Consolidated Balance Sheet

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

(₹ in Millions)

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	3.1	2,39,424.94	2,46,315.92
(b) Capital work-in-progress	3.1	703.18	4,637.45
(c) Goodwill	3.2	1,234.20	1,234.20
(d) Other intangible assets	3.2	19.96	10.36
(e) Financial assets			
(i) Derivative assets	3.3	332.54	1,899.35
(ii) Other financial assets	3.4	7,017.55	5,991.67
(f) Non-current tax assets (net)	3.5	1,133.43	1,146.67
(g) Deferred tax assets (net)	3.6	243.68	186.66
(h) Other non-current assets	3.7	939.02	1,415.01
Total non-current assets		**2,51,048.50**	**2,62,837.29**
II Current assets			
(a) Inventories	3.8	4,780.58	7,787.23
(b) Financial assets			
(i) Investments	3.9	4,438.65	3,230.07
(ii) Trade receivables	3.10	29,761.96	22,928.57
(iii) Cash and cash equivalents	3.11	3,191.68	4,422.65
(iv) Bank balances other than (iii) above	3.11	3,637.21	4,293.48
(v) Derivative assets	3.3	1,341.69	1,597.51
(vi) Other financial assets	3.4	8,058.45	6,756.33
(c) Other current assets	3.7	3,528.59	2,850.74
Total current assets		**58,738.81**	**53,866.58**
Total assets		**3,09,787.31**	**3,16,703.87**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	3.12	54,336.69	54,336.69
(b) Other equity	3.13	29,428.40	20,150.37
(c) Non-controlling interests		132.30	185.76
Total equity		**83,897.39**	**74,672.82**
LIABILITIES			
I Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	3.14	1,67,869.81	1,82,166.56
(ii) Derivatives	3.15	5.58	9.85
(iii) Other financial liabilities	3.16	6,155.57	7,335.38
(b) Provisions	3.17	448.97	377.23
(c) Deferred tax liabilities (net)	3.6	724.42	780.27
(d) Other non-current liabilities	3.18	495.39	405.92
Total non-current liabilities		**1,75,699.74**	**1,91,075.21**
II Current liabilities			
(a) Financial liabilities			
(i) Borrowings	3.19	9,309.13	23,993.82
(ii) Trade payables	3.20		
Dues to micro and small enterprises		8.25	8.25
Dues to creditors other than micro and small enterprises		2,199.47	4,530.13
(iii) Derivatives	3.15	339.76	146.98
(iv) Other financial liabilities	3.16	33,361.02	17,254.82
(b) Other current liabilities	3.18	4,620.84	4,638.26
(c) Provisions	3.17	12.47	9.47
(d) Current tax liabilities (net)	3.21	339.24	374.11
Total current liabilities		**50,190.18**	**50,955.84**
Total liabilities		**2,25,889.92**	**2,42,031.05**
Total equity and liabilities		**3,09,787.31**	**3,16,703.87**

Significant accounting policies 2

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

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

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

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

Hemant Maheshwari
Partner
Membership No: 096537

Wong Kim Yin
Chairman
DIN: 08806258

Vipul Tuli
Managing Director
DIN: 07350892

Juvenil Jani
Chief Financial Officer

Narendra Ande
Company Secretary
Membership No: A14603

Place: Hyderabad
Date: 24 May 2021

Place: Gurugram
Date: 24 May 2021

Consolidated Statement of Profit and Loss

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

(₹ in Millions)

	Particulars	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
I	**Income**			
	Revenue from operations	3.22	87,559.30	84,634.59
	Other income	3.23	4,629.58	5,033.82
	Total income		**92,188.88**	**89,668.41**
II	**Expenses**			
	Cost of fuel	3.24	40,519.73	43,118.24
	Transmission charges	3.25	2,503.48	2,859.14
	Employee benefits expense	3.26	2,182.03	2,095.37
	Finance costs	3.27	19,970.03	20,413.01
	Depreciation and amortisation expenses	3.28	12,487.04	12,016.27
	Operating and other expenses	3.29	6,151.85	6,091.95
	Total expenses		**83,814.16**	**86,593.98**
III	**Profit before tax**		**8,374.72**	**3,074.43**
IV	**Tax expense**	3.30		
	Current tax expense		50.71	128.55
	Deferred tax credit		(112.56)	(136.31)
	Total tax credit		**(61.85)**	**(7.76)**
V	**Profit for the year**		**8,436.57**	**3,082.19**
VI	**Other comprehensive income/(loss)**			
(A)	**Items that will not be reclassified to profit or loss**			
	Remeasurement of defined benefit liabilities, net		(3.67)	(9.48)
	Tax effect on above item	3.30	0.31	0.40
			(3.36)	**(9.08)**
(B)	**Items that will be reclassified to profit or loss**			
	Effective portion of changes in fair value of cash flow hedge		557.14	333.57
	Tax effect on above item	3.30	-	-
			557.14	**333.57**
VII	**Total comprehensive income for the year**		**8,990.35**	**3,406.68**
	Attributable to:			
	Shareholders of the Company		9,045.77	3,451.31
	Non-controlling interests		(55.42)	(44.63)
			8,990.35	**3,406.68**
	Profit for the year attributable to:			
	Shareholders of the Company		8,491.91	3,126.72
	Non-controlling interests		(55.34)	(44.53)
			8,436.57	**3,082.19**
	Other comprehensive income attributable to:			
	Shareholders of the Company		553.86	324.59
	Non-controlling interests		(0.08)	(0.10)
			553.78	**324.49**
	Earnings per equity share (face value of share Rs.10 each)	3.31		
	- Basic and diluted (Rs.)		1.56	0.58

Significant accounting policies 2

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Chairman
DIN: 08806258

Vipul Tuli
Managing Director
DIN: 07350892

Juvenil Jani
Chief Financial Officer

Narendra Ande
Company Secretary
Membership No: A14603

Place: Hyderabad
Date: 24 May 2021

Place: Gurugram
Date: 24 May 2021

Consolidated Statement of Cash Flow

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

(₹ in Millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
A. Cash flow from operating activities		
Profit before tax	**8,374.72**	**3,074.43**
Non-cash adjustment to reconcile profit before tax to net cash flows		
- Depreciation and amortisation expenses	12,487.04	12,016.27
- De recognition of property, plant and equipment	54.27	315.44
- Impairment of capital work-in-progress and deposits	-	327.08
- Net unrealised (gain)/loss on foreign exchange differences	(110.49)	390.10
- Doubtful receivables and advance written off	5.06	0.35
- Allowance for expected credit losses, net	246.65	376.12
- Unrealised loss/(gain) on derivatives, net	178.04	(167.49)
Finance costs	19,970.03	20,413.01
Net gain on fair value changes classified as FVTPL	(161.87)	(270.71)
Interest income	(614.86)	(887.63)
Operating cash flows before working capital changes	**40,428.59**	**35,586.97**
Movements in working capital:		
Decrease/(increase) in inventories	3,006.65	(2,319.09)
Increase in trade receivables	(7,133.40)	(2,264.08)
(Increase)/decrease in financial and non-financial assets including derivative assets and liabilities	(1,380.82)	3,027.38
(Decrease)/increase in trade payables and other financial liabilities	(4,448.68)	1,279.00
Increase/(decrease) in other liabilities	54.18	(49.44)
Increase in provisions	40.73	28.24
Cash generated from operations	**30,567.25**	**35,288.98**
Income-tax paid (net)	(51.77)	(290.88)
Net cash generated from operating activities	**30,515.48**	**34,998.10**
B. Cash flows from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress), capital advances and payment to capital vendors	(1,549.19)	(16,542.41)
Proceeds from sale of property, plant and equipment	2.09	-
Purchase of mutual funds, net	(1,045.06)	(75.09)
Investment in bank deposits, net	(322.63)	(143.25)
Interest income received	690.35	974.11
Acquisition of shares in subsidiaries from non-controlling interest	(0.98)	(1.30)
Sale of shares in subsidiaries to non-controlling interest	0.48	0.60
Net cash used in investing activities	**(2,224.94)**	**(15,787.34)**
C. Cash flows from financing activities		
Proceeds from issue of shares including securities premium	-	5,169.00
Payment for expenses incurred in relation to issuance of shares	-	(13.59)
Proceeds from long-term borrowings	13,693.96	18,410.63
Repayment of long-term borrowings	(19,233.11)	(15,038.75)
Net repayment of short-term borrowings	(5,142.64)	(7,197.35)
Repayment of lease liabilities	(18.38)	(51.28)
Interest and finance charges paid	(18,821.34)	(20,070.61)
Net cash used in financing activities	**(29,521.51)**	**(18,791.95)**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(1,230.97)	418.81
Cash and cash equivalents at the beginning of the year	4,422.65	4,003.84
Cash and cash equivalents at the end of the year	**3,191.68**	**4,422.65**

Consolidated Statement of Cash Flow (continued)

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

(₹ in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Components of cash and cash equivalents comprise:		
Balance with scheduled banks		
On current accounts	507.65	1,645.19
Deposits with original maturity of less than three months	2,684.03	2,777.46
Total cash and cash equivalents	**3,191.68**	**4,422.65**

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

(₹ in Millions)

Particulars	As at 31 March 2020	Net cash flows	Foreign exchange movement, reclassification and borrowing cost	As at 31 March 2021
Long-term borrowings	1,89,954.67	(5,539.15)	7,375.00	1,91,790.52
Short-term borrowings	23,993.82	(5,142.64)	(9,542.05)	9,309.13
	2,13,948.49	**(10,681.79)**	**(2,167.05)**	**2,01,099.65**

Significant accounting policies 2

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

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

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

Hemant Maheshwari
Partner
Membership No: 096537

Wong Kim Yin
Chairman
DIN: 08806258

Vipul Tuli
Managing Director
DIN: 07350892

Juvenil Jani
Chief Financial Officer

Narendra Ande
Company Secretary
Membership No: A14603

Place: Hyderabad
Date: 24 May 2021

Place: Gurugram
Date: 24 May 2021

Consolidated Statement of Changes in Equity

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

(₹ in Millions)

Particulars	Equity share capital	Reserves and surplus							Other items of other comprehensive income	Equity attributable to shareholder of the Company	Non-controlling interest	Total
		Securities premium	Capital reserve on acquisition	Capital reserve	Capital redemption reserve	Debenture redemption reserve	General reserve	Other reserves	Retained earnings	Effective portion of cash flow hedges			
Balance as at 1 April 2019	**51,587.22**	**37,787.50**	**(14,550.18)**	**1,121.58**	**1.01**	**125.00**	**74.00**	**650.95**	**(10,472.48)**	**(932.35)**	**65,392.25**	**238.17**	**65,630.42**
Equity shares issued during the year	2,749.47	-	-	-	-	-	-	-	-	-	2,749.47	-	**2,749.47**
Securities premium on equity shares issued	-	2,419.53	-	-	-	-	-	-	-	-	2,419.53	-	**2,419.53**
Expenses incurred on issuance of shares	-	-	-	-	-	-	-	-	(13.59)	-	(13.59)	-	**(13.59)**
Transfers to reserves (refer note 3.13)	-	-	-	-	0.85	(125.00)	125.00	-	(0.85)	-	-	-	**-**
Transition adjustment of Ind AS 116 "Leases"	-	-	-	-	-	-	-	-	(28.15)	-	(28.15)	-	**(28.15)**
Change in stake of step-down subsidiaries	-	-	-	-	-	-	-	7.08	-	-	7.08	(7.78)	**(0.70)**
Profit for the year	-	-	-	-	-	-	-	-	3,126.72	-	3,126.72	(44.53)	**3,082.19**
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-	(8.98)	333.57	324.59	(0.10)	**324.49**
Fair value of interest free INR denominated notes from holding company	-	-	-	-	-	-	-	509.16	-	-	509.16	-	**509.16**
Balance as at 31 March 2020	**54,336.69**	**40,207.03**	**(14,550.18)**	**1,121.58**	**1.86**	**-**	**199.00**	**1,167.19**	**(7,397.33)**	**(598.78)**	**74,487.06**	**185.76**	**74,672.82**
Transfers to reserves (refer note 3.13)	-	-	-	-	0.32	-	-	-	(0.32)	-	-	-	**-**
Change in stake of step-down subsidiaries	-	-	-	-	-	-	-	(2.46)	-	-	(2.46)	1.96	**(0.50)**
Profit for the year	-	-	-	-	-	-	-	-	8,491.91	-	8,491.91	-	**8,491.91**
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-	(3.28)	557.14	553.86	(55.34)	**498.52**
Fair value of interest free INR denominated notes from holding company	-	-	-	-	-	-	-	234.72	-	-	234.72	(0.08)	**234.64**
Balance as at 31 March 2021	**54,336.69**	**40,207.03**	**(14,550.18)**	**1,121.58**	**2.18**	**-**	**199.00**	**1,399.45**	**1,090.98**	**(41.64)**	**83,765.09**	**132.30**	**83,897.39**

Significant accounting policies **2**

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

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Chartered Accountants
ICAI Firm registration number: 116231W/ W-100024

Hemant Maheshwari
Partner
Membership No: 096537

Place: Hyderabad
Date: 24 May 2021

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

Juvenil Jani
Chief Financial Officer

Narendra Ande
Company Secretary
Membership No: A14603

Place: Gurugram
Date: 24 May 2021

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

1. Corporate information

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

On 31 October 2018, the Regional Director (RD), Ministry of Corporate Affairs, Hyderabad had approved the scheme of amalgamation (the Scheme) of Sembcorp Gayatri Power Limited (SGPL), one of the wholly owned subsidiary of the Company. The appointed date as per the Scheme was 1 April 2017. Erstwhile SGPL (hereinafter referred to as "SEIL-P2") has been operating and maintaining a 1,320 megawatt (2 X 660 megawatt) coal based thermal power plant at Pynampuram and Nelatur Villages, Muthukur Mandal, Nellore District in the state of Andhra Pradesh. The commercial operations of SEIL-P2 had commenced on 17 November 2016 for unit I and on 21 February 2017 for unit II.

The Group through its subsidiaries owns and operates various renewable energy power projects with installed capacity of 1,694.7 MW of wind power projects and 35.00 MW of solar power projects and another 400.0 MW solar project under construction. These projects are intended to sell the power generated, under long-term Power Purchase Agreements (PPAs) with state electricity boards, group captive users and other authorities who award PPAs under competitive bidding.

The consolidated financial statements comprise of the Company and its subsidiaries (collectively referred as the 'Group').

2. Basis of preparation, measurement and significant accounting policies

2.1 Basis of preparation and statement of compliance

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

The consolidated financial statements have been prepared by the Company on a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date, 31 March 2021.

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

2.2 Functional and presentation currency

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

2.3 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for the following.

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

2.4 Principles of consolidation

The Group consolidates the entities which it owns or controls. The Consolidated Financial Statements comprise the financial statements of the Company and its subsidiaries. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences (other than entities acquired fall under common control) until the date control ceases.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of previous year. The financial statements of each of the subsidiaries used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on 31 March. The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and unrealised profits / losses, unless cost/revenue cannot be recovered.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

The difference between the cost of investment in subsidiaries (investee company) to the Group and the proportionate share in the equity of the investee Company as at the date of acquisition of stake is recognised in the Consolidated Financial Statements as goodwill or capital reserve, as the case may be. Goodwill arising on consolidation is tested for impairment at the Balance Sheet date. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Group, are excluded.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any interest retained in the form of subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the consolidated statement of profit and loss.

The consolidated financial statements are presented, to the extent possible, is in the same format as that adopted by the Company for its standalone financial statements.

2.5 Details of the Group's subsidiaries in the preparation of consolidated financial statements are as follows:

Particulars	Date of Incorporation	Country of Incorporation	% of Ownership interest and voting power as at	
			31 March 2021	31 March 2020
Direct subsidiaries				
Sembcorp Green Infra Limited (SGIL)	3 April 2008	India	100.00%	100.00%
TPCIL Singapore Pte. Ltd (TPCIL SG)	18 November 2014	Singapore	100.00%	100.00%
Indirect subsidiaries				
Green Infra Wind Energy Limited (GIWEL)	6 June 2005	India	100.00%	100.00%
Green Infra Wind Assets Limited (GIWAL)	14 October 2008	India	100.00%	100.00%
Green Infra Corporate Wind Limited (GICWL)	14 October 2008	India	100.00%	100.00%
Green Infra Solar Energy Limited (GISEL)	29 April 2010	India	100.00%	100.00%
Green Infra Solar Farms Limited (GISFL)	29 April 2010	India	100.00%	100.00%
Green Infra Wind Power Limited (GIWPL)	3 May 2010	India	100.00%	100.00%
Green Infra Wind Ventures Limited (GIWVL)	28 December 2010	India	100.00%	100.00%
Green Infra Wind Limited (GIWL)	23 February 2011	India	100.00%	100.00%
Green Infra Corporate Solar Limited (GICSL)	12 September 2011	India	100.00%	100.00%
Green Infra Wind Energy Project Limited (GIWEPL)	4 July 2011	India	100.00%	100.00%
Green Infra Solar Projects Limited (GISPL)	12 September 2011	India	100.00%	100.00%
Green Infra Wind Energy Assets Limited (GIWEAL)	14 September 2011	India	100.00%	100.00%
Green Infra Wind Farm Assets Limited (GIWFAL)	14 September 2011	India	100.00%	100.00%
Green Infra Wind Solutions Limited (GIWSL)	22 May 2012	India	100.00%	100.00%
Green Infra Wind Technology Limited (GIWTL)	22 May 2012	India	100.00%	100.00%
Green Infra BTV Limited (GIBTVL)	1 September 2008	India	90.46%	90.46%
Green Infra Wind Farms Limited (GIWFL)	14 October 2008	India	60.93%	60.93%
Green Infra Wind Power Generation Ltd. (GIWPGL)	4 July 2011	India	72.09%	71.16%
Green Infra Wind Power Projects Limited (GIWPPL)	4 July 2011	India	69.06%	69.06%
Green Infra Wind Generation Limited (GIWGL)	4 July 2011	India	70.55%	70.55%
Green Infra Wind Energy Theni Limited (GIWETL)	6 January 2011	India	73.02%	73.02%
Green Infra Wind Power Theni Limited (GIWPTL)	6 January 2011	India	73.21%	73.21%
Mulanur Renewable Energy Limited (MREL)	29 January 2016	India	67.30%	67.30%
Green Infra Renewable Energy Limited (GIREL)	2 March 2017	India	100.00%	100.00%
Green Infra Renewable Projects Limited (GIRPL)	18 February 2020	India	100.00%	100.00%

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

2.6 Use of estimates and judgements

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

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

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

i. Impairment of investments

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

ii. Impairment of trade receivable and unbilled receivables

The Group has measured the lifetime expected credit loss by using practical expedients. It has accordingly used a provision matrix derived by using a flow rate model to measure the expected credit losses for trade receivables. Further, need for incremental provisions have been evaluated on a case to case basis where forward-looking information on the financial health of a customer is available and in cases where there is an ongoing litigation/dispute.

iii. Useful lives of property, plant and equipment and intangible assets

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

iv. Valuation of deferred tax assets and liabilities

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

v. Defined benefit plans

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

vi. Provisions and contingent liabilities

The Group estimates the provisions that have present obligations as a result of past events, and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Group uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

vii. Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease

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if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

viii. Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

ix. Impairment of property, plant and equipment

Determining whether property, plant and equipment are impaired requires an estimation of the value in use of the relevant cash generating units. The value in use calculation is based on a Discounted Cash Flow model over the estimated useful life of the Power Plants. Further, the cash flow projections are based on estimates and assumptions relating to tariff, operational performance of the Plants, life extension plans, market prices of coal and other fuels, exchange variations, inflation, terminal value etc. which are considered reasonable by the Management.

2.7 Recent pronouncement

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

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. These amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

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

Statement of profit and loss:

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

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

2.8 Current and non-current classification

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

Assets

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

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

ii) it is held primarily for the purpose of being traded.

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iii) it is expected to be realised within 12 months after the reporting date; or

iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for atleast 12 months after the reporting date.

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

All other assets are classified as non-current.

Liabilities

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

i) it is expected to be settled in the Group's operating cycle.

ii) it is held primarily for the purpose of being traded.

iii) it is due to be settled within 12 months after the reporting date; or

iv) the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

All other liabilities are classified as non-current.

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

Operating cycle

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

2.9 Business combinations and goodwill

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

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combinations, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

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

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

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

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

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

ii) Common control business combinations

Business combinations arising from transfers of interests in entities by way of acquisition, amalgamation or merger (combination) that are under the control of the shareholder that controls the Group are

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accounted for as if the acquisition, amalgamation or merger had occurred at the beginning of the earliest comparative years presented or, if later, at the date that common control was established. The Group has followed pooling of interest method to account acquisition of entities under common control in its consolidated financial statements as per para 9 of Ind AS 103 (Appendix C).

- The assets and liabilities of the combining entities are recognised at their carrying amounts.

- The identity of the reserves is preserved, and they appear in the consolidated financial statements of the Company in the same form in which they appeared in the financial statements of the combining entities.

- No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

- The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve on acquisition.

As per para 9(iii) of Ind AS 103 (Appendix C), the financial information in the consolidated financial statements in respect of prior years should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

2.10 Revenue recognition

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

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

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

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

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

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

Income from generation-based incentive (GBI) is recognised on the basis of supply of units generated by the Group to the Electricity Board in respect of the eligible projects in accordance with the scheme of 'Generation Based Incentive for Grid Interactive Wind Power Projects'.

Revenue from sale of renewable energy certificates (RECs) and voluntary emission reduction certificates (VERs) are recognised when the control has been passed to the buyer, which generally coincides with the delivery of RECs or VERs.

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

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

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

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2.11 Property, plant and equipment and depreciation

i. Recognition and measurement

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

The cost of self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the assets to its working condition for their intended use, and estimated costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Tangible assets under construction are disclosed as capital work-in-progress. Software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

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

ii. Subsequent expenditure

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

iii. Depreciation

Depreciation commences when an asset is ready for its intended use. Freehold land and assets held for sale is not depreciated.

Regulated assets

Depreciation on the renewable power plants included under plant and machinery are provided at the rates as well as methodology notified (i.e. assets is depreciated at the rate of 5.83% per annum for first 12 years from commissioning date of the assets and remaining value of the asset is depreciated over the next 13 years) by the Central Electricity Regulatory Commission (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations, 2012.

Non-regulated assets

Depreciation on property, plant and equipment is provided on straight line method based on the useful life as specified in Schedule II of the Act, except in respect of the following category of assets, in whose case the estimated useful life of the assets has been assessed based on technical assessment, taking into account the nature of asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, maintenance etc.

Category	Life as per Schedule II	Life considered
Thermal power plants	40 years	25 years
Renewable power plants (won under competitive bidding)	22 years	30 years
Office equipments	5 years	3 years to 5 years
Site equipment (included in plant and machinery)	15 years	3 years to 15 years
Furniture and fixtures	10 years	5 years to 10 years

Leasehold land and improvements are amortised over the lease-term including the optional period, if any, available to the Group, where it is reasonably certain at the inception of lease that such option would be exercised by the Group.

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

iv. Disposals

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use. Gains or losses arising from the retirement or disposal of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset

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and are recognised in the consolidated statement of profit and loss on the date of retirement or disposal.

2.12 Intangible assets

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

Category	Life considered
Computer software	3 years
Customer contracts	5 years

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

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

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

2.13 Inventories

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

2.14 Foreign currency transactions

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

Monetary assets and liabilities that are denominated in foreign currency are translated at the exchange rate prevalent at the date of the balance sheet. The resultant exchange differences are recognised in the consolidated statement of profit and loss unless it relates to a long-term foreign currency monetary item.

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

Under Indian GAAP, paragraph 46/46A of AS 11, The Effects of Changes in Foreign Exchange Rates, provide accounting treatment with respect to exchange differences arising on restatement of long-term foreign currency monetary items. Ind AS 101 provides an optional exemption that allows to continue the above accounting treatment in respect of the long-term foreign currency monetary items recognised in the consolidated financial statements as on transition date. Certain subsidiaries in the Group have had adopted such exemption with respect of long-term foreign currency borrowings taken in past. Therefore, exchange differences (favorable as well as unfavorable) arising in respect of translation/settlement of long-term foreign currency borrowings attributable to the acquisition of a depreciable asset is added or deducted from the cost of the asset, which would be depreciated over the balance life of the asset.

2.15 Employee benefits

Short-term employee benefits

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

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

Defined benefit plans

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

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The Group recognises the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset), which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognised in other comprehensive income are not to be subsequently reclassified to the consolidated statement of profit and loss. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no legal or constructive obligation to pay any further amounts. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognises contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the consolidated balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the consolidated balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Compensated absences

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

Bonus plans

The Group recognises a liability and an expense for bonus. The Group recognises a provision where contractually obliged or where there is a contractual obligation.

Share based payment transactions

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

2.16 Borrowing costs

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

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

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

2.17 Financial instruments

i. Recognition and initial measurement

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

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

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ii. Financial assets - Classification and subsequent measurement:

a) *Financial assets at amortised cost*

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

b) *Financial assets at fair value through other comprehensive income*

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

c) *Financial assets at fair value through profit or loss*

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

iii. Financial liabilities - Classification and subsequent measurement:

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

a) Financial liabilities at FVTPL

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

b) Other financial liabilities

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

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

iv. De-recognition of financial instruments

a) Financial asset

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

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

b) Financial liability

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

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

v. Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the Balance Sheet when, and only when, the Group has a legally enforceable right to set off the amount and intends to

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

2.18 Derivative financial instruments and hedge accounting

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

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

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

This category has derivative financial assets or liabilities which are not designated as hedges. Any derivative that is either not designated a hedge or is so designated but is ineffective as per Ind AS 109, is categorised as a financial asset or financial liability, at fair value through profit or loss.

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

ii. Cash flow hedge accounting

Where a derivative is designated as a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability, or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised directly in other comprehensive income and presented in the hedge reserve in equity. The ineffective portion of changes in the fair values of the derivative is recognised immediately in the consolidated statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively.

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

2.19 Fair value of financial instruments

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

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

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

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

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

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

When the fair values of financial assets and financial liabilities recorded in the consolidated financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgements is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk volatility and discount rates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

2.20 Impairment

i. Financial assets (other than at fair value)

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets

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

ii. Non-financial assets

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

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the consolidated statement of profit and loss.

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

Goodwill has indefinite useful life and tested for impairment annually.

2.21 Leases

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset

At the date of commencement of the lease, the Group recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Group changes its assessment of whether it will exercise an extension or a termination option.

2.22 Income taxes

Tax expense (tax income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax

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

Current tax

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

The Group uses estimates and judgements based on the relevant rulings in the areas of allocation of allowances and disallowances which is exercised while determining the provision for income tax.

Minimum alternate tax (MAT) on the book profits or corporate tax payable on taxable profit is charged to the consolidated statement of profit and loss as current tax.

Deferred tax

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

a) Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

b) Temporary differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

c) Taxable temporary differences arising on the initial recognition of goodwill.

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

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

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

In situations where any entity under the Group is entitled to a tax holiday under the Income Tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of timing differences which reverse during the tax holiday period, to the extent the said company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognised in the year in which the timing differences originate. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

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

Deferred tax assets include Minimum Alternative Tax (MAT) paid, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with the asset will be realised. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

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

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

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2.23 Provisions and contingent liabilities

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

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

In case of provision for asset retirement obligation, the Group estimates the expected amount that it may have to incur in respect of asset retirement where the Group has its projects / operations. The management obtains quotes from vendors in respect of the estimated expense that it may have to incur in this respect considering the term of Power Purchase Agreement, lease period and inflation.

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

2.24 Earnings per share

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

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

2.25 Cash flow statement

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

2.26 Cash and cash equivalents

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

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

(₹ in Millions)

Particulars	Freehold land (owned)	Land (leased) (subnote 1)	Roads	Right of use assets (refer note 3.34)	Office building	Factory building	Furniture and fittings	Vehicles	Office equipment	Electrical installations	Plant and machinery	Computers	Leasehold improvements	Total property, plant and equipment	Capital work-in-progress
Gross carrying amount															
Balance as at 1 April 2019	3,548.66	1,200.80	2,246.29	-	1,519.95	774.88	97.25	76.77	203.87	95.93	2,51,986.18	119.21	36.91	2,61,906.70	19,720.84
Transition adjustment of Ind AS 116 "Leases"	-	(619.63)	-	941.23	-	-	-	-	-	-	-	-	-	321.60	-
Additions	173.96	6.08	71.52	-	10.31	15.67	15.65	3.66	22.80	-	30,786.51	23.42	0.35	31,129.93	16,834.05
Disposals/adjustments	(2.32)	-	-	-	-	-	-	(0.84)	(1.03)	-	(400.73)	(6.67)	-	(411.59)	(1,072.46)
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(30,547.12)
Balance as at 31 March 2020	**3,720.30**	**587.25**	**2,317.81**	**941.23**	**1,530.26**	**790.55**	**112.90**	**79.59**	**225.64**	**95.93**	**2,82,371.96**	**135.96**	**37.26**	**2,92,946.64**	**4,935.31**
Additions	245.16	-	-	21.77	0.27	5.53	0.11	9.14	5.65	-	5,486.04	30.24	0.21	5,804.12	1,715.86
Disposals/adjustments	-	-	-	(9.19)	(10.20)	-	(22.43)	(1.16)	(16.47)	-	(238.42)	(13.58)	-	(311.45)	(0.88)
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,649.25)
Balance as at 31 March 2021	**3,965.46**	**587.25**	**2,317.81**	**953.81**	**1,520.33**	**796.08**	**90.58**	**87.57**	**214.82**	**95.93**	**2,87,619.58**	**152.62**	**37.47**	**2,98,439.31**	**1,001.04**
Accumulated depreciation															
Balance as at 1 April 2019	-	82.55	739.81	-	81.97	104.92	31.49	25.34	110.91	53.89	33,281.36	68.96	10.16	34,591.36	-
Transition adjustment of Ind AS 116 "Leases"	-	-	-	105.00	-	-	-	-	-	-	-	-	-	105.00	-
Depreciation for the year	-	24.57	222.18	33.21	23.09	25.39	10.77	7.88	34.75	6.75	11,583.37	27.14	4.13	12,003.23	-
Disposals/adjustments	-	-	-	-	-	-	-	-	(0.15)	-	(87.27)	(6.57)	-	(93.99)	-
Provision for impairment	25.12	-	-	-	-	-	-	-	-	-	-	-	-	25.12	297.86
Balance as at 31 March 2020	**25.12**	**107.12**	**961.99**	**138.21**	**105.06**	**130.31**	**42.26**	**33.22**	**145.51**	**60.64**	**44,777.46**	**89.53**	**14.29**	**46,630.72**	**297.86**
Depreciation for the year	-	24.66	197.33	32.32	29.90	25.92	11.19	10.11	30.21	13.43	12,071.73	26.25	4.21	12,477.26	-
Disposals/adjustments	-	-	-	(2.72)	(0.91)	-	(14.68)	(0.66)	(15.39)	-	(46.18)	(13.07)	-	(93.61)	-
Balance as at 31 March 2021	**25.12**	**131.78**	**1,159.32**	**167.81**	**134.05**	**156.23**	**38.77**	**42.67**	**160.33**	**74.07**	**56,803.01**	**102.71**	**18.50**	**59,014.37**	**297.86**
Carrying amounts (net)															
As at 31 March 2020	**3,695.18**	**480.13**	**1,355.82**	**803.02**	**1,425.20**	**660.24**	**70.64**	**46.37**	**80.13**	**35.29**	**2,37,594.50**	**46.43**	**22.97**	**2,46,315.92**	**4,637.45**
As at 31 March 2021	**3,940.34**	**455.47**	**1,158.49**	**786.00**	**1,386.28**	**639.85**	**51.81**	**44.90**	**54.49**	**21.86**	**2,30,816.57**	**49.91**	**18.97**	**2,39,424.94**	**703.18**

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

   During an previous year, APIIC had raised a demand amounting to Rs. 19.81 million for lease rentals (including interest) pertaining to earlier years which was paid by the Group. On transition to Ind AS 116 "Leases", the Group had categorized the payment of consideration of Rs. 612.50 million as right of use (ROU) assets and recognized the present value of the remaining lease payments as ROU assets and lease liability accordingly.

2. Free hold land includes Rs. 36.76 million (31 March 2020: Rs. 36.76 million) being lands purchased from APIIC by SEIL-P2. As per the terms of Agreement for sale of land, sale deed will be issued by APIIC after commissioning. The said sale deed is yet to be made in the name of the Group on account of certain administrative delays.

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3.1 Property, plant and equipment and capital work-in-progress (Contd..)

3. Title deeds of certain lands in the name of the Group are under dispute. In respect of such disputes, the Group has been legally advised that it has valid title deeds in its name for the aforesaid immovable properties and that it will be able to defend any counter claim to such property. (refer note 3.38)

4. As per the terms of EPC contract with the vendor, its scope of work includes operation and maintenance (O&M) activities for the wind power plants at its own cost for the first few years from the date of commissioning of the projects. Accordingly, an amount of Nil (31 March 2020: Rs. 1,072.30 million) has been reclassified from the capital work-in-progress to prepayment towards O&M cost.

5. Refer note 3.14 and 3.19 for assets pledged against the borrowings of the Group.

3.2 Other intangible assets and Goodwill

(₹ in Millions)

Particulars	Customer contracts	Softwares and licenses	Total of other intangible assets	Goodwill
Gross carrying amount				
Balance as at 1 April 2019	**32.10**	**111.11**	**143.21**	**1,234.20**
Additions	-	1.05	1.05	-
Disposals	-	(1.70)	(1.70)	-
Balance as at 31 March 2020	**32.10**	**110.46**	**142.56**	**1,234.20**
Additions	-	19.38	19.38	-
Disposals	-	-	-	-
Balance as at 31 March 2021	**32.10**	**129.84**	**161.94**	**1,234.20**
Accumulated amortisation				
Balance as at 1 April 2019	**17.17**	**103.69**	**120.86**	**-**
Amortisation for the year	6.42	6.62	13.04	-
Disposals	-	(1.70)	(1.70)	-
Balance as at 31 March 2020	**23.59**	**108.61**	**132.20**	**-**
Amortisation for the year	6.42	3.36	9.78	-
Disposals	-	-	-	-
Balance as at 31 March 2021	**30.01**	**111.97**	**141.98**	**-**
Carrying amounts (net)				
As at 31 March 2020	**8.51**	**1.85**	**10.36**	**1,234.20**
As at 31 March 2021	**2.09**	**17.87**	**19.96**	**1,234.20**

Impairment tests for goodwill:

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

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

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

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

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

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

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for the year ended 31 March 2021

3.2 Other intangible assets and Goodwill (Contd..)

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

(₹ in Millions)

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

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

Revenue, margins and cash flow projections have been estimated based on past experience and after considering the financial budgets forecasts approved by the management. Other key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

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

Assumption	Basis
Cash flow projections period	Remaining useful life of plants assumed 21 years (31 March 2020: 22 years) The PPA available under the CERC guidelines is for the life of plant capped at 25 years, hence cashflow projection considered based on the remaining useful life.
Terminal value	None
Weighted average cost of capital % (WACC) post tax	9.7% (31 March 2020: 9.45%)
Revenue and margins	Primarily based on the forecasted combination of long-term and short-term contracts and electricity spot prices with reference to estimated demand and supply of electricity as well as margin.

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

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

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

3.3 Derivative assets

(₹ in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Non-current		
Derivative designated as cash flow hedge		
- Fair value of cross currency interest rate swaps	-	1,429.63
Derivatives not designated as cashflow hedge		
- Fair value of cross currency interest rate swaps	332.54	449.99
- Fair value of foreign exchange option contracts	-	19.73
	332.54	**1,899.35**
Current		
Derivative designated as cash flow hedge		
- Fair value of commodity hedge contracts	251.86	-
- Fair value of cross currency interest rate swaps	1,067.52	-
- Fair value of forward contracts	-	46.88

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3.3 Derivative assets (Contd..)

(₹ in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Derivatives not designated as cash flow hedge		
- Fair value of forward contracts	17.00	1,523.37
- Foreign exchange option contracts	5.31	-
- Fair value of cross currency interest rate swaps	-	27.20
- Fair value of interest rate swaps	-	0.06
	1,341.69	**1,597.51**

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

3.4 Other financial assets

(Unsecured, considered good)

(₹ in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Non-current		
Margin money deposits and other deposits with banks *	6,905.46	5,808.73
Interest accrued on deposits	58.83	161.98
Security deposits	53.26	20.96
	7,017.55	**5,991.67**
Current		
Unbilled receivables	6,890.06	5,768.14
Less: Allowance for expected credit loss	(17.30)	(12.47)
Income accrued on generation based incentive	243.77	305.99
Interest accrued on deposits	190.51	183.42
Amount recoverable from related party (refer note 3.37)	-	0.06
Advance given for purchase of mutual funds	40.00	42.50
Security deposits	16.52	23.01
Premium on forward contracts	325.06	134.63
Other recoverable (refer note 3.38 (IV))	369.83	311.05
	8,058.45	**6,756.33**

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

3.5 Non-current tax assets

(₹ in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Advance income taxes (net of provision for tax)	685.38	614.09
Taxes paid under protest (refer note 3.38)	448.05	532.58
	1,133.43	**1,146.67**

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for the year ended 31 March 2021

3.6 Deferred tax assets and liabilities

i) Deferred tax asset and liabilities attributable to the following

(₹ in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax liabilities on:		
Excess of depreciation on assets under Income Tax law over depreciation provided in accounts	22,215.32	17,888.25
Fair value adjustment of current investments	13.42	11.92
Unamortised part of prepayment expenses	209.05	341.81
Unamortised part of borrowing costs	106.55	128.57
Fair value adjustment of derivatives	4.15	-
	22,548.49	**18,370.55**
Deferred tax assets on:		
Provision for asset retirement obligation	81.47	73.05
Allowance for expected credit loss	250.38	185.31
Lease liabilities	39.91	43.96
Operation and maintenance expenses equalization	134.79	112.45
MAT credit entitlement	586.24	560.78
Expenses to be allowed as deductible in future	3,571.70	3,506.65
Unabsorbed depreciation/tax losses #	17,403.26	13,294.74
	22,067.75	**17,776.94**
Net deferred tax assets and liabilities	**480.74**	**593.61**

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

During the year ended 31 March 2021, the Group did not recognise deferred tax assets of Rs. 769.33 million (31 Mar 2020: Rs. 3,442.25 million) on unused tax loss and unabsorbed depreciation in absence of reasonable certainty that such deferred tax assets can be realised against future taxable profit at each entity.

Classification of deferred tax assets and liabilities:

(₹ in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax liabilities (net)	724.42	780.27
Deferred tax assets (net)	243.68	186.66
	480.74	**593.61**

ii) Movement in temporary differences

(₹ in Millions)

Particulars	As at 1 April, 2020	Impact in Statement of profit and loss	Impact in other comprehensive income	As at March 31, 2021
Deferred tax liabilities on:				
Excess of depreciation on assets under Income Tax law over depreciation provided in accounts	17,888.25	4,327.07	-	22,215.32
Fair value adjustment of current investments	11.92	1.50	-	13.42
Unamortised part of prepayment expenses	341.81	(132.76)	-	209.05
Unamortised part of borrowing costs	128.57	(22.02)	-	106.55
Fair value adjustment of derivatives	-	4.15	-	4.15
	18,370.55	**4,177.94**	**-**	**22,548.49**

Notes to the Consolidated Financial Statements

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3.6 Deferred tax assets and liabilities (Contd..)

ii) Movement in temporary differences (Contd..)

(₹ in Millions)

Particulars	As at 1 April, 2020	Impact in Statement of profit and loss	Impact in other comprehensive income	As at March 31, 2021
Deferred tax assets on:				
Provision for asset retirement obligation	73.05	8.42	-	81.47
Allowance for expected credit loss	185.31	65.07	-	250.38
Lease liabilities	43.96	(4.05)	-	39.91
Operation and maintenance expenses equalization	112.45	22.34	-	134.79
MAT credit entitlement	560.78	25.46	-	586.24
Expenses to be allowed as deductible in future	3,506.65	64.74	0.31	3,571.70
Unabsorbed depreciation/tax losses #	13,294.74	4,108.52	-	17,403.26
	17,776.94	**4,290.50**	**0.31**	**22,067.75**
Net deferred tax assets and liabilities	**593.61**	**(112.56)**	**(0.31)**	**480.74**

(₹ in Millions)

Particulars	As at 1 April 2019	Impact in Statement of profit and loss	Impact in other comprehensive income	As at 31 March 2020
Deferred tax liabilities on:				
Excess of depreciation on assets under Income Tax law over depreciation provided in accounts	16,741.34	1,146.91	-	17,888.25
Fair value adjustment of current investments	11.50	0.42	-	11.92
Unamortised part of prepayment expenses	189.30	152.51	-	341.81
Unamortised part of borrowing costs	0.39	128.18	-	128.57
	16,942.53	**1,428.02**	**-**	**18,370.55**
Deferred tax assets on:				
Provision for asset retirement obligation	49.55	23.50	-	73.05
Allowance for expected credit loss	44.49	140.82	-	185.31
Lease liabilities	-	43.96	-	43.96
Operation and maintenance expenses equalization	116.22	(3.77)	-	112.45
MAT credit entitlement	-	560.78	-	560.78
Expenses to be allowed as deductible in future	6,249.39	(2,743.14)	0.40	3,506.65
Unabsorbed depreciation/tax losses #	9,752.56	3,542.18	-	13,294.74
	16,212.21	**1,564.33**	**0.40**	**17,776.94**
Net deferred tax assets and liabilities	**730.32**	**(136.31)**	**(0.40)**	**593.61**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.7 Other assets

(Unsecured, considered good)

(₹ in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Non-current		
Capital advances	197.85	336.95
Balance with government authorities paid under protest (refer note 3.38)	119.98	206.68
Contribution to gratuity fund (refer note 3.36)	15.29	10.71
Prepayments	605.90	860.67
	939.02	**1,415.01**
Current		
Advance to suppliers and service providers	1,186.52	932.54
Balance with government authorities (refer note 3.46)	1,556.16	724.33
Staff advances	0.22	0.82
Prepayments	785.69	1,193.05
	3,528.59	**2,850.74**

3.8 Inventories

(Valued at lower of cost and net realisable value)

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Fuel*	2,493.59	5,853.92
Stores and spares	2,286.99	1,933.31
	4,780.58	**7,787.23**

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

3.9 Current investments

(₹ in Millions)

Particulars	Number of units		As at	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Investment in mutual funds (debt securities)				
Quoted, valued at fair value through profit or loss				
IDFC Cash Fund-Direct Plan-Growth	2,06,348	26,317	512.98	63.21
DSP Liquidity Fund-Direct Plan-Growth	1,00,247	70,132	294.84	199.22
L&T Liquid Fund-Direct Plan-Growth	91,933	59,244	259.15	161.24
Kotak Liquid Fund-Direct Plan-Growth	37,868	76,521	157.50	307.22
TATA Liquid Fund-Direct Plan-Growth	1,42,269	59,613	462.04	186.71
Sundram Money Fund-Direct Plan-Growth	-	1,07,79,730	-	451.35
UTI Liquid Cash Fund-Direct Plan-Growth	1,53,836	1,18,446	518.50	385.12
Axis Liquid Fund-Direct Plan-Growth	2,10,016	60,163	479.84	132.63
SBI Liquid Fund-Direct Plan-Growth	1,44,528	1,39,632	465.61	434.11
Aditya Birla Sun Life Liquid Fund-Direct Plan-Growth	11,75,904	4,37,986	389.85	139.96
ICICI Prudential Liquid Fund-Direct Plan-Growth	11,58,239	7,06,265	352.96	207.49
Nippon India liquid fund -Direct plan-Growth	1,00,611	-	506.34	-
Invesco India Liquid Fund-Direct Plan-Growth	13,815	-	39.04	-
Baroda Liquid Fund Plan B-Direct Plan-Growth	-	92,970	-	212.83
Mahindra Liquid Fund-Direct Plan-Growth	-	13,327	-	17.17
Mirae Asset Cash Management Fund-Direct Plan-Growth	-	9,829	-	20.59
Franklin India Liquid Fund-Super Institutional-Direct Plan-Growth	-	1,04,320	-	311.22
			4,438.65	**3,230.07**
Aggregate fair value of quoted investments			4,438.65	3,230.07
Aggregate provision for impairment in value of investments			-	-

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for the year ended 31 March 2021

3.10 Trade receivables

(Unsecured)

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables		
- considered good	29,761.96	22,928.57
- which have significant increase in credit risk	736.69	494.87
Less: loss allowance	(736.69)	(494.87)
- credit impaired	-	-
Less: loss allowance	-	-
	29,761.96	**22,928.57**

Notes:

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

(ii The Group's exposure to credit and currency risk and loss allowance related to trade receivables are disclosed in note 3.32.

3.11 Cash and cash equivalents

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents:		
Balance with banks:		
On current accounts	507.65	1,645.19
Deposits with original maturity of less than three months *	2,684.03	2,777.46
	3,191.68	**4,422.65**
Bank balances other than those disclosed above		
Deposits due to mature after three months but before twelve months from the reporting date *	3,637.21	4,293.48
	3,637.21	**4,293.48**

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

3.12 Share capital

(₹ in Millions)

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

Of the above issued, subscribed and fully paid up equity share capital, 5,433,668,574 (31 March 2021: 5,433,668,574) equity shares of Rs. 10 each, fully paid-up are held by Sembcorp Utilities Pte Ltd, the holding company.

Notes:

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

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.12 Share capital (Contd..)

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

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

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

(₹ in Millions)

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

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

Terms and rights attached to equity shares:

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

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

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

3.13. Other equity

(₹ in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Securities premium		
Balance at the beginning of the year	40,207.03	37,787.50
Add: Additions during the year	-	2,419.53
Balance at the end of the year	**40,207.03**	**40,207.03**
Capital reserve on acquisition		
Balance at the beginning of the year	(14,550.18)	(14,550.18)
Add: Additions during the year	-	-
Balance at the end of the year	**(14,550.18)**	**(14,550.18)**
Capital reserve		
Balance at the beginning of the year	1,121.58	1,121.58
Add: Additions during the year	-	-
Balance at the end of the year	**1,121.58**	**1,121.58**
Capital redemption reserve		
Balance at the beginning of the year	1.86	1.01
Add: Transfers from retained earnings	0.32	0.85
Balance at the end of the year	**2.18**	**1.86**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.13. Other equity (Contd..)

(₹ in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Debenture redemption reserve		
Balance at the beginning of the year	-	125.00
Less: Transfers to general reserves	-	(125.00)
Balance at the end of the year	**-**	**-**
General reserve		
Balance at the beginning of the year	199.00	74.00
Add: Transfers from debenture redemption reserve	-	125.00
Balance at the end of the year	**199.00**	**199.00**
Other reserves		
Balance at the beginning of the year	1,167.19	650.95
Add: Adjustments due to change in stake of step-down subsidiaries	(2.46)	7.08
Add: Fair value of interest free INR denominated notes from holding company	234.72	509.16
Balance at the end of the year	**1,399.45**	**1,167.19**
Retained earnings		
Balance at the beginning of the year	(7,397.33)	(10,472.48)
Less: Expenses incurred on issuance of shares	-	(13.59)
Less: Transfers to capital redemption reserve	(0.32)	(0.85)
Less: Transition adjustment of Ind AS 116 "Leases"	-	(28.15)
Add: Profit for the year	8,491.91	3,126.72
Items that will not be reclassified to profit or loss		
- Remeasurement of defined benefit liabilities, net of tax	(3.28)	(8.98)
Balance at the end of the year	**1,090.98**	**(7,397.33)**
Other items of other comprehensive income		
Effective portion of cash flow hedges		
Balance at the beginning of the year	(598.78)	(932.35)
Add: Change in fair value, net of tax	557.14	333.57
Less: Utilisation	-	-
Balance at the end of the year	**(41.64)**	**(598.78)**
Total other equity	**29,428.40**	**20,150.37**

Nature and purpose of other equity

Securities premium

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

Capital reserve on acquisition

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

Capital reserve

Capital reserve is the excess of fair value of net identified assets acquired over the purchase consideration of the business acquired by the Group from other than business combination of entities under common control.

Capital redemption reserve

Capital redemption reserve represents amounts set aside out of retained earnings on redemption of preference shares by the subsidiaries namely Green Infra Wind Farm Limited and Green Infra Wind Power Projects Limited.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

Debenture redemption reserve

In earlier year, one of the subsidiary, GIWFAL allotted 500, 12% non-convertible debentures of face value of Rs. 1.00 million each. GIWFAL had transferred Rs. 125.00 million to 'Debenture redemption reserve' (DRR) out of profits available for distribution of dividends, as required under section 71 of the Companies Act, 2013. Subsequently, the same had been transferred to general reserve as per the Companies (Share capital and Debentures) Rules, 2019 in the previous year.

General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to retained earnings.

Other reserves

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

Retained earnings

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

Other items of other comprehensive income

Effective portion of cash flow hedges

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

3.14 Long-term borrowings

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
From banks		
External commercial borrowings	954.14	17,273.99
Term loans	69,379.54	62,972.69
Foreign currency non repatriable (FCNR) term loan	27,534.84	28,987.21
From financial institutions		
External commercial borrowings	2,205.59	2,441.56
Term loans	16,967.22	18,671.25
From others		
10,000 (31 March 2020: 10,000) 9.65% Non-convertible debentures of face value of Rs. 1.00 million each	9,100.00	9,700.00
Nil (31 March 2020: 500) 12% Non-convertible debentures of face value of Rs. 1.00 million each	-	400.00
Unsecured		
From related party (refer note 3.37)		
INR denominated notes	42,400.00	42,400.00
	1,68,541.33	**1,82,846.70**
Less: Unamortised part of loan origination cost	(671.52)	(680.14)
	1,67,869.81	**1,82,166.56**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.14 Long-term borrowings (Contd..)

Long-term borrowings in the Group (Including Current Maturities)	Interest rate and repayment terms of the long-term borrowings	Security terms of the long-term borrowings
External commercial borrowings (ECB) of Rs. 15,399.29 million (31 March 2020: Rs. 16,475.70 million) from banks for SEIL – P1	ECB loans carry interest at 3-month LIBOR plus 1.15% p.a. (31 March 2020: 3-month LIBOR plus 1.15% p.a.) These ECB loans are payable in 20 quarterly structured unequal instalments starting from 30 June 2017. The Company has entered into cross currency interest rate swaps and the applicable interest rate under the hedge agreement is 8.36% p.a. (31 March 2020: 8.36% p.a.)	ECB loans are guaranteed by Sembcorp Utilities Pte Ltd, the holding company.
Rupee term loans of Rs. 13,818.01 million (31 March2020: 21,894.26 million) from banks for SEIL – P1	The rupee term loans in respect of facility I and II carries an interest of SBI MCLR plus 1.25% p.a. Interest rate applicable during the year is 8.20% - 9.25% p.a. (31 March 2020: 9.25% - 9.75% p.a.) Rupee Term Loan facility - I is repayable in 79 quarterly structured unequal instalments starting from 31 December 2016 and Rupee Term Loan facility - II is repayable in 77 quarterly structured unequal instalments starting from 30 June 2017.	First ranking pari passu charge of registered mortgage of freehold land of 160 sq. mtrs. in Sudhagad Taluka, Raigad, Maharashtra and equitable mortgage of 800.80 acres of owned land and 680.55 acres of lease land situated at Pynampuram and Nelatur Villages, Muthukur Mandal in the state of Andhra Pradesh and first ranking pari passu charge over all the present and future assets (both tangible and intangible) of SEIL P1. 643,970,442 (31 March 2020: 643,970,442) equity shares of Rs.10 each of the Company, fully paid up are pledged by the holding company.
Rupee term loans of Rs. 25,718.04 million (31 March 2020: 21,193.43 million) from banks for SEIL - P2	The term loans carry an interest of SBI one-year MCLR plus 1.25% p.a. The term loans carry an interest rate of 8.25% - 9.70% p.a. (31 March 2020: 9.50% - 9.70% p.a.) The term loans facility is repayable in 78 quarterly structured unequal installments starting from 30 September 2017.	First ranking pari passu charge of registered mortgage of freehold land of 150 sq. mtrs. in Sudhagad Taluka, Raigad, Maharashtra and equitable mortgage over 1,216.88 acres of owned land situated at Pynampuram Village, Muthukur Mandal, SPSR Nellore District in the state of Andhra Pradesh and first ranking pari passu charge over all the present and future assets (both tangible and intangible) of SEIL - P2. Further, the holding company has pledged 408,480,080 (31 March 2020: 408,480,080) equity shares of Rs. 10 each of the Company for borrowings availed by SEIL – P2 and also have given corporate guarantees to cover the outstanding exposure. All securities rank pari passu on first charge basis inter se amongst all the term loan lenders and created in favour of SBICAP Trustee Company Limited, acting as security trustee for term loan lenders.
Rs. 42,400.00 million (31 March 2020: 42,400.00 million) INR denominated notes for SEIL - P2.	INR denominated notes are repayable in structured unequal tranche and interest are payable on quarterly basis. Terms of repayment, interest rate and interest accrued are given below:	These notes are unsecured and subscribed by holding company i.e. Sembcorp Utilities Pte Ltd.

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for the year ended 31 March 2021

3.14 Long-term borrowings (Contd..)

(₹ in Millions)

Tranche	Amount	Date of receipt	Interest coupon	Maturity date	Interest outstanding as on reporting date	Due dates for payment of interest accrued but not due
1	7,893.90	9 December 2016	12.00% p.a.	30 September 2022	293.26	30 September 2022
2	9,000.00	27 March 2017	10.00% p.a.	27 March 2027	431.53	30 September 2022
3	9,000.00	6 April 2017	10.00% p.a.	6 April 2027	2,138.45	30 September 2022
4	9,000.00	7 April 2017	10.00% p.a.	7 April 2027	2,140.68	30 September 2022
5	7,506.10	7 April 2017	10.00% p.a.	7 April 2027	1,659.06	30 September 2022
	42,400.00				**6,662.98**	

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

Long-term borrowings in the Group (Including Current Maturities)	Interest rate and repayment terms of the long-term borrowings	Security terms of the long-term borrowings
Foreign currency non repatriable (FCNR) term loan of Rs. 27,534.84 million (31 March 2020: 28,987.21 million) for SEIL - P1 and P2 During the current year, the Company has converted Rupee term loan of Rs. 26,589.25 million of SEIL-P1 for a period of 365 days and Rupee term loan of Rs. 1,850.00 million of SEIL-P2 into FCNR Loans for a period 364 days.	FCNR term loans tenure is 7 to 365 days (31 March 2020: 126 to 360 days) from the date of conversion and these loans are repayable in one lump sum on the date of maturity. However, as per the terms of FCNR term loan agreements, the Company can rollover the facility or can convert it into Rupee term loans. The business model of the Company is either to rollover or conversion into Rupee term loans. Accordingly, the Company has classified the borrowings in the financial statements as per the original Rupee term loan agreement. The rate of interest applicable on these FCNR term loans is at 12 months LIBOR plus Spread plus Hedging cost plus upfront conversion cost. All in cost is at 7.73% - 7.81% p.a. (31 March 2020: 8.74% - 8.88% p.a.). The Company has obtained hedge contract on principle and interest payable.	The FCNR is secured as per the rupee term loan with respective lenders as mentioned above.
Term loans of Rs. 24,674.08 million (31 March 2020: Rs. 12,770.00 million) from banks in GIWEL	Interest rates on loans are in the range of 7.75% - 9.65% p.a. (31 March 2020: 8.50% - 9.65% p.a.). These loans are repayable in 12 unequal quarterly installments starting from 30 June 2020, 76 unequal quarterly installments starting from 31 January 2021 and 19 unequal quarterly installments starting from 31 December 2020. During the year ended 31 March 2021 and 31 March 2020, one of the existing loans having interest rate in the range of 8.65% - 9.65% p.a. (31 March 2020: 9.65% - 10.30% p.a.) has been partially refinanced by another long-term borrowings.	Secured by pari passu first charge on all immovable properties and movable assets including plant and machinery, spares, tools, accessories, furniture, fixtures of the respective projects, and other assets of project, intangibles relating to the project, cash flows, receivables, book debts, assignment of security interest of all rights, title, interest, benefits of respective project in project documents, clearances, letter of credit, guarantees, performance bond, trust and retention account, debt service reserve account and any other reserves and bank accounts of the respective projects under GIWEL in favour of the Security Trustee

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for the year ended 31 March 2021

3.14 Long-term borrowings (Contd..)

Long-term borrowings in the Group (Including Current Maturities)	Interest rate and repayment terms of the long-term borrowings	Security terms of the long-term borrowings
10,000 numbers (31 March 2020: 10,000 numbers) of 9.65% Non-convertible debentures of Rs. 1.00 million each of value Rs. 9,700.00 million (31 March 2020: Rs. 10,000.00 million) in GIWEL	Non-convertible debentures are repayable in 12 quarterly unequal installments starting from 31 October 2020 and carry an interest rate of 9.65% p.a. (31 March 2020: 9.65% p.a.)	Secured by providing charge/assignment on the all assets including land and movable assets, cash flows, project documents for the 248.90 MW wind projects installed in various States in GIWEL as security for the securing NCDs.
(i) Term loans of Rs. 7,435.80 million (31 March 2020: Rs. 7,584.62 million) from banks in GIREL (ii) Term loans of Rs. 5,236.90 million (31 March 2020: Rs. 5,363.73 million) from financial institutions in GIREL	Interest rates are in the range of 8.35% - 9.85% p.a. (31 March 2020: 9.60% - 9.85% p.a.) and are repayable in 71 structured unequal quarterly installments starting from 31 December 2019. During the current year, the Company has made prepayment one of its existing borrowings from financial institution entirely and refinanced by another long-term borrowings from another financial institutions.	Secured by charge on all immovable properties, the entire movable assets including plant and machinery, machinery spares, tools and accessories, furniture, fixture, vehicles and intangible assets along with first charge on the goodwill, uncalled capital, cash flows, receivables, book debts, revenues, first charge on all bank accounts, debt service reserve account, trust and retention account; by way of assignment of security interests on project documents and contracts.
Term loans of Rs. 1,364.43 million (31 March 2020: Rs. 1,477.37 million) from banks in GICSL Term loans of Rs. 3,274.27 million (31 March 2020: Rs. 3,541.84 million) from financial institutions in GICSL	Interest rates are in the range of 10.80% - 10.81% p.a. (31 March 2020: 10.55% - 11.35% p.a.) and are repayable in 57 quarterly unequal installments starting from 15 January 2016 and 30 June 2016. During the current year, loan from a bank having interest rate 10.81% has been repaid entirely.	Secured by first charge on all immovable and movable assets including plant and machinery, spares, tools, accessories, furniture, fixtures and other assets of project, cash flows, receivables, book debts, assignment of security interest of all rights, title, interest, benefits of project in project documents, clearances, letter of credit, guarantees, performance bond, trust and retention account, debt service reserve account and any other reserves and bank accounts of borrower in favour of the Security Trustee of the respective projects under GICSL. The loan is also secured by pledge of 61,233,150 equity shares and 105,526,100 preference shares of GICSL held by its promoter.
External commercial borrowings of Rs. 2,137.97 million (31 March 2020: Rs. 2,313.76 million) from foreign financial institution in GICSL	Interest rates are in the range of 10.28% to 10.97% p.a. (31 March 2020: 10.28% to 10.97% p.a.) and are repayable in 57 quarterly unequal installments starting from 15 January 2016.	Secured by first charge on all immovable and movable assets including plant and machinery, spares, tools, accessories, furniture, fixtures and other assets of project, cash flows, receivables, book debts, assignment of security interest of all rights, title, interest, benefits of projects in project documents, clearances, letter of credit, guarantees, performance bond, trust and retention account, debt service reserve account and any other reserves and bank accounts of borrower in favour of the Security Trustee of the respective projects under GICSL. The loan is also secured by pledge of 61,233,150 equity shares and 105,526,100 preference shares of GICSL held by its promoter.

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for the year ended 31 March 2021

3.14 Long-term borrowings (Contd..)

Long-term borrowings in the Group (Including Current Maturities)	Interest rate and repayment terms of the long-term borrowings	Security terms of the long-term borrowings
Term loans of Rs. 4,039.76 million (31 March 2020: Rs. 4,169.90 million) from financial institutions in GIWPGL Term loan of Rs. 229.36 million (31 March 2020: Rs. 553.68 million) from bank in GIWPGL	Interest rates are in the range of 9.25% - 10.50% p.a. (31 March 2020: 9.90% - 10.50% p.a.) and are repayable in 60 quarterly structured unequal instalments starting from 30 June 2016 and 56 quarterly structured unequal instalments starting from 31 March 2018 respectively. During the current year, the Company has made prepayment of partial loan amount.	Secured by first charge on all immovable and movable assets including plant and machinery, spares, tools, accessories, furniture, fixtures and other assets of project, cash flows, receivables, book debts, assignment of security interest of all rights, title, interest, benefits in project documents, clearances, letter of credit, guarantees, performance bond, trust and retention account, debt service reserve account and any other reserves and bank accounts of the respective project.
Term loan of Rs. 705.50 million (31 March 2020: Rs. 912.50 million) from financial institution in GIWFL	Interest on the loan is 10.00% p.a. (31 March 2020: 10.00% p.a.) and is repayable in 44 structured unequal quarterly installments starting from 30 June 2019. During the current year, the Company has made prepayment of partial loan amount.	Secured by first charge on all movable assets and intangible assets pertaining to project including plant and machinery, spares, tools, accessories, furniture, fixtures, goodwill, rights, undertakings and other assets, cash flows, receivables, book debts, assignment of security interest of all rights, title, interest, benefits of project in project documents, clearances, letter of credit, guarantees, performance bond, trust and retention account, debt service reserve account and any other reserves and bank accounts
Term loan of Rs. 478.50 million (31 March 2020: Rs. 531.19 million) from financial institution in GIWPL	Interest on loan is 9.70% p.a. (31 March 2020: 9.70% - 10.80% p.a.) and is repayable in 54 structured unequal quarterly installments starting from 15 March 2016. During the current year, the Company has made prepayment of partial loan amount.	Secured by way of first charge on freehold immovable property and movable assets including plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, cash flows, reserves, receivables, intangibles, goodwill, assignment or creation of security on all rights, title, interest, benefits claim and demands, letter of credit, insurance contract/ insurance proceeds, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the projects documents, trust and retention account, debt service reserve account and 51.00% (31 March 2020: 51.00%) equity shares of Rs. 10 each of the GIWPL held by promoter (i.e. GIWVL) have been pledged in favour of the financial institution

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3.14 Long-term borrowings (Contd..)

Long-term borrowings in the Group (Including Current Maturities)	Interest rate and repayment terms of the long-term borrowings	Security terms of the long-term borrowings
Term loan of Rs. 485.66 million (31 March 2020: Rs. 543.11 million) from financial institution in GICWL	Interest on loan is 9.70% p.a. (31 March 2020: 9.70% - 10.80% p.a.) and is repayable in 54 structured unequal quarterly installments starting from 15 March 2016. During the current year, the Company has made prepayment of partial loan amount.	Secured by way of first charge on freehold immovable property and movable assets including plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, cash flows, reserves, receivables intangibles, goodwill, assignment or creation of security on all rights, title, interest, benefits claim and demands in any letter of credit, insurance contract, insurance proceeds, performance bond, corporate guarantee, bank guarantee provided by any party to the project documents, trust and retention account, debt service reserve account and 51.00% (31 March 2020: 51.00%) Equity shares of the GICWL held by promoter (i.e. GIWVL) have been pledged in favour of the financial institution.
Term loan of Rs. 347.00 million (31 March 2020: Rs. 455.00 million) from financial institution in GISEL	Interest rate is 9.60% p.a. (31 March 2020: 9.60% p.a) and is repayable in 49 structured unequal quarterly installments starting from 30 September 2019.	Secured by first charge on all movable assets and intangible assets pertaining to project including plant and machinery, spares, tools, accessories, furniture, fixtures, goodwill, rights, undertakings and other assets of project, cash flows, receivables, book debts, reserves, assignment of security interest of all rights, title, interest, benefits of project in project documents, clearances, letter of credit, guarantees, performance bond, trust and retention account, debt service reserve account and bank accounts.
Term loan of Rs. 679.29 million (31 March 2020: Rs. 755.83 million) from financial institution in GIWGL	Interest on loan is 10.08% p.a. (31 March 2020: 9.55% - 10.08% p.a.) and is repayable in 59 structured unequal quarterly installments starting from 30 September 2017. During the current year, the Company has made prepayment of partial loan amount.	Secured by first charge on all immovable and movable assets including plant and machinery, spares, tools, accessories, furniture, fixtures and other assets of project, cash flows, receivables, book debts, reserves, revenues, intangible assets, assignment of security interest on all rights, title, interest, benefits, claims and demands in the project documents, clearances, letter of credit, guarantee, performance bond and bank guarantee trust and retention account, debt service reserve account and any other reserves and bank accounts.

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3.14 Long-term borrowings (Contd..)

Long-term borrowings in the Group (Including Current Maturities)	Interest rate and repayment terms of the long-term borrowings	Security terms of the long-term borrowings
Term loan of Rs. 521.14 million (31 March 2020: Rs. 579.04 million) from financial institution in GIWPPL	Interest on loan is 10.04% p.a. (31 March 2020: 9.45% - 10.04% p.a.) and is repayable in 48 structured unequal quarterly installments starting from 30 June 2017. During the current year, the Company has made prepayment of partial loan amount.	Secured by pari-passu first charge on all immovable and movable assets including plant and machinery, spares, tools, accessories, furniture, fixtures and other assets of project, cash flows, receivables, book debts, reserves, revenues, intangible assets, assignment of security interest on all rights, title, interest, benefits, claims and demands in the project documents, clearances, letter of credit, guarantee, performance bond and bank guarantee, trust and retention account, debt service reserve account, bank account in favour of the Security Trustee.
Term loans of Rs. 1,347.63 million (31 March 2020: Rs. 1,383.27 million) from financial institutions in GIWFAL Nil (31 March 2020: 500 numbers) 12% Non-convertible debentures of Rs. 1.00 million each of Nil (31 March 2020: Rs. 500.00 million) in GIWFAL	(i) Interest rates are in the range of 10.00% - 11.45% p.a. (31 March 2020: 10.00% - 11.45% p.a.) and are repayable in 64 structured quarterly unequal installments starting from 1 April 2015. (ii) Non-convertible debentures were issued at 12.00% p.a. interest rate (31 March 2020: 12.00% p.a.) and were repayable in 4 yearly installments and starting at the ended of 6th year from the date of allotment i.e. 30 December 2014. During the current year, all debentures were pre-matured and prepaid.	Secured by way of pari passu mortgage on immovable property, hypothecation of movable assets including plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, intangibles, goodwill, receivables, any other reserve, assignment or creation of security on all rights, title, interest, benefits claim and demands in any letter of credit, insurance contract/ insurance proceeds, performance bond, corporate guarantee, bank guarantee provided by any party to the projects documents, trust and retention account, debt service reserve account and any other bank account and 51.00% (31 March 2020: 51.00%) of the equity shares of GIWFAL held by promoter (i.e. GIWVL) have been pledged in favour of the Security Trustee
Term loan of Rs. 469.00 million (31 March 2020: Rs. 537.97 million) from financial institution in GIWEPL	Interest on loan is 10.04% p.a. (31 March 2020: 9.45% - 10.04% p.a.) and is repayable in 44 structured unequal quarterly installments starting from 30 June 2017.	Secured by first charge by way of hypothecation on entire movable assets, cash flows, receivables, book debts and revenues, any other reserves intangible assets, assignment or creation of security interest of all rights, title, interest benefits, claims and demands in the project documents, clearances, letter of credit, performance bond, corporate guarantee, bank guarantee provided by any party to the project documents; trust and retention account, debt service reserve account and bank account.
Term loan of Rs. 829.52 million (31 March 2020: Rs. 927.32 million) from financial institution in MREL	Interest rate is in the range of 9.00% - 9.80% p.a. (31 March 2020: 9.80% - 10.10% p.a.) and is repayable in 59 structured unequal quarterly installments starting from 31 December 2017. During the current year, the Company has made prepayment of partial loan amount.	Secured by charge on all immovable properties, the entire movable assets and intangible assets including plant and machinery, machinery spares, tools and accessories, furniture and fixtures, vehicles along with charge on the goodwill, uncalled capital, cash flows, receivables, book debts, revenues, first charge on all bank accounts, debt service reserve, trust and retention account; an assignment by way of security on project documents and contracts.

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for the year ended 31 March 2021

3.14 Long-term borrowings (Contd..)

Long-term borrowings in the Group (Including Current Maturities)	Interest rate and repayment terms of the long-term borrowings	Security terms of the long-term borrowings
Term loans of 2,123.87 million (31 March 2020: Rs. 2,284.15 million) from banks in GIWSL	Interest rates are in the range of 8.30% - 9.80% p.a. (31 March 2020: 9.60% - 9.80% p.a.) and are repayable in 63 structured unequal quarterly installments starting from 30 June 2018.	Secured by charge on all immovable properties, the entire movable assets and intangible assets including plant and machinery, machinery spares, tools and accessories, furniture and fixtures, vehicles along with first charge on the goodwill, uncalled capital, cash flows, receivables, book debts, revenues, first charge on all bank accounts, debt service reserve account, trust and retention account; an assignment by way of security on project documents and contracts and 26.00% (31 March 2020: 26.00%) equity shares of the GIWSL held by promoter have been pledged in favour of the Lender.
(i) External commercial borrowing of USD 7.74 million equivalent to Rs. 568.69 million (31 March 2020: USD 8.94 million equivalent to Rs. 673.70 million) from bank in GISFL (ii) External commercial borrowings of Rs. 241.06 million (31 March 2020: Rs. 277.36 million) from foreign financial institution in GISFL	(i) External commercial borrowing from bank carries interest rate of 3M LIBOR + 2.5% p.a. (31 March 2020: 3M LIBOR + 2.5% p.a.) and is repayable in 45 structured unequal quarterly installments starting from 15 October 2013. (ii) External commercial borrowing from foreign financial institution carries an interest rate in the range of 10.57% - 11.48% p.a. (31 March 2020: 10.57% - 11.48% p.a.) and is repayable in 26 structured unequal half-yearly installments starting from 15 October 2013.	Secured by first charge on immovable properties, all movable assets including plant and machinery, spares, tools, accessories, furniture, fixtures and other assets of project, cash flows, receivables, book debts, revenues, by way of assignment of security interest of all rights, title, interest, benefits in project documents, clearances, letter of credit, guarantees, performance bond, trust and retention account, debt service reserve account and other reserves and bank accounts of GISFL and GISPL (co-borrower), along with 51.00% (31 March 2020: 51.00%) of equity shares of GISFL and GISPL have been pledged in favour of the Security Trustee under the common loan agreement between the lenders with GISFL and GISPL.
(i) External commercial borrowing of USD 2.02 million equivalent to Rs. 148.74 million (31 March 2020: USD 2.34 million equivalents to Rs. 176.21 million) from bank in GISPL (ii) External commercial borrowings of Rs. 62.54 million (31 March 2020: Rs. 71.96 million) from foreign financial institution in GISPL	(i) External commercial borrowing from bank carries an interest rate of 3M LIBOR + 2.5% p.a. (31 March 2020: 3M LIBOR + 2.5% p.a.) and is repayable in 45 structured unequal quarterly installments starting from 15 October 2013. (ii) External commercial borrowing from foreign financial institution carries an interest rate in the range of 10.57% - 11.48% p.a. (31 March 2020: 10.57% - 11.48% p.a.) and is repayable in 26 structured unequal half-yearly installments starting from 15 October 2013.	Secured by first charge on immovable properties all movable including plant and machinery, spares, tools, accessories, furniture, fixtures and other assets of project, cash flows, receivables, book debts, revenues, by way of assignment of security interest of all rights, title, interest, benefits in project documents, clearances, letter of credit, guarantees, performance bond, trust and retention account, debt service reserve account and other reserves and bank accounts of GISPL and GISFL, along with 51.00% (31 March 2020: 51.00%) of equity shares of the GISPL and GISFL (co-borrower) have been pledged in favour of the Security Trustee under the common loan agreement between the lenders with GISFL and GISPL.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.14 Long-term borrowings (Contd..)

Long-term borrowings in the Group (Including Current Maturities)	Interest rate and repayment terms of the long-term borrowings	Security terms of the long-term borrowings
External commercial borrowings of JPY 45.46 million equivalent to Rs. 30.16 million (31 March 2020: JPY 136.37 million equivalent to Rs. 94.98 million) from bank in GIBTVL	External commercial borrowing from bank carries an interest rate of JPY LIBOR + 1.81% p.a. (31 March 2020: JPY LIBOR + 1.81% p.a.) and is repayable in 20 half yearly equal installments of JPY 45.46 million starting from 15 months from first disbursements i.e. 22 February 2012.	Secured by first pari passu charge on assets including land, plant and machinery and movable assets including books debts, operating cash flow, receivable in pertaining to the 23.75 MW wind farms projects at Vagaikulam and Theni, Tamil Nadu.
External commercial borrowings of USD 9.60 million equivalents to Rs. 705.65 million (31 March 2020: USD 12.59 million equivalent to Rs. 949.32 million) from banks in GIBTVL	(i) External commercial borrowings of outstanding Nil (31 March 2020: USD 1.19) carries an interest rate of 6M LIBOR + 4.50% p.a. (31 March 2020: 6M LIBOR + 4.50% p.a.) and were repayable in 14 half yearly equal installments of USD 1.19 million starting from 31 December 2013. The same has been repaid during the year. (ii) External commercial borrowings of outstanding USD 9.60 million (31 March 2020: USD 11.40 million) carries an interest rate of 6M LIBOR + 2.74% p.a. (31 March 2020: 6M LIBOR + 2.74% p.a.) and are repayable in 6 installments. First installment of USD 0.60 million was paid on 23 September 2013 and remaining balance are repayable in 5 structured unequal half-yearly installments starting from 22 March 2021.	Secured by first pari passu charge on all immovable and movable assets pertaining to the 25.50 MW wind farms projects at Satara, Maharashtra

3.15 Derivative liabilities

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Derivatives not designated as cash flow hedge		
- Fair value of interest rate swaps	5.58	9.85
	5.58	**9.85**
Current		
Derivatives designated as cash flow hedge		
- Fair value of forward contracts	5.55	-
- Fair value of commodity hedge contracts	-	146.88
Derivatives not designated as cash flow hedge		
- Fair value of interest rate swaps	0.33	
- Fair value of forward contracts	333.88	-
- Fair value of foreign exchange option contracts	-	0.10
	339.76	**146.98**

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

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for the year ended 31 March 2021

3.16 Other financial liabilities

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Interest accrued on INR denominated notes (refer terms of note 3.14 and note 3.37)	5,956.52	7,100.96
Lease liabilities (refer 3.34)	199.05	234.42
	6,155.57	7,335.38
Current		
Current maturities of long-term borrowings (refer note 3.14)	23,920.71	7,788.11
Capital creditors (refer note 3.38 (IV))	1,767.61	1,651.04
Interest accrued on borrowings	444.72	613.85
Retention bonus payable	-	21.91
Retention money payable (refer note 3.38)	6,796.47	6,906.73
Amount payable to employees	183.05	127.73
Lease liabilities (refer 3.34)	32.30	9.35
Other payables	216.16	136.10
	33,361.02	**17,254.82**

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

3.17 Provisions

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Provision for employee benefits		
- Gratuity (refer note 3.36)	45.93	23.67
- Compensated absences	86.20	69.52
Other provisions		
Provision for asset retirement obligation (refer subnote below)	316.84	284.04
	448.97	**377.23**
Current		
Provision for employee benefits		
- Gratuity (refer note 3.36)	0.09	0.05
- Compensated absences	10.11	7.15
Other provisions		
Provision for captive consumption tax	2.27	2.27
	12.47	**9.47**

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Subnote:		
Movement in provision for asset retirement obligation is as follows:		
At the beginning of the year	284.04	178.11
Movement in provision during the year (including unwinding of interest)	32.80	105.93
At the end of the year	**316.84**	**284.04**

Notes to the Consolidated Financial Statements

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3.18 Other liabilities

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Operation and maintenance expenses equalisation reserve	495.39	405.92
	495.39	**405.92**
Current		
Operation and maintenance expenses equalisation reserve	49.98	63.04
Advance from customers	17.51	7.05
Unearned income	296.32	298.99
Dues to statutory authorities	332.73	343.89
Other payables (refer note 3.38)	3,924.30	3,925.29
	4,620.84	**4,638.26**

3.19 Short-term borrowings

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
Working capital demand loans	6,920.00	7,687.87
Bills discounted against letter of credit	-	9,476.25
Buyers credits	2,138.50	1,473.84
Cash credit accounts	0.63	0.42
Unsecured		
Working capital demand loans	250.00	1,900.00
Commercial papers	-	3,455.44
	9,309.13	**23,993.82**

Short-term borrowings in the Group

Working capital demand loans from banks including buyer's credit of Rs. 7,919.13 million (31 March 2020: 9,162.13 million) for SEIL – P1 and P2

Interest rate and repayment terms of the Short-term borrowings

Working capital loans currently carry an interest in the range of 6.85% - 8.70% p.a. (31 March 2020: 7.55% - 9.10% p.a.) and buyers credit carry LIBOR based interest rate which was in the range of 1.50% to 1.64% p.a. (31 March 2020: 1.62% to 2.82% p.a.) and tenure is 180 days from the date of draw down and cash credits are repayable on demand.

Security terms of the Short-term borrowings

Short-term borrowings for SEIL-P1

Secured by mortgage pari passu first charge of registered mortgage of freehold land of 160 sq. mt. in Sudhagad Taluka, Raigad, Maharashtra and equitable mortgage of 800.80 acres of owned land and 680.55 acres of land under lease situated at Pynampuram and Nelatur Villages, Muthukur Mandal in the state of Andhra Pradesh and first pari passu charge over all the present and future assets (both tangible and intangible) of the SEIL – P1.

Short-term borrowings to the extent of Rs. 2,000.00 million from Development Bank of Singapore Limited is secured by corporate bank guarantee from Sembcorp Utilities Pte Ltd.

Short-term borrowings for SEIL-P2

Secured by first ranking pari passu charge of registered mortgage of freehold land of 150 sq. mtrs at Village Zaap, Sudhagad Taluka, Raigad, Maharashtra and equitable mortgage over 1,216.88 acres of owned land situated at Pynampuram Village, Muthukur Mandal, SPSR Nellore District in the state of Andhra Pradesh and first ranking pari passu charge over all the present and future assets (both tangible and intangible) of SEIL – P2

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for the year ended 31 March 2021

3.19 Short-term borrowings (Contd..)

Short-term borrowings in the Group	Interest rate and repayment terms of the Short-term borrowings	Security terms of the Short-term borrowings
		The fund based working capital facilities from State Bank of India, Development Bank of Singapore and Hongkong and Shanghai Banking Corporation Limited are secured by the Corporate guarantee of Sembcorp Utilities Pte Ltd.
Commercial papers of Nil (31 March 2020: Rs. 3,455.44 million) for SEIL – P1	Commercial paper carries an interest rate in the range of 4.11% to 6.50% p.a. (31 March 2020: 6.00% to 6.50% p.a.) and shall be matured within 90 days	These commercial papers are unsecured.
Working capital demand loan of Rs. 250.00 million (31 March 2020: Rs. 1,900.00) from bank in SGIL	Interest rate are in the range of 5.95% - 7.90% p.a. (31 March 2020: 7.90% - 8.75% p.a.) and is repayable within 150 days from the date of disbursement.	The said facility is unsecured.
Working capital demand loan of Rs. 1,140.00 million (31 March 2020: Nil) from banks in GIWEL	Interest rates are in the range of 3.95% - 7.65% p.a (31 March 2020: Nil) and is repayable within 7-14 days from the date of disbursement	The said facility is unsecured.
Bills discounted against letter of credit of Nil (31 March 2020: Rs. 8,016.63 million) from banks in GIWEL	Bills discounted carried an interest rate in the range of 5.60% - 8.35% p.a. (31 March 2020: 7.00% - 8.70% p.a.) and are repayable within 180 - 365 days from the date of issuance of Bill of Exchange. These borrowings were converted into long-term borrowings on its maturity as per borrowing arrangements.	Secured by pari passu first charge on all immovable properties and movable assets including plant and machinery, spares, tools, accessories, furniture, fixtures of the respective projects, and other assets of project, intangible assets, cash flows, receivables, book debts, assignment of security interest of all rights, title, interest, benefits in project documents, clearances, letter of credit, guarantees, performance bond, trust and retention account, debt service reserve account and any other reserves and bank accounts of GIWEL in favour of the Security Trustee and lenders of the respective projects under GIWEL
Bills discounted against letter of credit of Nil (31 March 2020: Rs. 1,459.62 million) from bank in GIWEL	Bills discounted carried an interest rate of 6.59%-8.04% p.a. (31 March 2020: 8.65% p.a.) and was repayable within 365 days from the date of issuance. These borrowings were converted into long-term borrowings on its maturity as per borrowing arrangements.	Bills discounted against letter of credit from the bank are secured by way of hypothecation over the entire movable assets of the project for which the letter of credit is availed.

Notes to the Consolidated Financial Statements

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3.20 Trade payables

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues to micro and small enterprises	8.25	8.25
Total outstanding dues to other than micro and small enterprises		
- related parties (refer note 3.37)	80.14	78.14
- others	2,119.33	4,451.99
	2,207.72	**4,538.38**

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

3.21 Current tax liabilities

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for taxes (net of advance tax)	339.24	374.11
	339.24	**374.11**

3.22 Revenue from operations

(₹ in Millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of electricity (refer note 3.47)	86,918.09	83,976.29
Other operating revenues		
Income from generation-based incentive	450.79	497.67
Income from sale of renewable energy certificates	0.39	119.96
Income from sale of voluntary emission reduction certificates	107.23	4.66
Other operating revenue (including sale of fly ash)	82.80	36.01
	87,559.30	**84,634.59**
a. Reconciliation of revenue from electricity recognised with the contracted price is as follows:		
Contract price	87,773.63	84,882.73
Adjustments for:		
Rebate to customers	(293.58)	(512.51)
Deviation settlement charges	(564.63)	(387.25)
Unearned income	2.67	(6.68)
Sale of electricity	**86,918.09**	**83,976.29**
b. Changes in contract liabilities*		
Balance at the beginning of the year	305.46	300.84
Add: Amount received during the year	17.15	6.47
Less: Amount recognised as revenue/other adjustments during the year	(9.14)	(1.85)
Balance at the end of the year	**313.47**	**305.46**

* Contract liabilities include unearned income and advance from customer.

c. **Transaction Price - Remaining Performance Obligation**

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

d. Refer note 3.35 for Revenue disaggregation by geography.

e. **Contract balances**

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables	29,761.96	22,928.57
Unbilled receivables	6,872.76	5,755.67
Contract liabilities	313.47	305.46

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3.23 Other income

(₹ in Millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income under effective interest rate method	614.86	887.63
Net gain on fair value changes measured at FVTPL		
- mutual funds	161.02	270.59
- other financial assets	0.85	0.12
Late payment surcharges from customers (refer note 3.47 and 3.48)	2,850.95	946.45
Liquidated damages recovered	71.79	838.42
Income from insurance claims (refer note 3.45)	889.41	1,118.43
Gain on derivative contracts, net	-	273.60
Liabilities no longer required, written back	9.45	15.69
Miscellaneous income (refer note 3.44)	31.25	682.89
	4,629.58	**5,033.82**

3.24 Cost of fuel

(₹ in Millions)

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

3.25 Transmission charges

(₹ in Millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Transmission charges	2,503.48	2,859.14
	2,503.48	**2,859.14**

3.26 Employee benefits expense

(₹ in Millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages and bonus	1,904.88	1,851.35
Contribution to provident and other funds (refer note 3.36)	111.11	101.45
Employee shared based expenses (refer note 3.40)	66.57	32.85
Staff welfare expenses	99.47	109.72
	2,182.03	**2,095.37**

3.27 Finance costs

(₹ in Millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense on financial liabilities measured at amortised cost	19,115.49	19,607.56
Unwinding of discount on asset retirement obligation	28.79	22.58
Unwinding of discount on lease liabilities (refer note 3.34)	23.62	25.42
Other borrowing costs	802.13	757.45
	19,970.03	**20,413.01**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.28 Depreciation and amortisation expense

(₹ in Millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on property, plant and equipment	12,444.94	11,970.02
Depreciation on right to use assets (refer note 3.34)	32.32	33.21
Amortisation on intangible assets	9.78	13.04
	12,487.04	**12,016.27**

3.29 Operating and other expenses

(₹ in Millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Operation and maintenance expenses	1,109.61	825.71
Consumption of stores, spares and consumables	998.57	854.37
Site expenses	173.93	69.45
Repairs and maintenance		
- Buildings and civil works	50.23	75.36
- Plant and equipment	912.70	945.38
- Others	87.64	119.46
Travelling and conveyance	105.12	203.22
Insurance	791.25	603.45
Security charges	113.30	111.08
Legal and professional expenses (refer subnote below)	437.69	621.11
Health and safety expenses	37.91	42.47
Expenditure on corporate social responsibility	76.25	16.41
Rates and taxes	338.13	79.98
Rent (refer note 3.34)	8.45	21.56
Directors' sitting fee	9.16	11.01
Commission charges	21.84	11.95
Communication expenses	18.95	24.48
Business promotion	7.06	9.72
Impairment of property, plant and equipment and capital work-in-progress	-	327.08
Loss on foreign exchange fluctuations, net	228.71	593.84
Loss on fair value changes of derivative contracts	255.67	-
Property, plant and equipment written off	54.27	18.26
Allowance for expected credit loss	246.65	376.12
Doubtful receivables and advances written off	5.06	0.35
Miscellaneous expenses	63.70	130.13
	6,151.85	**6,091.95**

Auditor's remuneration (including taxes)

(₹ in Millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
- Statutory audit fee	11.55	11.55
- For other services	13.43	15.38
- For reimbursement of expenses	0.96	1.95
	25.94	**28.88**

Notes:

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

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for the year ended 31 March 2021

3.30 Tax expenses

(₹ in Millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax expense	49.95	128.43
Current tax expense (changes in estimates related to prior years)	0.76	0.12
Deferred tax credit	(112.56)	(136.31)
	(61.85)	**(7.76)**
Tax effect on other comprehensive income	(0.31)	(0.40)
	(62.16)	**(8.16)**
Reconciliation of effective tax rate		
Profit before tax	**8,374.72**	**3,074.43**
Enacted tax rate in India	25.17%	25.17%
Computed expected tax expenses (a)	**2,107.75**	**773.77**
Effect of		
MAT credit not recognised/(recognised)	12.37	(448.97)
Tax on changes in estimates related to prior years	5.72	(54.37)
Adjustments due to income taxable at different tax rates	(0.26)	(28.28)
Non-deductible expenses (i.e. CSR expense, fair valuation)	156.16	89.55
Changes in permanent difference of deferred tax assets/liabilities	30.06	268.44
Non-taxable income (income under section 80IA)	(59.85)	(86.26)
Transition adjustment of Ind AS 116 "Leases"	-	(9.51)
Deferred tax asset not recognised on tax losses in earlier years	(2,313.80)	(512.13)
Income tax expense (b)	**(61.85)**	**(7.76)**
Tax effect on other comprehensive income	(0.31)	(0.40)
	(62.16)	**(8.16)**
Effective tax rate (a/b)	**-0.74%**	**-0.27%**

3.31 Earnings per share

(₹ in Millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit attributable to equity shareholders of the Company	8,491.91	3,126.72
Number of equity shares		
Number of shares at the beginning of the year	5,43,36,68,574	5,15,87,21,764
Add: Weighted average number of shares issued during the year	-	20,03,72,196
Weighted average number of shares outstanding during the year	**5,43,36,68,574**	**5,35,90,93,960**
Earnings per equity share		
(face value of share Rs.10 each)		
- Basic and diluted earnings per share (Rs.)	**1.56**	**0.58**

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

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for the year ended 31 March 2021

3.32. Financial instruments - fair values and risk management

A) Accounting classifications and fair values

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

As at 31 March 2021:

(₹ in Millions)

Particulars	Note	Carrying amount				Fair value		
		FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets								
Investments - mutual funds	3.9	4,438.65	-	-	4,438.65	4,438.65	-	-
Derivative assets	3.3	354.85	1,319.38	-	1,674.23	-	1,674.23	-
Trade receivables	3.1	-	-	29,761.96	29,761.96	-	-	-
Cash and cash equivalents	3.11	-	-	3,191.68	3,191.68	-	-	-
Other bank balances	3.11	-	-	3,637.21	3,637.21	-	-	-
Other financial assets	3.4	-	-	15,076.00	15,076.00	-	-	-
		4,793.50	**1,319.38**	**51,666.85**	**57,779.73**	**4,438.65**	**1,674.23**	**-**
Financial liabilities								
Derivative liabilities	3.15	339.79	5.55	-	345.34	-	345.34	-
Borrowings (excluding current maturities)	3.14 & 3.19	-	-	1,77,178.94	1,77,178.94	-	-	-
Trade payables	3.20	-	-	2,207.72	2,207.72	-	-	-
Other financial liabilities (including current maturities)	3.16	-	-	39,516.59	39,516.59	-	-	-
		339.79	**5.55**	**2,18,903.25**	**2,19,248.59**	**-**	**345.34**	**-**

As at 31 March 2020:

(₹ in Millions)

Particulars	Note	Carrying amount				Fair value		
		FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets								
Investments - mutual funds	3.9	3,230.07	-	-	3,230.07	3,230.07	-	-
Derivative assets	3.3	582.69	2,914.17	-	3,496.86	-	3,496.86	-
Trade receivables	3.1	-	-	22,928.57	22,928.57	-	-	-
Cash and cash equivalents	3.11	-	-	4,422.65	4,422.65	-	-	-
Other bank balances	3.11	-	-	4,293.48	4,293.48	-	-	-
Other financial assets	3.4	-	-	12,748.00	12,748.00	-	-	-
		3,812.76	**2,914.17**	**44,392.70**	**51,119.63**	**3,230.07**	**3,496.86**	**-**
Financial liabilities								
Derivative liabilities	3.15	9.95	146.88	-	156.83	-	156.83	-
Borrowings (excluding current maturities)	3.14 & 3.19	-	-	2,06,160.38	2,06,160.38	-	-	-
Trade payables	3.20	-	-	4,538.38	4,538.38	-	-	-
Other financial liabilities (including current maturities)	3.16	-	-	24,590.20	24,590.20	-	-	-
		9.95	**146.88**	**2,35,288.96**	**2,35,445.79**	**-**	**156.83**	**-**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

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

A) Accounting classifications and fair values (Contd..)

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

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

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

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

Valuation techniques and significant unobservable inputs

Investment in mutual funds:

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

Forward exchange/ option contracts, swap contracts and commodity hedge contracts:

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

B. Financial risk management objectives and policies

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

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

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

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

a) Market risk

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

i) Interest rate risk

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

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

The Group entered into various cross currency interest rate swaps to reduce its exposure to interest rate volatility. In accordance with the Group's policy, the duration of such cross currency interest rate swaps must not exceed the

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for the year ended 31 March 2021

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

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

tenure of the underlying debt. The Group's borrowings majorly consists of project funding and working capital loans having variable rate of interest.

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

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

(₹ in Millions)

Particulars	31 March 2021	31 March 2020
Fixed rate instruments		
Non-current and current borrowings	63,424.21	79,171.58
Effect of interest rate swaps	16,816.14	18,369.92
	80,240.35	97,541.50
Variable rate instruments		
Non-current and current borrowings	1,38,174.84	1,35,200.64
Effect of interest rate swaps	(16,816.14)	(18,369.92)
	1,21,358.70	**1,16,830.72**
	2,01,599.05	**2,14,372.22**

ii) **Foreign currency risk**

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

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

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

(₹ in Millions)

Particulars	Currency	As at 31 March 2021		As at 31 March 2020	
		Indian Rupees	Foreign currency	Indian Rupees	Foreign currency
Financial assets					
Trade receivables	USD	722.55	9.83	1,147.37	15.22
Other financial assets (unbilled receivables)	USD	986.43	13.42	934.79	12.40
Total financial assets		**1,708.98**		**2,082.16**	
Financial liabilities					
Borrowings ECB, FCNR and Buyer's credit	USD	(47,389.57)	(646.80)	(48,891.82)	(647.74)
Borrowings ECB	JPY	(30.16)	(45.46)	(94.98)	(136.37)
Trade payables	USD	(998.19)	(13.58)	(935.99)	(12.42)
Trade payables	SGD	(55.23)	1.02	(54.79)	(1.05)
Trade payables	EUR	-	-	(0.19)	-
Other financial liabilities	SGD	(100.94)	(1.87)	-	-
Other financial liabilities	USD	(3,884.27)	(52.74)	(3,986.25)	(52.80)
Other financial liabilities	GBP	-	-	-	-
Other financial liabilities	JPY	(0.10)	(0.19)	(0.29)	(0.54)
Total financial liabilities		**(52,458.46)**		**(53,964.31)**	
Net financial liabilities		**(50,749.48)**		**(51,882.15)**	

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for the year ended 31 March 2021

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

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

ii) Foreign currency risk (Contd..)

(₹ in Millions)

Particulars	Currency	As at 31 March 2021		As at 31 March 2020	
		Indian Rupees	Foreign currency	Indian Rupees	Foreign currency
less:					
Foreign exchange forward contracts (Buyer's credit)	USD	2,138.25	29.09	1,473.79	19.55
Foreign exchange forward contract (FCNR term loans)	USD	28,428.76	388.85	29,071.58	384.82
Cross currency and interest rate swaps	USD	16,835.08	228.93	18,363.63	243.52
Forward options	JPY	30.26	45.65	95.27	136.91
Total		**47,432.35**		**49,004.27**	
Net exposure in respect of recognised assets/(liabilities)		**(3,317.13)**		**(2,877.88)**	

Sensitivity analysis

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

(₹ in Millions)

Particulars	Profit/(loss)		Equity increase/(decrease), net of tax	
	Strengthening	Weakening	Strengthening	Weakening
USD (5% movement)				
31 March 2021	158.05	(158.05)	158.05	(158.05)
31 March 2020	141.15	(141.15)	141.15	(141.15)

(iii) Commodity price risk

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

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

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

(₹ in Millions)

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

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

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

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

iv) Derivative financial instruments

Cash flow hedges:

Cross currency interest rate swaps

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

Commodity hedge contracts

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

Fair value hedges:

Forward contracts and options

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

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

(₹ in Millions)

Particulars	Fair value of derivative asset/ (liability) (Rs.)		Nominal values in Foreign currency i.e. USD /JPY		Nominal values in Indian Rupees	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Derivatives designated as cash flow hedges:						
Cross currency interest rate swaps						
In USD	1,067.52	1,429.63	209.50	219.50	13,984.13	16,547.21
Commodity hedge contracts						
In USD	251.86	(146.88)	12.60	32.44	926.07	2,445.29
Forward and option contracts						
In USD	(5.55)	46.88	6.54	12.20	481.04	922.93
Derivatives not designated as non-cash flow hedges:						
Options						
In USD	-	(0.10)	-	0.01	-	0.81
In JPY	5.31	19.73	46.37	141.85	30.77	98.80
Forward contracts and swaps						
In USD	10.08	562.96	460.21	438.31	33,461.29	32,545.72
In JPY	(0.33)	(9.85)	150.46	136.37	7,748.16	94.98

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for the year ended 31 March 2021

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

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

b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer, employee or counterparty to a financial instrument fails to meet its contractual obligations leading to financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade and unbilled receivables) and from its financing activities, including short-term deposits with banks, and other financial assets. The carrying amounts of the financial assets as disclosed in note no 3.4 and 3.10 represent the maximum credit risk exposure.

Trade receivables and unbilled receivables

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

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

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

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

Impairment

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

(₹ in Millions)

Particulars	Allowance for expected credit loss		
	Trade receivables	**Unbilled revenue**	**Total**
31 March 2021			
Balance at the beginning of the year	494.87	12.47	507.34
Movement in expected credit loss allowance	241.82	4.83	246.65
Balance at the end of the year	**736.69**	**17.30**	**753.99**
31 March 2020			
Balance at the beginning of the year	129.42	1.80	131.22
Movement in expected credit loss allowance	365.45	10.67	376.12
Balance at the end of the year	**494.87**	**12.47**	**507.34**

Other financial assets/derivative assets

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

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

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

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

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

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

b) Credit risk (Contd..)

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

c) Liquidity risk

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

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

As at 31 March 2021

(₹ in Millions)

Particulars	Carrying value	Contractual cash flows (Gross)			
		within 12 months	1-5 years	More than five years	Total
Borrowings - long-term (including current maturities and interest accrued on borrowings)*	1,98,191.76	34,933.94	1,17,250.88	1,45,368.70	2,97,553.52
Borrowings - short-term	9,309.13	9,309.13	-	-	9,309.13
Trade payables	2,207.72	2,207.72	-	-	2,207.72
Other financial liabilities (excluding current maturities of borrowings)	9,194.64	9,014.31	180.36	171.63	9,366.30
Derivative contracts	345.34	339.76	5.58	-	345.34
	2,19,248.59	**55,804.86**	**1,17,436.82**	**1,45,540.33**	**3,18,782.01**

As at 31 March 2020

(₹ in Millions)

Particulars	Carrying value	Contractual cash flows (Gross)			
		within 12 months	1-5 years	More than five years	Total
Borrowings - long-term (including current maturities and interest accrued on borrowings)*	1,97,669.48	21,130.23	1,35,320.90	1,55,573.61	3,12,024.74
Borrowings - short-term	23,993.82	23,993.82	-	-	23,993.82
Trade payables	4,538.38	4,538.38	-	-	4,538.38
Other financial liabilities (excluding current maturities of borrowings)	9,087.28	8,891.55	206.92	187.16	9,285.63
Derivative contracts	156.83	146.98	9.85	-	156.83
	2,35,445.79	**58,700.96**	**1,35,537.67**	**1,55,760.77**	**3,49,999.40**

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

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.33. Capital management

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

The capital structure of the Group consist of Borrowings and total equity of the Group. The Group seeks to maintain a balance between the higher returns that might be possible with highest levels of borrowings and the advantages and security afforded by a sound capital position.

"The Group is not subject to any externally imposed capital requirements. However, under the terms of the major borrowings, the Group has to comply with certain financial covenants under borrowing agreements. Capital is defined as equity attributable to the equity holders (including non-controlling interest). Debt consists of non-current borrowings, current borrowings and current maturities of long-term borrowings.

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

(₹ in Millions)

Particulars		31 March 2021	31 March 2020
Debt	A	2,01,099.65	2,13,948.49
Total equity	B	83,897.39	74,672.82
Total debt and equity		**2,84,997.04**	**2,88,621.31**
Debt-to-equity ratio	**(A/B)**	**2.40**	**2.87**

3.34. Leases

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

On transition, the Group recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset was recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at 1 April 2019. Accordingly, a right-of-use asset of Rs. 941.23 million and a corresponding lease liability of Rs. 269.63 million had been recognized. The cumulative effect on transition in retained earnings net off taxes is Rs. 28.15 million (including a deferred tax of Nil). The principal portion of the lease payments have been disclosed under cash flow from financing activities. The weighted average incremental borrowing rate of 9.50% - 10.03% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

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

(₹ in Millions)

Particulars	Gross carrying amount	Accumulated Depreciation	Net carrying amount
As at 31 March 2021			
Leasehold land and buildings	942.27	166.85	775.42
Vehicles	11.54	0.96	10.58
Total	**953.81**	**167.81**	**786.00**
As at 31 March 2020			
Leasehold land and buildings	941.23	138.21	803.02
Total	**941.23**	**138.21**	**803.02**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.34. Leases (Contd..)

(₹ in Millions)

Lease liability	As at 31 March 2021	As at 31 March 2020
Present value of lease liability		
Current	32.30	9.35
Non- current	199.05	234.42
Maturity analysis		
0 - 1 year	51.02	48.04
1 - 5 years	180.36	206.92
More than 5 years	171.63	187.16

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

For the year ended 31 March 2021

(₹ in Millions)

Particulars	Leasehold land and buildings	Vehicles	Total
Depreciation charged on right-of-use assets	31.36	0.96	32.32
Unwinding of discount on lease liabilities	23.28	0.34	23.62

For the year ended 31 March 2020

(₹ in Millions)

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

Further, the Group incurred Rs. 5.96 million (31 March 2020: Rs. 19.41 million) towards expenses relating to short-term leases and leases of low-value assets. Lease contracts entered by the Group majorly pertains for land taken on lease to conduct its business in the ordinary course. The Group does not have any lease restrictions and commitment towards variable rent as per the lease contracts. The total cash outflow for leases is Rs. 50.14 million (31 March 2020: Rs. 51.28 million).

3.35. Segment reporting

The Group is engaged in the business of generation of power, which in the context of Ind AS 108 "Operating Segments", notified by the Companies (Indian Accounting Standards) Rules, 2015 is considered the only operating segment. Since the operations of the Group exist in India and Bangladesh and all its assets are located only in India, disclosures under paragraphs 32-34 of Ind AS 108 are not required. Revenue to specific customers exceeding 10% of total revenue for the years ended 31 March 2021 and 31 March 2020 were as follows:

(₹ in Millions)

Customer name	For the year ended 31 March 2021		For the year ended 31 March 2020	
	Revenue	%	Revenue	%
Telangana State Government utilities	29,994.00	34.26%	30,015.41	35.46%
Indian Energy Exchange (IEX)	13,977.07	15.96%	12,263.18	14.49%
Bangladesh Power Development Board	9,545.43	10.90%	6,958.73	8.22%
Andhra Pradesh State Government utilities	8,932.19	10.20%	7,015.88	8.29%

Geographical segments

(₹ in Millions)

Revenue from operations	For the year ended 31 March 2021	For the year ended 31 March 2020
India	78,013.87	77,675.86
Bangladesh	9,545.43	6,958.73
Total	**87,559.30**	**84,634.59**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.36. Assets and liabilities relating to employee benefits

i) Defined contribution plan

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund which is a defined contribution plan. The Group has no obligations other than to make the specified contributions. The contribution to provident fund charged to the consolidated statement of profit and loss is Rs. 86.61 million (31 March 2020: Rs. 80.15 million).

ii) Defined benefit plan

The Group provides gratuity for its employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 1-5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees' last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service or part thereof. The gratuity plan is a funded plan and the Group makes contributions to recognized funds in India. Liability with regard to this plan is determined by an actuarial valuation as at the end of the year and are expenses charged to the consolidated statement of profit and loss.

A. Funding

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

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

B. Reconciliation of the present value of defined benefit obligation

(₹ in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	115.74	85.05
Current service cost	25.69	22.80
Interest cost	7.90	6.32
Past service cost	5.88	-
Benefits paid	(5.74)	(6.76)
Actuarial loss recognised in the other comprehensive income	3.13	8.33
Balance at the end of the year	**152.60**	**115.74**

C. Reconciliation of the present value of plan assets

(₹ in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	102.73	87.62
Contributions made by employer	26.96	18.01
Benefits paid	(14.32)	(8.24)
Interest income on plan assets	7.04	6.49
Actuarial gain on plan assets	(0.54)	(1.15)
Balance at the end of the year	**121.87**	**102.73**
Net defined benefit obligation	**30.73**	**13.01**
Disclosure in the Balance sheet:		
Funded asset (refer note 3.4)	15.29	10.71
Provision for employee benefits (refer note 3.17)	46.02	23.72

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

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

ii) Defined benefit plan (Contd..)

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

(₹ in Millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current service cost	25.69	22.80
Past service cost	5.88	-
Interest cost	7.90	6.32
Interest income	(7.04)	(6.49)
Total expense during the year	**32.43**	**22.63**

E. Remeasurements recognised in other comprehensive income

(₹ in Millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Actuarial loss on defined benefit obligation	3.13	8.33
Actuarial loss on planned asset	0.54	1.15
Actuarial loss for the year	**3.67**	**9.48**

F. Plan assets

(₹ in Millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
New Group Gratuity Cash Accumulation Plan with LIC	121.87	102.73

G. Summary of actuarial assumptions

Demographic assumptions

(₹ in Millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Mortality rate (% of IALM 06-08 and 12-14)	100.00%	100.00%
Attrition rate		
18-30 years	10.00%	10.00%
31-40 years	5.00%	5.00%
41 years and above	1.00%	1.00%
Financial assumptions		
Discount rate	6.82% - 7.05%	6.80% - 6.95%
Future salary growth rate	5% - 10%	5% - 10%

Sensitivity analysis

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

(₹ in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Impact of the change in discount rate %		
0.50% increase	(8.80)	(8.12)
0.50% decrease	9.63	8.87
Impact of the change in salary growth rate %		
0.50% increase	9.39	8.86
0.50% decrease	(8.71)	(8.19)

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

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

ii) Defined benefit plan (Contd..)

H. Asset-liability matching strategy

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

I. Maturity profile of the defined benefit obligation

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

(₹ in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Within 1 year	8.50	7.77
2 to 5 years	30.13	22.07
6 to 9 years	40.49	25.15
For year 10 and above	244.23	197.52

iii) Compensated absences

The accrual for unutilised leave is determined for the entire available leave balance standing to the credit of the employees at the year-end. The value of such leave balances that are eligible for carry forward, is determined by an actuarial valuation as at the end of the year and is charged to the consolidated statement of profit and loss amounting to Rs. 34.26 million (31 March 2021: Rs. 27.41 million).

3.37. Related party disclosure

a) List of related parties

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

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.37. Related party disclosure

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

(₹ in Millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Rent and utility expense		
Sembcorp India Private Limited	21.92	23.62
Deep Corporation Private Limited	-	9.09
Gayatri Hi-Tech Hotels Limited	-	0.88
Consultancy expenses		
Sembcorp Utilities Pte Ltd.	217.82	224.03
Interest expense on INR Denominated notes (without giving effect to fair valuation)		
Sembcorp Utilities Pte Ltd.	4,397.88	4,409.93
Bank guarantee fees/commission		
Sembcorp Utilities Pte Ltd.	223.55	222.13
Purchase of other intangible assets (SAP licenses)		
Sembcorp Utilities Pte. Ltd.	33.12	10.13
Reimbursement of share based payment		
Sembcorp Utilities Pte Ltd.	66.57	30.21
Reimbursement received		
Sembcorp India Private Limited	-	0.01
Purchase of property, plant and equipment		
Sembcorp India Private Limited	-	20.17
Reimbursement of expenses		
Sembcorp Utilities Pte Ltd.	8.48	19.80
Sembcorp India Private Limited	0.30	5.22
Sembcorp Industries Ltd	0.41	0.08
Margin money recovered		
Gayatri Projects Limited	-	564.73
Amount received and paid to Statutory Authorities on behalf		
Sembcorp Utilities Pte Ltd.	-	136.01
Interest received		
Gayatri Projects Limited	-	219.43
Interest paid on INR Denominated notes (Net of TDS)		
Sembcorp Utilities Pte Ltd.	5,498.15	3,515.94
Amount received on delay in equity infusion		
Gayatri Energy Ventures Private Limited	-	320.07
Infusion of equity share capital including share premium		
Sembcorp Utilities Pte Ltd.	-	5,169.00
Salaries to Key managerial person*		
Vipul Tuli	61.49	63.21
Juvenil Jani	21.00	24.18
Narendra Ande	5.60	5.35
Sitting fees to Directors (including taxes)		
Kalaikuruchi Jairaj	1.62	1.89
Radhey Shyam Sharma	1.65	1.89
Sangeeta Talwar	2.22	2.60
Bobby Kanubhai Parikh	0.47	0.94

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

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.37. Related party disclosure (Contd..)

c) Details of related party balances is as under:

(₹ in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Related party receivables		
Sembcorp Industries Limited (advance)	-	0.06
Related party payables		
Sembcorp Utilities Pte Ltd. (Trade payables)	79.18	76.20
Sembcorp Utilities Pte Ltd. (Other payables)	100.94	-
Sembcorp India Private Limited (Trade payables)	0.96	1.94
INR denominated Notes		
Sembcorp Utilities Pte Ltd	42,400.00	42,400.00
Interest accrued on INR denominated notes (without giving effect to fair valuation)		
Sembcorp Utilities Pte Ltd	6,662.98	8,003.62
Corporate guarantee given for external commercial borrowings/term loans		
Sembcorp Utilities Pte Ltd	42,718.33	45,539.13
(Represents the amount of facility outstanding)		
Corporate guarantee given for short-term borrowings		
Sembcorp Utilities Pte Ltd	-	4,752.04
(Represents the amount of facility outstanding)		

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

I) Commitments

(₹ in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	493.50	1,314.12

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

(₹ in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
(i) Income tax* (refer subnote a below)	749.53	1,183.04
(ii) Stamp duty (refer subnote b below)	-	-
(iii) Buildings and other construction works cess (BOCW Cess)	287.21	287.21
(iv) Entry tax**	150.62	150.62
(v) Works contract tax (refer subnote c below)	-	861.69
(vi) Service tax (refer subnote d below)***	798.13	798.13
(vii) Demand for fly ash disposal (National Green Tribunal) #	85.31	85.31
(viii) Township construction contract works ##	149.92	-
(ix) Others (refer note e below)	Amount not Ascertainable	Amount not Ascertainable

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

During the current year, the Group has received draft order u/s 144C for Assessment Year 2017-18 under Income Tax Act, 1961. The Group has filed reply against the draft order and wait for the final order.

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

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

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

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

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

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

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

During the year, Koneru has sought additional compensation of Rs. 149.91 million (approx.) from the Group for additional work executed, damages, loss of profits, recovery of liquidated damages etc. and also sought appointment of an arbitrator. Koneru has also filed proceedings application under Section 11 of Arbitration and Conciliation Act, 1996 against SEIL before the Hon'ble High Court of Telangana.

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

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

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

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

Subnote:

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

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

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

d) During the previous year, an order has been passed by the office of the Principal Commissioner of Central Tax, Hyderabad consequent to the audit memo and show cause notice issued in the previous years towards levy of service tax on liquidated damages claim on NCCL by SEIL. The order was issued for tax demand, interest and penalty of Rs. 796.80 million and Rs. 1.33 million retroactively towards service tax on liquidated damages and reimbursement of expenses to SCU respectively. The Group has filed appeal with the appellate tribunal on 20 March 2020 and also deposited 7.5% tax thereon and the hearing is currently awaited.

e) The Group is contesting legal cases in the local courts against the claims made on certain portion of the project lands, under dispute and amount is not ascertainable.

The Group has a process whereby periodically all long-term contracts including derivative contracts are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that there are no material foreseeable losses on such long-term contracts which needs to be provided for in the books of account and the Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on derivative contracts.

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

III) Bank guarantees

(₹ in Millions)

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

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

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

IV) Liquidated damages and bank guarantees encashment:

A. Sembcorp Gayatri Power Limited (SGPL) (merged with the Company):

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

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

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

B. Sembcorp Green Infra Limited and its subsidiaries:

In earlier year, the Group had terminated the comprehensive operation and maintenance (O&M) contract with an O&M vendor for 216 MW projects. The Group has retained bank guarantees amounting to Rs. 452.70 million (March 31, 2020: Rs. 452.70 million) and receivables amounting to Rs. 318.38 million (March 31, 2020: Rs. 311.05 million) from vendor.

3.39. Business combinations under common control

As a part of reorganisation of entities in the Group, the Board of Director of subsidiary Sembcorp Green Infra Limited (SGIL) along with its four wholly owned step down subsidiaries namely Green Infra Wind Ventures Limited (GIWVL), Green Infra Wind Limited (GIWL), Green Infra Wind Assets Limited (GIWAL) and Green Infra Wind Technology Limited (GIWTL) (collectively called "amalgamating entities"), unanimously approved the proposal for the amalgamation of amalgamating entities with SGIL, subject to necessary statutory/regulatory approvals (the Scheme).

The appointed date for the amalgamation proposed under the Scheme is 1 April 2019. Upon approval of the proposed the Scheme coming into effect and upon transfer and vesting of all assets and liabilities and the entire business of the amalgamating entities into SGIL in accordance with the provisions of the scheme, the shares held by SGIL in the amalgamating entities shall get cancelled and extinguished in entirety. As, SGIL holds 100.00% shares in these amalgamating entities, no share is required to be allotted by SGIL either to itself or to any of its nominee shareholders holding shares in the amalgamating entities

"Upon the proposed Scheme coming into effect, SGIL shall record the assets, liabilities and reserves of the amalgamating entities in its books in accordance with the 'pooling of interest' method, at their existing carrying amounts, prescribed under Appendix C of Ind AS 103 "Business Combinations" and/ or such other Ind AS, as may be applicable, as amended from time to time.

The Scheme has been filed with the Honorable High Court of Punjab and Haryana under Section 230 of Chapter XV of the Companies Act, 2013 for amalgamation of the amalgamating entities with SGIL. As approval of the Scheme is pending for by the Regional Director, no effect of the scheme has been currently given in the consolidated financial statements.

3.40 Share-based payments

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

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for the year ended 31 March 2021

3.40 Share-based payments (Contd..)

a) SCI Performance Share Plan (PSP)

The SCI PSP 2010 is targeted at senior management who shoulder the responsibility for the Group's performance and who are able to drive the growth of the Group to deliver long-term shareholder value. Senior management participants are required to hold a minimum percentage of the shares released to them under the SCI PSP 2010 to maintain a stake in the Group, for the duration of their employment or tenure with the Group.

b) SCI Restricted Share Plan (RSP)

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

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

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

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

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

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

(₹ in Millions)

Particulars	SCI PSP 2010	SCI RSP 2010	SCI RSP 2020
Outstanding at the beginning of the year	3,26,000	6,82,859	-
Granted during the year	3,23,636	6,51,783	6,18,570
Vested and exercised during the year	-	(5,11,174)	(1,63,818)
Forfeited / lapsed during the year	(1,90,884)	-	-
At the end of the year	**4,58,752**	**8,23,468**	**4,54,752**

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

(₹ in Millions)

Particulars	SCI RSP 2010	SCI RSP 2020
Outstanding at the beginning of the year	1,36,000	2,28,791
Granted during the year	2,30,000	7,32,348
Vested and exercised during the year	-	(2,07,200)
Forfeited / lapsed during the year	(40,000)	(71,080)
At the end of the year	**3,26,000**	**6,82,859**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.40 Share-based payments (Contd..)

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

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

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

Particulars	SCI PSP 2010	SCI RSP 2010	SCI RSP 2020
Options outstanding at the end of the year	4,58,752	8,23,468	4,54,752
Remaining contractual life in years	1.62	1.83 - 1.96	2.00 - 2.44
Risk free interest rate (depending in maturity)	0.77% – 0.96%	0.77% – 0.96%	0.77% – 0.96%
Expected dividend yield shares	3.50%	3.50%	3.50%
Weighted average price (range) (SGD)	1.24	1.17- 1.40	1.73 - 1.93

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

Particulars	SCI RSP 2010	SCI RSP 2020
Options outstanding at the end of the year	3,26,000	6,82,859
Remaining contractual life in years	2.62	2.67 - 2.92
Risk free interest rate (depending in maturity)	1.90%	1.90%
Expected dividend yield shares	3.20%	3.20%
Weighted average price (range) (SGD)	1.26	2.03 – 2.28

The Group has charged Rs. 66.57 million (31 March 2020: Rs. 32.85 million) for share based payments based on fair value of the performance shares and restricted shares at the grant date which being expensed over the vesting period of the shares. The Group recognises a provision when contractually obliged to pay or where there is a past practice that has created a constructive obligation to pay.

3.41. During the year ended 31 March 2020, the Government had announced key changes to corporate tax rates wherein existing domestic companies have been provided an option to pay income tax at a concessional rate of 22% along with applicable surcharge and cess without availing specified deductions, incentives and tax holidays and the such companies will also not be liable to pay taxes under MAT. The Management reviewed the projections of tax outflows post the above-mentioned amendment for each entity under the Group to opt for the best suitable tax structure basis the lower tax outflows under both new and existing tax structure along with the recognition and utilization of MAT credit in the books of accounts within a horizon of 15 years based on the past performance of the projects. Based on the internal assessments, the management decided to continue in the existing tax structure for availing the specified deductions for few entities under the Group while rest of the entities have opted for new tax structure having least tax outflows as compared to existing tax structure.

3.42. In earlier years, the Group had entered into various agreements with certain vendors for development of wind power project of 84 MW and for related services in the state of Karnataka. Subsequently, the Group had decided to execute these projects as 40 MW and 44 MW in two of its subsidiaries namely GIWEL and GIWPGL respectively.

During the year ended 31 March 2020, the management had re-assessed the viability of these projects based on the trend of power tariffs and management believed that it was not commercially feasible to execute the projects as Group would not have been able to meet its expected rate of return. Consequently, the Group impaired the amount lying in capital work-in-progress amounting to Rs. 297.86 million in the year ended 31 March 2020.

3.43 During earlier years, the Group had entered into an agreement with a project vendor for supply, erection, and commissioning of 300.30 MW wind power project consisting of 143 Wind Turbine Generators (WTGs) and the vendor was to perform all such activities and obligations for completion and successful commissioning of the project.

However, the project vendor has failed to deliver on certain contractual obligations relating to execution of sale deed relating to the land in the favour of the Group, obtaining requisite approvals, clearances and licenses as required under the agreement. Further, the project vendor has also defaulted in making payment to its certain vendors and contractors related to the project which had led to project and site disruption.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3.43 (Contd..)

To ensure that pending activities are completed for the project, the Group has incurred cost amounting to Rs. 362.97 million for completion of the pending activities and have shared necessary communication with respect to the deduction to be made for the cost incurred with respect of these activities against the outstanding dues of the project vendor.

Considering the legal opinion obtained by the Group, terms of the agreement and facts of the matter, the management believes that the above matter is not expected to have any material adverse effect on its financial statements and accordingly, it has adjusted the cost incurred against the dues of the project vendor.

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

3.45 During the previous year, the Group had filed insurance claim for damage and business interruption on account of breakdown of stator and repair of rotor with New India Assurance Company Limited. The Group has received insurance claim approval of Rs. 2,139.81 million (i.e. Rs. 658.09 million for stator and rotor damage claim and Rs. 1,481.72 million for Business Interruption Insurance claim). During the current year, the Group has received an insurance claim amounting to Rs. 889.41 million (31 March 2020: Rs. 1,118.43 million) and the same has been accounted as insurance income.

3.46 The Group has receivables of Rs. 1,543.88 million (31 March 2020: Rs711.03 million) related to GST input refund against the export of electricity made to Bangladesh. However, the input credit has been challenged by GST Authorities for which an application has been filed by the Group with Ministry of Revenue and the process for refund is at various stages with GST authorities.

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

3.48 During the year ended 31 March 2021, the Company has accounted late payment surcharges from customers Rs. 2,850.95 million includes Rs. 686.94 million as an adjusting event inline with the guidance under Ind AS 10 ('Events after the reporting period').

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

3.50 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

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

(₹ in Millions)

Particulars	Net Assets i.e. total assets minus total liabilities		Share in total comprehensive income/(loss)	
	Amount	As a % of consolidated net assets	Amount	As a % of consolidated total comprehensive income/(loss)
Parent				
Sembcorp Energy India Limited	1,09,581.97	66.13%	9,274.80	102.52%
Subsidiaries				
Sembcorp Green Infra Limited	24,484.03	14.77%	535.86	5.93%
TPCIL Singapore Pte. Ltd	1.00	0.00%	(0.36)	0.00%
Step-down subsidiaries				
Green Infra Wind Energy Limited	17,855.42	10.78%	(329.42)	(3.63%)
Green Infra Corporate Solar Limited	1,561.84	0.94%	(257.91)	(2.85%)
Green Infra Wind Power Limited	203.13	0.12%	(18.65)	(0.21%)
Green Infra Corporate Wind Limited	223.76	0.14%	(12.25)	(0.14%)
Green Infra Wind Energy Assets Limited	345.32	0.21%	(10.22)	(0.11%)
Green Infra Wind Farm Assets Limited	1,035.49	0.62%	79.04	0.87%
Green Infra Wind Energy Project Limited	867.08	0.52%	57.91	0.63%
Green Infra Wind Solutions Limited	822.56	0.50%	4.66	0.04%
Green Infra Wind Power Generation Limited	1,074.64	0.65%	(73.25)	(0.81%)
Green Infra Wind Farms Limited	(38.69)	(0.02%)	7.21	0.08%
Green Infra Wind Generation Limited	(337.84)	(0.20%)	(92.28)	(1.02%)
Green Infra Wind Power Projects Limited	154.71	0.09%	(40.27)	(0.45%)
Green Infra BTV Limited	1,519.25	0.92%	(86.90)	(0.96%)
Green Infra Wind Energy Theni Limited	201.59	0.12%	11.02	0.12%
Green Infra Wind Power Theni Limited	104.88	0.06%	17.95	0.20%
Mulanur Renewable Energy Limited	492.86	0.30%	16.19	0.18%
Green Infra Solar Energy Limited	670.90	0.40%	77.08	0.85%
Green Infra Solar Farms Limited	1,236.35	0.75%	81.25	0.90%
Green Infra Solar Projects Limited	325.27	0.20%	14.90	0.16%
Green Infra Wind Ventures Limited	787.28	0.48%	(36.52)	(0.40%)
Green Infra Renewable Energy Limited	2,774.51	1.67%	131.28	1.45%
Green Infra Wind Assets Limited	(119.15)	(0.07%)	(162.06)	(1.79%)
Green Infra Wind Technology Limited	0.49	0.00%	(8.00)	(0.09%)
Green Infra Wind Limited	(1.92)	0.00%	(0.08)	0.00%
Green Infra Renewable Projects Limited	(132.90)	(0.08%)	(132.99)	(1.47%)
Total	**1,65,693.83**	**100.00%**	**9,047.99**	**100.00%**
Non-controlling interests in subsidiaries	132.30		(55.42)	
Inter group eliminations and adjustments	(81,928.74)		(2.22)	
Consolidated figures	**83,897.39**		**8,990.35**	

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

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

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

Hemant Maheshwari
Partner
Membership No: 096537

Wong Kim Yin
Chairman
DIN: 08806258

Vipul Tuli
Managing Director
DIN: 07350892

Juvenil Jani
Chief Financial Officer

Narendra Ande
Company Secretary
Membership No: A14603

Place: Hyderabad
Date: 24 May 2021

Place: Gurugram
Date: 24 May 2021