

Independent Auditors' Report

To the Members of **Sembcorp Energy India Limited**
(formerly Thermal Powertech Corporation India Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Sembcorp Energy India Limited (formerly Thermal Powertech Corporation India Limited) ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (collectively referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs,

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

In preparing the standalone financial statements, 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.

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive

to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
 - (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its standalone financial statements - Refer Note 2.32 to the standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2019.
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

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

for **B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 116231W/W-100024

Hemant Maheshwari

Partner

Membership No.: 096537

Place: Gurugram

Date: 17 May 2019

Annexure A to the Independent Auditor's Report on the standalone financial statements

With reference to Annexure A referred to in the Independent Auditor's Report of even date to the members of Sembcorp Energy India Limited (formerly Thermal Powertech Corporation India Limited) ('the Company') on the standalone financial statements for the year ended 31 March 2019, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of three years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the programme certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties as disclosed in note 2.1 on property, plant and equipment to the standalone financial statements are held in the name of the Company, except for the following land parcels.

Particulars of immovable property	Amount (Rs in millions)	Remarks
Land admeasuring 40.80 acres located at plant, Nellore	36.76	In respect of these lands, the Company (formed part of the Company through Amalgamation of Sembcorp Gayatri Power Limited) has entered in to an Agreement for purchase dated 8 April 2013 from Andhra Pradesh Industrial Infrastructure Corporation. The registration of such land is still under process.

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

- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 ('Act'). Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the said Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not given any loans, or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Accordingly, compliance under Section 185 of the Act is not applicable to the Company. According to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act in respect of the investments made by the Company.
- v. The Company has not accepted any deposits from public within the meaning of Section 73 to 76 of the Act and Rules framed thereunder.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government of India for maintenance of cost records under Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Income tax, Goods and Services tax, Duty of customs and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the provisions of Employees' State Insurance, Sales tax, Value Added tax, Service tax, Works Contract tax, Duty of excise and cess are not applicable to the Company. Refer note 2.32 to the standalone financial statements relating to provident fund contribution.

According to the information and explanations given to us, there are no undisputed amount payable in respect of Provident fund, Income tax, Goods and Services tax, Duty of customs and other material statutory dues which were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

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

Name of the statute	Nature of dues	Amount Rs. in millions	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Income tax and interest	111.90 (59.63)*	Assessment year 2012-13	Hon'ble High Court of Telangana and Andhra Pradesh
Income tax Act, 1961	Income tax and interest	98.61 (63.62)*	Assessment year 2013-14	Commissioner of Income- tax, Appeals (CIT(A))
Income tax Act, 1961	Income tax and interest	171.65 (113.31)*	Assessment year 2014-15	Commissioner of Income- tax, Appeals (CIT(A))
Income tax Act, 1961	Income tax and interest	208.20 (72.07)*	Assessment year 2015-16	Commissioner of Income- tax, Appeals (CIT(A))
Income tax Act, 1961	Income tax and interest	255.52 (114.07)*	Assessment year 2016-17	Commissioner of Income- tax, Appeals (CIT(A))
Sale tax and VAT Laws	Entry tax	43.30 (15.15)*	Financial year 2013-15	Deputy Commissioner, Appeals
Sale tax and VAT Laws	Entry tax	170.95	Financial year 2015-17	Commercial tax officer, Nellore
A.P. Value added tax Act, 2005	Works contract tax	861.69	Financial year 2009-14	Commercial tax officer, Nellore

* Represent amounts paid under protest including advance tax and tax deducted at source.

As explained to us, the Company did not have any dues on account of Service tax, Duty of excise and cess.

- viii. According to the records of the Company examined by us and information and explanation provided to us, the Company has not defaulted in repayment of loans or borrowings to any bank. The Company does not have any loans or borrowings from any financial institution or government nor has it issued any debentures as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer and further public offer (including debt instruments). According to the information and explanations given to us, the Company has applied the term loans for the purpose for which they were obtained.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, the provisions of clause 3(xii) of the said Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has entered into transactions with related parties which are in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of clause 3(xiv) of the said Order are not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the said Order are not applicable to the Company.
- xvi. In our opinion and according to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the said Order is not applicable to Company.

for **B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 116231W/W-100024

Hemant Maheshwari

Partner

Membership No.: 096537

Place: Gurugram

Date: 17 May 2019

Annexure B to the Independent Auditors' Report on the standalone financial statements

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of Sembcorp Energy India Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements

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

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

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

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in

accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any

evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

for **B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 116231W/W-100024

Hemant Maheshwari

Partner

Membership No.: 096537

Place: Gurugram

Date: 17 May 2019

Standalone Balance Sheet

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

Particulars	Note No.	As at 31 March, 2019	As at 31 March, 2018*
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	2.1	1,67,215.62	1,72,352.54
(b) Capital work-in-progress	2.1	754.05	875.67
(c) Goodwill	2.2	1,234.20	1,234.20
(d) Other intangible assets	2.2	6.66	14.56
(e) Financial assets			
(i) Investments	2.3	49,599.35	49,599.35
(ii) Derivatives	2.4	109.29	-
(iii) Other financial assets	2.5	3,681.72	2,406.66
(f) Non-current tax assets		690.29	629.56
(g) Other non-current assets	2.6	197.15	618.41
Total non-current assets		2,23,488.33	2,27,730.95
II Current assets			
(a) Inventories	2.7	5,428.88	6,126.28
(b) Financial assets			
(i) Investments	2.3	644.66	-
(ii) Trade receivables	2.8	19,447.10	14,288.89
(iii) Cash and cash equivalents	2.9	16.98	5,579.69
(iv) Bank balances other than (iii) above	2.9	4,487.76	534.77
(v) Loans	2.10	-	0.75
(vi) Derivatives	2.11	47.75	-
(vii) Other financial assets	2.12	9,111.09	7,181.78
(c) Other current assets	2.13	1,459.70	1,563.76
Total current assets		40,643.92	35,275.92
Total assets		2,64,132.25	2,63,006.87
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	2.14	51,587.22	51,587.22
(b) Other equity	2.15	41,308.28	41,963.58
Total equity		92,895.50	93,550.80
LIABILITIES			
I Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	2.16	1,27,331.14	1,30,888.68
(ii) Derivatives	2.17	-	684.96
(iii) Other financial liabilities	2.18	6,726.91	33.87
(b) Provisions	2.19	43.54	39.22
Total non-current liabilities		1,34,101.59	1,31,646.73
II Current liabilities			
(a) Financial liabilities			
(i) Borrowings	2.20	16,486.03	15,160.62
(ii) Trade payables	2.21		
Dues to micro and small enterprises		1.52	-
Dues to creditors other than micro and small enterprises		3,178.07	3,074.36
(iii) Derivatives	2.22	1,664.58	92.70
(iv) Other financial liabilities	2.23	11,058.66	15,272.32
(b) Current tax liabilities (net)		336.49	333.43
(c) Other current liabilities	2.24	4,403.32	3,868.82
(d) Provisions	2.25	6.49	7.09
Total current liabilities		37,135.16	37,809.34
Total liabilities		1,71,236.75	1,69,456.07
Total equity and liabilities		2,64,132.25	2,63,006.87

* Refer Note 1.1 and 2.48

Significant accounting policies

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

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

for **B S R & Associates LLP**

Chartered Accountants

ICAI Firm registration number: 116231W/ W-100024

Hemant Maheshwari

Partner

Membership No: 096537

Place: Gurugram

Date: 17 May 2019

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for and on behalf of the Board of Directors of

Sembcorp Energy India Limited

(formerly Thermal Powertech Corporation India Limited)

CIN: U40103TG2008PLC057031

Neil McGregor

Chairman

DIN: 07754310

Juvenil Jani

Chief Financial Officer

Place: Gurugram

Date: 17 May 2019

Vipul Tuli

Managing Director

DIN: 07350892

Narendra Ande

Company Secretary

Membership No: A14603

Standalone statement of Profit and Loss

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

Particulars	Note No.	For the year ended 31 March, 2019	For the year ended 31 March, 2018*
I Revenue			
Revenue from operations	2.26	73,463.94	69,126.10
Other income	2.27	2,126.78	549.15
Total income		75,590.72	69,675.25
II Expenses			
Cost of fuel		45,931.12	43,476.20
Transmission charges		3,574.02	2,769.44
Employee benefits expense	2.28	1,592.74	1,329.33
Finance costs	2.29	14,539.16	17,188.95
Depreciation and amortisation expense	2.30	7,406.63	7,452.69
Other expenses	2.31	3,179.87	3,265.35
Total expenses		76,223.54	75,481.96
III Loss before tax		(632.82)	(5,806.71)
IV Tax expense	2.42		
Current tax		-	-
Deferred tax		-	-
V Loss for the year		(632.82)	(5,806.71)
VI Other comprehensive income			
(A) Items that will not be reclassified subsequently to the statement of profit and loss			
Remeasurement of defined benefit liability, net		0.96	(2.58)
		0.96	(2.58)
(B) Items that will be reclassified subsequently to the statement of profit and loss			
Effective portion of changes in fair value of cash flow hedge		(669.70)	44.35
		(669.70)	44.35
VII Total comprehensive loss for the year		(1,301.56)	(5,764.94)
Earnings / (Loss) per equity share (face value of share Rs.10 each)			
Basic and diluted	2.34	(0.12)	(2.04)

* Refer Note 1.1 and 2.48

Significant accounting policies

1

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

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

for **B S R & Associates LLP**

Chartered Accountants

ICAI Firm registration number: 116231W/ W-100024

for and on behalf of the Board of Directors of

Sembcorp Energy India Limited

(formerly Thermal Powertech Corporation India Limited)

CIN: U40103TG2008PLC057031

Hemant Maheshwari

Partner

Membership No: 096537

Neil McGregor

Chairman

DIN: 07754310

Vipul Tuli

Managing Director

DIN: 07350892

Juvenil Jani

Chief Financial Officer

Narendra Ande

Company Secretary

Membership No: A14603

Place: Gurugram

Date: 17 May 2019

Place: Gurugram

Date: 17 May 2019

Standalone statement of cash flows

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

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018*
A. Cash flows from operating activities		
Loss before tax	(632.82)	(5,806.71)
Adjustments:		
Depreciation and amortisation expense	7,406.63	7,452.69
Finance costs	14,539.16	17,188.95
Allowance for credit losses	94.36	17.74
Interest income	(535.61)	(417.04)
(Gain)/ Loss on sale of property, plant and equipment, net	(0.34)	1.86
Unrealised loss/(gain) on derivatives	246.64	(15.91)
Liabilities no longer required written back	-	(73.81)
Net foreign exchange differences	114.33	154.78
Operating cash flows before working capital changes	21,232.35	18,502.55
Decrease/(Increase) in inventories	697.40	(859.80)
(Increase)/decrease in trade receivables	(5,208.11)	431.96
Increase in unbilled revenue	(1,618.28)	(538.79)
Decrease in financial and non-financial assets	242.42	250.41
Increase in trade payable, other financial liabilities and current liabilities	323.01	1,497.09
Increase in provisions	2.69	1.32
Cash generated from operations	15,671.48	19,284.74
Income-tax paid (net)	(47.97)	(412.92)
Net cash generated from operating activities	15,623.51	18,871.82
B. Cash flows from investing activities		
Acquisition of property, plant and equipment (net of CWIP, capital advances and capital creditors)	(2,121.92)	(1,346.30)
Proceeds from sale of property, plant and equipment	1.64	(1.30)
Interest received	418.34	414.13
Increase in fixed deposits other than considered in cash and cash equivalents, net	(5,178.43)	(491.28)
Purchase of other investments, net	(644.66)	-
Investment in subsidiaries	-	(14,102.66)
Net cash used in investing activities	(7,525.03)	(15,527.41)
C. Cash flows from financing activities		
Proceeds from issue of shares including securities premium	-	14,102.00
Proceeds from long-term borrowings	-	29,774.53
Repayment of long-term borrowings	(3,525.03)	(55,212.86)
Proceeds from issue of INR denominated notes	-	25,506.10
Net proceeds from short-term borrowings	1,325.41	(2,763.73)
Interest and finance charges paid	(11,461.57)	(13,240.51)
Net cash used in financing activities	(13,661.19)	(1,834.47)
Net (Decrease)/Increase in cash and cash equivalents (A+B+C)	(5,562.71)	1,509.94
Amalgamation of Sembcorp Gayatri Power Limited (refer note 2.48)	-	2,645.29
Cash and cash equivalents at the beginning of the year	5,579.69	1,424.46
Cash and cash equivalents at the end of the year	16.98	5,579.69

Standalone statement of cash flows (Continued)

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

Note:

Components of cash and cash equivalents:

Particulars	As at 31 March 2019	As at 31 March 2018*
Cash on hand	0.04	0.83
Balance with scheduled banks		
-in current accounts	11.43	951.60
-in deposit accounts	5.51	4,627.26
Total cash and cash equivalents (refer note no. 2.9)	16.98	5,579.69

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

Particulars	As at 31 March 2018	Cash flows	Foreign exchange movement and borrowing cost	As at 31 March 2019
Long-term borrowings	1,34,329.26	(3,525.03)	276.81	1,31,081.04
Short-term borrowings	15,160.62	1,325.41	-	16,486.03
	1,49,489.88	(2,199.62)	276.81	1,47,567.07

* Refer Note 1.1 and 2.48

Significant accounting policies

1

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

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

for **B S R & Associates LLP**

Chartered Accountants

ICAI Firm registration number: 116231W/ W-100024

for and on behalf of the Board of Directors of

Sembcorp Energy India Limited

(formerly Thermal Powertech Corporation India Limited)

CIN: U40103TG2008PLC057031

Hemant Maheshwari

Partner

Membership No: 096537

Neil McGregor

Chairman

DIN: 07754310

Vipul Tuli

Managing Director

DIN: 07350892

Juvenil Jani

Chief Financial Officer

Narendra Ande

Company Secretary

Membership No: A14603

Place: Gurugram

Date: 17 May 2019

Place: Gurugram

Date: 17 May 2019

Standalone statement of changes in equity

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

Particulars	Equity share capital		Reserves and Surplus				Other Equity		Total equity
	Equity share capital	Securities premium	Share pending issuance (refer note 2.47)	Capital reserve on amalgamation (refer note 2.48)	Other reserves	Retained earnings	Other comprehensive income (OCI)	Effective portion of cash flow hedges	
Balance as at 1 April 2017 (As reported earlier)	18,399.15	8,577.34	-	-	-	(1,831.67)	(307.00)	(307.00)	24,837.82
Amalgamation of Sembcorp Gayatri Power Limited (refer note 2.48)	-	-	12,800.00	16,013.56	-	(3,933.87)	-	-	24,879.69
Restated balance as at the beginning of the reporting period	18,399.15	8,577.34	12,800.00	16,013.56	-	(5,765.54)	(307.00)	(307.00)	49,717.51
Equity shares issued during the year (refer note no 2.47)	33,188.07	29,210.16	(12,800.00)	-	-	-	-	-	49,598.23
Loss for the year	-	-	-	-	-	(5,806.71)	-	-	(5,806.71)
Other comprehensive income/(loss) for the year	-	-	-	-	-	(2.58)	44.35	44.35	41.77
Balance as at 31 March 2018*	51,587.22	37,787.50	-	16,013.56	-	(11,574.83)	(262.65)	(262.65)	93,550.80
Balance as at 1 April 2018	51,587.22	37,787.50	-	16,013.56	-	(11,574.83)	(262.65)	(262.65)	93,550.80
Loss for the year	-	-	-	-	-	(632.82)	-	-	(632.82)
Fair value of interest free financing arrangement with parent company	-	-	-	-	646.26	-	-	-	646.26
Other comprehensive income/(loss) for the year	-	-	-	-	-	0.96	(669.70)	(669.70)	(668.74)
Balance as at 31 March 2019	51,587.22	37,787.50	-	16,013.56	646.26	(12,206.69)	(932.35)	(932.35)	92,895.50

* Refer Note 1.1 and 2.48

Significant accounting policies

1

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

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

for **B S R & Associates LLP**

Chartered Accountants

ICAI Firm registration number: 116231W/ W-100024

Hemant Maheshwari

Partner

Membership No: 096537

for and on behalf of the Board of Directors of

Sembcorp Energy India Limited

(formerly Thermal Powertech Corporation India Limited)

CIN: U40103TG2008PLC057031

Neil McGregor

Chairman

DIN: 07754310

Juvenil Jani

Chief Financial Officer

Place: Gurugram

Date: 17 May 2019

Vipul Tuli

Managing Director

DIN: 07350892

Narendra Ande

Company Secretary

Membership No: A14603

Notes to standalone financial statements

Corporate information

Sembcorp Energy India Limited (formerly Thermal Powertech Corporation India Limited) ('the Company') was incorporated on 8 January 2008 as a public limited company. The Company has been established for developing, constructing, commissioning, operating and maintaining a 1,320 megawatt (2 X 660 megawatt) coal based thermal power plant at Pynampuram and Nelatur Villages, Muthukur Mandal, Nellore District in the state of Andhra Pradesh (hereinafter referred to as "Sembcorp-P1"). The Company has successfully commenced full commercial operations of Sembcorp-P1 in September 2015. The name of the Company has been changed to Sembcorp Energy India Limited on 10 February 2018.

As a part of reorganization of Sembcorp Group's power sector portfolio in India, the Board of Directors of the Company have approved the scheme of amalgamation ('the Scheme') of Sembcorp Gayatri Power Limited (SGPL), one of the wholly owned subsidiary of the Company with the Company on 19 February 2018 and the Scheme has been approved by the Regional Director (RD), Ministry of Corporate Affairs, Hyderabad on 31 October 2018. The appointed date as per the Scheme is 01 April 2017.

Sembcorp Gayatri Power Limited (hereinafter referred to as "Sembcorp-P2") has been established for developing, constructing, commissioning, operating and maintaining a 1,320 megawatt (2 X 660 megawatt) coal based thermal power plant at Pynampuram and Nelatur Villages, Muthukur Mandal, Nellore District in the state of Andhra Pradesh. The commercial operations of Sembcorp-P2 has been commenced on 17 November 2016 for unit I and on 21 February 2017 for unit II.

1. Significant accounting policies

1.1 Basis of preparation and statement of compliance

The standalone financial statements of the Company ('financial statements') have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

The figures for the year ended 31 March 2018 included in these standalone financial statements for the year ended 31 March 2019, have been restated to give effects of the scheme of amalgamation of Sembcorp Gayatri Power Limited (a wholly owned subsidiary) with the Company pursuant to an order of Regional Director (RD), Ministry of Corporate Affairs, Hyderabad on 31 October 2018 from the appointed date i.e. 1 April 2017) and which is in line with Ind AS 103 (Appendix C), Business combinations of entities under common control.

New and amended standards adopted by the Company

Effective 1 April 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is recognized. Ind AS 115 replaces Ind AS 18 Revenue, Ind AS 11 Construction Contracts and related interpretations. The Company has adopted Ind AS 115 using the modified retrospective method. This method requires the recognition of the cumulative effect of initially applying Ind AS 115 to retained earnings and not to restate prior years. Overall, the application of this standard did not have any impact on the revenue streams from the sale of electricity and other operating income.

1.2 Functional and presentation currency

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

1.3 Basis of measurement

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

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

1.4 Use of estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities as at the date of the financial statements.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of those estimates. Changes in estimates are reflected in the financial statements in the year in which changes are made, if material, their effects are disclosed in the notes to the financial statements.

Notes to standalone financial statements (Continued)

Significant accounting policies (Contd..)

Assumptions, estimation uncertainties and judgments

Information about significant areas of assumptions, estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are:

Impairment of investments:

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Useful lives of property, plant and equipment and intangible:

The Company reviews the useful life of property, plant and equipment and intangible at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets:

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

Defined benefit plans:

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

Recognition and measurement of other provisions:

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the closing date. The actual outflow of resources

at a future date may therefore, vary from the amount included in other provisions.

1.5 Current and Non-current classification

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

Assets

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

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

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

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

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

Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current.

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

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash

Notes to standalone financial statements (Continued)

Significant accounting policies (Contd..)

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

1.6 Property, plant and equipment and depreciation

i. Recognition and measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset.

The cost of self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the assets to a working condition for their intended use, and estimated costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs.

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

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

ii. Subsequent expenditure

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

iii. Disposals

Gains or losses arising from the retirement or disposal of property, plant and equipment are determined as the difference between the net disposal proceeds and

the carrying amount of the asset and are recognised in profit and loss on the date of retirement or disposal.

iv. Depreciation

Depreciation on property, plant and equipment is provided on straight line method based on the useful life as specified in Schedule II to the Act, except in case of plant and machinery where the estimated useful life has been considered as 25 years, which the Management believes best represent, based on internal assessment where necessary, which is different from the useful life as prescribed under Part C of Schedule II of the Act. Freehold land is not depreciated.

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

Depreciation on additions (disposals) is provided on a pro-rata basis i.e from (upto) the date on which asset is ready for use (disposed of).

Assets whose acquisition cost is less than Rs. 5,000/- are fully depreciated in the year of acquisition.

1.7 Intangible assets

Intangible assets other than Goodwill are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably. Intangible assets that are acquired are recognized at cost initially and carried at cost less accumulated amortization and accumulated impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in the statement of profit and loss.

The intangible assets are amortised over the estimated useful lives as given below:

- Computer Software : 3 years

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

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

Notes to standalone financial statements (Continued)

Significant accounting policies (Contd..)

1.8 Financial instruments

i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and liabilities are recognised and initially measured when the Company becomes a party to the contractual provisions of the instrument.

A Financial asset and liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii) Financial assets - Classification and subsequent measurement:

On initial recognition, a financial asset is classified as measured at:

a) Financial assets at amortised cost

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

b) Financial assets at fair value through other comprehensive income

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

c) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

iii) Financial liabilities - Classification and subsequent measurement:

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

a) Financial liabilities at FVTPL

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

b) Other financial liabilities:

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

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

iv) De-recognition of financial instruments

a) Financial asset

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

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

b) Financial liability

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Notes to standalone financial statements (Continued)

Significant accounting policies (Contd..)

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

v) Offsetting

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

1.9 Fair value of financial instruments

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

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

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

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

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

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

When the fair values of financial assets and financial liabilities recorded in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs

to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgements is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk volatility and discount rates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

1.10 Derivative financial instruments and hedge accounting

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

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

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

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

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

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

ii) Cash flow hedge accounting

Where a derivative is designated as a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability, or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised directly in other comprehensive income and presented in the hedge reserve in equity. The ineffective portion of changes in the fair values of the derivative is recognised immediately in the statement of profit

Notes to standalone financial statements (Continued)

Significant accounting policies (Contd..)

and loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively.

If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedge reserve till the period the hedge was effective remains in cash flow hedge reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedge reserve is transferred to the net profit in the statement of profit and loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedge reserve is reclassified to net profit in the statement of profit and loss.

1.11 Impairment

i) Financial assets (other than at fair value)

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

ii) Non-financial assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit ('CGU') to which the asset belongs.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the

carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

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

Goodwill has indefinite useful life and tested for impairment annually.

1.12 Investment in Subsidiaries

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

1.13 Inventories

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

1.14 Foreign currency transactions

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

Monetary assets and liabilities that are denominated in foreign currency are translated at the exchange rate prevalent at the date of the balance sheet. The

Notes to standalone financial statements (Continued)

Significant accounting policies (Contd..)

resultant exchange differences are recognised in the statement of profit and loss unless it relates to a long term foreign currency monetary item.

Non-monetary assets are recorded at the rate prevailing on the date of the transaction.

1.15 Employee benefits

Short-term employee benefits

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

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

Defined benefit plans:

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on project unit credit method as at the balance sheet date. The Company recognises the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset), which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognised in other comprehensive income are not to be subsequently reclassified to the statement of profit and loss. Changes in the present value of the defined

benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

Defined contribution plans:

Contributions payable to recognised provident funds, which are defined contribution schemes, are charged to the statement of profit and loss.

Compensated absences:

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

Bonus plans:

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

1.16 Revenue recognition

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

Effective 1 April 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is recognized. Ind AS 115 replaces Ind AS 18 Revenue, Ind AS 11 Construction Contracts and related interpretations. The Company has adopted Ind AS 115 using the modified retrospective method upon adoption of Ind AS 115 on 1 April 2018. This method requires the recognition of the cumulative effect of initially applying Ind AS 115 to retained earnings and not to restate prior years. The model for revenue recognition is changed from having been based on the transfer of risks and rewards of ownership of a service to being based on the transfer of control of the service transferred to the customer.

The Company has assessed that the excising accounting policy for revenue recognition (sale of electricity) in all material aspects are consistent with Ind AS 115 and the implementation has therefore not had any impact on the retained earnings as of 1

Notes to standalone financial statements (Continued)

Significant accounting policies (Contd..)

April 2018 except for minor changes in wordings and classification of contract liability from other financial liability to other current liability.

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

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

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

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

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

Claims for delayed payment charges and any other claims, which the Company is entitled to under the PPAs, are accounted for in the year of acceptance

by the customers or actual receipt of the claim, whichever is earlier, considering the uncertainty as to measurement or ultimate collectability of revenue.

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

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

1.17 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the statement of profit and loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/ development of the qualifying asset up to the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the statement of profit and loss during extended periods when active development activity on the qualifying assets is interrupted.

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

1.18 Earnings / (loss) per share

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable

Notes to standalone financial statements (Continued)

Significant accounting policies (Contd..)

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

1.19 Leases

Assets taken on lease under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets taken on finance lease are initially capitalised at fair value of the leased asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Assets acquired under leases other than finance leases are classified as operating leases and recorded as expense as and when the payments are made over the lease term. Operating lease payments are recognised on a straight line basis over the lease term, unless the lease agreement explicitly states that increase is on account of inflation in the statement of profit and loss.

1.20 Income taxes

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

i) Current tax

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

ii) Minimum alternate tax

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is reasonable evidence that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have evidence that it will pay normal tax during the specified period.

iii) Deferred tax

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

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

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

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

Notes to standalone financial statements (Continued)

Significant accounting policies (Contd..)

offset if there is a legally enforceable right to offset with deferred tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle deferred tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

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

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

1.21 Provisions and contingent liabilities

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

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

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

1.22 Cash flow statement

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

1.23 Cash and cash equivalents

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

1.24 Business combinations

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

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

Notes to standalone financial statements (Continued)

Significant accounting policies (Contd..)

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

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

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

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. Acquisition-related costs are expensed as incurred.

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

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

ii) Common control business combinations

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

1.25 Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from 1 April 2019:

Ind AS 116, Leases

The Company is required to adopt Ind AS 116, *Leases* from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard - i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, *Leases*.

The Company has assessed the estimated impact that initial application of Ind AS 116 will have on its standalone financial statements. The actual impacts of adopting the standard on 1 April 2019 may change because the new accounting policies are subject to change until the Company presents its first financial statements that include the date of initial application.

i. Leases in which the Company is a lessee

The Company will recognise new assets and liabilities for its operating leases of offices and guesthouse facilities (see Note 2.35). The nature

Notes to standalone financial statements (Continued)

Significant accounting policies (Contd..)

of expenses related to those leases will now change because the Company will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

In addition, the Company will no longer recognise provisions for operating leases that it assesses to be onerous as described in Note 1.21. Instead, the Company will include the payments due under the lease in its lease liability and apply Ind AS 36, Impairment of Assets.

Based on the information currently available, the Company estimates that it will recognise additional lease liabilities of Rs. 77.23 million as at 1 April 2019.

ii. Transition

The Company plans to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an

adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Company plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

Ind AS 23 - Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

Ind AS 28 - Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any long-term interests in associates and joint ventures.

2. Notes to standalone financial statements (Continued)

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

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

Particulars	Land (owned)	Land (leased) (Note 1)	Roads	Office buildings	Factory buildings	Furniture and fittings	Vehicles	Office equipments	Electrical installations	Plant and equipments	Computers	Total of Property, Plant and equipment	Capital work-in-progress
Gross carrying amount													
Balance as at 1 April 2017 (As reported earlier)	936.17	619.63	1,390.27	501.91	521.85	59.49	46.59	83.85	95.93	87,208.68	23.86	91,488.23	670.95
Amalgamation of Sembcorp Gayatri Power Limited (refer note 2.48)	1,505.87	-	671.53	7.23	205.74	12.98	19.16	33.75	-	91,550.37	18.60	94,025.23	637.94
Restated balance as at the beginning of the reporting year	2,442.04	619.63	2,061.80	509.14	727.59	72.47	65.75	117.60	95.93	1,78,759.05	42.46	1,85,513.46	1,308.89
Additions	-	-	133.94	978.72	23.24	20.13	13.73	8.56	-	586.02	47.02	1,811.36	1,208.33
Adjustments	-	-	-	-	-	(0.82)	(5.84)	(3.60)	-	(34.19)	(1.74)	(34.19)	-
Disposals	-	-	-	-	-	-	-	-	-	(0.23)	-	(12.23)	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	(1,641.55)
Balance as at 31 March 2018	2,442.04	619.63	2,195.74	1,487.86	750.83	91.78	73.64	122.56	95.93	1,79,310.65	87.74	1,87,278.40	875.67
Gross carrying amount													
Balance as at 1 April 2018	2,442.04	619.63	2,195.74	1,487.86	750.83	91.78	73.64	122.56	95.93	1,79,310.65	87.74	1,87,278.40	875.67
Additions	-	-	50.55	28.42	24.05	5.47	3.13	2.30	-	2,131.75	14.06	2,259.73	1,966.86
Disposals	-	-	-	-	-	-	-	-	-	(1.24)	(4.04)	(5.28)	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	(2,088.48)
Balance as at 31 March 2019	2,442.04	619.63	2,246.29	1,516.28	774.88	97.25	76.77	124.86	95.93	1,81,441.16	97.76	1,89,532.85	754.05
Accumulated depreciation													
Balance as at 1 April 2017 (As reported earlier)	-	-	250.66	20.70	36.84	10.98	8.08	44.38	26.89	6,047.00	8.09	6,453.62	-
Amalgamation of Sembcorp Gayatri Power Limited (refer note 2.48)	-	-	24.49	4.86	9.44	2.24	2.67	7.63	-	996.16	11.33	1,058.82	-
Restated balance as at the beginning of the reporting year	-	-	275.15	25.56	46.28	13.22	10.75	52.01	26.89	7,043.16	19.42	7,512.44	-
Depreciation for the year	-	-	271.50	23.86	34.03	8.93	8.57	24.87	13.50	7,017.33	19.16	7,421.75	-
Disposals	-	-	-	-	-	(0.35)	(3.46)	(2.86)	-	(0.05)	(1.61)	(8.33)	-
Balance as at 31 March 2018	-	-	546.65	49.42	80.31	21.80	15.86	74.02	40.39	14,060.44	36.97	14,925.86	-
Balance as at 1 April 2018	-	-	546.65	49.42	80.31	21.80	15.86	74.02	40.39	14,060.44	36.97	14,925.86	-
Depreciation for the year	-	-	193.16	32.00	24.61	9.69	9.48	20.60	13.50	7,070.41	21.81	7,395.26	-
Disposals	-	-	-	-	-	-	-	-	-	(0.05)	(3.84)	(3.89)	-
Balance as at 31 March 2019	-	-	739.81	81.42	104.92	31.49	25.34	94.62	53.89	21,130.80	54.94	22,317.23	-
Carrying amounts (net)													
As at 31 March 2018	2,442.04	619.63	1,506.48	1,434.86	669.96	65.76	51.43	30.24	42.04	1,60,310.36	42.82	1,67,215.62	754.05
As at 31 March 2019	2,442.04	619.63	1,549.09	1,438.44	670.52	69.98	57.78	48.54	55.54	1,65,250.21	50.77	1,72,352.54	875.67

Note 1:

The Company had entered into an agreement with Andhra Pradesh Industrial Infrastructure Corporation Limited. (APIIC) for occupation of two tranches of land for Sembcorp-P1. One tranche of land was transferred to the Company as freehold land. For the other tranche of land, admeasuring Acre 680.55cents, a lease deed for a period of 21 years was entered with APIIC on 25 November 2009. As per the lease deed, APIIC agreed to sell the land even during the subsistence of the lease deed on securing necessary clearances and approvals for such sale to the Company on such mutually agreed terms and conditions. Further, in the unlikely event of transferring the land through sale to the Company, APIIC agreed to renew the lease for a further period on such mutually agreed terms and conditions. All the requirements of the agreement including the payment of consideration of Rs. 612.50 million has been complied with by the Company to purchase the land. The said consideration was paid on 12 November 2009 and the same has been considered as cost of land. The Company has complied with all the requirements for purchase of land and paid the full consideration. The delay from APIIC is of administrative in nature and said sale will happen in due course. Further, APIIC has also confirmed that it agrees to renew the lease for a further period on such mutually agreed terms and conditions in the unlikely event that the sale is not completed then. Accordingly, the estimates of useful lives of assets is considered to be appropriate.

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

Note 3: Refer note no 2.16 and 2.19 for assets pledged against the borrowings of the Company.

Note 4: Title deeds of certain lands in the name of the Company are under dispute. In respect of such disputes, the Company has been legally advised that it has the valid title deeds in its name for the aforesaid immovable properties and that it will be able to defend any counter claim to such property (refer note 2.32).

2. Notes to standalone financial statements (Continued)

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

2.2 Intangible assets

Particulars	Goodwill	Other intangible assets (Softwares)
Gross carrying amount		
Balance as at 1 April 2017 (As reported earlier)	-	52.56
Amalgamation of Sembcorp Gayatri Power Limited (refer note 2.48)	1,234.20	32.46
Restated balance as at the beginning of the reporting year	1,234.20	85.02
Additions	-	7.35
Balance as at 31 March 2018	1,234.20	92.37
Balance as at 1 April 2018	1,234.20	92.37
Additions	-	3.47
Balance as at 31 March 2019	1,234.20	95.84
Accumulated amortisation		
Balance as at 1 April 2017 (As reported earlier)	-	32.86
Amalgamation of Sembcorp Gayatri Power Limited (refer note 2.48)	-	14.01
Restated balance as at the beginning of the reporting year	-	46.87
Amortisation for the year	-	30.94
Balance as at 31 March 2018	-	77.81
Balance as at 1 April 2018	-	77.81
Amortisation for the year	-	11.37
Balance as at 31 March 2019	-	89.18
Carrying amounts (net)		
As at 31 March 2019	1,234.20	6.66
As at 31 March 2018	1,234.20	14.56

Impairment tests for goodwill:

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

The goodwill represents the excess of consideration paid over the net assets acquired under the Scheme of Amalgamation of the 'Nelcast Energy Corporation Limited (Nelcast)' with Sembcorp Gayatri Power Limited (Sembcorp-P2). The Scheme of Amalgamation was approved by the High Court of Madras on 12 October 2011. Nelcast was the 100% subsidiary of Sembcorp Gayatri Power Limited. The recoverable value is determined for the cash generating unit ('CGU') to which the Goodwill belongs. As the recoverable value of CGU is higher than the carrying value of assets of CGU including goodwill, the management did not identify any impairment on the goodwill.

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

2. Notes to standalone financial statements (Continued)

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

2.3 Investments

Particulars	As at 31 March 2019	As at 31 March 2018
A) Non-current investments:		
Investments in subsidiary companies:		
(Unquoted, valued at cost unless stated otherwise)		
Equity instruments:		
TPCIL Singapore Pte Limited 24,000 (31 March 2018: 24,000) equity shares of SGD 1 each, fully paid-up	1.13	1.13
Sembcorp Green Infra Limited 285,395,187 (31 March 2018: 285,395,187) equity shares of Rs. 10 each, fully paid-up	49,598.22	49,598.22
	49,599.35	49,599.35
B) Current investments:		
Investments in mutual funds (Debt securities):		
(Quoted, valued at fair value through profit and loss)		
SBI Liquid Fund - Direct Growth (69,336.67 units (31 March 2018: Nil))	203.05	-
UTI Liquid Cash Plan - Direct Growth Plan (78,862.45 units (31 March 2018: Nil))	241.38	-
Baroda Liquid Fund - Plan B Growth (93,064.56 units (31 March 2018: Nil))	200.23	-
	644.66	-
Aggregate value of unquoted investments	49,599.35	49,599.35
Aggregate fair value of quoted investments	644.66	-
Aggregate provision for impairment in value of investments	-	-

2.4 Derivatives

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current		
Derivatives designated as cash flow hedge		
- Fair value of cross currency interest rate swaps	109.29	-
	109.29	-

The Company's exposure to currency and liquidity risk related to the above financial instruments is disclosed in note 2.44.

2.5 Other non-current financial assets

Particulars	As at 31 March 2019	As at 31 March 2018
<i>(Unsecured, considered good)</i>		
Margin money deposits and other deposits with banks*	3,440.58	2,215.14
Interest accrued but not due on above deposits	241.14	191.52
	3,681.72	2,406.66

* Reserved against margin money for bank guarantees and Debt Service Coverage Ratio requirement of long-term borrowings.

2. Notes to standalone financial statements (Continued)

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

2.6 Other non-current assets

(Unsecured, considered good)

Particulars	As at 31 March 2019	As at 31 March 2018
Capital advances	157.81	200.06
Other advances:		
- Advances to suppliers and service providers	-	408.67
- Prepayments	5.47	5.62
- Balances with government authorities	20.49	-
- Contribution to gratuity fund (refer note no: 2.38)	13.38	4.06
	197.15	618.41

2.7 Inventories

(Valued at lower of cost and net realisable value)

Particulars	As at 31 March 2019	As at 31 March 2018
Fuel*	3,893.58	4,645.39
Stores and spares	1,535.30	1,480.89
	5,428.88	6,126.28

* includes materials-in-transit amounting to Rs. 755.61 million (31 March 2018: Rs. 880.32 million).

2.8 Trade receivables

(Unsecured)

Particulars	As at 31 March 2019	As at 31 March 2018
Trade receivables		
(a) considered good	19,558.80	14,306.63
(b) credit impaired	-	-
Less: Allowance for credit loss	(111.70)	(17.74)
	19,447.10	14,288.89

Notes:

- (i) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- (ii) The Company's exposure to credit and currency risk and loss allowances related to trade receivables are disclosed in note 2.41.

2. Notes to standalone financial statements (Continued)

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

2.9 Cash and bank balances

Particulars	As at 31 March 2019	As at 31 March 2018
Cash and cash equivalents:		
Cash on hand*	0.04	0.83
Balance with banks:		
- In current accounts	11.43	951.60
- Deposits with original maturity of less than three months**	5.51	4,627.26
	16.98	5,579.69
Bank balances other than those disclosed above:		
Deposits due to mature after three months but before twelve months from the reporting date**	4,487.76	534.77
	4,487.76	534.77

* Cash on hand includes Rs.0.04 million (31 March 2018: Rs. 0.11 million) held in foreign currency.

** Includes Rs. 716.56 million (31 March 2018: Rs. 621.88 million) held as margin money towards bank guarantees and other commitments.

Note: The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2019.

2.10 Loans

(Unsecured, considered good)

Particulars	As at 31 March 2019	As at 31 March 2018
Loans to employees	-	0.75
	-	0.75

2.11 Derivatives

Particulars	As at 31 March 2019	As at 31 March 2018
Current		
Derivatives designated as cash flow hedge		
- Fair value of commodity hedge contracts	47.75	-
	47.75	-

The Company's exposure to currency and liquidity risk related to the above financial instruments is disclosed in note 2.44.

2.12 Other financial assets

(Unsecured, considered good)

Particulars	As at 31 March 2019	As at 31 March 2018
Security deposits:		
- Rental deposits	0.96	0.41
- Electricity deposits	12.91	13.90
- Other deposits	5.24	5.25
Margin money deposit with related party (refer note no 2.45)	564.73	664.73
Interest accrued but not due on deposits	145.82	78.16
Premium on forward contracts	344.21	-
Unbilled receivables	8,037.62	6,419.33
Less: Allowance for credit loss	(0.40)	-
	9,111.09	7,181.78

2. Notes to standalone financial statements (Continued)

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

2.13 Other current assets

(Unsecured, considered good)

Particulars	As at 31 March 2019	As at 31 March 2018
Advances to suppliers and service providers	814.74	804.31
Advances to employees	1.68	1.30
Balance with government authorities	59.03	2.63
Prepayments (refer note 2.33)	583.90	755.52
Other receivables	0.35	-
	1,459.70	1,563.76

2.14 Share capital

Particulars	As at 31 March 2019	As at 31 March 2018
Authorised		
Equity shares		
15,000.00 million (31 March 2018: 15,000.00 million) equity shares of Rs.10 each (refer note no 2.48)	1,50,000.00	1,50,000.00
	1,50,000.00	1,50,000.00
Issued, Subscribed and fully paid up		
5,158.72 million (31 March 2018: 5,158.72 million) equity shares of Rs.10 each, fully paid up (refer note below)	51,587.22	51,587.22
	51,587.22	51,587.22

Of the above issued, subscribed and fully paid up equity share capital 4,835.27 million equity shares of Rs.10 each, fully paid-up are held by Sembcorp Utilities Pte Ltd, the holding company.

Notes:

643.97 million equity shares of Rs.10 each, fully paid-up are pledged against secured term loans from banks by Sembcorp-P1 and the holding company has given an undertaking to pledge 408.48 million equity shares of the Company for loans availed by Sembcorp-P2.

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

Equity shares

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of shares in millions	Amount	No. of shares in millions	Amount
Shares outstanding at the beginning of the year	5,158.72	51,587.22	1,839.92	18,399.15
Shares issued during the year	-	-	3,318.80	33,188.07
Shares outstanding at the end of the year	5,158.72	51,587.22	5,158.72	51,587.22

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

Equity Shares

Name of Shareholder	As at 31 March 2019		As at 31 March 2018	
	No. of shares in millions	% of holding	No. of shares in millions	% of holding
Sembcorp Utilities Pte Ltd, Singapore	4,835.27	93.73%	4,835.27	93.73%
Gayatri Energy Ventures Private Limited	323.45	6.27%	323.45	6.27%

2. Notes to standalone financial statements (Continued)

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

2.14 Share capital (Continued)

Terms and rights attached to equity shares:

Equity shares of the Company have a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

For the year ended 31 March 2018, the Company has issued 2,568.75 million equity shares of Rs. 10 each fully paid at a premium of Rs. 8.80 per share to the shareholders of Sembcorp Gayatri Power Limited and Sembcorp Green Infra Limited as a consideration for acquisition of these entities on 15 February 2018 (Refer note 2.47).

2.15 Other equity

Securities premium

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

Share pending issuance

'Share pending issuance' account represents shares to be issued as consideration for acquisition of Sembcorp Gayatri Power Limited (SGPL) (Refer note 2.48). Since, the appointed date as per the Scheme of Amalgamation is 1 April 2017 and as per Ind AS 103 (Appendix C), Business combinations of entities under common control, amalgamation of SGPL is required to be accounted from the beginning of the preceding period in the financial statements i.e. 1 April 2017, accordingly shares to be issued for acquisition of SGPL have been accounted as share pending issuance on 1 April 2017. The Company has issued shares as consideration on 15 February 2018. Accordingly, on 15 February 2018, the balance lying in share pending issuance account has been transferred to equity share capital and share premium (Refer note 2.47).

Capital reserve on amalgamation

Capital reserve on amalgamation is the difference between the consideration for acquisition of Sembcorp Gayatri Power Limited (SGPL) and the amount of share capital and security premium of SGPL as per Ind AS 103 (Appendix C), Business combinations of entities under common control (Refer note 2.48).

Other reserves

Other reserves include all other transactions with the owners in their capacity as owners, impact of changes in the ownership interest do not result in loss of control and fair value adjustments (Refer note 2.16(c)).

Retained earnings

Retained earnings mainly represents all current and prior periods profits as disclosed in the statement of profit and loss less dividend distribution, transfers to general reserve and remeasurement gain/(loss) relating to defined benefit liability.

Effective portion of cash flow hedges

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

2. Notes to standalone financial statements (Continued)

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

2.16 Borrowings

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current borrowings		
Secured		
From banks		
- Rupee term loans*	43,085.66	73,680.63
- Foreign currency non repatriable (FCNR) term loan*	26,698.56	-
- External commercial borrowings	15,146.92	14,808.05
Unsecured		
From related party (refer note 2.45)		
- INR denominated notes	42,400.00	42,400.00
	1,27,331.14	1,30,888.68

* During the year, the Company has converted Rupee term loan of Rs. 19,999.25 million pertaining to Sembcorp-P1 and Rupee term loan of Rs. 7,500.00 million pertaining to Sembcorp-P2 into FCNR term loans.

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

a) Rupee term loans and FCNR term loans:

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

1. First ranking pari passu charge of registered mortgage of freehold land of 160 sq. mtrs. in Sudhagad Taluka, Raigad, Maharashtra and equitable mortgage of 800.80 acres of owned land and 680.55 acres of land under lease situated at Pynampuram and Nelatur Villages, Muthukur Mandal in the state of Andhra Pradesh.
2. First ranking pari passu charge over all the present and future assets (both tangible and intangible) of Sembcorp-P1.
3. 643.97 million equity shares of Rs.10 each, fully paid up equity shares of the Company has been pledged by the holding company.

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

1. First ranking pari passu charge of registered mortgage of freehold land of 150 sq. mtrs in Sudhagad Taluka, Raigad, Maharashtra and equitable mortgage over 1,216.88 acres of owned land situated at Pynampuram Village, Muthukur Mandal, SPSR Nellore District in the state of Andhra Pradesh.
2. First ranking pari passu charge over all the present and future assets (both tangible and intangible) of Sembcorp-P2.
3. The holding company has given an undertaking to pledge 408.48 million equity shares of the Company for loans availed by Sembcorp-P2.
4. The holding company has given corporate guarantee to cover the outstanding exposure.

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

Rupee Term Loan facility -I from banks is repayable in 79 quarterly structured unequal instalments commenced from 31 December 2016 and Rupee Term Loan facility - II consisting of Rs. 1,943.17 million is repayable in 77 quarterly structured unequal instalments commenced from 30 June 2017. The Rupee Term Loans in respect of facility - I and II carry an interest of SBI MCLR plus 1.25% p.a. Interest rate applicable during the year was 9.20% to 9.75% p.a.

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

Rupee term loans facilities are repayable in 78 quarterly structured unequal instalments commenced from 30 September 2017. Rupee term loans carry an interest of SBI one year MCLR plus 1.25% p.a. Interest rate applicable during the period was 9.25% to 9.50% p.a.

2. Notes to standalone financial statements (Continued)

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

2.16 Borrowings (Contd..)

Terms of repayment and rate of interest for FCNR Term loans by Sembcorp-P1 and Sembcorp-P2:

FCNR term loans tenure is 358 to 360 days from the date of conversion and these loans are repayable in one lump sum on the date of maturity. However, as per the terms of FCNR term loan agreements, the Company can rollover the facility or can convert it into Rupee term loans. The business model of the Company is either to rollover or conversion into Rupee term loans. Accordingly, the Company has classified the borrowings in the financial statements as per the original Rupee term loan agreement. The rate of interest applicable on these FCNR term loans is at 12 months LIBOR plus Spread plus Hedging cost plus upfront conversion cost (All in cost is at 9.01% to 9.05% p.a.). The Company has obtained hedge contract on principle and interest payable.

b) External commercial borrowings

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

c) INR denominated Notes

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

Tranche	Amount	Date of receipt	Interest coupon	Maturity period	Interest accrued but not due on borrowings	Due dates for payment of interest accrued but not due
1	7,893.90	9 December 2016	12%	30 September 2020	1,638.03	30 September 2020
2	9,000.00	27 March 2017	10%	10 years	1,285.35	30 September 2020
3	9,000.00	6 April 2017	10%	10 years	1,714.05	30 September 2020
4	9,000.00	7 April 2017	10%	10 years	1,284.62	30 September 2020
5	7,506.10	7 April 2017	10%	10 years	1,427.48	30 September 2020
	42,400.00				7,349.53	

The holding company has deferred the repayment of tranche 1 principle amount and interest accrued as at 31 March 2019 to 30 September 2020 at the request of the Company. Finance component on account of interest free deferment is recognised at fair value as other equity.

2. Notes to standalone financial statements (Continued)

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

2.17 Derivatives

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current		
Derivatives designated as cash flow hedge		
- Fair value of cross currency interest rate swaps	-	684.96
	-	684.96

The Company's exposure to currency and liquidity risk related to the above financial instruments is disclosed in note 2.44.

2.18 Other financial liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current		
Retention bonus payable	23.64	33.87
Interest accrued but not due on INR denominated notes (refer note no 2.16 (c))	6,703.27	-
	6,726.91	33.87

2.19 Provisions

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current		
Provision for employee benefits		
- Compensated absences	43.54	39.22
	43.54	39.22

2.20 Borrowings

Particulars	As at 31 March 2019	As at 31 March 2018
Current borrowings		
Secured		
Short-term and repayable on demand:		
- Working capital demand loans	9,589.73	5,151.98
- Cash credit accounts	4,792.04	1,721.74
- Buyers credit	2,104.26	8,286.90
	16,486.03	15,160.62

a) Terms and nature of security:

Loans from banks by Sembcorp-P1

Borrowings from banks are secured by mortgage pari passu first charge of registered mortgage of freehold land of 160 sq. mtrs. in Sudhagad Taluka, Raigad, Maharashtra and equitable mortgage of 800.80 acres of owned land and 680.55 acres of land under lease situated at Pynampuram and Nelatur Villages, Muthukur Mandal in the state of Andhra Pradesh.

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

Borrowings to the extent of Rs. 2,000 million from Development Bank of Singapore Limited is secured by corporate bank guarantee from Sembcorp Utilities Pte Ltd and Gayatri Energy Ventures Private Limited, in the ratio of their respective shareholding at all times.

2. Notes to standalone financial statements (Continued)

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

2.20 Borrowings (Contd..)

Loans from banks by Sembcorp-P2

First ranking pari passu charge of registered mortgage of freehold land of 150 sq. mtrs at Village Zaap, Sudhagad Taluka, Raigad, Maharashtra and equitable mortgage over 1,216.88 acres of owned land situated at Pynampuram Village, Muthukur Mandal, SPSR Nellore District in the state of Andhra Pradesh.

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

The fund based working capital facilities from State Bank of India are secured by the Corporate guarantee of Sembcorp Utilities Pte Ltd.

The working capital facilities from DBS bank and HSBC Bank are secured by corporate guarantee from Sembcorp Utilities Pte Ltd and Gayatri Energy Ventures Private Limited in proportionate to shareholding in the company till the date of supply of power under Long term Power Purchase Agreement (PPA) for 990 MW.

b) Term of interest and repayments:

Repayment terms:

Work capital demand loans and buyers credit tenure is 180 days from the date of draw down and cash credits are repayable on demand for both the projects.

Rate of interest:

Working capital loans currently carry an interest of 8.3 % to 10.15% p.a., buyers credit carry LIBOR based interest rate which was in the range of 3.80% to 4.05% p.a and cash credit facilities are linked to SBI MCLR plus spread 1.25%. Interest rate applicable on cash credit facilities are in the range of 9.25% to 9.75% p.a. for both the projects.

2.21 Trade payables

Particulars	As at 31 March 2019	As at 31 March 2018
Dues to micro and small enterprises (refer note 2.39)	1.52	-
Dues to other than micro and small enterprises:		
- related parties (refer note no: 2.45)	26.74	92.54
- others	3,151.33	2,981.82
	3,179.59	3,074.36

2.22 Derivatives

Particulars	As at 31 March 2019	As at 31 March 2018
Current		
Derivatives designated as cash flow hedge		
- Fair value of commodity hedge contracts	489.52	-
- Fair value of forward contracts	40.03	-
Derivatives not designated as hedge		
- Fair value of forward contracts	1,135.03	0.25
- Fair value of commodity hedge contracts	-	92.45
	1,664.58	92.70

The Company's exposure to currency and liquidity risk related to the above financial instruments is disclosed in note 2.44.

2. Notes to standalone financial statements (Continued)

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

2.23 Other financial liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Current		
Current maturity of long-term borrowings (refer note no 2.16)	3,749.90	3,440.58
Interest accrued but not due on borrowings (refer note no 2.16)	145.26	4,495.14
Capital creditors (refer note no 2.33)	455.75	480.30
Payable to employees	87.30	206.20
Retention bonus payable	18.40	41.36
Retention money payable (refer note no 2.33)	6,596.94	6,606.09
Other payables	5.11	2.65
	11,058.66	15,272.32

The Company's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in note no 2.44.

2.24 Other current liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Current		
Advances from customers	8.53	4.13
Dues to statutory authorities	177.56	128.79
Unearned income	292.31	225.03
Other payables (refer note 2.33)	3,924.92	3,510.87
	4,403.32	3,868.82

2.25 Provisions

Particulars	As at 31 March 2019	As at 31 March 2018
Current		
Provision for employee benefits		
- Compensated absences	6.49	7.09
	6.49	7.09

2.26 Revenue from operations

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Sale of electricity	73,416.60	69,100.36
Other operating revenue:		
- Sale of fly ash	47.34	25.74
	73,463.94	69,126.10

2. Notes to standalone financial statements (Continued)

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

2.26 Revenue from operations (Contd..)

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

Particulars	For the year ended 31 March 2019
Contract price	74,228.75
Adjustments for:	
Rebates	(505.85)
Deviation charges (refer note 1.16)	(239.02)
Unearned income	(67.28)
Sale of electricity	73,416.60

Changes in unearned income are as follows:

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

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

Refer note 2.36 for individual customer represents 10% or more of the Company's total revenue during the year ended 31 March 2019 and 31 March 2018.

2.27 Other income

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest income under effective interest method	535.61	417.04
Late payment surcharge from beneficiary	1,150.30	-
Gain on derivative contracts, net	397.35	47.92
Liabilities no longer required written back	-	73.81
Gain on sale of property, plant and equipment, net	0.34	-
Miscellaneous income	43.18	10.38
	2,126.78	549.15

2.28 Employee benefits expense

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries, wages and bonus	1,428.09	1,206.45
Contribution to provident and other funds (refer note no 2.38)	67.87	53.78
Share based payments (refer note 2.46)	18.72	-
Staff welfare expenses	78.06	69.10
	1,592.74	1,329.33

2. Notes to standalone financial statements (Continued)

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

2.29 Finance costs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest expense on financial liabilities measured at amortised cost	14,011.98	14,697.32
Other borrowing costs	527.18	2,407.07
Loss on derivative contracts	-	84.56
	14,539.16	17,188.95

2.30. Depreciation and amortisation expense

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Depreciation on property, plant and equipment	7,395.26	7,421.75
Amortisation on intangible assets	11.37	30.94
	7,406.63	7,452.69

2.31 Other expenses

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Legal and professional fees (refer note no 2.41)	376.24	715.89
Consumption of stores, spares and consumables	473.18	437.17
Insurance	374.19	362.05
Repairs and maintenance		
- Buildings and civil works	40.56	70.62
- Plant and equipments	847.65	896.31
- Others	103.13	107.12
Allowance for credit losses	94.36	17.74
Loss on foreign currency transactions and translation (net)	501.19	289.37
Vehicle hire charges	40.17	38.47
Security expenses	79.08	103.96
Travelling and conveyance	94.96	92.11
Health and safety expenses	19.60	25.79
Commission charges	0.72	3.23
Rates and taxes	14.75	7.06
Expenditure on corporate social responsibility (refer note no 2.40)	14.90	25.68
Advertisement expenses	8.53	2.08
Communication expenses	9.30	10.12
Rent (refer note no 2.35)	28.99	12.66
Training and seminar	3.65	4.34
Printing and stationery	2.65	2.06
Directors' sitting fees	7.20	6.33
Loss on sale of property, plant and equipment, net	-	1.86
Miscellaneous expenses	44.87	33.33
	3,179.87	3,265.35

2. Notes to standalone financial statements (Continued)

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

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

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
I) Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	310.12	938.95
	310.12	938.95
II) Claims against the Company not acknowledged as debt in respect of:		
(i) Income tax*	638.90	592.17
(ii) Stamp duty (refer note a below)	-	-
(iii) Buildings and other construction works cess (BOCW Cess)	287.21	287.21
(iv) Entry tax **	214.25	177.74
(v) Works contract tax	861.69	-
(vi) Service tax (refer note b below)	917.64	-
	2,919.69	1,057.12
III) Bank guarantees with customs and others		
Bank guarantees with customs and excise	8,975.92	8,975.92
Bank guarantees for PPA and other commitments	7,202.57	5,567.46

* Tax paid under protest as at 31 March 2019: Rs 422.70 million (31 March 2018: Rs 312.71) (including advance tax and tax deducted at source for respective years).

** Entry tax paid under protest as at 31 March 2019 : Rs 15.15 million

Notes:

- a. Based on the NCC Limited ('NCCL') Warranty and Indemnity agreement dated 1 February 2014 entered between Sembcorp-P2, NCCL and other counterparts, the liability, if any arising on account of dispute relating to Sembcorp-P2, would be to the account of NCCL. Accordingly, there would not be any impact on the financial position of the Company on account of BOCW Cess relating to Sembcorp-P2.
- b. During the Previous year the Company has received an audit memo from Commissioner of Central excise and GST towards levy of service tax on liquidated damages claim on NCCL by Sembcorp-P2.
- c. Company is contesting legal cases in the local courts against the claims made on certain portion of the project lands, under dispute and amount is not ascertainable.
- d. The Hon'ble Supreme Court of India ("SC") by their order dated 28 February 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. Pending decision on the subject review petition and directions from the EPFO, the management has a view that the applicability of the decision is prospective and accordingly has provided the liability for March 2019. The impact for the past period, will depend upon the outcome of subject review petition and directions from the EPFO and hence has been disclosed as a Contingent liability in the financial statements. The impact of the same is not ascertainable.

2.33 Liquidated damages and bank guarantee encashment:

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

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

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

2. Notes to standalone financial statements (Continued)

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

2.34 Earnings per share (EPS)

Particulars	For the year ended	
	31 March 2019	31 March 2018
Loss:		
Net loss for the year	(632.82)	(5,806.71)
Number of equity shares: (in millions)		
Number of shares at the beginning of the year (Refer note a)	5,158.72	2,520.72
Weighted average number of equity shares issued during the year (Refer note a)	-	325.23
Weighted average number of equity shares outstanding during the year	5,158.72	2,845.95
Earnings/ (loss) per equity share (face value of share Rs.10 each)		
- Basic and diluted (refer note a)	(0.12)	(2.04)

Note:

- Earnings per share for the year ended 31 March 2018 has been retrospectively adjusted w.e.f 1 April 2017 for shares issued against amalgamation of Sembcorp Gayatri Power Limited with the Company from the appointed date (Refer note 2.48).
- The Company did not have any potentially dilutive securities in any of the periods presented.

2.35 Leases

The Company has taken rental premises on cancellable operating leases. Lease rentals under such cancellable leases amounting to Rs. 28.99 million (31 March 2018: Rs. 12.66 million) has been charged to statement of profit and loss. There are no non-cancellable leases.

2.36 Segment reporting

The Company is engaged in the business of generation of power, which in the context of Ind AS 108 - "Operating Segments", notified by the Companies (Indian Accounting Standards) Rules, 2015 is considered the only operating segment. Since the operations of the Company exist only in India and all its assets are located only in India, disclosures under paragraphs 32-34 of Ind AS 108 are not required. Revenue to specific customers exceeding 10% of total revenue for the years ended 31 March 2019 and 31 March 2018 were as follows:

Customer name	For the year ended		For the year ended	
	31 March 2019		31 March 2018	
	Revenue	%	Revenue	%
Telangana State Government utilities	28,018.02	38.16%	33,867.18	49.01%
Andhra Pradesh State Government utilities	7,830.73	10.67%	6,263.82	9.06%
Manikaran Private Limited	8,127.17	11.07%	1,762.37	2.55%
Indian Energy Exchange (IEX)	12,561.37	17.11%	7,949.05	11.50%
GMR Energy Trading Limited	-	-	10,612.00	15.36%

2.37 Initial Public Offering ('IPO')

The Company is in the process of listing its equity shares on stock exchanges in India and proposes to offer its equity share to public. As part of the listing process, the Company has filed the Draft Red Hearing Prospectus (DRHP) on 22 February 2018 with the Securities Exchange Board of India (SEBI). The Company has received the approval from SEBI in August 2018. As part of the process, apart from the Company, existing shareholders also proposes to sell the stake in the Company. Prepayments under other current assets include expenses of Rs. 182.99 million incurred by the Company towards IPO of the equity shares held by shareholders as well as the Company. Portion of these expenses are recoverable from shareholders in proportionate to shares that will be offered to public in offering.

2. Notes to standalone financial statements (Continued)

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

2.38 Assets and liabilities relating to employee benefits

i) Defined contribution plan

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contribution to provident fund charged to the statement of profit and loss is Rs. 55.76 million (previous year: Rs. 42.20 million).

ii) Defined benefit plan

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

A. Funding

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

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

Particulars	As at 31 March 2019	As at 31 March 2018
B. Reconciliation of the present value of defined benefit obligation		
Balance at the beginning of the year (As reported earlier)	45.74	19.88
Amalgamation of Sembcorp Gayatri Power Limited (refer note 2.48)	-	14.94
Restated balance as at the beginning of the reporting period	45.74	34.82
Current service cost	11.17	9.50
Past service cost	-	1.52
Interest cost	3.39	2.38
Benefits paid	(3.70)	(4.83)
<i>Actuarial (gains)/ loss recognised in the other comprehensive income</i>		
- experience adjustments	(0.49)	5.68
- changes in financial assumptions	0.67	(3.33)
- demographic assumptions	(0.05)	-
Liabilities assumed*	1.68	-
Balance at the end of the year	58.41	45.74
* For employees transferred from other group companies.		
Reconciliation of the present value of plan assets		
Balance at the beginning of the year (As reported earlier)	49.80	16.57
Amalgamation of Sembcorp Gayatri Power Limited (refer note 2.48)	-	19.32
Restated balance as at the beginning of the reporting period	49.80	35.89
Contributions paid into the plan by employer	20.83	16.51
Benefits paid	(3.70)	(4.83)
Expected return on plan assets	3.77	2.46
Actuarial gain/ (loss) on plan assets	1.09	(0.23)
Balance at the end of the year	71.79	49.80
Net defined benefit obligation/ (asset)	(13.38)	(4.06)
Disclosure in the balance sheet:		
Non-current	13.38	4.06
Current	-	-

2. Notes to standalone financial statements (Continued)

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

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

C. Expense recognized in the statement of profit and loss

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current service cost	11.17	9.50
Past service cost	-	1.52
Interest cost	3.39	2.38
Interest income	(3.77)	(2.46)
	10.79	10.94
Remeasurements recognised in Other comprehensive income		
Actuarial (gain)/ loss on defined benefit obligation	0.13	2.35
Return on plan assets excluding interest income	(1.09)	0.23
	(0.96)	2.58

D. Plan assets

Particulars	As at 31 March 2019	As at 31 March 2018
Plan assets comprise of the following:		
New Group Gratuity Cash Accumulation Plan with LIC	71.79	49.80

E. Summary of actuarial assumptions

Demographic assumptions

Particulars	As at 31 March 2019	As at 31 March 2018
Attrition rate		
21 - 30 years	10.00%	10.00%
31 - 40 years	5.00%	5.00%
41 year and above	1.00%	1.00%
Financial assumptions		
Discount rate	7.50%	7.60%
Future salary growth rate	5.00%	5.00%

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

Sensitivity analysis

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

Particulars	31 March 2019		31 March 2018	
	Increase	Decrease	Increase	Decrease
Sensitivity factor (%)	0.50%	0.50%	0.50%	0.50%
Discount rate	(3.22)	3.54	(2.52)	2.75
Future salary growth rate	3.48	(3.23)	2.73	(2.53)

2. Notes to standalone financial statements (Continued)

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

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

Asset-liability matching strategy

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

F. Expected contributions to the plan for the next annual reporting year

The Company expects to contribute a sum of Rs. Nil to the plan for the next annual reporting year

G. Maturity profile of the defined benefit obligation

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

Particulars	As at 31 March 2019	As at 31 March 2018
Within 1 year	3.24	2.43
2 to 5 years	13.15	11.21
6 to 9 years	17.92	15.42
For year 10 and above	138.76	109.58

iii) Compensated absences

The accrual for unutilised leave is determined for the entire available leave balance standing to the credit of the employees at the year-end. The value of such leave balances that are eligible for carry forward, is determined by an actuarial valuation as at the end of the year and is charged to the statement of profit and loss amounting to Rs. 3.72 million (previous year: Rs. 0.25 million).

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

The Management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2019 has been made in the financial statements based on information received and available with the Company. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Particulars	As at 31 March 2019	As at 31 March 2018
the amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	1.52	-
- Interest	-	-
the amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006);	-	-
the amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year;	-	-
the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006;	-	-

2. Notes to standalone financial statements (Continued)

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

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

Particulars	As at 31 March 2019	As at 31 March 2018
the amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purposes of disallowances as a deductible expenditure under the MSMED Act, 2006;	-	-

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

2.40 Details of Corporate social responsibility expenditure

As per Section 135 of the Companies Act 2013, the Company has formed a Corporate Social Responsibility ('CSR') Committee. The CSR Committee approved CSR Policy where certain focus areas out of list of activities covered in Schedule VII of the Companies Act 2013, have been identified to incur CSR expenditure.

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Gross amount required to be spent by the Company	-	-
Amount spent:		
Construction/acquisition of any asset	-	-
On purposes other than above:		
Amount spent by the Company on various welfare activities	14.90	25.68
Total amount spent	14.90	25.68

2.41 Auditor's remuneration (excluding taxes)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
- Statutory audit fee	3.50	4.55
- Group reporting and special purpose audits/reviews	6.30	5.72
- Other services	0.70	0.68
- Reimbursement of expenses	1.07	0.53
	11.57	11.48

2. Notes to standalone financial statements (Continued)

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

2.42 Deferred tax

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Deferred tax liability		
Excess of depreciation allowable under Income-tax law over depreciation provided in books	12,504.03	13,828.32
	12,504.03	13,828.32
Deferred tax asset		
Allowance for expected credit loss	39.17	-
Provision for employee benefits	17.48	-
Interest carried forward under Section 94B of the Income-tax law	6,209.98	-
Unabsorbed loss and depreciation as per Income-tax law	6,237.40	13,828.32
	12,504.03	13,828.32
Net Deferred Tax Asset/ Liability	-	-

In the absence of reasonable certainty supported by evidence that there will be future taxable income against which such losses can be set off, the deferred tax asset on carry forward unabsorbed depreciation and loss as at 31 March 2019 is created to the extent of deferred tax liability.

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Reconciliation of effective tax rate		
Loss before tax	(632.82)	(5,806.71)
Enacted tax rate in India	34.944%	34.608%
Computed expected tax expenses/ (benefit)	(221.13)	(2,009.59)
Carried forward losses from earlier accounting periods in respect of which deferred tax asset was not recognised earlier	221.13	2,009.59
Total tax expenses/ (benefit)	-	-

2.43 Capital management

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

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

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

Particulars	As at 31 March 2019	As at 31 March 2018
Debt (A)	1,47,567.07	1,49,489.88
Total equity (B)	92,895.50	93,550.80
Total debt and equity	2,40,462.57	2,43,040.68
Debt-to-equity ratio (A/B)	1.59	1.60

2. Notes to standalone financial statements (Continued)

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

2.44 Financial instruments - Fair values and risk management

A) Accounting classifications and fair values

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

As at 31 March 2019:

Particulars	Note	Carrying amount				Fair value		
		FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets								
Trade receivables	2.8	-	-	19,447.10	19,447.10	-	-	-
Cash and cash equivalents	2.9	-	-	16.98	16.98	-	-	-
Other bank balances	2.9	-	-	4,487.76	4,487.76	-	-	-
Other financial assets	2.5 & 2.12	-	-	12,792.81	12,792.81	-	-	-
Derivatives	2.4 & 2.11	-	157.04	-	157.04	-	157.04	-
Current investments	2.3	644.66	-	-	644.66	644.66	-	-
		644.66	157.04	36,744.65	37,546.35	644.66	157.04	-
Financial liabilities								
Borrowings	2.16 & 2.20	-	-	1,43,817.17	1,43,817.17	-	-	-
Trade payables	2.21	-	-	3,179.59	3,179.59	-	-	-
Other financial liabilities	2.18 & 2.23	-	-	17,785.57	17,785.57	-	-	-
Derivatives	2.17 & 2.22	1,135.03	529.95	-	1,664.98	-	1,664.98	-
		1,135.03	529.95	1,64,782.33	1,66,447.31	-	1,664.98	-

As at 31 March 2018:

Particulars	Note	Carrying amount				Fair value		
		FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets								
Trade receivables	2.8	-	-	14,288.89	14,288.89	-	-	-
Cash and cash equivalents	2.9	-	-	5,579.69	5,579.69	-	-	-
Other bank balances	2.9	-	-	534.77	534.77	-	-	-
Loans	2.10	-	-	0.75	0.75	-	-	-
Other financial assets	2.5 & 2.12	-	-	9,588.44	9,588.44	-	-	-
		-	-	29,992.54	29,992.54	-	-	-
Financial liabilities								
Borrowings	2.16 & 2.20	-	-	1,46,049.30	1,46,049.30	-	-	-
Trade payables	2.21	-	-	3,074.36	3,074.36	-	-	-
Derivatives	2.17 & 2.22	92.70	684.96	-	777.66	-	777.66	-
Other financial liabilities	2.18 & 2.23	-	-	15,306.19	15,306.19	-	-	-
		92.70	684.96	1,64,429.85	1,65,207.51	-	777.66	-

Note:

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

The carrying amounts of financial assets and liabilities other than those valued at Level 1 and Level 2 are considered to be the same as their fair values due to the current and short term nature of such balances and no material differences in the values.

2. Notes to standalone financial statements (Continued)

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

2.44 Financial instruments - Fair values and risk management (continued)

A) Accounting classifications and fair values (continued)

Valuation techniques and significant unobservable inputs

Investment in mutual funds:

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

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

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

B) Financial risk management objectives and policies

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

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

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

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

a) Market risk

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

(i) Interest rate risk

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

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

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

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

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

2. Notes to standalone financial statements (Continued)

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

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

B) Financial risk management objectives and policies (contd..)

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

Particulars	As at 31 March 2019	As at 31 March 2018
Fixed rate instruments		
Non-current and current borrowings	52,144.27	47,552.50
Effect of interest rate swaps	15,874.81	15,442.31
	68,019.08	62,994.81
Variable rate instruments		
Non-current and current borrowings	95,422.80	1,01,937.38
Effect of interest rate swaps (Hedge portion)	(15,874.81)	(15,442.31)
	79,547.99	86,495.07
	1,47,567.07	1,49,489.88

(ii) Foreign currency risk

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

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

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

Particulars	Currency	As at 31 March 2019		As at 31 March 2018	
		Indian Rupees	Foreign currency	Indian Rupees	Foreign currency
Financial assets					
Cash on hand	USD	0.02	0.00	0.00	0.00
Cash on hand	SGD	0.02	0.00	0.11	0.00
Trade receivables	USD	418.32	6.05	-	-
Other financial assets (unbilled receivables)	USD	691.23	9.99	-	-
Total financial assets		1,109.59		0.11	
Financial liabilities					
Borrowings - ECB, FCNR and Buyer's credit	USD	(44,780.21)	(646.11)	(23,864.23)	(366.90)
Trade payables	USD	(682.86)	(9.87)	(1,377.55)	(21.18)
Trade payables	SGD	(8.25)	(0.16)	(33.61)	(0.67)
Other financial liabilities	GBP	(1.65)	(0.02)	(1.69)	(0.02)
Other financial liabilities	USD	(3,641.75)	(52.65)	(3,696.46)	(56.83)
Total financial liabilities		(49,114.72)		(28,973.54)	
Net financial liabilities		(48,005.13)		(28,973.43)	
Less: Derivatives					
Foreign exchange forward contracts	USD	2,711.59	39.20	5,910.84	90.88
FCNR term loans	USD	26,801.13	386.19	-	-
Cross currency interest rate swaps	USD	15,874.81	229.50	15,592.71	239.73
		45,387.53		21,503.55	
Net exposure in respect of recognised assets/ (liabilities)		(2,617.60)		(7,469.88)	

2. Notes to standalone financial statements (Continued)

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

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

B) Financial risk management objectives and policies (contd..)

Sensitivity analysis:

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

Particulars	Profit/(loss)		Equity increase/(decrease), net of tax	
	Strengthening	Weakening	Strengthening	Weakening
USD (5% movement)				
As at 31 March 2019	130.39	(130.39)	130.39	(130.39)
As at 31 March 2018	371.73	(371.73)	371.73	(371.73)

(iii) Commodity price risk

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

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

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

Particulars	Contracts currency	Quantity of open contracts (MT)		Fair value of derivative asset/ (liability), net (INR)	
		As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Coal commodity hedge contracts	USD	8,30,000	5,30,000	(441.77)	(92.45)

iv) Derivative financial instruments

Cash flow hedges:

Cross currency interest rate swaps

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

2. Notes to standalone financial statements (Continued)

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

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

B) Financial risk management objectives and policies (contd..)

Commodity hedge contracts

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

Fair value hedges:

Forward contracts

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

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

Particulars	Fair value of derivative asset/ (liability)		Nominal values in Foreign currency		Nominal values Indian Rupees	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Derivatives designated as cash flow hedge:						
Cross currency interest rate swaps						
In USD	109.29	(684.96)	229.50	239.73	15,874.81	15,592.71
Commodity hedge contracts						
In USD	47.75	-	6.52	-	450.89	-
In USD	(489.52)	-	42.09	-	2,911.37	-
Forward options						
In USD	(40.03)	-	15.76	-	1,148.73	-
Derivatives not designated as hedge:						
Forward contracts and swaps						
In USD	(1,135.03)	(0.25)	425.39	90.88	29,512.72	5,910.84
Commodity hedge contracts						
In USD	-	(92.45)	-	47.75	-	3,163.49

b) Credit risk

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

The carrying amounts of the financial assets as disclosed in note no 2.5, 2.8, 2.10 and 2.12 represent the maximum credit risk exposure.

Trade receivables and unbilled receivables

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

2. Notes to standalone financial statements (Continued)

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

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

B) Financial risk management objectives and policies (contd..)

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

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

As at 31 March 2019 and 31 March 2018, the Company has 2 customers that owed the Company more than 90% of the trade receivable outstanding.

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

Impairment

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

Particulars	Allowance for expected credit loss	
	As at 31 March 2019	As at 31 March 2018
Trade and unbilled receivables		
Balance at the beginning of the year	17.74	-
Movement in expected credit loss allowance	94.36	17.74
Balance at the end of the year	112.10	17.74

Other financial assets/ derivative assets

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

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

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

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

c) Liquidity risk

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

2. Notes to standalone financial statements (Continued)

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

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

B) Financial risk management objectives and policies (contd..)

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

As at 31 March 2019

Particulars	Carrying value	Contractual cash flows (Gross)			
		within 12 months	1-5 years	More than five years	Total
Borrowings - long-term (including current maturities)*	1,31,081.04	19,528.10	58,477.81	1,22,554.20	2,00,560.11
Borrowings - short-term	16,486.03	16,486.03	-	-	16,486.03
Trade payables	3,179.59	3,179.59	-	-	3,179.59
Other financial liabilities (excluding current maturities of borrowings)	14,035.67	7,308.76	7,373.17	-	14,681.93
Derivatives	1,664.58	1,664.58	-	-	1,664.58
	1,66,446.91	48,167.06	65,850.98	1,22,554.20	2,36,572.24

As at 31 March 2018

Particulars	Carrying value	Contractual cash flows (Gross)			
		within 12 months	1-5 years	More than five years	Total
Borrowings - long-term (including current maturities)*	1,34,329.26	16,261.05	81,913.97	1,45,323.10	2,43,498.12
Borrowings - short-term	15,160.62	15,160.62	-	-	15,160.62
Trade payables	3,074.36	3,074.36	-	-	3,074.36
Other financial liabilities (excluding current maturities of borrowings)	11,865.61	11,831.74	33.87	-	11,865.61
Derivatives	777.66	92.70	684.96	-	777.66
	1,65,207.51	46,420.47	82,632.80	1,45,323.10	2,74,376.37

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

2.45 Related party disclosure

a) List of related parties

Name of the party	Nature of relationship
Sembcorp Industries Ltd, Singapore	Ultimate holding company
Sembcorp Utilities Pte Ltd, Singapore	Holding company
TPCIL Singapore Pte Ltd, Singapore	Subsidiary
Sembcorp Green Infra Limited, India	Subsidiary (w.e.f. 15 February 2018)(Previously fellow subsidiary)
Sembcorp India Private Limited, India	Entity under common control
Gayatri Projects Limited, India	Key management personnel having significant influence
Gayatri Energy Ventures Private Limited, India	Key management personnel having significant influence
Deep Corporation Private Limited, India	Key management personnel having significant influence
Gayatri Hi-Tech Hotels Limited, India	Key management personnel having significant influence
Neil McGregor	Chairman
T V Sandeep Kumar Reddy	Director
Vipul Tuli	Managing Director
Radhey Shyam Sharma	Independent Director
Kalaikuruchi Jairaj	Independent Director
Sangeeta Talwar	Independent Director
Bobby Kanubhai Parikh	Independent Director
Looi Lee Hwa	Director
Juvenil Jani	Chief Financial Officer
Narendra Ande	Company Secretary
B N K Reddy	Chief Financial Officer (upto May 2017)
Chidambaram Iyer	Chief Financial Officer (June 2017 to Dec 2017)

2. Notes to standalone financial statements (Continued)

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

2.45 Related party disclosure (Contd..)

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

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Contract work		
Gayatri Projects Ltd	43.68	12.06
Rent and utility expense		
Deep Corporation Private Limited	10.68	9.66
Gayatri Hi-Tech Hotels Limited	0.03	0.97
Sembcorp India Pvt Ltd	18.60	2.94
Consultancy expenses		
Sembcorp India Private Limited	7.38	240.33
Sembcorp Utilities Pte Ltd	161.55	146.56
Bank guarantee fees/ commission		
Sembcorp Utilities Pte Ltd	228.23	217.78
Allotment of INR denominated notes		
Sembcorp Utilities Pte Ltd	-	25,506.10
Interest expense on INR Denominated notes		
Sembcorp Utilities Pte Ltd	4,397.88	4,358.42
Reimbursement of expenses		
Deep Corporation Private Limited	0.67	0.89
Sembcorp Green Infra Limited	0.57	-
Sembcorp India Private Limited	4.41	8.19
Sembcorp Utilities Pte Ltd	9.24	24.37
Gayatri Energy Ventures Private Limited	20.00	-
Reimbursement received		
Sembcorp India Private Limited	-	47.42
Manpower Consultancy charges		
Sembcorp India Private Limited	46.22	93.73
Share based payments reimbursement		
Sembcorp Utilities Pte Ltd	18.72	-
Margin money recovered		
Gayatri Projects Limited	100.00	49.62
Money received from issue of share capital		
Sembcorp Utilities Pte Ltd	-	14,102.00
Shares issued for consideration other than cash		
Sembcorp Utilities Pte Ltd	-	46,757.56
Gayatri Energy Ventures Private Limited	-	1,538.67
Investment in subsidiaries		
TPCIL Singapore Pte Ltd	-	0.66
Sembcorp Green Infra Limited	-	49,598.22
Salaries to Key managerial person*		
Narendra Ande	5.30	3.69
Juvenil Jani	21.62	4.76
Vipul Tuli	65.32	14.52
B N K Reddy (upto May 2017)	-	1.25
Chidambaram Iyer (June 2017 to Dec 2017)	-	4.40

2. Notes to standalone financial statements (Continued)

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

2.45 Related party disclosure (Contd..)

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

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Sitting fees to Directors (including taxes)		
Comal Ramachandran Gayathri	0.59	1.99
Radhey Shyam Sharma	2.12	0.71
Tantra Narayan Thakur	0.59	2.34
Kalaikuruchi Jairaj	1.42	0.47
Sangeeta Talwar	1.65	0.47
Bobby Kanubhai Parikh	0.83	0.35

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

c) Details of related party balances is as under:

Particulars	As at 31 March 2019	As at 31 March 2018
Related party receivables		
Gayatri Projects Limited (margin money deposit)	564.73	664.73
Sembcorp India Private Limited	5.22	-
Gayatri Projects Limited (advance)	2.10	-
Related party payables		
Gayatri Projects Limited (Retention money payable)	53.03	17.91
Gayatri Projects Limited (Capital creditors)	-	4.56
Sembcorp India Private Limited (Trade payables)	-	15.35
Sembcorp Utilities Pte Ltd (Trade payables)	26.74	77.19
Deep Corporation Private Limited (Other payable)	1.30	-
Sembcorp Green Infra Limited (Other payable)	0.24	-
Investment in subsidiary		
TPCIL Singapore Pte. Ltd	1.13	1.13
Sembcorp Green Infra Limited	49,598.22	49,598.22
Related party Borrowings		
Sembcorp Utilities Pte Ltd	42,400.00	42,400.00
Interest accrued but not due on INR denominated notes		
Sembcorp Utilities Pte Ltd	7,349.53	4,428.40
Corporate guarantees for external commercial borrowings and term loans		
Sembcorp Utilities Pte Ltd (Represents the amount of facility outstanding)	44,825.04	45,352.25
Corporate guarantees for short-term borrowings and bank guarantees		
Gayatri Energy Ventures Private Limited	662.26	1,421.48
Sembcorp Utilities Pte Ltd (Represents the amount of facility outstanding)	11,110.97	12,766.13

2. Notes to standalone financial statements (Continued)

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

2.46 Share-based Payments

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

a) Performance Share Plan

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

b) Restricted Share Plan

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

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

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

Particulars	SCI PSP	SCI RSP
Outstanding at the beginning of the year	-	-
Transferred on transfer of employees*	1,16,500	1,63,088
Shares awarded during the year	96,000	1,68,358
Shares lapsed arising from targets not met	(76,500)	(95,635)
Shares transferred out	-	(27,403)
At the end of the year	1,36,000	2,08,408

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

The Company has remitted and charges to the statement of profit and loss on account of share based payments is amounting to Rs. 18.72 million based on the fair value of the performance shares and restricted shares at the grant date being expensed over the vesting period.

2.47 Significant acquisitions during the previous year:

On 15 February 2018, the Company has acquired 100% equity shareholding of Sembcorp Gayatri Power Limited ('SGPL'), a fellow subsidiary till such date, from Sembcorp Utilities Pte Ltd, Singapore ('SUPL') and Gayatri Energy Ventures Private Limited ('GEVPL') and 71.57% equity shareholding of Sembcorp Green Infra Limited ('SGIL'), a fellow subsidiary till such date, from SUPL. The balance 28.43% equity shareholding in SGIL was held by IDFC Infrastructure Fund 3 and the same was acquired on 20 February 2018.

This transaction was pursuant to an agreement between the Company, SUPL, GEVPL and SGPL entered on 8 January 2018, to execute the reorganization of Sembcorp Group's power portfolio in India.

2. Notes to standalone financial statements (Continued)

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

2.47 Significant acquisitions during the previous year: (Contd..)

The details of equity share holding of SGPL and SGIL before the transaction and after the transaction are as follows:

Name of the entity	Before transaction		After transaction	
	SGPL	SGIL	SGPL	SGIL
Sembcorp Utilities Pte Limited	87.98%	71.57%	-	-
Gayatri Energy Ventures Private Limited	12.02%	-	-	-
IDFC Infrastructure Fund 3	-	28.43%	-	-
Sembcorp Energy India Limited	-	-	100%	100%

On 30 August 2017, Sembcorp Utilities Pte Ltd had entered into an agreement with IDFC to acquire the shares held by IDFC directly by SUPL or through any of its affiliates and purchase consideration agreed was Rs. 14,102.00 million. As a part of above agreement, the Company (Sembcorp) has acquired the shares from IDFC on 20 February 2018 for agreed consideration of Rs. 14,102.00 million and issued new equity shares to SUPL for cash injection to settle the transaction with IDFC.

All these transactions (i.e. acquisition of shareholding of SUPL in SGPL and SGIL, acquisition of IDFC shareholding in SGIL and acquisition of GEVPL shareholding in SGPL) were executed through shares swap by Sembcorp. Sembcorp has issued 2,568.76 million equity shares at a price of Rs. 18.80 per share to SUPL and GEVPL as consideration for acquisition of 100% equity shareholding in SGPL and 71.57% equity shareholding in SGIL. Sembcorp has issued 750.05 million equity shares at a price of Rs. 18.80 per share to SUPL for raising Rs. 14,102.00 million for acquisition of SGIL's shares held by IDFC. In order to acquire the 100% equity shareholding of SGPL and SGIL, Sembcorp has issued total 3,318.81 million new equity shares at a price of Rs. 18.80 per share.

Note:

Post the acquisition of 100% shareholding in SGPL, the Board of Directors of the Company (Sembcorp) and its wholly owned subsidiary, Sembcorp Gayatri Power Limited (SGPL) have in their respective board meetings held on 19 February 2018 unanimously approved the proposal for the amalgamation of SGPL with the Company and the scheme of amalgamation has been approved by the concerned authority on 31 October 2018. Since, the appointed date as per the Scheme of Amalgamation is 1 April 2017 and as per Ind AS 103 (Appendix C), Business combinations of entities under common control, amalgamation of SGPL is required to be accounted from the beginning of the preceding period in the financial statements i.e. 1 April 2017, shares to be issued for acquisition of SGPL has been accounted as share pending issuance on 1 April 2017. The Company has issued shares as consideration on 15 February 2018.

2.48 Merger of subsidiary company (Sembcorp Gayatri Power Limited)

As part of reorganization of Sembcorp Group's power sector portfolio in India, the Board of Directors of the Company (Sembcorp) and its wholly owned subsidiary, Sembcorp Gayatri Power Limited (SGPL) have in their respective board meetings held on 19 February 2018 unanimously approved the proposal for the amalgamation of SGPL with the Company, subject to all the necessary statutory / regulatory approvals.

The Scheme of Amalgamation ('The Scheme') for merger of SGPL with the Company has been approved by the Regional Director (RD), Ministry of Corporate Affairs, Hyderabad under Section 233 of Chapter XV of the Companies Act, 2013 on 31 October 2018, the Scheme has become effective from appointed date i.e., 1 April 2017. The merger has been accounted under the 'pooling of interests' method in accordance with Appendix C of Ind AS 103 'Business Combinations' and comparatives have been restated for merger from the beginning of the preceding year i.e. 1 April 2017.

In accordance with the Scheme, the shares held by the Company in SGPL shall stand cancelled and extinguished in entirety. Since Sembcorp is the 100% shareholder of SGPL, no shares shall be required to be allotted by Sembcorp either to itself or to any of its nominee shareholders holding shares in SGPL.

The difference, between the book value of the assets of SGPL and the aggregate of: (a) the book value of liabilities of SGPL vested in Sembcorp pursuant to the Scheme; (b) the book value of the reserves of SGPL vested in Sembcorp pursuant to the Scheme; and (c) the book value of investment held by Sembcorp in SGPL, recorded as capital reserve.

Upon the Scheme become effective and with effect from the appointed date, the authorised share capital of SGPL shall stand transferred to and be merged/amalgamated with the authorised share capital of the Company. Consequently, authorised share capital of the Company enhanced to Rs. 150,000 million (divided into 15,000 million equity shares of Rs. 10 each).

2. Notes to standalone financial statements (Continued)

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

2.48 Merger of subsidiary company (Sembcorp Gayatri Power Limited) (Contd..)

Summary of relevant quantitative information of SGPL as at the appointed date i.e. 1 April 2017 has been provided below:

Particulars	Amount
Assets	
Non-current assets	96,828.23
Current assets	10,383.60
Total assets (A)	1,07,211.83
Liabilities	
Non-current liabilities	64,108.70
Current liabilities	18,223.44
Total liabilities (B)	82,332.14
Net assets taken over (C = A - B)	24,879.69
Reserves of SGPL vested in Sembcorp:	
Retained earnings	(3,933.87)
Total reserves (D)	(3,933.87)
Cancellation of Investments in equity of SGPL held by the Company (E)	12,800.00
Capital reserve on amalgamation (C - D - E)	16,013.56

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

for **B S R & Associates LLP**

Chartered Accountants

ICAI Firm registration number: 116231W/ W-100024

for and on behalf of the Board of Directors of

Sembcorp Energy India Limited

(formerly Thermal Powertech Corporation India Limited)

CIN: U40103TG2008PLC057031

Hemant Maheshwari

Partner

Membership No: 096537

Neil McGregor

Chairman

DIN: 07754310

Vipul Tuli

Managing Director

DIN: 07350892

Juvenil Jani

Chief Financial Officer

Place: Gurugram

Date: 17 May 2019

Narendra Ande

Company Secretary

Membership No: A14603

Place: Gurugram

Date: 17 May 2019