*	504.43	(504.43)	-	-
	36,412.91	1,268.10	-	37,681.01
Deferred tax assets (net)	**36,569.89**	-	-	**36,569.89**

Particulars	Balance as at 01 April 2019	Recognised in Statement of profit and loss	Recognised in OCI	Balance as at 31 March 2020
Deferred tax asset				
-Carry forward losses and unabsorbed depreciation *	67,147.80	4,479.80	-	71,627.60
-Provisions and others *	946.81	406.82	1.57	1,355.20
	68,094.61	4,886.62	1.57	72,982.80
Deferred tax liability				
-Property, plant and equipment	32,650.14	3,258.34	-	35,908.48
-Others *	-	504.43	-	504.43
	32,650.14	3,762.77	-	36,412.91
Deferred tax assets (net)	**35,444.47**	**1,123.85**	**1.57**	**36,569.89**

Note:

* Accumulated carry forward losses under income tax will expire after 8 years from the respective year and hence, in the year ended 31 March 2020, deferred tax asset (DTA) on the same had been recognised only to the extent that it was probable that future taxable profits would be available against which the carried forward losses could be used. Therefore, DTA was recognised on carried forward losses to the extent of of Rs. 10,000 lakhs only and was not recognised on remaining carried forward losses of Rs. 26,071.97 lakhs as on 31 March 2020. However, considering the current year losses and the conservative principle of accounting, DTA on unsabsorbed losses, depreciation and other items have been recognised during the year only to the extent of deferred tax liability (DTL).

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7. Other non-current assets
(Unsecured, considered good unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
Capital advances	130.45	130.45
Advance to supplier (refer note 33)	3,630.07	3,630.07
Prepaid expenses	37.41	-
	3,797.93	**3,760.52**

8. Inventories
(As taken, valued and verified by the management)

	As at 31 March 2021	As at 31 March 2020
Fuel for thermal power plant #	5,427.09	4,345.93
Store and spare parts	1,590.32	1,510.21
	7,017.41	**5,856.14**

Includes coal stock lying with third parties Rs. 2,431.61 lakhs (31 March 2020 : Rs. 2,319.66 lakhs)

9. Trade receivable
(unsecured and considered good, unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
Receivable from related parties (refer note 43)	35.36	-
Others (refer notes 30 & 31)	45,091.93	50,517.06
	45,127.29	**50,517.06**

10. Cash and bank balances

	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalents		
Balance with bank:		
-Current accounts	804.70	98.05
Cash in hand	8.25	6.96
DD in hand	-	0.22
	812.95	**105.23**
Other bank balances*		
Deposits with banks maturing within 12 months	1,699.09	855.68
Deposits with banks maturing after 12 months	-	1,002.91
	1,699.09	1,858.59
Less: Amount disclosed under the head other non-current financial assets (refer note 5)	-	1,002.91
	1,699.09	**855.68**
	2,512.04	**960.91**
*** Breakup of Fixed deposits pledged**		
Provided as security to Government Authorities	0.22	0.22
Held as margin money for bank guarantees	1,698.87	1,858.37

11. Other financial assets (current)

	As at 31 March 2021	As at 31 March 2020
Transmission charges & Energy duty recoverable	4,749.29	8,811.62
Contract assets (refer note 31)	832.23	20,950.52
Deposit against DSRA (refer note 37)	14,700.00	-
Foreign exchange forward contract receivable	25.07	118.16
Other receivables	4.51	8.63
	20,311.10	**29,888.93**

12. Other current assets

	As at 31 March 2021	As at 31 March 2020
Advance for supply of goods	4,051.64	4,884.19
Advance to employees	0.72	0.66
Prepaid expenses	298.02	394.19
	4,350.38	**5,279.04**

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(All amounts are in Rupees lakhs, unless otherwise stated)

13. Equity share capital and Instruments entirely equity in nature

	As at 31 March 2021		As at 31 March 2020	
	No. of shares	Amount	No. of shares	Amount
a) Authorised share capital				
Equity shares of Rs. 10 each	80,00,00,000	80,000.00	80,00,00,000	80,000.00
Preference share capital of Rs.10 each	20,00,00,000	20,000.00	20,00,00,000	20,000.00
		1,00,000.00		**1,00,000.00**
b) Issued, subscribed and fully paid-up share capital				
Equity shares of Rs.10 each	62,58,44,104	62,584.41	62,58,44,104	62,584.41
0.01% Non cumulative compulsorily convertible preference share of Rs. 10 each	11,98,24,000	11,982.40	11,98,24,000	11,982.40
		74,566.81		**74,566.81**

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

	As at 31 March 2021		As at 31 March 2020	
	No. of shares	Amount	No. of shares	Amount
Equity shares at the beginning of the year	62,58,44,104	62,584.41	62,58,44,104	62,584.41
Equity shares at the end of the year	**62,58,44,104**	**62,584.41**	**62,58,44,104**	**62,584.41**
Preference shares at the beginning of the year	11,98,24,000	11,982.40	11,98,24,000	11,982.40
Preference shares at the end of the year	**11,98,24,000**	**11,982.40**	**11,98,24,000**	**11,982.40**

d) Terms and rights attached to fully paid up shares:

i) The Company has only one class of equity shares, having a par value of Rs.10 per share. All shares rank pari passu with respect to dividend, voting rights and other term: shareholder is eligible to one vote per fully paid equity share held. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders ensuing Annual General Meeting, except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buy back of shares are p subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Company after distributio preferential amounts, in proportion to their shareholding.

ii) 0.01% Non cumulative compulsorily convertible preference share of Rs. 10 each have been issued in financial year ended 31 March 2017. The said shares are compulsorily and automatically converted into 1 fully paid up equity shares of Rs. 10 each on 31 December 2022.

e) Shares held by holding company / ultimate holding company.

	As at 31 March 2021		As at 31 March 2020	
	No. of shares	% of shares held	No. of shares	% of shares held
Equity shares of Rs.10 each, fully paid up held by:				
ACB (India) Power Limited, the holding company (including 2 equity shares (previous year 2 equity shares) held through nominee share holders)	46,31,24,637	74.00%	46,31,24,637	74.00%
0.01% Non cumulative compulsorily convertible preference share of Rs.10 each held by:				
ACB (India) Power Limited, the holding company	8,86,69,760	74.00%	8,86,69,760	74.00%

(The ultimate holding company of the Company is ACB (India) Limited.)

f) Details of share holders holdings more than 5% shares in the Company:-

	As at 31 March 2021		As at 31 March 2020	
	No. of shares	% of shares held	No. of shares	% of shares held
Equity Share Capital of Rs. 10 each				
ACB (India) Power Limited, the holding company	46,31,24,637	74.00%	46,31,24,637	74.00%
Atma Securities Private Limited	7,32,38,016	11.70%	7,32,38,016	11.70%
Jaisri Properties and Exports Private Limited	5,33,33,871	8.52%	5,33,33,871	8.52%
0.01% Non cumulative compulsorily convertible preference share of Rs. 10 each				
ACB (India) Power Limited, the holding company	8,86,69,760	74.00%	8,86,69,760	74.00%
Tejswi Impex Private Limited	3,11,54,240	26.00%	3,11,54,240	26.00%

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14. Other equity

	As at 31 March 2021	As at 31 March 2020
Equity component of compound financial instruments		
Opening balance of 0.01% non cumulative redeemable preference shares	1,633.27	1,633.27
Addition	-	-
Closing balance	**1,633.27**	**1,633.27**
Securities premium		
Opening balance	32.34	32.34
Addition	-	-
Closing balance	**32.34**	**32.34**

The Company has used Securities premium account to record the premium on issue of shares.

	As at 31 March 2021	As at 31 March 2020
Surplus in the Statement of Profit and Loss		
Opening balance	(57,962.97)	(27,199.87)
Add : Total comprehensive income/(loss) for the year	(34,049.57)	(30,763.10)
Closing balance	**(92,012.54)**	**(57,962.97)**
	(90,346.93)	**(56,297.36)**

15. Borrowings (non -current)

	As at 31 March 2021	As at 31 March 2020
Secured term loans (refer notes 37)		
- From banks/ financial institution *	293,088.96	288,647.90
Unsecured loan		
- Liability component of compound financial instrument 0.01% non cumulative redeemable preference shares **	4,274.43	3,994.79
- Inter corporate deposits ***		
-From related party (refer note 43)	35,873.03	-
-From others	1,123.95	-
	334,360.37	**292,642.69**
Less: Current maturities amount and installment due but not paid amount disclosed under the head "Other current financial liabilities" (refer note 20)	(2,646.58)	(17,366.76)
Less: Loan processing fees pending amortisation	(1,220.27)	(1,443.53)
	330,493.52	**273,832.40**
	330,493.52	**273,832.40**

Footnotes:

Nature of security	**Terms of repayment of principal and interest**
*** (a) Secured term loans from banks/ financial**	
(i) Term loan amounting to Rs. 114,041.72 lakhs (31 March 2020 Rs. 111,625.20 lakhs) from Power Finance Corporation of India Limited (PFC) is secured by first pari passu charge by way of mortgage/hypothecation of all movable/immovable properties and assets, all book debts commission and other revenues, intangible assets, cash flows (present and future), assignment on project documents of the Company. Further, along with other term lenders, pledge of 100% share holding of the Company till currency of facility. Furthermore, it is secured by corporate guarantee of ACB (India) Limited as interim security till two external credit ratings are obtained with minimum credit rating of BBB+ on the facility. Additionally, the facility was secured by personal guarantee of Mr. Sanjay Jain (Director and Sponsor) till creation of DSRA. The required DSRA was created on 31 March 2021 and the lenders were duly informed. Furthermore, it is also secured by Corporate Guarantee of ACB (India) Limited for infusion of funds in lieu of any shortfall in debt service obligations.	Loan is repayable in 80 structured quarterly instalments starting from January 2018 along with interest @ 10.50% per annum. However, due to default in payment of interest and principal obligation, the bank has charged additional interest and also levied liquidated damages in accordance with facility agreement.

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(ii) Term loan amounting to Rs lakhs 150,829.53 lakhs (31 March 2020 Rs. 147,661.96 lakhs) from REC Limited is secured by first pari passu charge by way of mortgage/hypothecation of all movable/immovable properties and assets, all book debts commission and other revenues, intangible assets, cash flows (present and future), assignment on project documents of the Company. Further, along with other term lenders, pledge of 100% shareholding of the Company till currency of facility. Furthermore, it is secured by corporate guarantee of ACB (India) Limited as interim security till two external credit ratings are obtained with minimum credit rating of BBB+ on the facility. Additionally, the term loan was secured by personal guarantee of Mr. Sanjay Jain (Director and Sponsor) till creation of DSRA of the Company. The required DSRA was created on 31 March 2021 and the lenders were duly informed. Furthermore, it is also secured by Corporate Guarantee of ACB (India) Limited for infusion of funds in lieu of any shortfall in debt service obligations.

Rupee Term Loan was initially repayable in 40 equal quarterly instalments starting from September 2017 along with range of interest @ 13.25% to 16.50% per annum. The lender has subsequently elongated its repayments structure to 80 structured quarterly installments w.e.f. March 2018. Further, the rate of interest has also been revised to 10.50% per annum. However, due to default in payment of interest and principal obligation, the bank has charged additional interest and also levied liquidated damages in accordance with facility agreement.

(iii) Term loans amounting to Rs. 28,217.71 lakhs (31 March 2020 Rs. 29,360.74 lakhs) from IIFC (UK) being ECB facility is secured by first pari passu charge by way of mortgage/hypothecation of all movable/immovable properties and assets, all book debts commission and other revenues, intangible assets, cash flows (present and future) ,assignment on project documents of the Company. Further, along with other term lenders, pledge of 100% shareholding of the Company till currency of facility. Furthermore, it is secured by corporate guarantee of ACB (India) Limited as interim security till two external credit ratings are obtained with minimum credit rating of BBB+ on the facility. Additionally, the term loan was secured by personal guarantee of Mr. Sanjay Jain (Director and Sponsor) till creation of DSRA of the Company. The required DSRA was created on 31 March 2021 and the lenders were duly informed. Furthermore, it is also secured by Corporate Guarantee of ACB (India) Limited for infusion of funds in lieu of any shortfall in debt service obligations.

ECB loan is repayable in 52 structured quarterly instalments starting from June 2017 along with the interest rate of 6 months LIBOR plus 3% which is ranging @ 9.34% to 11.70% per annum. However, due to default in payment of interest and principal obligation, the bank has charged additional interest and also levied liquidated damages in accordance with facility agreement.

** **(b) 0.01% Non Cumulative Redeemable Preference Shares (RPS)**

0.01% non cumulative preference shares are redeemable at par at Rs 10 each in five equal installments beginning from the end of 4th year (i.e., 2021-22) till the end of 8th year. However, the term loan lenders have imposed restrictions under the flexible structuring scheme on redeemption of such preference shares. As per the conditions imposed, the redeemption of such preference shares shall be subordinate to complete repayment of the lenders obligations. Further, any payment of dividend on the same shall also be subordinate to the lenders obligations and shall be done only with the prior approval of the lenders.
In view of the above restrictions, the amount of RPS has been classified under long term liabilities.

*** **(c) Inter corporate deposits**

Inter corporate deposit repayable on demand at an interest rate of 10% (previous year 12.5% to 15% p.a.). As part of the conditions imposed under the flexible structuring scheme approved by term loan lenders, any repayment of above ICDs shall be subordinate to the complete repayment of the lenders obligations. Further, any payment of interest on the above instruments shall also be subordinate to the lenders obligations and shall be done only with prior approval of the lenders.
In view of the above restrictions, the amount of ICDs and interest thereon have been classified under long term liabilities during the year.

16. Other financial liabilities (non-current)

	As at 31 March 2021	As at 31 March 2020
Retention money (refer note 29(i)(i))	19,864.84	20,269.72
Recovery on account of encashment of contract bank guarantees (pending settlements of claims (refer note 29(i)(i))	8,698.37	8,698.37
Interest accrued but not due on borrowings *	8,609.93	-
	37,173.14	**28,968.09**

* As part of the conditions imposed under the flexible structuring scheme approved by term loan lenders, any repayment of above ICDs shall be subordinate to the complete repayment of the lenders obligations. Further, any payment of interest on the above instruments shall also be subordinate to the lenders obligations and shall be done only with prior approval of the lenders.
In view of the above restrictions, the amount of ICDs and interest thereon have been classified under long term liabilities during the year.

17. Provisions (non-current)

	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits (refer note 41)		
-Provision for gratuity	90.09	171.66
-Provision for compensated absences	54.84	53.02
	144.93	**224.68**

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18. Borrowings (current)

	As at 31 March 2021	As at 31 March 2020
Secured loans from banks* (refer notes 37)		
-Term loan - WCDL	8,099.72	9,300.00
-Cash credits from banks (repayable on demand)	13,757.90	11,585.41
-Funded interest term loan	192.84	-
Unsecured loans from others		
Inter corporate deposits		
-From related parties # (refer note 43)	-	35,708.04
-From others **	1,040.00	2,163.95
	23,090.46	**58,757.40**

Footnotes:

Nature of security	**Terms of repayment of principal and interest**
* **Secured loans from banks** Working capital demand loans (WCDL) and cash credit amounting to Rs. 21,857.62 lakhs (31 March 2020 Rs. 20,885.41 lakhs) is secured by first pari passu charge by way of mortgage/hypothecation of all movable/immovable properties and assets, all book debts commission and other revenues, intangible assets, cash flows (present and future), assignment on project documents of the Company. Further, the facilities are secured by the guarantees in accordance with the latest sanction letters for renewal of working capital limits wherever accepted by the Borrower/Guarantor.	**Secured loans from banks** Repayable on demand with a monthly interest @ ranging from 10.50% to 12.50 % p.a

SBLC amounting to Rs. 2,729.00 lakhs was encashed by Power Grid Corporation of India Limited on 01 February 2021 due to delay in payment of transmission charges by the Company. As a result of the said encashment, the cash credit limits availed from various working capital lenders was overdrawn to the extent of Rs. 1,357.62 lakhs as on 31 March 2021.

Inter corporate deposit repayable on demand at an interest rate of 10% (previous year 12.5% to 15% p.a.). As part of the conditions imposed under the flexible structuring scheme approved by term loan lenders, any repayment of certain ICDs shall be subordinate to the complete repayment of the lenders obligations. Further, any payment of interest on the said instruments shall also be subordinate to the lenders obligations and shall be done only with prior approval of the lenders.
In view of the above restrictions, the amount of ICDs and interest thereon have been classified under long term liabilities during the year.

** Inter corporate deposit of Rs. 1,040.00 lakhs (previous year 1,040.00 lakhs) repayable on demand at an interest rate of 16%. ICD of Rs. 1,123.95 lakhs (previous year Rs. 1,123.95 lakhs) has been shown under non-current financial liabilities as at 31 March 2021. Refer note 15 for the same.

19. Trade and other payables

	As at 31 March 2021	As at 31 March 2020
Payables to related parties (refer note 43)	17,181.21	16,465.34
Payables to others	16,940.73	18,818.73
	34,121.94	**35,284.07**

*All payables are current.

Disclosure relating to Micro, small and medium enterprises (MSME) :[refer note 29(i)(h)]

(a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of the year **	197.16	-
(b) The amount of interest paid under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"), along with the amounts of the payment made beyond the appointed day during the year	-	-
(c) 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 the MSMED Act	-	-
(d) The amount of interest accrued and remaining unpaid at the end of the year	-	-
(e) 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 enterprise, for the purpose of disallowance as a deductible expenditure under the MSMED Act	-	-

** Out of the amount standing payable to MSME as on 31 March 2021, amount of Rs. 185.80 lakhs is still payable as on date.

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20. Other financial liabilities (current)

	As at 31 March 2021	As at 31 March 2020
Current maturities of long term borrowings (refer note 15)	2,401.41	11,478.21
Installment due of long term borrowings (refer note 15 & 37)	245.17	5,888.55
Interest accrued and due on borrowings *	686.42	8,699.31
Interest accrued but not due on borrowings (refer note 18)	731.85	8,546.43
Retention money/security deposits	423.78	422.40
Capital creditors	1,384.92	1,336.46
Dues to employees	138.60	151.88
	6,012.15	**36,523.24**

* REC vide letter dated 27 January 2021 and 31 March 2021 regarding approval of flexible structring scheme, has imposed restrictions on repayment of certain intercorporate deposits as well as payment of it's interest and therefore as on 31 March 2021, ICD and its interest accrued have been shown under non-current financial liabilities as at 31 March 2021.

21. Other current liabilities

	As at 31 March 2021	As at 31 March 2020
Statutory dues payable (refer note 29(i)(e) and 34)	5,550.25	3,807.98
Other current liabilities	3.92	8.25
	5,554.17	**3,816.23**

22. Provisions (current)

	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits (refer note 41)		
-Provision for gratuity	3.52	2.01
-Provision for compensated absences	10.08	9.74
	13.60	**11.75**

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23. Revenue from operations

	For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of products		
Sale of thermal power (refer notes 30 & 31)	73,741.50	76,182.12
Sale of coal	-	422.26
	73,741.50	**76,604.38**

24. Other income

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income on financial assets measured at amortised cost:-		
-Interest from bank	108.48	198.72
-Interest from customer (refer note 31)	139.29	541.67
-Interest from others	59.06	1.80
Other non operating income:-		
-Rent income	4.00	5.36
-Miscellaneous income	18.36	25.46
	329.19	**773.01**

25. Employee benefits expenses

	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages and bonus	1,262.56	1,358.74
Contribution to provident and other funds (refer note 41(a))	68.42	80.26
Staff welfare expenses	61.63	81.78
	1,392.61	**1,520.78**

26. Finance costs

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expenses from financial liabilities measured at amortised cost		
Interest on term loans (refer note 37)	36,019.31	32,565.61
Interest on cash credits/ working capital (refer note 37)	2,219.18	2,239.51
Interest on inter corporate deposits	3,863.56	5,798.60
Unwinding of 0.01% non-cumulative redeemable preference shares	279.64	262.01
Other borrowing cost		
Bank and other charges	362.96	255.96
Amortisation of loan processing fees	251.04	239.85
	42,995.69	**41,361.54**

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(All amounts are in Rupees lakhs, unless otherwise stated)

27. Other expenses

	For the year ended 31 March 2021	For the year ended 31 March 2020
Repair, running and maintenance:		
-Plant and machinery	1,586.56	2,394.83
-Building	18.03	22.44
-Others	63.56	87.92
Transmission charges	183.72	791.77
Ash disposal expenses	96.73	295.03
Revenue from sale of power earlier recognised now written off (refer note 31)	3,095.78	766.27
Deductions on account of short supply of power (refer notes 29(i)(d) and 30)	3,096.34	3,478.81
Insurance	459.81	367.98
Legal and professional fees *	603.51	414.46
Security expenses	83.25	94.94
Rates, taxes and fees	920.83	1,107.08
Rent (refer note 45(iii))	63.84	63.84
Communication expenses	1.79	4.87
Travelling and conveyance	74.07	105.65
Foreign exchange loss (net)	281.92	2,483.81
Miscellaneous expenses	173.03	200.69
	10,802.77	**12,680.39**

* Includes statutory auditor's remuneration (excluding taxes) as under:		
Statutory audit fees	3.65	4.86
Taxation matters	2.63	3.50
	6.28	**8.36**

28. Earnings/(loss) per equity share

	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit/(Loss) attributable to equity holders	(34,177.39)	(30,760.18)
Total comprehensive income/(loss) attributable to equity share holders	(34,049.57)	(30,763.10)
Number of equity shares of Rs. 10 each at the beginning of the year	62,58,44,104	62,58,44,104
Number of equity shares of Rs. 10 each at the end of the year	62,58,44,104	62,58,44,104
Weighted average number of equity shares of Rs. 10 each at the end of the year for calculation of basic earnings per share	62,58,44,104	62,58,44,104
Weighted average number of equity shares of Rs. 10 each at the end of the year for calculation of diluted earnings per share	62,58,44,104	62,58,44,104
Basic earnings per share (in Rs.) - on loss	(5.46)	(4.91)
Diluted earnings per share (in Rs.) - on loss	(5.46)	(4.91)
Basic earnings per share (in Rs.) - on Total comprehensive income/(loss)	(5.44)	(4.92)
Diluted earnings per share (in Rs.) - on Total comprehensive income/(loss)	(5.44)	(4.92)
Nominal value per share (Rs.)	10.00	10.00

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29. Contingent liabilities, claims against the Company not acknowledged as debts, capital commitments etc:-

(i) **Contingent liabilities, claims against the Company not acknowledged as debts:**

a. For the Assessment year 2012-13, the Assistant Commission of Income Tax ("ACIT") had filed an appeal before Income Tax Appellate Tribunal (ITAT) against the order of Commissioner of Income Tax (Appeals), wherein additions made by the ACIT amounting to Rs. 1,063.50 lakhs (resulting demand of Rs. 431.84 lakhs) was disallowed. The ACIT appeal was dismissed by ITAT in favour of the Company vide order dated 01 January 2018. Against the order of ITAT, the Income Tax Department has filed an appeal before the Delhi High Court and the matter is pending before the Delhi High Court.

b. The Company has received show cause notice (SCN) dated 20 April 2020 from Directorate General of Goods and Services Tax Intelligence stating that why a demand of Rs. 112.60 lakhs towards service tax along with penalty and interest for the period 2015-16 to 2017-18 (upto June 2017) should not be raised with respect to the service tax under reverse charge mechanism on certain services received by the Company from outside India. The Company is contesting this based on the facts and relevant provisions of law and has accordingly not made any provision towards this amount.

c. The Company has received an order dated 07 July 2020 from Employees' State Insurance Corporation (ESIC), Raipur raising a demand of Rs. 14,243.57 lakhs towards ESI contribution for the period 01 June 2016 to 31 March 2017. The Company has filed Writ Petition (Labour) before Chhattisgarh High Court for quashing the demand raised, as the Company firmly believes that the said demand is untenable in nature and not based on the facts of the case. Further, Chhattisgarh High Court has granted a stay on this demand. Accordingly, the Company has not recognised any provision against such demand.

ESIC has also filed complaint against the Company and its Managing Director under section 85(g) of the Employee State Insurance Act, 1948 for non-compliance with the various provisions of the ESI Act and Regulations made there under. Labour court has issued summons dated 16 February 2021 to the Company. The matter is currently pending.

d. (i) The Company has entered into a PPA dated 26 May 2015 with Chattisgarh State Power Trading Company Limited (CSPTrdCo.) for supply of 5% of net injection to CSPTrdCo w.e.f. 01 January 2016 i.e planned COD of 1st Unit. However, commissioning of the 1st Unit of the plant was achieved on 01 May 2017 due to the delays which were beyond the control of the Company. As per the provisions of the said PPA, the Company had offered to supply the power from alternate source but the CSPTrsdCo. did not take the power as offered by the Company. Despite the above, CSPTrdCo has demanded Liquidated Damages of Rs. 475.00 lakhs. The Company is contesting this demand based on the facts and relevant provisions of the PPA and has accordingly not made any provisions towards this amount.

(ii) During the current year and in the past also, the Company was not able to deliver the 5% of net injection to CSPTrdCo due to some technical reasons and financial constraints as both the Units were not operational. Therefore, the Company had requested the CSPTrdCo to allow the Company to compensate the shortfall in the future periods. However, CSPTrdCo has levied penalties of Rs. 1,550.02 lakhs for the period May 2017 to October 2017, Rs. 267.62 lakhs for the year 2018-19, Rs. 1,296.68 lakhs for the year 2019-20 and Rs. 314.03 lakhs for the year 2020-21 (upto June 2020) on account of short supply. The Company has challenged the demand and against the above stated demand for penalty towards short supply of power raised by CSPTrdCo for the period upto March 2020, the Company had made a provision of Rs. 1,371.00 lakhs during the year ended 31 March 2020. CSPTrdCo has already deducted an amount of Rs. 315.00 lakhs from the payments made and the Company has adjusted the same against the above stated provision for penalty. The Company will continue to explore the option of compensating this shortfall by supplying extra power in future.

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The final outcome of the above demand will be known only upon the settlement of the same with CSPTrdCo. Further, no provision has been made for penalty on account of short supply of power to CSPTrdCo during the year ended 31 March 2021.

e. The Company has to deposit electricity duty on auxiliary consumption with the State of Chhattisgarh on monthly basis. The Company has not been able to deposit the same due to financial constraints and lack of sufficient working capital in the Company. The Company has charged the electricity duty to the Statement of Profit and Loss and has outstanding liability of Rs. 4,372.82 lakhs towards the same as at 31 March 2021 (Rs. 3,142.77 lakhs as at 31 March 2020). However, the Company has not made any provision for the interest amounting to Rs. 2,169.33 lakhs as per notice dated 23 June 2021 received from the office of Chief Electrical Inspector. The Company has applied to Govt. of Chhattisgarh in August 2021 seeking relief on the grounds that the policy w.r.t. electricity duty requires payment of penal interest upto 24% which needs to be reviewed and waived off keeping in view the poor state of the Company and financial gains accrued to the Chhattisgarh Govt. on account of supply of 5% power at variable cost for the life of the plant. In view of the above application, the Company is hopeful of getting the waiver of the interest demanded and has not made provision for the same.

f. An appeal has been filed by Association of Power Producers before Supreme Court against final judgment and order dated 12 February 2020 passed by the National Green Tribunal (NGT Order). Pursuant to NGT Order, Central Pollution Control Board (CPCB) vide its letter dated 02 July 2020 has made demand of Rs. 148.80 lakhs by levying Environmental Compensation for non-utilisation of 100% fly ash by the Company for the year 2018-19 and 2019-20.

The Company has filed impleadment application and also an application inter-alia seeking ex-parte stay of the operation and implementation of the NGT Order and stay of the above stated demand notice in the Civil Appeal Diary No. 13336 of 2020 before Hon'ble Supreme Court. The Hon'ble Supreme Court vide its order dated 08 September 2020 held that there is a stay of recovery in pursuance of the NGT Order. The matter is currently pending.

g. Certain creditors of the Company have filed petitions before National Company Law Tribunal, New Delhi (NCLT) under section 9 of the Insolvency and Bankruptcy Code 2016 for initiation of corporate insolvency resolution process against the Company due to non-payment of their dues along with interest thereon. The Company has contested the said cases and has therefore not made any provision towards interest.

h. The Company has received some notices from Micro and Small Enterprises Facilitation Council w.r.t. the application filed by certain Micro, Small and Medium Enterprises regarding non-payment of their dues along with interest thereon. There are certain MSME parties where dues are outstanding for more than 45 days as at 31 March 2021. However, certain reconciliations are ongoing in respect of outstanding dues of MSME parties and therefore the Company has not made any provision towards interest.

i. There is net credit balance of Rs. 19,864.84 lakhs as at 31 March 2021 (Rs. 20,269.72 lakhs as at 31 March 2020) of BGR Energy Systems Limited (BGR), the EPC Contractor for the 2x300 MW TPP of the Company and China Western Power Corporation (CWPC), which primarily includes retention amount retained from the billing as per the EPC Contract (Contract entered into between the Company and BGR) as reduced by certain debit balances towards the work done by the Company on behalf of BGR and CWPC.

During the year ended 31 March 2019, the Company had invoked the Performance Bank Guarantees of Rs. 8,698.37 lakhs and Advance Bank Guarantees of Rs. 2,055.11 lakhs submitted by BGR, on account of non-fulfilment of performance obligations by BGR as per the terms of the EPC Contract. Out of the above, the Company had encashed Performance Bank Guarantee (PBG) of Rs. 8,698.37 lakhs during that year.

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Subsequent to above stated encashment of PBG, BGR had filed a petition before Delhi High Court inter alia praying for restraining the Company from encashing the other bank guarantees. Delhi High Court vide its order dated 02 July 2018 stated that the Company is restrained from receiving any further amounts pursuant to the invocation of bank guarantees till the next date of hearing, subject to the condition that BGR shall keep the un-encashed Bank Guarantees alive.

Further, BGR has also invoked arbitration as per the terms of EPC Contract and as a result of this, the Company and BGR have constituted an Arbitral Tribunal and BGR has withdrawn the above stated Petition from Delhi High Court pertaining to BG encashment. BGR had filed its claim of Rs. 56,398.00 lakhs before Arbitrator. The Company filed its reply to the said claim and raised a counter claim of Rs. 280,905.00 lakhs plus USD 190.00 lakhs on 05 December 2018.

Further, the Arbitral Tribunal directed both the parties to appoint the experts and file the Joint Expert Report (JER) on the matter. JER has been taken on record by the Tribunal and cross examination of expert witness of both the parties has been completed. The matter is pending before the Arbitral Tribunal for final arguments of the claims/ counter claims made by BGR and the Company. The Company will be able to evaluate all such payable/receivables only when dispute between the parties is settled by the Arbitrator.

Furthermore, during the year ended 31 March 2020, the Company had also invoked Performance Bank Guarantees (PBGs) of CWPC of USD 186.10 lakhs through advising bank, i.e. Axis Bank, due to delays in the commissioning of the project. However, as informed by the advising bank, CWPC has taken injunction on the encashment of the said PBG in the Courts of China. The Company has not received any communication from the advising bank in this regard.

Pending the final outcome of the arbitration proceedings, the Company has disclosed the aforesaid net amount of Rs. 19,864.84 lakhs (Rs. 20,269.72 lakhs as at 31 March 2020) and encashed amount of Rs. 8,698.37 lakhs under the head "Other non-current financial liabilities" under note- 16 in the financial statement.

j. The Water Resources Department (WRD), Government of Chhattisgarh has raised certain demands towards water charges bills alongwith interest. The Company has not accounted for the interest liability demanded by the WRD and is contesting the said demands. For detailed note please refer to note- 33 in the financial statement.

(ii) Capital commitments:

The estimated amount of contracts remaining to be executed on capital account (net of advance) is Rs. 1,043.18 lakhs as at 31 March 2021 (Rs. 1,392.24 lakhs as at 31 March 2020).

30. The Company has entered into a Power Purchase Agreement dated 25 July 2013 (PTC-PPA) with PTC India Limited (PTC) based on the back to back Power Purchase Agreement (Procurer PPA) executed by PTC with Uttar Pradesh Discoms (UP Discoms) dated 25 July 2013. PTC PPA and Procurer PPA were entered for the supply of Aggregated Contracted Capacity 390 MW for a period of twenty-five years from the Scheduled Delivery Date of the project. The Company supplies power to PTC/ UP Discoms for which invoices are raised on monthly basis. PTC/ UP Discoms deducts amounts on various accounts (like: tariff year differences, trading margin, rebate, capacity charges, penalty etc) from the monthly / supplementary invoices raised by the Company. The Company has filed petition before Hon'ble Central Electricity Regulatory Commission (CERC) in respect of above matters. Further, the Company has also challenged other matters such as delay in payments of monthly / supplementary bills, failure to establish payment security mechanism, non- reimbursement of transmission charges, etc. and has also claimed Late Payment Surcharge (LPS) on the same. The Company has also obtained a legal opinion in respect of the above claims and has accounted for revenue based on favourable legal opinion on the said matters. Details of the such matters are given below:-

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a) The Company supplied 150 MW of power to UP Discoms from 02 December 2016 to 16 May 2017 as the LTOA from Power Grid Corporation of India Limited (PGCIL) was available only for 150 MW. Further, the No Objection Certificate (NOC) from UP Discoms was available for 150 MW only. PGCIL operationalised the LTOA of balance 240 MW w.e.f. 17 May 2017 and accordingly supply of 390 MW power, i.e. the Aggregated Contracted Capacity could commence only from 17 May 2017 after the NOC for the balance capacity of 240 MW was available from UP Discoms. As the Company had started supplying Aggregated Contracted Capacity of 390 MW to UP Discoms w.e.f 17 May 2017, the Delivery Date has to be reckoned from 17 May 2017 and thus the First Contract Year for the purpose of Procurers PPA should have commenced from the date on which the Company started supplying the Aggregated Contracted Capacity of 390 MW i.e. w.e.f. 17 May 2017. Consequently, as per the provisions of the PTC PPA and Procurer PPA, the Scheduled Delivery Date is to be extended as per Article 4.7.1 of the PTC PPA and Procurer PPA and the last contract year shall end on the 25th anniversary of the Revised Scheduled Delivery Date. Hence, the Company had considered tariff applicable for first year for the supply of power to UP Discoms for the period 17 May 2017 to 31 March 2018 and accordingly the tariff applicable for the second year was considered for the year 01 April 2018 to 31 March 2019 and so on thereafter. However, PTC and UP Discoms have disputed the Scheduled Delivery Date and have treated the Scheduled Delivery Date as 02 December 2016.

The Company being aggrieved by the stand taken by PTC and UP Discoms, had filed the Petition in February 2019 before Hon'ble Central Electricity Regulatory Commission (CERC) seeking 17 May 2017 as the Scheduled Delivery Date.

The Company has recognised revenue of Rs. 1,029.13 lakhs, Rs. 1,315.86 lakhs, Rs. 1,004.73 lakhs and Rs. 861.03 lakhs during the year ended 31 March 2018, 2019, 2020 and 2021 respectively on account of the difference in tariffs considered by the Company and tariff considered by PTC/ UP Discoms. Total revenue recorded over the period till 31 March 2021 w.r.t. above said matter is Rs. 4,210.75 lakhs.

b) The Company has claimed Capacity Charges for the period January 2019 to March 2019 based on the Declared Capacity informed by it to UP Discoms considering the fact that the plant of the Company was available during the relevant period for the supply of power to UP Discoms though the supplies were curtailed owing to regulation of power invoked by PGCIL. However, PTC India Limited/ UP Discoms have not accepted the said Declared Capacity. The Company has filed Petition with CERC w.r.t the claim on account of Capacity Charges due to the above mentioned difference in Declared Capacity. During the year ended 31 March 2019, the Company had recognised the revenue of Rs. 4,347.13 lakhs on account of above mentioned difference in Declared Capacity and accordingly the Company had not considered the penalty of Rs. 839.03 lakhs imposed by PTC/UP Discoms. The Petition is currently pending before Hon'ble CERC. In the subsequent years also, the Company has recognised revenue based on the Declared Capacity informed by it to UP Discoms as the supplies of the Company were curtailed owing to regulation invoked by PGCIL. As a result of this, the Company has recognised revenue of Rs. 7,285.39 lakhs and Rs. 1,883.81 lakhs for the year ended 31 March 2020 and 2021 respectively which has not been accepted by PTC/ UP Discoms. Further, the Company has not recognised penalty of Rs. 1,396.05 lakhs and Rs. 291.48 lakhs on account of this short supply of power during the year ended 31 March 2020 and 2021 respectively.

c) In the above stated petition, the Company has also contested the trading margin charged by PTC despite non fulfilment of certain deliverables on the part of PTC as per the provisions of the PPA. The amount of trading margin on account of the above was Rs. 5,084.62 lakhs upto the period ended 31 March 2020.

Further, under the new Trading License Regulations, 2020 issued by CERC on 2 January 2020 (notified on 30 January 2020), under Regulation 8(1)(f), for transactions under back to back contracts, where the escrow arrangement or irrevocable, unconditional and revolving LC as specified in Regulation 9(10) is not provided by the Trading License in favour of the Seller, the trading licensee shall not charge trading margin exceeding 2 paise/ kwh. PTC has not provided the letter of credit in accordance with the terms of the above stated Regulations and therefore,

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the Company has recorded the trading margin towards the supply of power to UP Discoms through PTC at the rate of 2 paisa/ kwh w.e.f .31 January 2020. However, despite the issuance of new Trading License Regulations, 2020 on 2 January 2020, PTC has deducted trading margin at the rate of 8 paisa/kwh during the period 31 January 2020 to 31 March 2021. As a result of the same, an amount of Rs. 972.98 lakhs has been shown as recoverable under the head "trade receivables" under note 9.

Further, the Company had recorded trading margin of Rs. 5,084.62 lakhs upto the period ended 31 March 2020 as expenses in the financial statements. However, pursuant to new Trading License Regulations, 2020 issued by CERC on 2 January 2020 and considering the fact that PTC had not created payment security mechanism as per the terms of PPA before 31 January 2020, the Company has during the year ended 31 March 2021, raised debit note of Rs. 5,058.24 lakhs towards excess trading margin charged upto the period ended 30 January 2020 and the said amount has been included under revenue from operations.

d) There have been delays in the payments made by PTC and also partial payments have been made to the Company towards the power supplied. Despite the delays in payments and partial payments, PTC has deducted Rebate of Rs. 3,633.07 lakhs upto 31 March 2021 (Rs. 2,779.11 lakhs upto 31 March 2020) on the payments made by it to the Company. Since the Rebate deducted by PTC is not as per the provisions of the PTC PPA, the Company has contested the same in the above mentioned Petition and has not accounted for the same. Further, the Company has also claimed LPS in the said Petition as per the terms of PPA due to delay in payments made by PTC. The Petition is currently pending before Hon'ble CERC.

31. The Company had filed Petition before Central Electricity Regulatory Regulation (CERC) under Section 79 (1) (b) and 79 (1) (f) of the Electricity Act, 2003 for claiming compensation on account of events pertaining to change in law as per the terms of Power Purchase Agreement dated 25 July 2013 (PTC-PPA) executed between the Company and PTC and as per the terms of the back to back Power Purchase Agreement dated 25 July 2013 executed by PTC with UP Discoms. The Hon'ble CERC vide its order dated 12 June 2019 has allowed the claims towards certain change in law events along with the carrying costs on the same.

During the year ended 31 March 2020, the Company raised the revised invoice dated 07 March 2020 of Rs. 53,476.22 lakhs, which included Rs. 43,010.09 lakhs towards change in law events and Rs. 10,466.13 lakhs towards income on account of carrying costs in relation to the said change in law events for the period upto 31 March 2019. The said invoice was subsequently approved for Rs. 41,657.00 lakhs towards change in law events (including carrying cost) by PTC/ UP Discoms. Therefore, the Company had considered the revenue to the extent of Rs. 41,657.00 lakhs only and had accordingly written off revenue of Rs. 766.27 lakhs (difference between Rs. 42,423.26 lakhs revenue recognised upto 31 March 2019 against Rs 41,657.00 lakhs approved by PTC/ UP Discoms) during the year ended 31 March 2020. Further, additional revenue including carrying cost recognised during the year ended 31 March 2020 pertaining to period upto March 2019 of Rs. 11,052.96 lakhs (difference between invoice of Rs. 53,476.22 lakhs raised and revenue of Rs. 42,423.26 lakhs recognised upto 31 March 2019) was also reversed during the year ended 31 March 2020.

Further, during the year ended 31 March 2020, the Company had recognised revenue on account Change in law of Rs. 9,392.12 lakhs and Rs. 541.67 lakhs towards income on account of carrying costs in relation to the said change in law events for the period 01 April 2019 to 31 March 2020. The invoice for the same was raised on 20 July 2020 for Rs. 10,204.19 lakhs (including carrying cost of Rs. 270.40 lakh for the period Apr-June-20). The said invoice was subsequently approved for Rs. 6,838.01 lakhs towards change in law events by PTC/ UP Discoms. Therefore, the Company has considered the revenue to the extent of Rs. 6,838.01 lakhs only and had accordingly written off earlier excess recognised revenue of Rs. 3,095.78 lakhs (difference between Rs. 9,933.79 lakhs revenue recognised for the year ended 31 March 2020 and Rs 6,838.01 lakhs approved by PTC/ UP Discoms) during the year ended 31 March 2021.

Further, during the year ended 31 March 2021, the Company has raised invoices towards revenue on account of change in law of Rs. 7,008.35 lakhs and Rs. 139.29 lakhs towards carrying costs in relation to the said change in law events for the period 01 April 2020 to 28 February 2021. The aggregate receivable on above accounts has been shown under the head "trade receivables".

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The Company has also recognised revenue of Rs. 715.27 lakhs on account of change in law for the month of March 2021. Invoice of the same has been raised on 30 April 2021 and the same has been shown as Contract assets under the head "Other Current Financial Assets". Although deductions have been made by PTC/ UP Discoms from the Change in law invoices submitted by the Company upto the period 31 March 2020, however, the Company has recognised revenue on account of Change in law for the year ended 31 March 2021 based on the invoices submitted. However, PTC /UP Discoms may deduct certain amounts against the invoices submitted for the year ended 31 March 2021 as per past practice.

32. In terms of CERC order dated 12 June 2019 in Petition No. 118/MP/2018 for grant of compensation on account of change in allocation of Mines for supply of coal, the Company has filed petition with CERC on 04 September 2021 against PTC and UP Discoms under Section 79 (1) (b) and (f) of the Electricity Act, 2003. The Company has prayed for recovery of additional transportation cost incurred and to be incurred by the Company due to change in allocation of Mines for supply of coal, by way of adjustment in tariff. An amount of Rs. 10,727.86 lakhs has been claimed as additional expenditure incurred on account of Change of allocation of Mines for supply of coal for the period December 2016 to March 2021. The Company has not accounted for the above claim in the financial statements.

33. The Water Resource Department, Chhattisgarh (WRD) had allocated 19.00 MCM (Million Cu.M) p.a. water to the Company from Kurket River. The Company had deposited an amount of Rs. 3,463.35 lakhs as an advance towards construction of anicuts and barrage and had also deposited advance water cess of Rs. 166.72 lakhs (Water cess for 3 month allocated quantity @Rs. 3.51/- per Cu.M.). Permission was granted to the Company to draw 19.00 MCM of water per annum from the natural flow of Kurket River till completion or start of first storage of Anicuts / Baihamuda Barrage at a rate of Rs. 3.51 per Cu.M..

The Company has received the bills of water charges on the basis of 90% of the 19.00 MCM p.a till 30 September 2019 and recorded the same accordingly. Thereafter, WRD has stopped the billing of water charges. A notification was issued in the month of January 2020, as per which, the water cess rate from natural flow has been revised from Rs. 3.51 per Cu.M. to Rs. 5 per Cu,M. The Company has made the provision towards water charges for the period October 2019 to March 2021 on the same principles, i.e. on 90% of the 19.00 MCM p.a at the applicable rate of Rs. 5 per Cu,M. based on the above said notification. However the Company has written several times to WRD informing that the flow of water reduces drastically from the month of November to February every year in the river and accordingly the Company has taken up the matter with WRD for revising the invoices based on actual generation and normative water consumption i.e. 3 Cu.M. per Mwh as per the norms laid out by Ministry of Environment, Forest and Climate Change notification dated 07 Dec, 2015. Meeting was held with Chief Engineer (CE), WRD wherein the issue was explained in detail and the Company was asked to provide the details of water charges based on power generation and normative water consumption. The Company had given the detailed calculations to the office of CE WRD vide letter dated 30 January 2020. The matter is yet to be decided by WRD.

Also in July 2019, WRD informed that construction of permanent water structure is complete and asked the Company to sign a new water agreement at the rate of Rs. 10.50/- per Cu.M.. WRD also stated that in the event of non-signing of agreement, it may levy water charges at 3 times of applicable rate (ie, 10.50 x 3 = 31.50/- per Cu.M.) including penalty.

The Company had pursued with WRD vide its letters dated 18 March 2020 & 01 June 2020 communicating that the Company is willing to sign new water agreement at the rate of Rs. 10.50 per Cu. M. and also asked for adjustment plan of the initial deposit lying with WRD in the water cess bills. In response to the Company's letter dated 01 June 2020, Chief Engineer (CE), WRD wrote a letter dated 4 June 2020 to Electrical Engineer (EE), WRD (with a copy to the Company) wherein CE stated that the details of payment of the balance costs towards construction and submergence of anicuts/ barrage have not been mentioned by the Company. The Company had received the demand of Rs. 1,103.07 lakhs towards the balance construction and submergence cost of anicuts/ barrage, however, the Company has not deposited the same. CE, WRD also instructed EE, WRD to take the necessary action to collect the balance construction and submergence amount from the Company. He further instructed EE, WRD that in case the Company fails to make payment of Advance Water Cess (along with construction and submergence cost), the Company shall present its case to Chhattisgarh Government. No further correspondence has been received from EE/CE (WRD).

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In view of the above as the Company is contesting water bills based on 90% of allotted capacity and has a deposit of Rs. 3,630.07 lakhs with WRD, the Company has not deposited the water charges and has therefore not recognised the interest, if any, thereon. Considering the above facts, the Company has shown amount of Rs. 2,830.05 lakhs outstanding as at 31 March 2021 (Rs. 1,975.05 lakhs as at 31 March 2020) towards the water charges under the head "Trade payables" and has separately shown the above mentioned advances of Rs. 3,630.07 lakhs as "Advance to suppliers" under the head "Other non-current assets" (refer note 7). Pending the settlement, the Company has not adjusted this advance with the liability.

34. The Company has not been able to deposit TDS (applicable on interest accrued on ICD) amounting to Rs. 579.76 lakhs for the year 2019-20 and Rs. 289.77 lakhs for the year 2020-21 due to non-approval by the term lenders. The Company has however made further provision amounting to Rs. 113.05 lakhs towards interest on non-deposit of the said TDS upto 31 March 2021, though the same has also not been deposited.

35. Other legal cases:

The Company is also involved in certain other lawsuits, claims and proceedings, either initiated by or against the Company, whether asserted or not. However, based on facts currently available, the management believes that these matters both individually and in aggregate will not have a material effect on the financial statements of the Company.

36. During the year ended 31 March 2021, the Turbine Rotor of Unit-2 of the Plant was damaged which lead to shut down of Unit-2 w.e.f. 10 March 2021. The Company has awarded the contract for repairing of the same to GE Power India Limited. The Company is hopeful that the repair works shall be completed by December 2021. The Company has filed its claim with insurance company for material damage as well as loss of profit.

37. Borrowings

Outstanding facilities

The Company has availed a term loan facility from consortium of lenders comprising of REC Limited (REC), Power Finance Corporation ('PFC') and India Infrastructure Finance Company (UK) Limited ("IIFCL" or "ECB lender") (together called as "Term Lenders"). The Company has also availed working capital facilities of Rs. 43,000.00 lakhs (fund based and non-fund based) from consortium of lenders comprising of Axis Bank Limited, HDFC Bank Limited, Canara Bank and Indusind Bank Limited (together called as "working capital lenders"). Following are the outstanding amounts of facilities availed by the Company:

Amount in Rs. Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Term loans (refer note 15)	293,088.96	288,647.90
Cash credits, Working capital demand loans and Funded interest term loan (refer note 18)	22,050.46	20,885.41
Total	**315,139.42**	**309,533.31**

The Company defaulted in repayment of the dues of term lenders in September 2019 and October 2019, which were paid in the month of January 2020 and February 2020 respectively. Further, the Company could not repay dues of term lenders from November 2019 and subsequent periods. Consequently, REC being the lead lender to the term loan facility declared loan account of the Company as Non-Performing Assets (NPA) in the month of March 2020.

Loan Moratorium

The Company had availed moratorium for its various credit facilities (with respect to interest and principal obligations) in accordance with COVID-19 Regulatory Package issued by the Reserve Bank of India (RBI) vide its circular dated 27 March 2020 and 23 May 2020. Consequently, the Company has not paid instalment or interest for the period from 01 March 2020 till 31 August 2020.

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The revised repayment schedule has been received from all the Term Lenders. Based on the revised repayment schedule, the Company has considered the following treatment for all its loans outstanding as on 31 March 2021:

a. The interest accrued from March 2020 to August 2020 has been capitalized in the principal amount of term loan and has become part of loan outstanding. The principal repayment for the quarter ending June 2020 has been deferred in accordance with COVID Moratorium provided by RBI.

b. The repayment schedule along with the residual tenor of the term loans has been modified in accordance with revised repayment schedule received from Term Lenders. The amount of term loan instalments not paid during moratorium period continues to appear as loan outstanding. Further, current maturities of term loans have been calculated based on revised repayment schedule.

Canara bank, being one of the working capital lender, vide its letter dated 02 April 2020 informed to the Company that due to non-servicing of interest/out of order status, the working capital account has slipped to NPA category w.e.f. 31 March 2020. The Company thereafter replied to Canara Bank vide email dated 07 April 2020 that as per extant RBI Guidelines providing relief to the Borrowers against COVID 19, the account of the Borrower are required to be maintained as "Status Quo" and cannot be downgraded further till the moratorium period of COVID 19. The Company also referred to the Judgment of High Court of Delhi in Anant Raj Limited vs Yes Bank Limited wherein Hon'ble High Court pima facie opined that in view of measures rolled out by RBI to ease financial stress of Borrowers due to COVID 19, the Banks are not allowed to downgrade the account and are required to maintain "Status Quo". Canara Bank thereafter kept the account under SMA-2.

Further, the Company has availed COVID Funded Interest Term Loan (CFITL) in accordance with applicable RBI guidelines. The interest on the fund based working capital facilities being cash credits and working capital demand loans, which have accrued during 01 March 2020 to 31 August 2020 has been paid on 31 March 2021.

Flexible Structuring Scheme

Further, during the financial year 2020-21, the Company approached its term lenders for implementation of flexible structuring scheme (5/25) to address liquidity issues for its 2x300 MW thermal power project in accordance with RBI Guidelines contained in RBI Master directions for NBFCs - Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated 01 September 2016 (Updated on 22 November 2019). Accordingly, an Independent Evaluation Committee ('IEC') was constituted to evaluate the flexible structuring proposal. A Techno Economic Viability Study ('TEV Study') report and Valuation Report of 2x300 MW thermal power project was submitted to lenders in accordance with prevailing guidelines. Both TEV Study Report and Valuation Report were approved by term lenders and IEC members. The rupee term lenders of the Company approved the flexible structuring proposal and the rupee term loan has been structured in line with the flexible structuring scheme (5/25) of RBI on 31 March 2021 with certain additional sanction terms which include settlement by its Promoters of contingent liabilities, if any, arising out of arbitration proceedings between the Company and its EPC contractor. The main feature of flexible structuring involves deferment of principal repayment of Rs. 24,224.00 lakhs (approx.) w.e.f. December 2020 to March 2022 and extension of repayment tenor from April 2038 till June 2038.

Release of funds under Atmanirbhar Scheme of Government of India and its utilization

In the month of August 2020, the Company received from PTC/ UP Discoms an amount of Rs. 26,021 lakhs as part payment towards its Change in law claim for the period upto 31 March 2019 and transmission charges also, under first tranche of Atmnirbhar scheme of Government of India. The Company utilized this amount to clear overdues of lenders till 29 February 2020.

Further, the Company also received an amount of Rs. 27,177.59 Lakhs from PTC/ UP Discoms as payment towards its energy bills, transmission charges and change in law claim for the period upto 31 March 2019 under second tranche of Atmanirbhar Scheme of Government of India. The Company utilized this amount to clear overdues of all lenders except IIFCL UK (for which approval was not accorded by other term lenders on 31 March 2021) till 31 March 2021. A DSRA of Rs. 14,700.00 Lakhs was created by REC and was retained by it comprising of following:

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a) DSRA of Rs. 8,200.00 lakhs equivalent to 1 quarter principal and interest payments of term lenders including ECB Lender.
b) Additional DSRA of Rs. 6,500.00 lakhs as stipulated by the External Rating Agency while approving RP-4 rating of the Company for flexible structuring scheme.

Subsequent events

Despite the above flexible structuring, the Company continues to remain in stress till date due to unexpected breakdown of Unit II of 300 MW in March 2021. The DSRA retained by the lenders was not permitted to be utilised for operations of the plant. Debit of additional/penal interest by lenders, insufficient working capital, delay in receipts of payments against supplementary invoices from PTC/UP Discoms and regulation of power imposed by PGCIL resulted into non-operation of plants at its optimal capacity and hence resulting in fall in revenue from operations.

With respect to IIFCL (UK) the defaults as at 31 March 2021 were cleared as under:-

- Principal- The Company defaulted in repayment of principal installment of Rs. 245.17 lakhs for the month of March 2021 to IIFC (UK) which was subsequently paid in May 2021.
- Interest- IIFC (UK) provided COVID moratorium from March 2020 to August 2020 as per which interest was to be recovered in 6 months starting from September 2020 along with regular interest for the relevant month. However, the Company defaulted in interest payments from time to time upto March 2021, as under:-

Interest for the month of	Amount (Rs in Lakhs)	Paid on
July-20 (Moratorium Period)	117.67	30 April 2021
Aug-20 (Moratorium Period)	96.96	21 May 2021
Jan-21	75.92	30 April 2021
Feb-21	74.15	21 May 2021
Mar-21	90.53	28 May 2021
Total	**455.23**	

The Company has also defaulted in payment of Rs. 231.19 lakhs towards swap settlement charges to Axis bank for the month of February & March 2021 which have been paid in the month of May 2021.

Furthermore, there were delays in repayment of principal and interest to all the Term Lenders from April 2021 to August 2021. The DSRA created and maintained with REC, was utilized by the lenders to adjust the financial obligations of all the Term Lenders which had fallen due. The term lenders have adjusted the said DSRA amount to clear their dues upto August 2021.

The Drawing Power of the Company to utilize working capital limits has reduced substantially as on date against sanctioned working capital limits of Rs. 20,500.00 lakhs. The Cash Credit Limits of working capital lenders are currently overdrawn.

Subsequently in September 2021, the currency swap settlement contract to hedge foreign currency loan of USD 401.86 lakhs has been terminated by Axis bank on its own. The detail of the settlement amount due to the termination is being sought from Axis bank, however the same has not been provided till date. Consequentially, the risk on account of foreign exchange fluctuations on repayment of principal and interest is on the Company since there is no hedge on the foreign currency loan.

Charge of penal interest

During the preceding year as well as current year, the Company has defaulted/ delayed in the repayment of term lenders' dues. As a result of this, the lenders have levied additional interest/ penal interest. The Company has charged the said additional interest/ penal interest to the Statement of Profit and loss during the said periods. However, the Company has contested the same with its lenders. The reversal of such interest will be accounted for, once the same is approved by the lenders.

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38. Impact of COVID-19:

The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. Given the uncertainty over the potential macro-economic condition, the impact of the global health pandemic cannot be assessed with certitude, however, the Company continues to closely monitor any material change in future economic conditions.

Prevailing circumstances of COVID-19 and the uncertainty over its longevity have been extremely challenging for the entire Indian economy. The unprecedented situation has severally impacted operations of the Company in F.Y. 2020-21 in terms of slump in demand for power. The lower demand of power across the country led to decline in spot price of power sold on exchange, which represents a certain portion of the power being supplied by the Company.

The operations of the Company were also impacted during the first half of the year 2021-22 due to COVID-19 situation.

39. Going Concern

a) During the financial year ended 31 March 2021 and even during the period subsequent to the year end, the Company continues to face financial constraints as explained in various notes to financial statements:
   - Note no. 29(i)(d)- Regarding demands raised against the Company for not supplying 5% power to CSPTrdCo.
   - Note no 29(i)(e), 29(i)(g), 29(i)(h) & 33- Regarding default subsisting in the Company in relation to payment of electricity duty, vendor payments and water charges.
   - Note no. 30, 31 & 32- Regarding various disputes going on with PTC India for recovery of various amounts.
   - Note No. 34 – Regarding non-payment of TDS liability on interest on ICD by the Company till date.
   - Note no- 36 – Regarding shut down of unit-2 due to machinery break down.
   - Note no. 37 - Regarding borrowings.

b) Further, both the units of Company's power plant have been operating at lower Plant Load Factor (PLF) resulting in overall PLF of around 37% in F.Y. 2019-20 and also in F.Y. 2020-21.

The Company could not operate the plants at optimum levels due to non-availability of sufficient working capital limits. The fund based working capital limits of Rs. 20,500.00 lakhs sanctioned to the Company was insufficient considering the capacity of the plant. The Company requested its working capital lenders for enhancing the said limits but the lenders did not provide adequate support. Also, delay in receipt of proceeds against Change in law bills further lead to shortage of working capital resulting into shortfall in the payment for coal procurement, delay /non-payment of statutory dues such as TDS, electricity duty, water charges, etc.

An amount of Rs. 27,177.59 Lakhs was received by the Company from PTC/UP Discoms under Atmanirbhar Bharat Tranche II on 31 March 2021. However, the entire amount was utilised to service the lenders overdues (including penal interest), POC Charges to PGCIL and for creation of DSRA of Rs. 14,700.00 lakhs by the term lender. The DSRA retained by the lenders was not permitted to be utilised for operations of the plant. The creation of DSRA further led to paucity of working capital to meet operational requirements of the Plant. The problems were compounded due to breakdown of Unit 2 of the plant on 10 March 2021 which lead to reduction in revenue from operations and impacted the plan for recovery as was envisaged under flexible structuring.

The Company also received Rs. 6,278.35 Lakhs in the month of July 2021 against Change in Law Invoices for the period from April 2019 to March 2020. The said amount was appropriated by working capital lenders pursuant to reduction in Drawing Power under working capital limits due to non-operation of Unit 2 & imposition of regulation of power supply by PGCIL.

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However, despite the above shortcomings, the Company is expecting revival by utilising funds to be received against Change in law invoices for the period from April 2020 to July 2021 which are expected in the near future. Also the Company has applied to term lenders for reversal of penal interest charged in the past. The Company has long term Power Purchase Agreements (PPAs) with PTC/UP Discoms and CSPTrd.Co. which provides reasonable certainty with respect to the revenue for the foreseeable future and also has a Fuel Supply Agreements (FSA) for the substantial portion of coal required to operate both units. The Company is also working actively to resolve/settle its various issues including arbitration proceedings with its EPC contractor.

Considering the facts that our request pending with the lenders will be considered favorably and other various measures being taken by the Company to settle pending issues, the management of the Company is hopeful of a better financial position and expects to generate sufficient working capital to run its power plant at optimum levels so as to meet its obligation towards term lenders, working capital lenders, vendors and statutory dues.

Accordingly, notwithstanding the aforesaid uncertain events, the Company continues to prepare the Standalone Financial Statement on a going concern basis.

40. The MoEF has vide its notification dated 31 March 2021 made certain amendments to Environment (Protection) Act, 1986 in terms of which certain categories have been made on the basis of the location of the plants to comply with the emission norms within specified timelines. The Unit-2 of the plant has been categorised as non-compliant with the prescribed emission norms and thus would require installation of Flue Gas Desulphurization (FGD) within stipulated timelines. The Company has already represented to CPCB that the Unit-2 of the plant is having same technology as Unit-1 and the only difference is on account of delay in commissioning of Unit-2 by approximately 4 months which does not warrant installation of FGD systems.

41. Employee Benefits

a) Defined contribution plan:

Amount of Rs. 68.42 lakhs (31 March 2020 Rs. 80.26 lakhs) pertaining to employers' contribution to provident fund, pension fund, employee state insurance and administration charges is recognized as an expense and included in "Employee benefits expenses" in Note 25.

b) Defined benefit plan:

Gratuity plan:
The Company operates a gratuity plan which provides lump sum benefits linked to the qualifying salary and completed years of service with the Company at the time of separation. Every employee who has completed 5 years of continuous service is entitled to receive gratuity at the time of his retirement or separation from the organization whichever is earlier. However the condition of completion of 5 years of service is not applicable where separation is on account of disability or death of an employee. The gratuity benefit that is payable to any employee, is computed in accordance with the provisions of "The Payment of Gratuity Act, 1972".

The Gratuity Fund
The following table sets forth the status of the Gratuity Plan of the Company and the amounts recognised in the Balance Sheet and Statement of Profit and Loss.

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(All amount are in Rupees lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Changes in the present value of defined benefit obligation		
Present value as at the beginning of the year	173.67	122.78
Included in Statement of Profit and Loss		
- Current service cost	39.81	38.43
- Interest cost	11.89	9.47
Included in other comprehensive income		
-Change in financial assumptions	(104.38)	22.68
-Change in demographic assumptions	2.57	5.35
-Experiences variance	(26.01)	(23.54)
Past service cost	-	-
Benefits paid	(3.94)	(1.50)
Present value as at the end of the year	**93.61**	**173.67**

Particulars	As at 31 March 2021	As at 31 March 2020
Present value of unfunded obligations		
Net liability	93.61	173.67
	93.61	**173.67**
Amount in balance sheet		
Liability	93.61	173.67
Net liability is bifurcated as follows:		
Non-current liability (long term)	90.09	171.66
Current liability (short term)	3.52	2.01
Net liability	**93.61**	**173.67**

Principal actuarial assumptions at the balance sheet date are as follows:

Financial assumptions:
The principal assumptions are the discount rate and salary escalation rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis. The assumptions used are summarized in the following table:

Particulars	Assumptions as at 31 March 2021	Assumptions as at 31 March 2020
Discount rate (p.a)	6.75 %	6.85 %
Salary escalation rate (p.a.)	1% for the first year and 5% thereafter	10.00%

Demographic assumptions:

Particulars	Assumptions as at 31 March 2021	Assumptions as at 31 March 2020
Retirement age	60 - 70 years	60/65/70 years
Mortality table	100% of IALM (2012-14)	100% of IALM (2012-14)
Employee turnover	Upto 30 years- 5% 31 - 40 years- 3% 41 - 50 years- 2% Above 50 years- 1%	Upto 30 years- 5% 31 - 40 years- 3% 41 - 50 years- 2% Above 50 years- 1%

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Sensitivity Analysis:
The key actuarial assumptions to which the benefit obligation results are particularly sensitive to the discount rate and future salary escalation rate. The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

Particulars	As at 31 March 2021		As at 31 March 2020	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 50 bps)	100.02	87.78	189.32	159.69
Salary growth rate (- / + 50 bps)	87.64	100.12	160.01	188.55
Attrition rate (- / + 50%)	91.36	95.45	185.24	164.05
Mortality rate (- / + 10%)	93.54	93.68	173.91	173.44

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date.

Expected maturity analysis:
The expected maturity analysis of defined benefit obligation is as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Less than 1 year	3.52	2.01
1-2 years	3.02	3.70
2-5 years	13.61	17.43
More than 5 years	254.12	672.18

The weighted average duration to the payment of defined benefit obligation is 14 years (31 March 2020 18 years).

Risk Analysis:
The above defined benefit plan expose the Company the following risks:

i) **Interest rate risk**
The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

ii) **Salary inflation risk**
Higher than expected increases in salary will increase the defined benefit obligation.

iii) **Demographic risk:**
This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

c) **Compensated absences:**

The obligation of compensated absence in respect of the employees of the Company works out to Rs. 64.92 lakhs as at 31 March 2021 (31 March 2020 Rs. 62.76 lakhs).

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42. Segment Reporting

In the opinion of the management, there is only one reportable segment i.e. power operations, as envisaged by the Ind AS 108 – Operating Segments. Accordingly, no disclosure for segment reporting has been made in the financial statements.

The total of non-current assets other than financial instruments, deferred tax and post-employment benefit assets, broken down by location of assets, is shown below:

Particulars	As at 31 March 2021	As at 31 March 2020
India	304,439.71	323,671.03

The Company derives its 100% revenue from the customers located in India and constitute a single reportable segment for the purpose of geographical segment reporting.

Information about major customers
Revenue from transactions with a single external customer amounting to 10 per cent or more of the entity's revenue is given as below:

Business segments	For the year ended 31 March 2021	For the year ended 31 March 2020
Thermal power (Customer 1)	71,112.85	62,760.09

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43. Related party disclosures

a) Name of related party and nature of related party relationships:

i) Related parties where control exists:

Ultimate holding company
ACB (India) Limited

Holding company
ACB (India) Power Limited

ii) Related parties with whom transactions have taken place during the year:

Enterprises under common control of ultimate holding company
Aryan Clean Environment Technologies Private Limited
(Formerly known as Aryan Clean Coal and Technologies Private Limited)

Associate of ultimate holding company
Swastik Power and Mineral Resources Private Limited
Maruti Clean Coal and Power Limited

Key Management Personnel (KMP):
Promila Bhardwaj, Director
Charan Das Arha, Director
Eti Vashist, Company Secretary (upto 16 June 2020)
Bindhu Parekh, Company Secretary (w.e.f. 1 December 2020)
Chandra Prakash Malik, Director (w.e.f. 31 March 2021)

Enterprises where key management personnel or their relatives are interested (others)
Sainik Finance & Industries Limited
Sainik Mining And Allied Services Limited
Sindhu Trade Links Limited
V V Transport
M S & Sons
Shyam Indus Power Solutions Private Limited (w.e.f. 31 March 2021)
Hari Bhoomi Communications Private Limited (w.e.f. 31 March 2021)

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b) Transactions with related parties:

Nature of Transactions	Ultimate holding company	Holding Company	Enterprise under common control	Associate of ultimate holding company	Key Management Persons	Others	Grand Total
Inter corporate deposit received	165.00	-	-	-	-	-	165.00
	(545.00)	-	-	-	-	-	(545.00)
Purchase of property, plant and equipment and capital work in progress	-	-	-	-	-	163.27	163.27
	-	-	-	-	-	(16.31)	(16.31)
Advertisement	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Benefication charges	62.80	-	-	11.80	-	-	74.60
	-	-	-	(154.50)	-	-	(154.50)
Coal purchase	-	-	-	-	-	-	-
	(1,238.73)	-	-	-	-	-	(1,238.73)
Commercial Vehicle hire charges	-	-	-	-	-	7.95	7.95
	-	-	-	-	-	(481.62)	(481.62)
Director meeting fee	-	-	-	-	3.54	-	3.54
	-	-	-	-	(2.60)	-	(2.60)
Interest expense	2,726.96	172.79	-	-	-	685.02	3,584.77
	(3,366.11)	(259.19)	-	-	-	(1,027.53)	(4,652.83)
Purchase of spares	-	-	3.73	-	-	-	3.73
	(0.35)	-	(1.81)	-	-	-	(2.16)
Repair & maintenance building	-	-	-	-	-	-	-
	-	-	-	-	-	(8.02)	(8.02)
Repair & maintenance Plant and Machinery	-	-	-	-	-	38.49	38.49
	-	-	-	-	-	-	-
Salary	-	-	-	-	5.19	-	5.19
	-	-	-	-	(6.07)	-	(6.07)
Sale of spares	-	-	-	-	-	3.60	3.60
	-	-	-	-	-	-	-
Transportation and loading charges	45.77	-	-	-	-	12.12	57.89
	(193.97)	-	-	-	-	(2,508.31)	(2,702.28)

Figures in ( ) are for previous year

c) Outstanding balances of related parties:

Nature of Balance	Ultimate holding company	Holding company	Enterprise under common control	Associate of ultimate holding company	Key Management Persons	Others	Grand Total
Creditors for capital goods	-	-	-	-	-	1,155.05	1,155.05
	-	-	-	-	-	(1,091.59)	(1,091.59)
Inter corporate deposit taken	27,294.94	1,727.92	-	-	-	6,850.17	35,873.03
	(27,129.94)	(1,727.93)	-	-	-	(6,850.17)	(35,708.04)
Interest accured but not due	5,551.93	393.10	-	-	-	1,558.41	7,503.44
	(3,029.50)	(233.27)	-	-	-	(924.77)	(4,187.54)
Retention for capital goods	-	-	-	-	-	225.15	225.15
	-	-	-	-	-	(34.04)	(34.04)
Salary payable	-	-	-	-	5.43	-	5.43
	-	-	-	-	(0.40)	-	(0.40)
Trade payable	9,985.29	76.00	13.90	405.90	0.72	6,699.40	17,181.21
	(9,354.06)	(76.00)	(13.71)	(544.25)	-	(6,477.32)	(16,465.34)
Trade receivable	-	-	-	4.25	-	31.11	35.36
	-	-	-	-	-	-	-

Figures in ( ) are for previous year

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d) Disclosure in respect of transaction which are more than 10% of the total transactions:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Benefication charges		
ACB (India) Limited	62.80	-
Swastik Power and Mineral Resources Private Limited	11.80	154.50
	74.60	**154.50**
Coal purchase		
ACB (India) Limited	-	1,238.73
	-	**1,238.73**
Interest expense		
ACB (India) Limited	2,726.96	3,366.11
Sainik Finance & Industries Limited	685.02	1,027.53
Others	172.79	259.19
	3,584.77	**4,652.83**
Purchase of spares		
ACB (India) Limited	-	0.35
Aryan Clean Environment Tehnologies Private Limited	3.73	1.81
	3.73	**2.16**
Transportation and loading charges		
ACB (India) Limited	45.77	193.97
Sindhu Trade Links Limited	-	2,354.37
V V Transport	12.12	4.52
Others	-	149.42
	57.89	**2,702.28**
Inter corporate deposit received		
ACB (India) Limited	165.00	545.00
	165.00	**545.00**
Purchase of property, plant and equipment and capital work in progress		
Sindhu Trade Links Limited	102.73	16.31
Shyam Indus Power Solutions Pvt Ltd	60.54	-
	163.27	**16.31**
Repair & maintenance-plant and machinery		
Shyam Indus Power Solutions Pvt Ltd	38.49	-
	38.49	-
Commercial Vehicle hire charges		
Sindhu Trade Links Limited	7.95	434.12
Others	-	47.50
	7.95	**481.62**
Director meeting fee		
Charan Das Arha	1.89	1.42
Promila Bhardwaj	1.65	1.18
	3.54	**2.60**
Repair & maintenance-building		
Sindhu Trade Links Limited	-	8.02
	-	**8.02**

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d) Disclosure in respect of transaction which are more than 10% of the total transactions:

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Sale of spares		
Maruti Clean Coal and Power Limited	3.60	-
	3.60	**-**
Salary		
Bindhu Parek	0.60	6.07
Eti Vashist	1.87	-
Chandra Prakash Malik	2.72	-
	5.19	**6.07**

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44. Income tax expense/(credit)

(i) Income tax recognised in profit or loss

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Deferred tax expense /(credit)	-	(1,123.85)
Total income tax expense	-	**(1,123.85)**

(ii) Income tax recognised in other comprehensive income

Particulars	For the year ended 31 March 2021			For the year ended 31 March 2020		
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
Net actuarial gains/(loss) on defined benefit plans	127.82	-	127.82	(4.49)	(1.57)	(2.92)
	127.82	-	**127.82**	**(4.49)**	**(1.57)**	**(2.92)**

(iii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate :

Current year tax net of MAT credit entitlement

Particulars	For the year ended 31 March 2021		For the year ended 31 March 2020	
	Tax Rate	Amount	Tax Rate	Amount
Profit before tax		(34,177.28)		(31,884.03)
Tax at the Indian tax rate	34.944%	(11,942.91)	34.944%	(11,141.55)
Tax effect of:				
Non-deductible expenses		1,066.19		110.94
Employee benefit		17.44		(26.44)
Depreciation/amortisation		(1,786.56)		(3,259.05)
Others		12,645.84		14,316.10
Provision for current tax at the effective income tax rate		-		-

Deferred tax credit

	Particulars	For the year ended 31 March 2021 Amount	For the year ended 31 March 2020 Amount
(i)	**Increase/ (decrease) in deferred tax liability at tax rate of 34.944% (previous year 34.944%)**		
	Property, plant & equipment and capital work in progress	1,772.53	3,258.34
	Changes in estimates	(504.43)	504.43
		1,268.10	**3,762.77**
(ii)	**Increase/ (decrease) in deferred tax asset at tax rate of 34.944% (previous year 34.944%)**		
	Carry forward losses and unabsorbed depreciation	2,623.30	4,479.80
	Provisions and others	(1,355.20)	406.82
		1,268.10	**4,886.62**
	Deferred tax charge/(credit) (i-ii)	-	**(1,123.85)**

45. Lease

Company as lessee:-

The Company has adopted the IndAS 116 from 1 April 2019 which supersedes the IndAS 17. The effect of adopting the IndAS 116 on Company's financials are as follows:-

(i) Carrying amount of RoU assets recognised and the movement during the year are as under:-

Particulars	2020-21	2019-20
Land		
Opening balance	773.66	-
Reclassification to RoU assets	-	774.81
Addition during the year	-	32.10
Depreciation	(34.32)	(33.25)
Closing balance	**739.34**	**773.66**

(ii) Amount recognised in profit & loss during the year are as under:-

Particulars	2020-21	2019-20
Depreciation	34.32	33.25
Total	**34.32**	**33.25**

(iii) The Company has taken office space/guest house under cancellable operating lease arrangements. Lease rental expenses charged to Statement of Profit and Loss amounts to Rs. 63.84 lakhs (31 March 2020 Rs. 63.84 lakhs).

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46. Fair Value Measurements

(a) Financial instruments by category

Particulars	As at 31 March 2021			As at 31 March 2020		
	Carrying value			Carrying value		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial assets						
Non-current						
Loans	-	-	24.94	-	-	31.63
Other financial assets	471.00	-	-	1,909.77	-	1,002.91
Current						
Trade receivables	-	-	45,127.29	-	-	50,517.06
Cash and cash equivalents	-	-	812.95	-	-	105.23
Other bank balances	-	-	1,699.09	-	-	855.68
Other financial assets	25.07	-	20,286.03	118.16	-	29,770.77
TOTAL	**496.07**	-	**67,950.30**	**2,027.93**	-	**82,283.28**
Financial liabilities						
Non-current						
Borrowings	-	-	3,30,493.52	-	-	2,73,832.40
Other financial liabilities	-	-	37,173.14	-	-	28,968.09
Current						
Borrowings	-	-	23,090.46	-	-	58,757.40
Trade payables	-	-	33,924.78	-	-	35,284.07
Other financial liabilities	-	-	6,012.15	-	-	36,523.24
TOTAL	-	-	**4,30,694.05**	-	-	**4,33,365.20**

(b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

Particulars	As at 31 March 2021			As at 31 March 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Security deposits	-	-	24.94	-	-	31.63
Financial liabilities						
Borrowings	-	-	3,30,493.52	-	-	2,73,832.40

The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements and reports directly to the Chief finance officer. The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Company's audit committee.

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(All amounts are in Rupees lakhs, unless otherwise stated)

(b) Fair value of financial assets and liabilities measured at amortised cost:

Particulars	As at 31 March 2021		As at 31 March 2020	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Non-current				
Loans	24.94	24.94	31.63	31.63
Other financial assets	-	-	1,002.91	1,002.91
Current				
Trade receivables	45,127.29	45,127.29	50,517.06	50,517.06
Cash and cash equivalents	812.95	812.95	105.23	105.23
Other bank balances	1,699.09	1,699.09	855.68	855.68
Other financial assets	20,286.03	20,286.03	29,770.77	29,770.77
TOTAL	**67,950.30**	**67,950.30**	**82,283.28**	**82,283.28**
Financial liabilities				
Non-current				
Borrowings	3,30,493.52	3,30,493.52	2,73,832.40	2,73,832.40
Other financial liabilities	37,173.14	37,173.14	28,968.09	28,968.09
Current				
Borrowings	23,090.46	23,090.46	58,757.40	58,757.40
Trade payables	33,924.78	33,924.78	35,284.07	35,284.07
Other financial liabilities	6,012.15	6,012.15	36,523.24	36,523.24
TOTAL	**4,30,694.05**	**4,30,694.05**	**4,33,365.20**	**4,33,365.20**

The carrying amounts of trade receivables, trade payables, cash and cash equivalents, bank balances other than cash, deposits with banks, interest accrued but not due, other current financial assets and current financial liabilities, approximates the fair values, due to their short-term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

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47. Financial Risk Management

The Company's principal financial liabilities comprise loans and borrowings in foreign as well as domestic currency, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade & other receivables, cash and short-term deposits that derive directly from its operations. The Company also enters into derivative contracts such as forward contracts and swaps. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The Company is exposed to the following risks from its use of financial instruments:
- Credit risk
- Liquidity risk
- Market risk

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Ageing analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other liabilities	Cash flow forecasting Sensitivity analysis	Availability of borrowing facilities
Market risk – foreign currency risk	- Future commercial transactions, - Recognised financial liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Cross currency swaps, diversification and regular evaluation of borrowings
Market risk – interest rate risk	Long-term borrowings at variable rates	Sensitivity analysis	

Risk management framework

The Company's activities makes it susceptible to various risks. The Company has taken adequate measures to address such concerns by developing adequate systems and practices. The Company's overall risk management program focuses on the unpredictability of markets and seeks to manage the impact of these risks on the Company's financial performance.

The Board of Directors and audit committee have overall responsibility for the establishment and oversight of the Company's risk management framework. The Committee has identified enterprise wide risk and various action plans for short term as well as long term which have been formulated to mitigate these risks. The Committee is also responsible for reviewing and updating the risk profile, monitoring the effectiveness of the risk management framework and reviewing at least annually the implementation of the risk management policy and framework. The Committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has policies covering specific areas, such as interest rate risk, foreign currency risk, commodity price risk, credit risk, liquidity risk, and the use of derivative and non-derivative financial instruments. Compliance with policies and exposure limits is reviewed on a continuous basis.

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Financial instruments - Fair values and risk management (continued)

1. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company.

Trade receivables
Customer credit risk is managed according to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an credit rating scorecard and individual credit limits are defined in accordance with this assessment.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively.
Since the Company has its customers within different states of India, geographically there is no concentration of credit risk. However, management considers the factors that may influence the credit risk of its customer base, including the default risk of the industry.

Cash and cash equivalents
The Company held cash and cash equivalents of Rs. 812.95 lakhs at 31 March 2021 (31 March 2020 Rs. 105.23 lakhs). The cash and cash equivalents are held with bank and financial institution with high rating.

Deposits with banks and financial institutions
Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	As at 31 March 2021	As at 31 March 2020
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash & cash equivalents	812.95	105.23
Other bank balances	1,699.09	855.68
Other financial assets	20,311.10	29,888.93
	22,823.14	**30,849.84**
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade receivable	45,127.29	50,517.06
	45,127.29	**50,517.06**

(ii) Provision for expected credit losses

(a) Financial assets for which loss allowance is measured using 12 month expected credit losses
The Company has assets where the counter-parties have sufficient capacity to meet the obligations and where the risk of default is very low. Accordingly, loss allowance for impairment has not been recognised.

(b) Financial assets for which loss allowance is measured using life time expected credit losses
The Company has customers with strong capacity to meet the obligations and therefore the risk of default is negligible or nil. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behavior and extensive analysis of customer credit risk. Hence, no impairment loss has been recognised during the reporting periods in respect of trade receivables.

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(All amounts are in Rupees lakhs, unless otherwise stated)

(iii) Ageing analysis of trade receivables (refer note 9)

The ageing analysis of the trade receivables is as below:

Particulars	As at 31 March 2021	As at 31 March 2020
Not due	10,725.39	41,657.00
0-30 days past due	329.85	486.82
31-60 days past due	0.09	6,182.02
61-90 days past due	5,976.32	336.28
91-180 days	4,659.34	31.11
More than 180 days past due	23,436.30	1,823.83
Total	**45,127.29**	**50,517.06**

(iv) Reconciliation of impairment loss provisions

There is no impairment loss provisions recognised during the year.

2. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that its liquidity position, including anticipated future internally generated funds from operations, will enable it to meet its future known obligations in the ordinary course of business. The Company manages liquidity risk by maintaining adequate cash reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Further, 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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Notes to the financial statements for the year ended 31 March 2021
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Financial instruments – Fair values and risk management (continued)

(a) Financing arrangements
There is no undrawn borrowing facilities by the Company at the end of the curent as well as previous year.

The following are the contractual maturities of financial liabilities, based on contractual cash flows:

Contractual maturities of financial liabilities as on 31 March 2021	Not later than one year	Later than one year and not later than five years	Later than five years	Total
Non-derivative financial liabilities				
Term loans from banks	2,401.41	64,322.30	2,26,365.25	2,93,088.96
0.01% Redeemable preference shares	-	-	4,274.43	4,274.43
Retention money	423.78	19,864.84	-	20,288.62
Recovery on account of encashment of contract bank guarantees	-	8,698.37	-	8,698.37
Inter-corporate deposit	1,040.00	-	36,996.98	38,036.98
Interest accrued but not due	731.85	-	8,609.93	9,341.78
Interest accrued and due	686.42	-	-	686.42
Cash credit from bank	13,757.90			13,757.90
Working capital demand loan	8,099.72	-	-	8,099.72
Funded interest term loan	192.84	-	-	192.84
Trade and other payables	34,121.94	-	-	34,121.94
Creditors for capital purchase	1,384.92	-	-	1,384.92
Dues to employees	138.60	-	-	138.60
Total	**62,979.38**	**92,885.51**	**2,76,246.59**	**4,32,111.48**

Contractual maturities of financial liabilities as on 31 March 2020	Not later than one year	Later than one year and not later than five years	Later than five years	Total
Non-derivative financial liabilities				
Term loans from banks	17,366.76	72,324.18	1,98,956.96	2,88,647.90
0.01% Redeemable preference shares	-	3,300.22	694.57	3,994.79
Retention money	422.40	20,269.72	-	20,692.12
Recovery on account of encashment of contract bank guarantees	-	8,698.37	-	8,698.37
Inter-corporate deposit	37,871.99	-	-	37,871.99
Interest accrued and due	8,699.31	-		8,699.31
Interest accrued but not due	8,546.43	-	-	8,546.43
Cash credit from bank	11,585.41	-	-	11,585.41
Working capital demand loan	9,300.00	-	-	9,300.00
Trade and other payables	35,284.07	-	-	35,284.07
Creditors for capital purchase	1,336.46	-	-	1,336.46
Dues to employees	151.88	-	-	151.88
Total	**1,30,564.71**	**1,04,592.49**	**1,99,651.53**	**4,34,808.73**

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Financial instruments – Fair values and risk management (continued)

3. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates 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 control market risk exposures within acceptable parameters, while optimizing the return.

The Board of directors is responsible for setting up of policies and procedures to manage market risks of the Company. The Company has entered into cross currency principal interest swap to hedge the interest rate and foreign exchange risk.

(a) Currency risk

The Company is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuations arises. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates.

The currency profile of financial assets and financial liabilities as at 31 March 2021 and 31 March 2020 are as below:

Particulars	As at 31 March 2021		As at 31 March 2020	
	INR	USD (in lakhs)	INR	USD (in lakhs)
Non Derivative financial liabilities				
Retention money	13,600.13	185.78	13,930.67	185.78
	13,600.13	**185.78**	**13,930.67**	**185.78**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies as at 31 March 201 (previous year ending as at 31 March 2020) would have affected the measurement of financial instruments denominated in respective currencies 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 sales and purchases.

Effect in INR	Closing rate as at 31 March 2021	Closing rate as at 31 March 2020	Profit/ (loss), net of tax 31 March 2021		Profit/ (loss), net of tax 31 March 2020	
			Strengthening	Weakening	Strengthening	Weakening
2% movement						
USD	73.2065	75.3859	176.95	(176.95)	182.22	(182.22)
			176.95	**(176.95)**	**182.22**	**(182.22)**

Outstanding derivative contracts

Category of derivative instrument	Purpose of the derivative instrument	Outstanding Principal (in USD lakhs) As at 31 March 2021	Outstanding Principal (in USD lakhs) As at 31 March 2020
Currency swap settlement contract	To hedge foreign currency exposure on repayment of foreign currency loan and part interest on foreign currency loan	377.75	389.47
		For 1 contract	

Subsequently in September 2021, such currency swap settlement contract has been terminated by Axis bank. Consequentially, the risk on account of foreign exchange fluctuations on repayment of principal and interest is on the Company since there is no hedge on the foreign currency loan.

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(All amounts are in Rupees lakhs, unless otherwise stated)

(b) Interest rate risk

The Company is exposed to interest rate risk arising mainly from long term borrowings with floating interest rates. The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Financial Assets		
Fixed-rate instruments		
Deposit against DSRA	14,700.00	-
Bank balances other than cash and cash equivalents	1,699.09	1,858.59
	16,399.09	**1,858.59**
Financial Liabilities		
Fixed-rate instruments		
Inter-corporate deposits	38,036.98	37,871.99
0.01% Non Cumulative Redeemable preference shares of Rs.10 each	4,274.43	3,994.79
	42,311.41	**41,866.78**
Variable-rate instruments		
Secured term loan from bank	2,93,088.96	2,88,647.90
Working capital demand loan	8,099.72	9,300.00
Cash credits from banks	13,757.90	11,585.41
Funded interest term loan	192.84	-
	3,15,139.42	**3,09,533.31**
Total	**3,57,450.83**	**3,51,400.09**

Fair value sensitivity analysis for fixed-rate instruments

The Company's fixed rate instruments are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Cash flow sensitivity analysis for variable-rate instruments

A change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for the previous year.

Particulars	Profit/ (loss), net of tax	
	50 bp increase	**50 bp decrease**
For the year ended 31 March 2021		
Secured term loan from bank	(953.36)	953.36
Working capital demand loan	(26.35)	26.35
Cash credits from banks	(44.75)	44.75
Funded interest term loan	(0.63)	0.63
	(1,025.09)	**1,025.09**
For the year ended 31 March 2020		
Secured term loan from bank	(938.91)	938.91
Working capital demand loan	(30.25)	30.25
Cash credits from banks	(37.69)	37.69
	(1,006.85)	**1,006.85**

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(All amounts are in Rupees lakhs, unless otherwise stated)

48. Capital Management

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and
- maintain an appropriate capital structure of debt and equity.

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management of deployed funds and leveraging opportunities in domestic and international financial markets so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to equity shareholders.

In order to achieve the overall objective, the company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current period.

The Company monitors capital, using a medium term view of three to five years, on the basis of a number of financial ratios generally used by industry and by the rating agencies.

The Company monitors capital using gearing ratio which is net debt divided by total equity. Net debt comprises of long term and short term borrowings less cash and cash equivalent. Equity includes equity share capital and reserves that are managed as capital. The gearing ratio at the end of the reporting periods was as follows:

	As at 31 March 2021	As at 31 March 2020
Net debts	3,55,417.61	3,49,851.33
Total equity	(15,780.12)	18,269.45
Net debt to equity ratio	(22.52)	19.15

49. Standards issued but not yet effective

Ministry of corporate affairs (MCA) notifies new standards or amendments to the existing standards. There is no such notifications which shall have been applicable from 01 April 2021.

50. The figures for the corresponding previous year have been regrouped/reclassified wherever necessary to make them comparable.

51. The financial statements of the Company for the year ended 31 March 2021 were approved for issue by the Board of Directors on 29 November 2021.

As per our report of even date attached

For **N G C & Company**
Chartered Accountants
ICAI Firm Registration No. : 033499N

Raina Bajaj
Partner
Membership No.: 526726

Place : Gurugram
Date : 29 November 2021

N G C & Company New Delhi Chartered Accountants

For and on behalf of the Board of Directors of
TRN Energy Private Limited

TRN Energy Private Limited

Kamal Kant
Managing Director and CEO
DIN: 03509325

Sanjay Jain
Director & CFO
DIN: 00364854

Place: Gurugram
Date : 29 November 2021