DELIVERING ON COMMITMENTS

Helping meet India's growing energy needs

Sembcorp Energy India Limited

Annual Report 2018-19

CORPORATE INFORMATION

Board of Directors

Neil Garry McGregor
Chairman

Vipul Tuli
Managing Director

Looi Lee Hwa
Director

T.V. Sandeep Kumar Reddy
Director

R.S. Sharma
Independent Director

Sangeeta Talwar
Independent Director

Bobby Kanubhai Parikh
Independent Director

Kalaikuruchi Jairaj
Independent Director

Lenders

State Bank of India

Andhra Bank

Punjab National Bank

Bank of Baroda

United Bank of India

Standard Chartered Bank

The Hongkong & Shanghai Banking Corporation India Ltd.

DBS Bank India Ltd.

IndusInd Bank

Union Bank of India

Bank of India

Key Managerial Personnel

Juvenil Jani
Chief Financial Officer

Narendra Ande
Company Secretary

Statutory Auditors

BSR & Associates
Chartered Accountants, LLP,
Salarpuria Knowledge City, Orwell,
6th Floor, Unit -3, Sy. No. 83/1, Plot No. 2,
Raidurg, Hyderabad – 500081, Telangana

Internal Auditors

Ernst & Young LLP
The Oval Office, 18 iLabs, Hi-tech City,
Madhapur, Hyderabad - 500018, Telangana

Secretarial Auditors

BS & Company, Company Secretaries LLP
H.No: 5-9- 22/71A, MCH No. 250,
Adarsh Nagar Colony, Hyderabad - 500063,
Telangana

Cost Auditors

Narasimha Murthy & Co
Cost Accountants
3-6-365, 104 & 105, Pavani Estate,
Y.V. Rao Mansion, Himayat Nagar,
Hyderabad - 500029, Telangana

Registered Office

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

Corporate Office

5th floor, Tower C, Building No. 8,
DLF Cyber city, Gurugram - 122002, Haryana

Site Office

Project 1
Pyanampuram/Nelaturu Villages, Muthukur
Mandal, SPSR Nellore District - 524344,
Andhra Pradesh

Project 2
Ananthavaram Village,
Varakavipudi Panchayat, TP Gudur Mandal,
SPSR Nellore District - 524344, Andhra Pradesh

INSIDE THE REPORT

02-33
Corporate Overview

02 Highlights, FY 2018-19

04 Managing Director's Message

08 Profile of Board of Directors

12 Senior Leadership Team

14 An Industry in transition

18 About us

22 Business Overview

28 CSR & Sustainability

34-70
Statutory Reports

34 Directors' Report

42 Annexures to Directors' Report

71-127
Standalone Financial Statements

71 Independent Auditor's Report

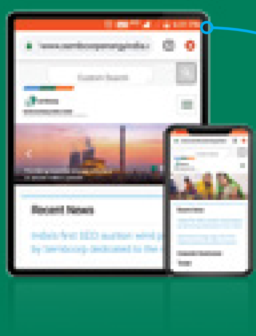
78 Financial Statements

128-199
Consolidated Financial Statements

128 Independent Auditor's Report

134 Financial Statements

200
AGM Notice



To view this report online please log on to www.sembcorpenergyindia.com

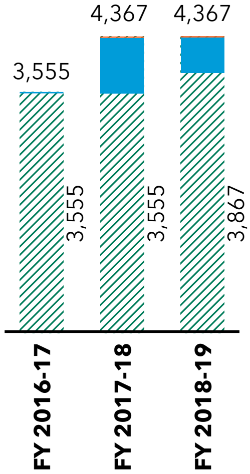
---

Forward-looking Statement

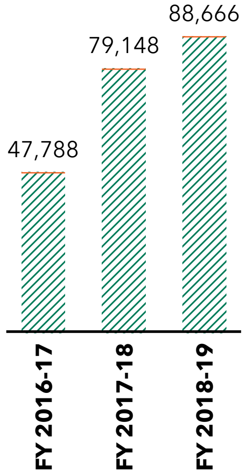
We have exercised utmost care in the preparation of this report. It contains forecasts and/or information relating to forecasts. Forecasts are based on facts, expectations, and/or past figures. As with all forward-looking statements, forecasts are connected with known and unknown uncertainties, which may mean the actual result deviate significantly from the forecast. Forecasts prepared by the third parties, or data or evaluations used by third parties and mentioned in this communication, may be inappropriate, incomplete, or falsified. We cannot assess whether information in this report has been taken from third parties, or these provide the basis of our own evaluations, such use is made known in this report. As a result of the above mentioned circumstances, we can provide no warranty regarding the correctness, completeness, and up-to-date nature of information taken, and declared as being taken from third parties, as well as for forward looking statements, irrespective of whether these derive from third parties or ourselves. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

HIGHLIGHTS, FY 2018-19

Capacity
(MW)

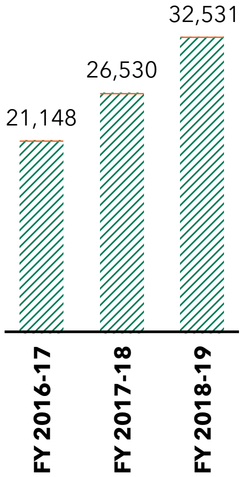


Turnover
(₹ In Mn.)

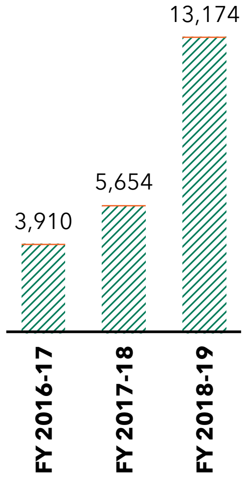


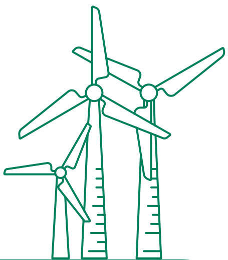
Commissioned
Under Construction

EBIDTA
(₹ In Mn.)



Cash PAT
(₹ In Mn.)





248,292.73
Net block
(₹ in Mn.)

65,630.42
Networth
(₹ in Mn.)

1,275.2
Profit after tax
(₹ in Mn.)

36.69
EBIDTA margin
(%)

8.53
ROCE (%)

MANAGING DIRECTOR'S MESSAGE

Vipul Tuli
Managing Director

While the sector faces challenges as it transitions to a cleaner energy mix, supportive national policies are being put in place. Sembcorp has emerged as a credible player in India, establishing a strong track record of delivering on its commitments

Dear Shareholders,

The fiscal year 2018-19 was another year of improved overall performance at Sembcorp Energy India limited (SEIL). In this year, we achieved positive Profit After Tax (PAT) of ₹ 1,275 million and cash PAT of ₹ 13,174 million. Our balanced and integrated renewable and thermal portfolio positions us among the leading companies in the power industry, focussed on growing a clean energy portfolio.

Following our corporate reorganisation last year, unifying SEIL's thermal and renewable facilities to be owned under a single entity, we set clear objectives and now continue to build on business growth with greater sustainability, efficiency, profitability and a lower risk portfolio.

Positive changes for the sector

The government's commitment to connect every household with power, thrust on electrification of mobility and provide uninterrupted power supply will give an impetus to demand growth. The underlying increase in generation capacity and a unified stable national grid will further lead to intensive electrification.

India's sectoral reforms across the power value-chain are bringing about changes in the industry. Initiatives like Power for All, UDAY, SAUBHAGYA and SHAKTI among others are steps in the right direction.

The shift towards an increased renewable energy portfolio is a fundamental change in the energy market, driven by the need to preserve the ecosystem and generate energy at lower cost. The introduction of transparent competitive bidding in the renewable energy space has led to several players adding green energy to their portfolio. Your company has emerged as one of the leading players in this segment.

Despite relatively slower progress in thermal power capacity addition, there are silver linings. While delays in implementing long-pending projects and retirement of old thermal plants continued to be of concern for the sector, the much-awaited return of the medium and long-term power procurement bids are a welcome move. The next phase of power reforms, including the proposed changes in the tariff policy and the Electricity Act, and the recent signing of MoU between NTPC and PGCIL to form a National Electricity Distribution Company (NEDCL), should further accelerate the process.

Thermal power plants in India have been mandated with strict emission norms which necessitate installation of new emissions control equipment like Flue Gas Desulfurizers. While deliberations around the recovery of capital expenditure to meet the environmental norms are yet to be fully concluded, I remain confident that the government and the industry together will arrive at a solution which will enable adoption of technologies that aid in generating cleaner power; and offer flexible demand response management with peak-demand power supply.

The financial health of discoms continue to be a challenge affecting collection of receivables. The issue is recognised and policy interventions are underway to address the same. The recent directive by the central government to enforce payment security mechanism by discoms, as well as the push to ensure the must run status for renewables, are examples of such steps.

Renewables integration and management of intermittency are emerging as challenges as well as opportunities. With renewable energy (RE) generating more than 10% of power soon, the full cost of RE will need to be absorbed by all stakeholders. This will create opportunities for Sembcorp with our balanced portfolio mix.

Enhancing performance with sustainable operations

With an aim to leverage the synergies within the thermal and renewable energy portfolios, our corporate reorganisation last year optimised our operations for a more efficient and sustainable performance.

In FY 2018-19, our consolidated revenue from operations increased by 12% to ₹ 88,666.86 million in FY 2018-19 from ₹ 79,147.51 million in FY 2017-18. Our consolidated EBIDTA grew 23% YoY basis to ₹ 32,531.11 million and PAT registered was ₹ 1,275.20 million in the current year. We continued to efficiently manage our debt portfolio, thereby leading to improved performance ratios.

We maintained our focus on achieving commercially and technically sustainable operations and achieved some important milestones during the year. Some of these include:

Thermal

- The thermal business secured power purchase agreements for the supply of 250MW to Bangladesh for a total period of approximately 15 years, under which supply of power commenced in February 2019. With this, we now have a total of 1320 MW capacity from thermal business under long-term PPAs.

122%

YoY growth in PAT in FY 2018-19

MANAGING DIRECTOR'S MESSAGE

~15

Years of contract to supply power to the citizens of Bangladesh

600 MW

Renewable capacity brought under self-O&M

- We leveraged the coastal location of our thermal plants to source for cost-effective imported coal supply through a mix of long and short-term contracts. During the year, we seamlessly handled 9.77 MT of coal.
- We further achieved cost efficiencies through forex hedging, prudent commodity management and low logistic and shipping charges.
- Completion of merger of our wholly owned subsidiary SGPL into SEIL, resulting in better operational synergies and financials.

Renewable

- Commissioned India's first Solar Energy Corporation of India (SECI) 1 wind project of 250MW in Tamil Nadu ahead of schedule. This was the first ever project to be built in India under the new system of competitive bidding.
- We made significant progress on our SECI II and III projects of 550 MW.
- During the year we applied our operations & maintenance (O&M) experience, processes and digital platforms to optimise our renewable power generation, and brought more than 600MW of renewable assets under self-O&M. With this we have around 3,300MW of renewable and thermal capacity in India under self-O&M.
- SEIL Green Infra successfully raised its maiden bond of ₹10 Bn. It was subscribed by mutual funds for tenure of 5 years.

Our efforts in building an integrated entity with a balanced energy portfolio are now taking shape. With our operational excellence driving our financial performance, we intend to deliver consistent and quality energy solutions and create value for our stakeholders.

Strategies for sustaining growth

In a competitive industry like ours, we continue to adapt to address changes in technology adoption, rising energy demands and evolving regulatory framework. To keep pace, it is vital for us to continuously review our strategies to adapt to these changes and sustain future growth. Our supercritical thermal power plants are industry-leading facilities, with high plant load factors (PLFs), which are among the highest in the sector. Our in-house operations and maintenance ensure higher throughput and better margins in the renewable portfolio too.

Moving into cross-border energy supply, our second thermal plant supplying power to Bangladesh demonstrates our competence in the sector and the strong value proposition we offer to customers in India and the region.

Our balanced portfolio provides us with an edge in capturing the growing energy demand in India and contribute to a sustainable future.

Health, safety and the environment

Along with operational efficiencies, we prioritise our HSE practices diligently. We are committed to ensuring the safety of our employees and contributing to the communities and environment we operate in. Although we continuously maintain a focus on safety, I regret to inform you that during the year, we suffered two fatalities involving our contractors. We will continue to work towards achieving zero fatalities. We have initiated a Behaviour-Based Safety (BBS) Observation Programme into our safety systems across all our assets. The programme focuses on cultivating an organisational culture where safety is everybody's responsibility, through affirming positive safety behaviour and encouraging corrective actions. This initiative enables us to strengthen our safety culture and bring about positive behavioural change in our employees.

During the year under review, we undertook many programmes to ensure safety at workplace for our employees, contractors, visitors and customers. These initiatives are proactively aimed at bringing about progressive improvement in our health and safety performance.

In our continued efforts to balance sustainable energy generation and environmental concerns, we focused on ensuring the highest standards of environmental management in our operational areas. We continued to work towards reducing carbon emissions and optimised our operations to help mitigate environmental risks while contributing to a sustainable future.

Outlook

With the power sector landscape strengthening, backed by sustained economic growth, SEIL will continue to review its strategies and strengthen its market position. The power sector has witnessed a transition in the last two decades, with structural and regulatory policies across the value-chain providing the necessary impetus for growth. With ambitious targets of power generation in renewable sector and transformation of thermal plants into environmentally-friendly generation, the country's power infrastructure is set to witness a marked change.

Having established capacities, capabilities, Sembcorp India is well positioned to continue on its steep trajectory of performance improvement.

Acknowledgements

In conclusion, I would like to express my sincere gratitude to our customers and partners for their continued trust and cooperation. Our employees remain key to our business success with their efficient work and commitment to our business goals. I would like to thank my management team, our Board of Directors and our promoters for their constant support and guidance. I am confident that our results of the current year will be a strong foundation for our sustainable growth in the coming years as we continue our mission of delivering reliable and efficient energy solutions to millions of people in India.

Vipul Tuli
Managing Director

Our completion of the SECI-1 project and improving profitability summarises our ability to provide energy security to the people of India at competitive rates.

PROFILE OF BOARD OF DIRECTORS

Mrs. Sangeeta Talwar
Independent Director

Mr. T.V. Sandeep Kumar Reddy
Director

Mr. Bobby Kanubhai Parikh
Independent Director

Mr. Neil Garry McGregor
Chairman

Ms. Looi Lee Hwa
Director

Mr. R.S. Sharma
Independent Director

Mr. Kalaikuruchi Jairaj
Independent Director

Mr. Vipul Tuli
Managing Director

PROFILE OF BOARD OF DIRECTORS

1 Mr. Neil Garry McGregor
Chairman

Neil Garry McGregor is the Non-Executive Chairman of our Board. He holds a bachelor's degree in engineering from the University of Auckland and a master's degree in business administration in international finance from the University of Otago, New Zealand, and has also completed the advanced management programme at INSEAD, France. Neil Garry McGregor is the Group President & Chief Executive Officer, at SCI. He has been, in the past associated with Singapore LNG Corporation Pte. Ltd. as its Chief Executive Officer. Most recently, he was the head of Temasek International's Energy and Resources Group, Head of Australia and New Zealand and Senior Managing Director of the enterprise development group.

2 Mr. Vipul Tuli
Managing Director

Vipul Tuli is the Managing Director of our Company. He holds a bachelor's degree in technology (chemical engineering) from the Indian Institute of Technology, New Delhi and a postgraduate diploma in management from the Indian Institute of Management, Kolkata. He has been associated with the SEIL group since 2015 in various positions, including as the Chief Executive Officer & Country Head, India, as Managing Director of SEIL's thermal businesses in India, and as the head of group strategy at SCI. Prior to joining the SEIL group, he was associated with McKinsey & Company, Inc. since 1992, where he worked across the energy, chemicals and infrastructure sectors, and at the time of leaving in 2015, was a Director (Senior Partner) based in its India office.

3 Ms. Looi Lee Hwa
Director

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

4 Mr. T.V. Sandeep Kumar Reddy
Director

Mr. T. V. Sandeep Kumar Reddy is associated with the Gayatri Group since its incorporation. He is an eminent industrialist with wide business experience across a variety of industrial sectors. He joined the GPL group in 1989 and is the Managing Director of GPL, the apex body of GPL group and other major Gayatri Group Companies. As MD of GPL, he leads a brilliant team of professionals and aspires to take India's power generation to even greater heights with indigenous expansion plans and also with a distinct possibility of international co-operation. He has done his Masters in Construction Engineering and Management from University of Michigan at Ann Arbor, USA and also holds a Bachelor Degree in Civil Engineering from Purdue University.

5 Mr. R.S. Sharma
Independent Director

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

6 Mrs. Sangeeta Talwar
Independent Director

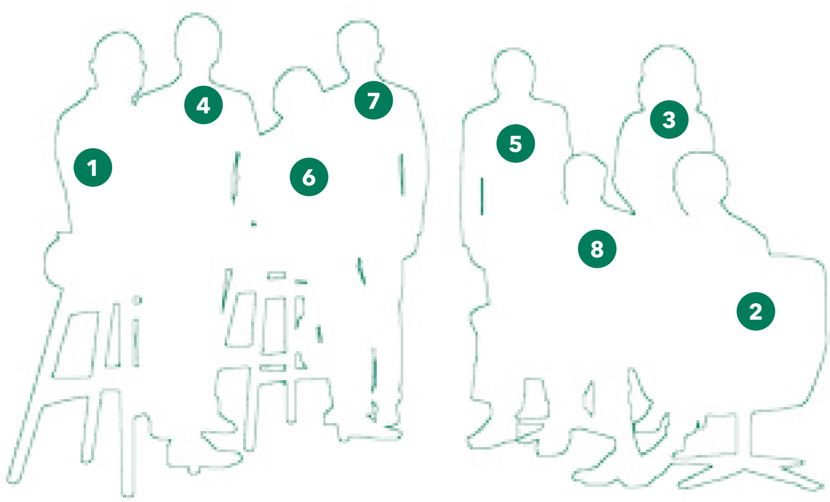
Sangeeta Talwar is an Independent Director on our Board. She holds a bachelor's degree in arts from University of Delhi and holds a postgraduate diploma in management from Indian Institute of Management, Kolkata. She has also completed the executive development programme from the Wharton School, University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

7 **Mr. Bobby Kanubhai Parikh**
Independent Director

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

8 **Mr. Kalaikuruchi Jairaj**
Independent Director

Kalaikuruchi Jairaj is an Independent Director on our Board. He holds a bachelor's degree in economics and in law from the Bangalore University and a master's degree in Economics from the Delhi School of Economics. Kalaikuruchi Jairaj also holds a master's degree in public administration from Woodrow Wilson School of Public and International Affairs, Princeton University and a master's degree in public administration from the Kennedy School of Government, Harvard University. Kalaikuruchi Jairaj has also held the position of an additional chief secretary in the Government of Karnataka. He has been previously associated with the energy department in Bangalore Electricity Supply Company Limited as its chairman. He has also been associated with the World Bank as its senior public sector management specialist. Further, Kalaikuruchi Jairaj has acted as the President of All India Management Association, Delhi.



SENIOR LEADERSHIP TEAM

Mr. Vipul Tuli
Managing Director

Mr. Juvenil Jani
Chief Financial officer

Mr. Raghav Trivedi
Business Head - Thermal

Mr. A. Nithyanand
Business Head - Renewables

Mr. V. Kalyan Kumar
Head - Human Resource

Mr. Rajesh Zoldeo
Chief Commercial Officer

Mr. Ramesh Raman
Head - Operations &
Maintenance - Thermal

Mr. Ankur Rajan
Chief Operating Officer - Renewables

AN INDUSTRY IN TRANSITION

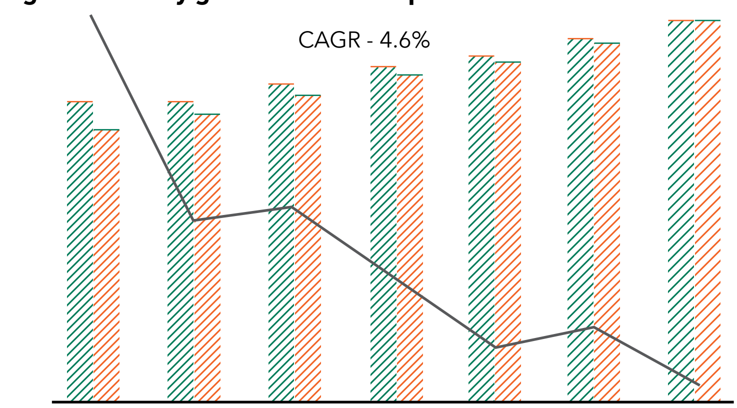
Steady growth in demand and supply

The Indian power sector, despite its inherent systemic stress, is witnessing growth on the back of technological advancements in renewables and continued government support. With a total generation capacity of over 350 GW as of March 2019, India has emerged as the world's third-largest electricity producer. Of its total installed capacity, around 46% is contributed by the private sector.

India's electricity demand growth, which has been steady at 5% over the last five years, is expected to increase. This increase in demand growth is expected as a result of two factors. First, increased electricity demand owing to rising disposable income, increasing urbanisation and government policy initiatives such as 'Saubhagya' providing electricity access to all and '24X7 Power for All', increasing per capita electricity consumption. Second, shifts from other fuels to electricity with standby power, agricultural applications, transportation and cooking among others. As per the latest study[1], the share of electricity in India's energy mix stands at 17%, which will move closer to 25% as is in developed countries.

Balancing the increasing electricity demand along with local and global environment considerations would need a transition to a balanced mix of various generating capacities, including thermal and renewable. Penetration of renewable power, especially wind and solar, has been increasing steadily and is expected to grow much faster in the coming years.

Figure 1: Steady growth but deficit persists[2]



	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Peak Demand (GW)	135	136	148	153	160	164	177
Peak Met (GW)	123	130	141	148	157	161	176
Deficit %	-8.98%	-4.49%	-4.37%	-3.20%	-1.63%	-2.02%	-0.84%

Peak Demand (GW) Peak Met (GW) — Deficit %

[1]Source: Central Electricity Authority (CEA)

Figure 2: Growing capacity, cleaner mix[3]

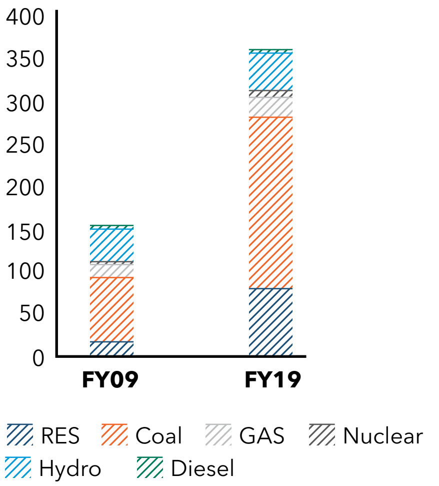
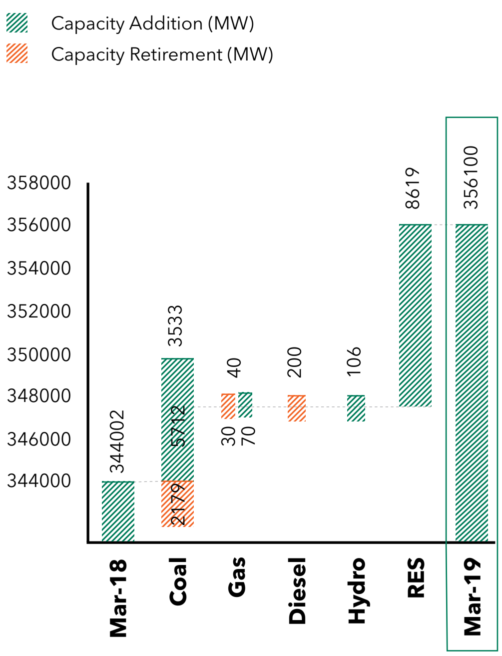


Figure 3: Renewables capacity addition overtakes thermal capacity[4]



Balancing renewables with conventional energy

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

Higher renewable capacity addition would create opportunities in transmission, especially in the areas where grid is either absent or weak, to strengthen the network. The government plans to add ~500 GW of renewable power by 2030. As of now, most of the renewable capacity is transmitted through existing surplus capacity in the grid; however, such magnitude of renewable energy addition would require planning and development of new transmission corridors. The amendment in the regulations by the Central Electricity Regulatory Commission (CERC) to allow the Solar Energy Corporation of India (SECI) to apply for connectivity to interstate transmission network is an indication of changing transmission model.

In terms of operations, the balancing requirement of variable renewable generation is already leading to emergence of market for supply of balancing power. The unrequisitioned surplus generation capacity of generators is used as ancillary services; such surplus may not always be available however. A permanent mechanism to manage renewable integration as well as provide for emergency situations is on anvil. In addition, and prior to ancillary services, the discoms would require a liquid intra-day market for power to manage the variable generation and load. The central commission has already initiated the process and has published a discussion paper on redesigning the real time electricity market in India. Such market also offers opportunity for thermal generation to provide balancing power at a short notice.

[2]Source: Central Electricity Authority (CEA)
[3]Source: Central Electricity Authority (CEA)

AN INDUSTRY IN TRANSITION

Supportive national policies

As thermal generation continues to be stressed, now there is an increased level of realisation at the policy level on the need for coal-fired plants to address base load in the near-term. A number of recent policy initiatives are gradually showing results. This includes at the operational level where centralised bids for supply of medium-term power were invited. At the policy level, a High Level Empowered Committee was set up to address the stress issues in thermal generation. Its recommendations would have wide-ranging impact such as grant of linkage coal for short-term power purchase agreements (PPAs), procurement of bulk power by a nodal agency against pre-declared linkages, and also making late payment surcharge mandatory by discoms.

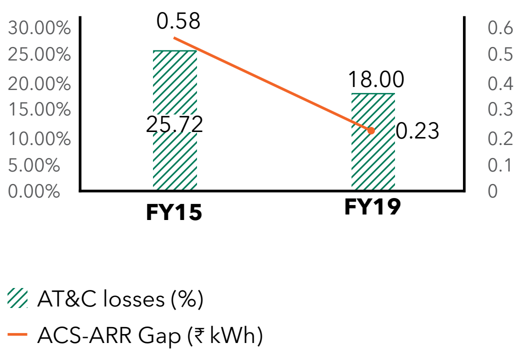
As a longer-term policy initiative, a draft of New Tariff Policy was published, which proposed several key changes such as ensuring 24-hour power supply to consumers by improving fiscal discipline, stringent enforcement of clearing discom payment dues, subsidy disbursement through Direct Benefit Transfer (DBT) on similar lines of LPG, reduction in cross-subsidies – to be brought within ±20% of the average cost of supply -- shift from post-paid billing to pre-paid, early dispensation of impact of change in law and associated carrying cost for generators. Introducing measures like enforcing payment security mechanism in PPAs by linking it with grid access, will be a watershed intervention.

Further, with increasing concerns about the environment, thermal generation would also be going through a major change in terms of stricter norms for emission, ash utilisation, water use, etc. Thus, while the cost of power from renewables is coming down, the actual delivered cost of power is bound to increase in near future due to balancing cost of renewables, cost of meeting environmental norms for thermal plants, new and lower utilised transmission system required for renewables. To minimise national generation costs, CERC has introduced optimised dispatch of inter-state generating plants for which tariffs are determined by CERC. This would eventually lead to a pool market model operating on principles of merit-based economic dispatch where generators with long/medium and short-term contracts will be able to participate, while existing contracts are protected. Merit-based economic dispatch would provide easier access to power markets for discoms to balance their power portfolio with long- and medium-term contracts and meeting the residual demand through the pool market, resulting in optimised cost of supply of power. There have also been other regulatory changes proposed in the past that are in advanced stages of implementation, which would facilitate this transition. A major one is regulation on network access. If implemented, this would enable a new market structure as the access to central grid would be uniform and would discontinue present system of long, medium-term and short-term access. Further, to facilitate market development, CERC has notified an amendment to the Open Access Regulation to create National Open Access Registry. This will enable transparent online processing for getting inter-state open access to the Inter State Grid System. Its implementation will open the power market by removing controls/constraints in issuance of access to the potential consumers.

Distribution still a concern

To sustain the transition to optimised, clean and sustainable power sector, distribution is a key link. Power distribution in India is largely a state-owned monopoly and despite number of measures taken by the government over the years, it remains the most challenging part of the power sector value chain. Distribution sector will have to improve its technical and financial efficiency, i.e., technical losses and full recovery of cost of supply. The UDAY scheme, introduced in 2015 to improve discoms' financials, achieved some of its goals but not a complete turnaround. Although there have been improvements -- as against the target of 15%, average aggregate technical and commercial (AT&C) -- losses in the country are still around 18% with the gap between average cost of supply (ACS) and average revenue realised (ARR) at ₹ 0.23/unit in FY 2018-19. This is leading to large outstanding receivables from discoms. As per PRAAPTI portal where the data for receivables is compiled, the total outstanding dues by discoms to generators as on March 2019 are to the tune of ₹ 374.5 billion. Of these, the private sector accounts for nearly 50%. Not included in this are the disputed amounts that need regulatory clarity. As a result of financial stress and also due to perceived falling prices of renewable power, discoms are not planning any long-term power procurements and are increasing their reliance on short/medium-term power procurements. Supply of free or subsidised power, without adequate ring fencing of the necessary subsidy by state governments, has become an unsustainable trend. This in long term would affect investments in generation sector. There is a growing realisation that to improve the power sector in general and discoms in particular, greater regulatory independence, capability-building, and resourcing are necessary. It is anticipated that the upcoming amendments in the Electricity Act and tariff policy will address this issue.

Figure 4: Reduction in AT&C losses and ACS-ARR gap after UDAY



[4]Source: Central Electricity Authority (CEA)

We are among the leading independent power producers in India delivering cleaner, affordable and sustainable energy. We generate energy across thermal and renewable segments, with a cumulative 4.37GW power generation capacity*.

(As on March 2019 including projects under construction)

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

Our Portfolio*

Thermal

2,640
Total power generation capacity (in MW)

4
Supercritical thermal units

Wind

1,142
Total power generation capacity (in MW)

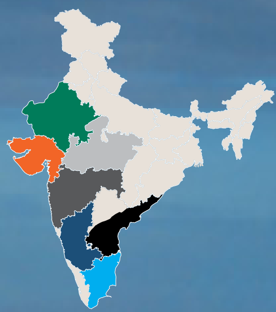
35
Wind energy assets

Solar

35
Total power generation capacity (in MW)

3
Solar energy assets

Geographically diversified renewable portfolio*

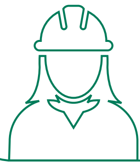


Diversified projects base:
4,367**
across 7 states (unit in MW)

* As on 31st March 2019

** Includes 0.8GW of wind power energy under construction spread across the states of Tamil Nadu and Gujarat

ABOUT US



Our Mindset

Many of us would perhaps agree that the most important driver of success is culture. It starts with the mindset that allows for agility in an ever-changing environment. At SEIL we focus on learning, thinking holistically and developing **creative insights**. We take ownership, act with integrity and are **committed** to doing what is right. We listen empathetically to be **connected** to others. We are **courageous** to challenge the norm, lean in to uncertainty and step out of our comfort zone. We are insatiably **curious** to learn about ourselves and the world around us. SEIL is pleased to introduce our newly enhanced Values and Multipliers. Together, they form the SEIL Mindset that all members of SEIL family.

Together with our capabilities and the SEIL mindset, we will grow as individuals and as a team. Thereby creating greater value for our stakeholders and the communities.

SEIL Mindset

Creative Insight

We innovate and solve complex problems

Committed

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

Connected

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

Courageous

We dare to challenge the norm and lead disruption

Curious

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

Our Behaviour

Leadership starts with us. As an individual, we can choose to take action to shape the future, inspire others, lead change and enhance our capabilities. The new SEIL Leadership Competencies, a set of skills and behaviours, will guide us in creating our competitive edge contributing to our success in today's challenging marketplace.

SEIL Leadership Competencies

See It	Believe It	Do It	Develop It
Shape the Future	Inspires and Energies	Drives Performance	Attracts and Develops Talent
Make Decisions and Tests New Ideas	Leads via Influence and Networks	Leads Change and Transformation	Build Great Teams

Our Culture

Our culture will evolve every day based on the mindsets and behaviours of everyone in the organisation. In fact, we have already started this evolution with initiatives like our new performance review model (LeAD), formal and informal employee feedback loops and behaviourial-based safety programmes. In the coming weeks, our Group HR & OD team will be introducing the new mindset and leadership competencies as part of the second phase of LeAD workshops. These workshops will help the employees in SEIL to understand the new performance management process and the application of the leadership competencies.

BUSINESS OVERVIEW

Reorganisation of business structure

In order to tap business opportunities and strengthen our foothold in the Indian power sector, we reorganised our business operations in 2018. Now, the shareholding of Sembcorp Gayatri Power Limited (SGPL) has been transferred to SEIL and Sembcorp Utilities (SCU) stake in Sembcorp Green Infra (SGI) has been transferred into SEIL.

The merger of thermal and renewable energy business into SEIL is expected to drive synergies and prepare a streamlined corporate structure, creating enhanced value for our stakeholders. It has enabled us to run low-cost power generation business in India leading to improvement in our profitability and business sustainability.

Shareholding structure as on March 2019

Sembcorp Industries Limited

↓ **100%**

Sembcorp Utilities Pte Ltd.

↓ **93.73%**

Sembcorp Energy India Limited

↓ **100%**

Sembcorp Green Infra Limited

Executing projects ahead of time

In October 2018, SEIL's 100% subsidiary SGIL, completed its 250 MW SECI-1 wind power project in Tamil Nadu. The project was the first one to be completed fully amongst the wind power projects that were auctioned in different rounds of Central wind projects auctions, conducted by Solar Energy Corporation of India (SECI) under the aegis of Union Ministry of New and Renewable Energy. It was awarded by SECI on behalf of India's Ministry of New and Renewable Energy (MNRE) in April 2017.

The project is aligned to India's commitment to installing more power generation capacity based on clean sources.

In the SECI-1 project, SEIL through its subsidiary has entered into long-term agreement with Power Trading Corporation of India to generate and supply renewable power to the states of Jharkhand, Bihar, Uttar Pradesh and Delhi. The project consisted of 119 units of Suzlon's 2.1 MW S111-120m Wind Turbine Generators (WTGs). It is estimated that the project will light up more than 216,000 homes and reduce CO_2 emissions by over 700,000 tonnes per annum.

SEIL's achievements

FIRST
Among all SECI auctioned wind projects to achieve full completion

~216,000
Households equivalent of electricity generating from SECI-1 project

700,000 tonnes/annum
Reduction in CO_2 emission

Expanding footprint to international frontiers

SEIL won an international competitive tender conducted by the Bangladesh Power Development Board (BPDB) to supply 250 MW power to Bangladesh. The SEIL's P-2 won both the short term and long term bids from BPDB for a total period of 15 years. This bid fits into our strategy of providing cost-competitive and reliable power supply, while prudently contracting our balance open capacity at viable tariffs.

SEIL has commenced supply of 250 MW to Bangladesh from its super critical power plant (SEIL P-2) in Nellore from February 2019.

250 MW
Awarded Power supply contract in Bangladesh by BPDB

15 years
Tenure of the contract period for BPDB project

Ensuring financial closure

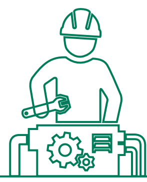
Financial Closure for balance SECI projects were achieved during the year, in spite of the challenging market conditions.

Our Company's subsidiary has successfully raised Commercial Papers at attractive rates. The team managed to raise ₹1,000 Cr listed bonds at an attractive interest, fixed in nature, for tenure of 5 years.

The team has continued to shift from higher-cost debt to low-cost debt. The debt portfolio is being progressed from a floating rate interest regime to a fixed rate interest regime. As a result the Company's subsidiary has managed to secure a 5-year fixed interest term loan for a ₹100 Cr of term debt.

As on date, credit ratings for more than 90% of the operational projects achieved high ratings.

We, endeavour to minimise our interest cost burden by proactively managing our debt funding. To reduce the cost of borrowing's, we have mapped out strategies like adapting to low-cost debt funds, evaluating repayment options for ECB expsoures and switching over to floating interest rates from fixed interest rate debt portfolio. These initiatives have helped minimise the cost of borrowings and enhance the profitability.



BUSINESS OVERVIEW

Improving prospects for India's thermal power market

During the year under review, we secured the debt refinancing for both our thermal power projects at SPSR Nellore District in Andhra Pradesh. The re-financing for both P1 and P2 were completed through a combination of ECBs, long-term rupee debt and Masala Bonds infused by the parent company in Singapore, reflecting the group's confidence in the country's thermal power market. The strategy was on account of improvement in bottom-line by reducing interest cost and ease the burden on cash flow by extending the loan repayment tenure to 20 years.

Refinancing for both plants completed at a competitive rate despite the stress in the Indian power sector, especially in thermal power. India being the key market for us, we are committed towards its long-term growth and our refinancing strategy reflects our commitment to achieve the same. The net result achieved was interest cost savings and improvement in credit ratings of SEIL.

Self Operations & Maintenance (O&M) of renewable assets

In order to improve efficiency and maximise production at lowest lifecycle cost, we undertook a project to review the renewable business segment.

To improve generation, the company has focused on further strengthening its capabilities and improving its efficiency. By introducing self-O&M in its renewable business, the company is focusing on minimising the production costs per unit of energy generated over the life of the asset (LCOE) by ensuring asset productivity, reliability and accessibility.

Besides strengthening our capabilities, this initiative has helped in improving the turbine performance, increasing safety standards and helping in improving generation by implementing ancillary technologies. Moving to self-O&M in its renewable business is helping SEIL to move its performance indicator from traditional time-based availability to a more scientific energy based availability.

This project will enable us to further strengthen our capabilities within the organisation and improve efficiency level and increase power generation.

36.69%
EBIDTA margin in FY 2018-19

BUSINESS OVERVIEW

Setting up of Virtual Brain Renewables

SEIL has introduced an advanced digital tool, Virtual Brain Renewables (VBR) in its renewable operations. The analytics-based digital asset management platform – VBR, helps in monitoring more than 30 wind energy sites and provides real time data and indicators on wind – speed, temperature, power output, plant load factors etc., as well as wind versus power generation efficiency curves availability.

The state-of-the-art digital platform provides information that helps in performance monitoring, forecasting, real-time condition monitoring and anomaly detection that will help the operations team with insights for predictive maintenance. With VBR digital tool integrated in our core operating processes, right down to the sites, engineering and supply chain, we have been able to deliver high levels of Energy Based Availability.

>30 assets
Managed through VBR

Deployed low carbon e-fleets fleet

SEIL has introduced electric vehicles (EVs) at its supercritical power generation plant in Nellore. In continuation with its commitment to operate its facilities in an environmentally friendly and sustainable manner, this fleet has been introduced for commuting in and around the plant.

The e-vehicle fleet, also known as the green fleet comprises of a mix of e-cars, e-scooters and e-buggies. Charging facilities have also been installed within the SEIL complex to fuel the green fleet. The green fleet is being used for commuting employees for their day-to-day plant operations, making transportation clean and more energy efficient.

CSR & SUSTAINABILITY

Connecting to our communities

As a responsible corporate, SEIL works closely with its communities to improve the quality of life and empower them in an all-encompassing manner. Through our focused engagements, we reach out to people in 7 states of the country covering our thermal and renewable energy business operation.

SEIL has long held a strong commitment to sustainability. We believe that responsible corporates can play a role as agents of transformation for a sustainable future. We see sustainability at our company as inextricably linked to our ability to deliver long-term value and growth to all our stakeholders

Sustainable Development Goals

Key pillars of our CSR Activities

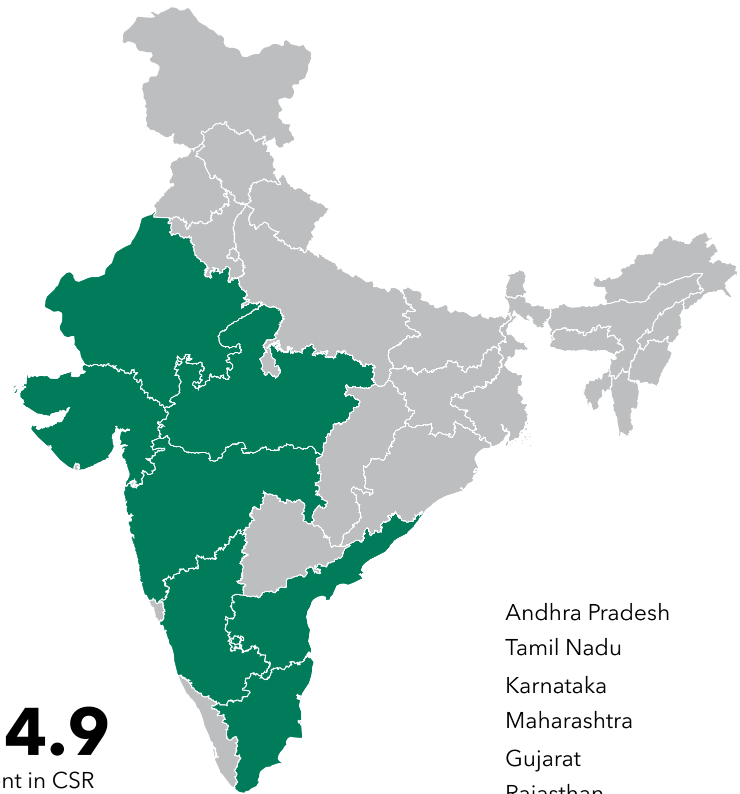
Education

Skill Development

Healthcare

14.9
Spent in CSR activities in FY 2018-19 (in ₹ Mn)

32,651
Beneficiaries in FY 2018-19



Andhra Pradesh
Tamil Nadu
Karnataka
Maharashtra
Gujarat
Rajasthan
Madhya Pradesh

Education

Education plays a vital role in growth and development of any economy. Our initiatives in the education space cover two prime areas – providing scholarships and infrastructure. Our scholarship programmes cover primary and higher education by providing scholarship to deserving candidates, enabling them to pursue their dreams. In addition, we also provide suitable infrastructure and basic amenities to several schools within our area of operations. We leverage our technological competencies and resources to improve the quality of teaching, in turn, improving student performance in the backward areas of the country. To promote participation of students into various co-curricular activities, such as sports, we gave sports kits to students and partnered with school in celebrating various occasions including Independence Day and Republic day.

3,314
Students benefitted in FY 2018-19

29
Schools covered in FY 2018-19

Key Highlights of FY 2018-19

- We encouraged digital education through our initiative called 'Akshardaan' in 4 primary schools, 2 upper primary schools and 2 zilla parishad high schools. Through this initiative, we aimed at building a digital learning environment by providing computers and other necessary infrastructure. This initiative has effectively guided students and teachers to seek high-quality knowledge enabling them to move towards a unified learning environment
- In order to promote sports in the rural areas, SEIL sponsored State Level Kabaddi Championship by partnering with District Sports Authority.

CSR & SUSTAINABILITY

Skill Development and Livelihood enhancement programme

We believe India can attain sustainable growth by ensuring holistic development and empowerment of the citizens in rural as well as urban areas. Through our skills and entrepreneurship development initiatives, we aim at empowering the local communities with skills and transforming them into potential entrepreneurs.

Sembcorp Entrepreneurship Development Centre (SEDC) - Centre of professional excellence

At SEIL, we have established a centre with an aim to provide skill and entrepreneurship development programmes and generate employment for the local women and youth. The Centre consists of 2 workshops, 4 classrooms and computer lab that can train 200 individuals at a time.

Key Highlights of FY 2018-19

- Offered tailoring, beautician and other programmes to women to strengthen their skills and improve livelihood opportunities. Training programmes were conducted in the field of repairing air conditioner and refrigerator to the youth.
- Our employees volunteered to provide training to youths in the rural areas on Computer basics and mobile apps to increase their skills and competencies.

AV Training Sessions for farmers:

We conducted training sessions for farmers to educate them about modern technologies that can help in increasing agricultural productivity. They were educated about crop patterns, irrigation methods, various government schemes and ways to leverage soil texture and weather conditions for better output. These training were imparted using audio-visuals to enable remote farmers easy access.

Key Highlights of FY 2018-19

- We conducted sessions and awareness programmes to enable the rural farmers in and around our renewable energy assets to train them in the field of agriculture and allied activities.
- Through our Soil Health Management initiative, we collected soil samples and tested them in government labs with the aim to impart knowledge about Integrated Nutrients Management (INM). The farmers were given an update of their current soil

status and suggested benefits of controlled usage of chemicals. They were educated about organic farming practices to restore and maintain natural nutrients in the soil.

- We also formulated an adolescent girl group in villages to oversee health issues among adolescent girls. We conducted 'Adolescent Training Programme' to educate them about female hygiene and nutrition.
- We focused on empowering women by enhancing their skills, thereby increasing livelihood opportunities. We also provided financial literacy, including assistance in opening bank accounts that would enable them to save money for future needs.

540
Women benefitted in FY 2018-19

95%
Reduction in morbidity due to water-borne diseases

2,280
Families benefitted in FY 2018-19

6,225
Patients addressed in FY 2018-19

CSR & SUSTAINABILITY

Healthcare

SEIL endeavours to bring quality healthcare closer and accessible to local communities. In the year under review, SEIL had launched a fully equipped Mobile Medical Unit (MMU) to provide basic healthcare facilities to communities in villages located around its wind projects at Annanthahalli, Harpanhalli and Bharmasgara in Karnataka. The main objective of the initiative was focused on providing medical assistance to the villagers on issues like malaria, diabetes, cataract, fever and general cold and cough and monitoring of blood pressure. It also covered basic blood tests like haemoglobin levels etc. Going forward, the MMU will conduct health and hygiene related programmes to spread awareness about issues like vector borne diseases, deworming, tuberculosis, typhoid, common cardiac (heart) issues, hepatitis, vaccine immunisation among others.

Key Highlights in FY 2018-19

- Improved access to clean water by providing safe drinking water to households in surrounding villages around area of our operations
- Improved sanitation by introducing a solid waste management mechanism aligned with the government's initiative of wealth from waste pilot project
- Organised regular medical camps and preventive healthcare awareness programmes in local villages
- Implemented nutri-garden scheme to reduce anemia and childhood stunting. This included supplying seed-kits to malnourished families to develop their own nutri-gardens. Separately, we also developed a nutri-garden at SEDC
- Encouraged growing leafy vegetables and nutrient enriched vegetables in backyards without using chemical fertilizers

MMU

A fully equipped Mobile Medical Unit was introduced to provide basic healthcare facilities to communities

Case study – Impact of MMU

A 70-year old patient, Basappa, residing in Harapanhalli village in Ballari district of Karnataka was suffering from severe hypertension and body ache. There were visible improvements in his health ever since he started visiting the mobile medical van facility for regular checkups.

Clean drinking water facility

As clean drinking water remains a major challenge in several areas, we have established 13 water treatment plants at TP Gudur, Muthukur and Nellore town in order to assist people with clean water drinking facilities.

Through these plants, the local communities get access to clean and chemical-free water for drinking thereby leading to better health, especially for pregnant women, children and the elderly. We also conducted awareness campaigns for the villagers to educate them about the benefits of using safe drinking water.

Approx.
3,000
Capacity of water treatment plant (in litre per day)

122
Awareness activities conducted in FY 2018-19

DIRECTORS' REPORT

To
The Members
Sembcorp Energy India Limited
(Formerly Thermal Powertech Corporation India Limited)

Your Directors take pleasure in presenting the Eleventh Directors' Report together with Audited Financial Statements for the year ended March 31, 2019.

1. Financial Results

Financial Highlights

(₹ in Millions)

Particulars	Standalone 2018-19	Standalone 2017-18	Consolidated 2018-19	Consolidated 2017-18
Revenue from Operations	73,464	69,126	83,412	77,976
Other Income	2,127	549	5,255	1,172
Total Revenue	75,591	69,675	88,667	79,148
Total Expenses	76,224	75,482	86,336	84,663
Net (loss)/ Profit Before Tax	(633)	(5,807)	2,331	(5,515)
Current Tax	-	-	1,056	315
Net (Loss)/Profit After Tax	(633)	(5,807)	1,275	(5,830)
Other Comprehensive Income/ (Loss)	(669)	42	(674)	41
Total Comprehensive Income/ (loss)	(1,302)	(5,765)	601	(5,789)
Proposed Dividend on Equity Shares	Nil	Nil	Nil	Nil
Tax on proposed Dividend	Nil	Nil	Nil	Nil
Transfer to General Reserve	Nil	Nil	Nil	Nil

2. Financial Performance and the state of The Company's Affairs

Standalone

Total Revenue from Operations during the year was increased by 8.49% to ₹75,591 million against ₹69,675 million in the previous year and Profit for the year was increased by 89 % to ₹ (633) million as against ₹ (5,807) million in the previous year.

Consolidated

On a consolidated basis, Total Revenue from Operations during the year was increased by 12.03 % to ₹88,667 million against ₹79,148 million in the previous year and Profit for the year was increased by 122% to ₹1,275 million as against ₹ (5,830) million in the previous year.

Our Business

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

Your Company has a well-balanced and diversified portfolio of power assets, which together provide cash flow stability, growth and potential profitability upside. As of March 31, 2019, your Company's portfolio comprises:

- Two fully-operational thermal power assets with four 0.66 GW supercritical coal-fired units, having a total power generation capacity of 2.64 GW located in the state of Andhra Pradesh, India;
- 35 wind energy assets with a total power generation capacity of approximately 1.72 GW located across

seven states in India; this includes approximately 0.55 GW in two wind power assets that we are currently constructing in the state of Gujarat, India; and

- Three solar power assets with a total power generation capacity of 0.04 GW located in the states of Rajasthan and Gujarat, India.

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

Dividend

The Company has not generated profits for the current financial year on standalone basis. Accordingly, no dividend has been proposed for the financial year 2018-19.

Transfer to Reserves

The Company is not proposing any provision for transfer to Reserves for the financial year 2018-19.

3. Subsidiaries / Joint Ventures/ Associates

Holding Company

The Company is a subsidiary of Sembcorp Utilities Pte. Ltd .(SCU), registered in Singapore.

Subsidiaries / Joint Ventures/ Associates

As on March 31, 2019, the Company had 27 subsidiaries, 18 are wholly-owned subsidiaries. During the year, the following changes occurred in your Company's holding structure:

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

- During the year, one of the subsidiary Company Green Infra Wind Techno Solutions Limited applied to the Registrar of Companies for striking off its name under the provisions of the Companies Act, 2013 and the name of the Company has been struck off by the Register of Companies and the said Company stands dissolved.

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

Your Company do not have any Associate Company / Joint Ventures.

4. Internal Financial Controls

As per the provisions of Section 134(5)(e) of the Companies Act, 2013, the Company has in place adequate internal financial controls with reference to financial statements. Audit Committee periodically reviews the adequacy of internal financial controls. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

5. Contracts or Arrangements with Related Parties

There are no new contracts or arrangements entered into by the Company during the current year, with the related parties except the transactions related to general expenses or other transactions which are not falling under the provisions of Section 188 of the Companies Act 2013. Accordingly, nil disclosure of particulars of contracts/ arrangements entered into by the Company with related parties are provided in the prescribed form AOC -2 as referred to in sub-section (1) of section 188 of the Companies Act, 2013, as Annexure -2.

6. Auditors and Auditors' Report

Statutory Auditors

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

Auditors' Report

The Auditor's Reports on the standalone and the consolidated financial statements does not contain any qualification, reservation or adverse remark requiring any explanations / comments by the Board of Directors.

Cost Auditor and Cost Audit Report

M/s Narasimha Murthy & Co., Cost Accountants, Hyderabad were appointed as the Cost Auditor of your Company for Financial year 2018-19 in accordance with the requirement of Central Government and provisions of Section 148 of the Companies Act, 2013.

The Company duly made and maintain Cost Records, required to be maintained under Section 148 (1) of the Act, in compliance with the cost auditing standards in accordance with the Companies (Cost Records and Audit) Rules, 2014 and carries out an audit of Cost accounts applicable to the Company.

Your Board, as recommended by the Audit Committee, appointed for the financial year 2019-20 M/s Narasimha Murthy & Co., Cost Accountants, Hyderabad for audit of Cost Records maintained by the Company in respect of electricity industry. Pursuant to Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, a resolution seeking the ratification of the remuneration of the said Cost Auditors by the members proposed in the Notice convening the 11th Annual General Meeting of the Company.

Secretarial Auditor

The Board of Directors of the Company have appointed M/s BS & Company, Company Secretaries LLP, as the Secretarial Auditor of the Company to conduct a Secretarial Audit of records and documents of the Company for financial year 2018-19.

Secretarial Audit Report for the financial year 2018-19 dated July 6, 2019 is annexed to the Directors' Report as Annexure-5. The Audit Report does not contain any qualification, reservation or adverse requiring any comments/ reply by the Board of Directors.

Reporting of Frauds by the Auditors

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee or otherwise under Section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

7. Directors and Key Management Personnel

Directors

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

In terms of Section 149 of the Act, Mr. Radhe Shyam Sharma, Ms. Sangeeta Talwar, Mr. Bobby Kanubhai Parikh and Mr. Kalaikuruchi Jairaj are the Independent Directors of the Company. The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Key Managerial Personnel (KMP)

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

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

Policy on Directors' Appointment and Remuneration

In terms of the provisions of Section 178(3) of the Act and Regulation 19 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee is responsible for formulating the criteria for determining qualification, positive attributes and independence of a Director. The Nomination and Remuneration Committee is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. In line with this requirement, the Committee reviews and if deemed fit, recommend the appointments/ remunerations of the Board Members, Key Managerial Personnel and senior managerial personnel of the Company from time to time.

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

8. Particulars of Loans, Guarantees, Investments and Securities

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

9. Public Deposits

During the year, the Company has not accepted any deposits from the public as defined under the Companies Act, 2013 read with the Companies (Acceptance of Deposit Rules), 2014, and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the Balance Sheet.

10. Board and its Committees

Board Meetings

During the year 2018-19, 4 (Four) meetings of the Board of Directors were held on various dates on May 21, 2018, July 30, 2018, October 31, 2018 and February 11, 2019.

Audit Committee

The Audit Committee of the Company consists of four Directors, Mr. R. S. Sharma, Chairman, Mr. K. Jairaj, Ms. Sangeeta Talwar and Ms. Looi Lee Hwa as its other members. Majority of the Members of the Committee are Independent Directors and possess accounting and financial management knowledge. The Company Secretary of the Company is the Secretary of the Committee. All the recommendations of the Audit Committee were accepted by the Board.

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

The Nomination and Remuneration Committee has carried out an Annual Performance Evaluation of the Board, Board Committees and Individual Directors pursuant to the provisions of the Companies Act, 2013 and the Corporate Governance requirements as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Directors Responsibility Statement

Pursuant to Section 134(3)(5) of the Companies Act, 2013 and to the best of their knowledge and information provided, your directors confirm that:

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

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

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

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

e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

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

Secretarial Standards (SS)

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

11. Safety, Occupational Health and Environment

At your Company the Health, Safety & Wellbeing of our employees, subcontractors and all related personnel is vital. Our goal is zero incident. We have made Health, Safety & Environment Core Value of our company and implemented an extensive and comprehensive HSE policy.

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

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

Your Company's Nellore site achieved 26.46 Million accident free man-hours as on March 31, 2019.

During the year 2018-19, following Occupational Health & Safety initiatives implemented:

- Behaviour Based Safety [BBS] System.
- Lone Working Safety.
- QR Code System for reporting OH&S observations, incidents.
- Daily Mailers for improving awareness among all stakeholders.
- Near Miss Policy, Mandatory PPEs Policy, Rewards & Consequence Management Policies released.

Our Company recognizes that excellence in health, safety and Environment is an ongoing journey and remain committed to implementing best practices, benchmark with the national and international HSE standards.

Your Company OH&S efforts towards sustainable power generations was recognized with following awards in 2018 - 19:

- 7th FICCI Safety Systems Excellence Award
- Corporate BBS Award [Energy Sector]

A separate and detailed section has been provided on Health, Safety and Environment.

Environment and Sustainability – Thermal

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

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

Your Company has been developing green cover by planting saplings to develop a dense green belt in and around its area of operations. More than 4,00,000 saplings of 40 different species have been planted. The Conocarpus plant selections are based on eco-suitability and sustainability with environmental merits.

Your Company's Environmental Management efforts towards sustainable power generations was recognized by Golden Peacock Management Award in 2018 - 19.

Environment and Sustainability – Renewable

Your Company is committed to sustainable power generation and contributing to India's commitment to curbing rising carbon levels through its power generation from renewable energy sources. In 2018 - 19, SGIL, a subsidiary of your company has mitigated 1.82 Million Metric tons of Co2 (22% higher than 2017 - 18) which demonstrates Sembcorp's commitment to Sustainable Development.

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

Your Company's Environmental Management efforts towards sustainable power generations was recognized with following awards in 2018 - 19.

1. Greentech Annual Environment Excellence Awards, Gold Award, 2018
2. Greentech Annual Safety Awards, Platinum Award, 2018
3. Apex India Environment Excellence Award, Gold Award 2018

Certifications

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

Our Company's Renewable Plant's management system for the generation and supply of power through renewable energy sources has been certified with ISO 9001:2015, ISO 14001:2015 and BS OHSAS 18001:2007 standards pursuant to certificates of registration (44 100 133353, 44 104 133353 and 44 116 133353 respectively) dated June 18, 2018 issued by TUV NORD CERT GmbH.

12. Governance

Corporate Governance Report

The Company's philosophy on Corporate Governance is to attain the highest level of transparency, accountability and integrity. The true meaning of Corporate Governance is to satisfy the aspirations of all stakeholders, customers, suppliers, leaders, employees, the shareholders and the expectations of the society. Good Corporate Governance is a way of life and the way we do Company's business, encompassing every day's activities and is enshrined as a part of Company's way of working.

Your corporate structure, business, operations, and disclosure practices are aligned to the global practices. The Company is committed to conducting business fairly, ethically and in accordance with applicable laws of the land. Your management processes, including your company's commitment to the environment and sustainability, aim to reflect the robust governance practices of the Sembcorp group.

The Board and management of the Company recognizes that well-defined corporate governance processes are essential in enhancing corporate accountability and long-term sustainability, and hence, the Company is committed to high standards of governance to preserve and maximize stakeholders value.

A separate report on Corporate Governance pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 have been attached to this report, as applicable.

Whistle Blower Policy

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

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

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

Prevention of sexual harassment of women at the workplace

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

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

Risk Management

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

Risk Management Framework

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

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

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

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

Risk Management Governance Structure

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

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

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

13. Corporate Social Responsibility

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

The Corporate Social Responsibility Committee had formulated and recommended to the Board, a Corporate Social Responsibility Policy ("CSR Policy") indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities, which was subsequently adopted by it and is being implemented by the Company. The CSR Policy including a brief overview of the projects or programs proposed to be undertaken can be accessed at the Company's website at https://sembcorpenergyindia.com/AboutUs/CodeEthics

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

14. Human Resources

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

Organization structure changes and efforts to induct key skills to ensure productivity and to promote effectiveness in achieving business goals were undertaken. Your Company continues to focus on succession planning with measures initiated to have strong talent & leadership pipeline across all levels and bringing on board new expertise in areas targeted for accelerated development. Efforts towards development and retention of talent through a combination of measures related to capability building, engagement and competitive rewards were undertaken during the year.

Various engagement initiatives involving employees and families were rolled out. Also, existing employee communication channels were strengthened through structured Town Hall meetings. A number of initiatives were also undertaken to ensure that care and support is given to employees through policies which help improve quality of life for employees.

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

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

The information in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 is attached as Annexure - 1 to this Report.

16. Secretarial and Other Matters

Extract of Annual return

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

17. Regulatory and Legal Matters

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

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

Material Changes and Commitment

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

18. Acknowledgement

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

For and on behalf of the Board

Neil Garry McGregor
Chairman
(DIN: 07754310)

Vipul Tuli
Managing Director
(DIN: 07350892)

Date: August 13, 2019
Place: Gurugram

Annexure - 1

ANNEXURES TO DIRECTORS' REPORT

Information as per Section 134 (3) (m) of The Companies Act, 2013 read with The Companies (Accounts) rules, 2014 forming part of the Directors' Report for the year ended March 31, 2019

A. Conservation of Energy

a) Steps taken by the Company during the year on conservation of energy:

i. To reduce the throttling losses of turbine cycle Sembcorp-P1 Unit #1 Re-heater Strainer removed. This resulted in improvement of Heat rate.

ii. To reduce the throttling losses of turbine cycle Sembcorp-P2 Unit #1 Main Steam & Re-heater Strainer removed. This resulted in improvement of Heat rate.

iii. Both plants ESP field current settings are adjusted as per the unit loading to achieve optimised power consumption for maintaining opacity levels within regulations. Insulator heating heater settings were adjusted with timer based operation to optimise the power consumption.

iv. Sembcorp-P1 Condensate Extraction Pump was operating at higher pressure consuming more power. Pressure was reduced by removing an impeller stage thus achieving reduction in power consumed by the pump.

v. Both Natural Draft Cooling Towers water distribution fills expanded to peripheries and additional nozzles were installed to improve the distribution of water resulting in cooling water temperature reduction.

vi. Both Plants High energy steam/ water drains related to process which were passing and leaking out energy were identified and attended during opportunity to reduce the energy loss.

vii. Both plants Combusting tuning of boiler was carried out with using special instruments to optimise boiler efficiency through reduction in loss of ignition. Further Air flow optimisation reduced auxiliary power consumption of plant.

viii. Sembcorp-P1 Unit #1 Coal Mill discharge pipes were insulated to reduce the heat drop across the coal pipes to improve the boiler efficiency.

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

c) Capital investment on energy conservation equipment incurred by the Company during the year:

- Dirty Air velocity Test kit (DAVT) – 14.5 Lakhs
- Sembcorp P1 Unit #1 Coal Mill discharge pipes insulation- 103 Lakhs

B. Technology Absorption

i) Efforts made towards technology absorption by the Company during the year in the following areas:

i) Turbine Fast cooling system (TFCS)

ii) Dirty Air velocity Test kit (DAVT)

iii) Drone monitoring of stock yard

iv) Real time Data Control System (RTDCS)

v) Spare part development with laser scanning.

vi) Computer Radiography

vii) Acoustic idler monitoring device

viii) PeakVUE technology monitoring of Low speed bearings

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

i. Sembcorp-P1 Implemented Turbine Fast cooling system (TFCS) in units to achieve reduction in unit outage time by 72 hours during long shutdowns.

ii. Both plants Mill performance improved through adjusting velocities in mill pipes by Dirty Air velocity Test kit (DAVT) to improve coal combustion in boiler

iii. Sembcorp P1 Real time Data Control System (RTDCS) installed for Data Acquisition of all breakers energy meters and auto monitoring of healthiness of relays to improved reliability.

iv. Both plants Drone monitoring of stock yard implemented for physical verification of coal stockyard to reduced monitoring time significantly compared to manual processes.

v. Spare part development introduced for 3D part drawings of Turbine internal parts have been developed through laser scanning during overhaul to improve the repository of drawings.

vi. Both plants Computer Radiography tests of boiler introduced for welding inspections to check immediately for defects. This process reduced the downtime of unit significantly over conventional processes.

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

iv) The expenditure incurred on Research & Development : NIL

C. Foreign Exchange Earnings And Outgo

Total foreign exchange used and earned during the year:

Used	-	USD	515,625,818
		SGD	2,573,838
		EUR	50,885
		AUD	3,220
		GBP	98,606
Earned	-	USD	124,491

Annexure - 2

ANNEXURES TO DIRECTORS' REPORT

FORM NO. AOC-2

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

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

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

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

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

Neil Garry McGregor
Chairman
(DIN: 07754310)

Vipul Tuli
Managing Director
(DIN: 07350892)

Date: August 13, 2019
Place: Gurugram

Annexure - 3

ANNEXURES TO DIRECTORS' REPORT

Annual Report on Corporate Social Responsibility (CSR)

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

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

The Board of Directors, on recommendation of the Corporate Social Responsibility Committee framed a Corporate Social Responsibility Policy which is posted on the Company's website.

The Company has been actively working in the following area as CSR activities, as prescribed under Schedule VII of the Companies Act, 2013:

- Skilling and entrepreneurship development
- Education
- Healthcare

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

2. The Composition of the CSR Committee. The CSR Committee of Directors comprises of Ms. Sangeeta Talwar, Chairman of the Committee, Mr. R. S. Sharma, Mr. T. V. Sandeep Reddy Mr. Vipul Tuli and Mr. K. Jairaj as its other members.

3. Average net profit of the Company for last three financial years is ₹224.35 million

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) is ₹4.49 million

5. Details of CSR spent during the financial year

(a) Total amount budgeted to be spent for the financial year- ₹14.90 millions.

(b) Amount unspent, if any - Nil

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

Sr. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken.	Amount Outlay (Budget) project or programs wise (₹ in millions)	Amount spent on the projects or programs subheads: (1) Direct Expenditure (2) Overheads (₹ in millions)		Cumulative Expenditure upto the reporting period (₹ in millions)	Amount Spent: Direct or through implementing agency
					Direct	O/ H		
1	Skilling and entrepreneurship development	Employment enhancing vocational skills	Local Area and in SPSR, Nellore District, Andhra Pradesh	6.89	5.26	1.63	6.89	Direct
2	Education	Promotion of Education and promoting Gender equality and empowering women		2.48	2.40	0.08	2.48	Direct
3	Health Care	Promoting health care including preventive health care		5.53	2.60	2.93	5.53	Direct
			Total	**14.90**	**10.26**	**4.64**	**14.90**	

6. Reasons for not spending two percent of the average net profit of the last three financial years or any part thereof on CSR. if any - Not Applicable

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

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

Vipul Tuli
Managing Director

Sangeeta Talwar
Chairman, CSR Committee

Annexure - 4

ANNEXURES TO DIRECTORS' REPORT

Form No. MGT -9

Extract of Annual Return

as on the financial year ended on March 31, 2019

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

I. Registration and Other Details:

CIN	U40103TG2008PLC057031
Registration Date	08/01/2008
Name of the Company	Sembcorp Energy India Limited (Formerly, Thermal Powertech Corporation India Limited)
Category / Sub-Category of the Company	Public Company/ Limited by Shares
Address of the Registered office and contact details	6-3-1090, A-5, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad, Telangana – 500082 Email : cs.india@sembcorp.com Website: sembcorpenergyindia.com Tel +91 124 389 6700 Fax +91 124 389 6710
Whether listed company	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Fintech Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032, India Tel: +91 40 6716 2222 Toll Free (India): 1-800-3454-001 Fax : +91 40 2342 0814 Email : einward.ris@karvy.com www.karvyfintech.com

II. Principal Business Activities of the Company

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

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

III. Particulars of Holding, Subsidiary and Associate Companies -

Sl. No.	Name of the company	Address of the company	CIN/GLN	Holding/ subsidiary/ Associate	% of shares held	Applicable Section
1.	Sembcorp Utilities Pte Ltd ('SCU')	30 Hill Street, #05-04, Singapore, 179360, Singapore	Foreign Body Corporate 197300648H	Holding	93.73%	2 (46)
2.	TPCIL Singapore Utilities Pte Ltd ('TPCIL SG')	30 Hill Street, #05-04, Singapore, 179360, Singapore	Foreign Body Corporate 201434377G	Subsidiary	100%	2(87)(ii)
3.	Sembcorp Green Infra Limited ('SGIL')	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U45400HR2008PLC068302	Subsidiary	100%	2(87)(ii)
4.	Green Infra Wind Ventures Limited ("GIWVL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U40101HR2010PLC070260	Subsidiary	100%	2(87)(ii)
5.	Green Infra Corporate Wind Limited ("GICWL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U45203HR2008PLC070247	Subsidiary	100%	2(87)(ii)
6.	Green Infra Wind Energy Assets Limited ("GIWEAL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U40101HR2011PLC072040	Subsidiary	100%	2(87)(ii)
7.	Green Infra Wind Energy Project Limited ("GIWEPL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U40108HR2011PLC070251	Subsidiary	100%	2(87)(ii)
8.	Green Infra Wind Farm Assets Limited ("GIWFAL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U40102HR2011PLC070253	Subsidiary	100%	2(87)(ii)
9.	Green Infra Wind Power Limited ("GIWPL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U40102HR2010PLC070255	Subsidiary	100%	2(87)(ii)
10.	Green Infra Wind Generation Limited ("GIWGL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U40300HR2011PLC071902	Subsidiary	70.53%	2(87)(ii)
11.	Green Infra Wind Power Generation Limited ("GIWPGL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U40108HR2011PLC078213	Subsidiary	72.27%	2(87)(ii)
12.	Green Infra BTV Limited ("GIBTVL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U40109HR2008PLC070246	Subsidiary	90.46%	2(87)(ii)
13.	Green Infra Wind Power Theni Limited ("GIWPTL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U40105HR2011PLC070256	Subsidiary	73.21%	2(87)(ii)
14.	Green Infra Wind Energy Theni Limited ("GIWETL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U40109HR2011PLC070252	Subsidiary	73.02%	2(87)(ii)
15.	Green Infra Wind Assets Limited ("GIWAL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U45203HR2008PLC078209	Subsidiary	100%	2(87)(ii)

Sl. No.	Name of the company	Address of the company	CIN/GLN	Holding/ subsidiary/ Associate	% of shares held	Applicable Section
16.	Green Infra Wind Energy Limited ("GIWEL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U23200HR2005PLC078211	Subsidiary	100%	2(87)(ii)
17.	Green Infra Wind Power Projects Limited ("GIWPPL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U40108HR2011PLC078214	Subsidiary	69.03%	2(87)(ii)
18.	Green Infra Wind Farms Limited ("GIWFL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U45203HR2008PLC071903	Subsidiary	60.92%	2(87)(ii)
19.	Green Infra Clean Wind Energy Limited ("GICWEL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U40106HR2012PLC070198	Subsidiary	100%	2(87)(ii)
20.	Green Infra Corporate Solar Limited ("GICSL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U40106HR2011PLC078215	Subsidiary	100%	2(87)(ii)
21.	Green Infra Wind Limited ("GIWL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U40300HR2011PLC070254	Subsidiary	100%	2(87)(ii)
22.	Green Infra Wind Solutions Limited ("GIWSL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U40300HR2012PLC070258	Subsidiary	100%	2(87)(ii)
23.	Green Infra Wind Technology Limited ("GIWTL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U40300HR2012PLC070259	Subsidiary	100%	2(87)(ii)
24.	Green Infra Solar Energy Limited ("GISEL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U40107HR2010PLC070248	Subsidiary	100%	2(87)(ii)
25.	Green Infra Solar Farms Limited ("GISFL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U40107HR2010PLC070249	Subsidiary	100%	2(87)(ii)
26.	Green Infra Solar Projects Limited ("GISPL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U40108HR2011PLC070250	Subsidiary	100%	2(87)(ii)
27.	Mulanur Renewable Energy Limited ("MREPL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U40300HR2016PLC070808	Subsidiary	67.30%	2(87)(ii)
28.	Green Infra Renewable Energy Limited ("GIREL")	5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurgaon - 122002, Haryana, India	U74999HR2017PLC067954	Subsidiary	99.00%	2(87)(ii)

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

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01.04.2018)				No. of Shares held at the end of the year (as on 31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	
b) Central Government	-	-	-	-	-	-	-	-	
c) State Government	-	-	-	-	-	-	-	-	
d) Bodies Corporate	-	-	-	-	-	-	-	-	
e) Banks/FI	-	-	-	-	-	-	-	-	
f) Any other	-	-	-	-	-	-	-	-	
Sub -total (A)(1) :-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
(2) Foreign						-	-		
a) NRIs – Individuals	-	-	-	-	-	-	-	-	
b) Other Individuals	-	-	-	-	-			-	
c) Bodies Corporate	4,83,52,63,373	-	4,83,52,63,373	93.73	4,83,52,67,901	-	4,83,52,67,901	93.73	
d) Banks/ FI	-	-	-	-	-	-	-	-	
e) Any other (As Nominee of SCU)	-	4,618	-	-	90	-	90	-	
Sub - total (A) (2):-	**4,83,52,63,373**	**4,618**	**4,83,52,67,991**	**93.73**	**4,83,52,67,991**	**-**	**4,83,52,67,991**	**93.73%**	
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	**4,83,52,63,373**	**4,618**	**4,83,52,67,991**	**93.73**	**4,83,52,67,991**	**-**	**4,83,52,67,991**	**93.73%**	
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	
a) Mutual Funds	-	-	-	-	-	-	-	-	
b) Banks/FI	-	-	-	-	-	-	-	-	
c) Central Government	-	-	-	-	-	-	-	-	
d) State Government	-	-	-	-	-	-	-	-	
e) Venture Capital funds	-	-	-	-	-	-	-	-	
f) Insurance Companies	-	-	-	-	-	-	-	-	
g) Foreign Institutional Investors	-	-	-	-	-	-	-	-	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	
i) Others	-	-	-	-	-	-	-	-	
Sub-total (B)(1):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
2. Non Institutions	-	-	-	-	-	-	-	-	
A. Bodies Corporates									
i) Indian	32,34,52,917	-	32,34,52,917	6.27%	32,34,52,917	-	32,34,52,917	6.27%	-
ii) Overseas	-	-	-	-	-	-	-	-	

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01.04.2018)				No. of Shares held at the end of the year (as on 31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Individual	-	-	-	-	-	-	-	-	
i) Individual shareholders holding nominal share capital upto ₹1 lakh	-	-	-	-	-				
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	-	-	-	-	-	-	-	-	
Others (specify) (as a Nominee of GEVPL)	-	856	856	-	730	126	856	-	
Sub-total (B)(2):-	**32,34,52,917**	**856**	**32,34,53,773**	**6.27%**	**32,34,53,647**	**126**	**32,34,53,773**	**6.27%**	**-**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**32,34,52,917**	**856**	**32,34,53,773**	**6.27%**	**32,34,53,647**	**126**	**32,34,53,773**	**6.27%**	**-**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**515,87,16,290**	**5, 474**	**5,15,87,21,764**	**100.00%**	**5,15,87,21,638**	**126**	**5,15,87,21,764**	**100.00%**	**-**

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2018)			Shareholding at the end of the year (as on 31.03.2019)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Sembcorp Utilities Pte Ltd along with its nominees	4,83,52,67,991	93.73%	Nil	4,83,52,67,991	93.73%	Nil	-
	Total	**4,83,52,67,991**	**93.73%**	**35%**	**4,83,52,67,991**	**93.73%**	**Nil**	**-**

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

S. No.	Name of the Shareholder	Shareholding at the beginning of the year		Date	Reason	Increase/ Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company

NO CHANGE

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

Shareholding Pattern of Top 10 Shareholders (Other than Promoters, Directors and Holders of GDRs and ADRs)

S. No.	Type	Name of the Shareholder	Shareholding at the beginning of the year (as on 01.04.2018)		Date	Reason	Increase/Decrease in shareholding		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company			No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Equity	Gayatri Energy Ventures Private Limited ('GEVPL') along with its Nominees	32,34,53,773	6.27%	Not Applicable				32,34,53,773	6.27%

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name of the Director / Key Managerial Personnel	Shareholding at the beginning of the year (as on 01.04.2018)		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total Shares			No. of shares	% of total Shares	No. of Shares	% of total Shares
1.	Mr. T.V. Sandeep Kumar Reddy*	326	Negligible	31.03.2019	-	-	-	326	Negligible
2.	Mr. Neil Garry McGregor*	924	Negligible	08.05.2018 31.03.2019	Transfer of shares -	(924) -	Negligible -	- -	- -
3.	Mr. Vipul Tuli	-	-	31.03.2019	-	-	-	-	-
4.	Ms. Looi Lee Hwa	-	-	31.03.2019	-	-	-	-	-
5.	Mr. Radhey Shyam Sharma	-	-	31.03.2019	-	-	-	-	-
6.	Ms. Sangeeta Talwar	-	-	31.03.2019	-	-	-	-	-
7.	Mr. Bobby Kanubhai Parikh	-	-	31.03.2019	-	-	-	-	-
8.	Mr. Kalaikuruchi Jairaj	-	-	31.03.2019	-	-	-	-	-
9.	Mr. Juvenil Ashwinkumar Jani*	-	-	08.05.2018 31.03.2019	Transfer of shares -	18 -	Negligible -	18 18	Negligible Negligible
10.	Mr. Narendra Ande	-	-	31.03.2019	-	-	-	-	-

* held as a nominee of body corporate.

V. Indebtedness

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

(₹ in Millions)

Name and Description of main products / services	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	107,090	42,400	-	149,490
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	67	4,428	-	4,495
Total (I + ii + iii)	**107,157**	**46,828**	**-**	**153,985**
Change in Indebtedness during the financial year				
Addition	16,486	3,578	-	20,064
Reduction	18,330	1,303	-	19,633
Net Change	**(1844)**	**2,275**	**-**	**431**
Indebtedness at the end of the financial year			-	-
Principal Amount	105,167	42,400	-	147,567
Interest due but not paid	-	-	-	-
Interest accrued but not due	145	6,703	-	6,849
Total (i+ii+iii)	**105,312**	**49,103**	**-**	**154,416**

VI. Remuneration of Directors and Key Managerial Personnel

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

(in ₹)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager Mr. Vipul Tuli, Managing Director	Total Amount
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,83,59,239	5,83,59,239
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39,600	39,600
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2.	Stock Option	69,20,489	69,20,489
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit/	-	-
	- others, specify	-	-
5.	Others, please specify	-	-
6.	**Total (A)**	**6,53,19,328**	**6,53,19,328**
7.	Ceiling as per the Act	Not Applicable	

B. Remuneration to other Directors

(in ₹)

Particulars of Remuneration	Name of Directors				Total
	Mr. Radhey Shyam Sharma[1]	Ms. Sangeeta Talwar	Mr. Bobby Kanubhai Parikh	Mr. Kalaikuruchi Jairaj	
Independent Directors					
Fee for attending Board/ Committee Meetings	18,00,000	14,00,000	7,00,000	12,00,000	51,00,000
Commission	-	-	-	-	-
Others, please specify	-	-	-	-	-
Total (1)	**18,00,000**	**14,00,000**	**7,00,000**	**12,00,000**	**51,00,000**
Other Non-Executive Directors					
Fee for attending Board	-	-	-	-	-
Committee Meetings	-	-	-	-	-
Commission	-	-	-	-	-
Others, please specify	-	-	-	-	-
Total (2)	**-**	**-**	**-**	**-**	**-**
Total (B)=(1+2)	**18,00,000**	**14,00,000**	**7,00,000**	**12,00,000**	**51,00,000**
Total Managerial remuneration*					**7,04,19,328**
Overall Ceiling as per the Act	Not Applicable				

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

[1] Includes sitting fees paid as directors of Sembcorp Gayatri Power Limited (Now amalgamated with Sembcorp Energy India Limited)

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

(in ₹)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Narendra Ande, Company Secretary	Mr. Juvenil Ashwinkumar Jani, Chief Financial Officer	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	57,86,298	2,12,53,287	2,70,39,585
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit/	-	-	-
	- others, specify			
5.	Others, please specify	-	-	-
6.	**Total (A)**	**57,86,298**	**2,12,53,287**	**2,70,39,585**

VII. Penalties / Punishment/ Compounding of Offences:

(₹ in Millions)

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

For and on behalf of the Board

Neil Garry McGregor
Chairman
(DIN: 07754310)

Vipul Tuli
Managing Director
(DIN: 07350892)

Annexure - 5

ANNEXURES TO DIRECTORS' REPORT

Form No. MR-3

Secretarial Audit Report

For the Financial Year ended 31st March, 2019

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

To,
The Members,
SEMBCORP ENERGY INDIA LIMITED
(Formerly Known as
Thermal Powertech Corporation India Limited)
Hyderabad

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other documents/ records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company and relied on the information provided by the management and its officers for the financial year ended on 31st March, 2019 according to the provisions of:

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

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

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

(4) The Company has identified the following Acts specifically applicable to the Company:

   i. The Environment Protection Act, 1986;

   ii. The Water (Prevention and Control of Pollution) Act, 1974;

   iii. The Air (Prevention and Control of Pollution) Act, 1981;

   iv. The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008;

   v. The Batteries (Management & Handling) Rules, 2001

   vi. The Bio-Medical Waste Management Rules, 2016

   vii. The E-Waste (Management) Rules, 2016

   viii. The Boilers Act, 1923;

   ix. The Explosives Act, 1884 read with Gas Cylinders Rules, 2016

   x. The Petroleum Act, 1934 read with Petroleum Rules, 2002

   xi. The Electricity Act, 2003;

   xii. The Factories Act, 1948

   xiii. The Industrial Employment (Standing Orders) Act, 1946

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

We have also examined compliances with the applicable clauses of Secretarial Standards 1 & 2 issued by The Institute of Company Secretaries of India (ICSI).

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

We further report that

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

b. Adequate notice was given to all directors for convening the Board/ Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and through shorter notice for some of the board and committee meetings, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

d. Based on the information, documents provided and the representations made by the Company, its officers during our audit process and also on review of the compliance reports of the management and the respective heads taken on record by the Board of Directors of the Company periodically, in our opinion , there are adequate systems and processes exists in the Company to commensurate with the size and operations of the Company, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

e. The compliance by the Company of the applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed by us since the same have been subject to review by statutory auditors and other professionals.

We further report that following were the major events during the audit period:

1. The Shareholders approved the Scheme of amalgamation u/s 233 of the Companies Act, 2013 of Sembcorp Gayatri Power Limited ('SGPL') (Transferor Company) with Sembcorp Energy India Limited ("Sembcorp") (Transferee Company) (formerly, Thermal Powertech Corporation India Limited) in the Extra-Ordinary General Meeting held on 10th September, 2018.

2. The Hon'ble Regional Director, South East Region, Ministry of Corporate Affairs confirmed/approved the said Scheme of amalgamation w.e.f. 01-04-2017 by passing his Order dated 31st October, 2018.

3. The Board reconstituted Nomination and Remuneration Committee and CSR Committee in the Board Meeting held on 11.02.2019 by induction of Mr. K. Jairaj in both the Committees.

For BS & Company, Company Secretaries LLP

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

Date: 06.07.2019
Place: Hyderabad

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

Annexure

To,
The Members,
SEMBCORP ENERGY INDIA LIMITED
(Formerly Known as
Thermal Powertech Corporation India Limited)
Hyderabad

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

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

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

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

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

5. The compliance of the provisions of Companies Act, 2013 and other applicable laws, Rules, Regulations, secretarial standards issued by ICSI is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.

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

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

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

For BS & Company Company Secretaries LLP

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

Date: 06.07.2019
Place: Hyderabad

Annexure - 6

ANNEXURES TO DIRECTORS' REPORT

FORM NO. AOC-1

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

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

Part "A": Subsidiaries

Sl No.	Name of Subsidiaries	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Exchange Rate as at 31st March, 2019	Share capital	Reserve and surplus	Total assets	Total liabilities	Investments	Turnover	Other Income	Profit/ (Loss) before Taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed dividend	% of equity shareholding
1	TPCIL Singapore Pte Ltd*	No	USD	69.17	1.13	(1.30)	0.10	0.27	-	-		(0.70)	-	(0.70)	-	100.00
2	Sembcorp Green Infra Limited	No	INR		2,853.95	15,248.10	18,218.71	116.66	17,215.46	483.88	188.63	240.42	70.93	169.49	-	100.00
3	Green Infra Wind Ventures Limited	No	INR		960.30	92.88	1,920.26	867.09	1,917.10	-	0.00	(123.83)	0.38	(124.20)	-	100.00
4	Green Infra Wind Energy Limited	No	INR		11,998.06	(900.60)	45,132.37	34,034.91	353.44	2,621.11	858.63	947.44	258.44	689.00	-	100.00
5	Green Infra Wind Farms Limited	No	INR		8.00	(74.69)	1,175.63	1,242.31	426.70	244.78	22.13	(1.25)	15.62	(16.86)	-	60.93
6	Green Infra Wind Power Limited	No	INR		302.27	(93.38)	813.45	604.57	134.01	134.07	6.60	(5.64)	-	(5.64)	-	100.00
7	Green Infra Corporate Wind Limited	No	INR		296.34	(72.06)	848.88	624.59	154.24	140.18	7.53	(2.18)	-	(2.18)	-	100.00
8	Green Infra Wind Energy Assets Limited	No	INR		19.48	298.54	894.47	576.45	248.77	143.99	6.19	(9.04)	2.66	(11.70)	-	100.00
9	Green Infra Wind Generation Limited	No	INR		18.74	(255.69)	1,142.10	1,379.05	10.89	195.08	43.20	(43.41)	-	(43.41)	-	70.55
10	Green Infra Wind Power Projects Limited	No	INR		17.49	253.90	1,376.84	1,105.45	358.19	264.77	51.13	93.61	26.94	66.67	-	69.06
11	Green Infra Wind Energy Project Limited	No	INR		315.50	341.12	1,350.99	694.36	218.18	268.59	20.68	139.41	31.44	107.97	-	100.00
12	Green Infra Wind Power Generation Limited	No	INR		1,339.29	6.66	7,977.30	6,631.35	119.03	1,213.41	57.16	2.41	5.51	(3.10)	-	72.29
13	Green Infra Wind Farm Assets Limited	No	INR		733.00	50.69	2,875.44	2,091.74	659.12	439.90	227.46	174.59	85.52	89.07	-	100.00
14	Green Infra Solar Energy Limited	No	INR		7.88	517.11	1,167.28	642.29	404.39	238.14	13.63	88.97	44.13	44.84	-	100.00
15	Green Infra Solar Farms Limited	No	INR		20.52	934.34	2,061.51	1,106.65	546.15	313.03	84.56	152.62	69.18	83.44	-	100.00
16	Green Infra Solar Projects Limited	No	INR		5.50	254.54	547.93	287.89	148.11	82.16	15.48	36.22	14.68	21.53	-	100.00
17	Green Infra BTV Limited	No	INR		812.50	481.17	2,921.00	1,627.33	148.76	532.85	100.64	228.19	72.92	155.27	-	90.46
18	Green Infra Wind Energy Theni Limited	No	INR		139.00	47.09	400.24	214.15	59.96	28.77	8.49	(57.91)	(15.16)	(42.75)	-	73.02
19	Green Infra Wind Power Theni Limited	No	INR		56.00	10.76	189.10	122.34	83.27	27.13	5.47	4.70	2.09	2.61	-	73.21
20	Green Infra Corporate Solar Limited	No	INR		1,080.65	899.55	11,815.87	9,835.67	486.01	1,784.88	467.94	341.03	132.91	208.12	-	100.00
21	Mulanur Renewable Energy Limited	No	INR		402.80	103.62	1,676.97	1,170.55	168.13	198.66	231.85	175.45	54.31	121.13	-	67.30
22	Green Infra Renewable Energy Limited	No	INR		100.00	243.68	18,854.69	18,511.01	37.18	779.20	710.63	492.46	245.33	247.13	-	99.00
23	Green Infra Wind Solutions Limited	No	INR		854.50	(46.35)	3,717.00	2,908.86	2.44	300.10	328.28	134.90	30.36	104.54	-	100.00
24	Green Infra Wind Limited*	No	INR		21.50	(2.63)	36.38	17.52	-	-	-	(0.56)	0.11	(0.67)	-	100.00
25	Green Infra Wind Technology Limited*	No	INR		0.50	14.56	57.71	42.66	-	-	-	(3.17)	1.47	(4.64)	-	100.00
26	Green Infra Wind Assets Limited*	No	INR		3.50	36.72	570.07	529.85	570.00	-	0.00	(46.51)	0.00	(46.51)	-	100.00
27	Green Infra Clean Wind Energy Limited*	No	INR		0.50	(0.44)	0.07	0.01	-	-	-	(0.05)	-	(0.05)	-	100.00

Refer 0.00 million as figures less than 0.01 million

*Subsidiaries which are yet to commence operations

Part "B": Associates and Joint Ventures

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

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

1. Names of associates or joint ventures which are yet to commence operations.

2. Names of associates or joint ventures which have been liquidated or sold during the year.

For and on behalf of the Board of Directors of
Sembcorp Energy India Limited
(Formerly Thermal Powertech Corporation India Limited)
CIN: U40103TG2008PCL057031

Neil McGregor
Chairman
DIN: 07754310

Vipul Tuli
Managing Director
DIN: 07350892

Juvenil Jani
Chief Financial Officer

Narendra Ande
Company Secretary
Membership No: A14603

Date: 17 May, 2019
Place: Gurugram

ANNEXURES TO DIRECTORS' REPORT

Report on Corporate Governance

Company's Philosophy on Corporate Governance

The Company's philosophy on Corporate Governance is to attain the highest level of transparency, accountability and integrity. The true meaning of Corporate Governance is to satisfy the aspirations of all stakeholders, customers, suppliers, leaders, employees, the shareholders and the expectations of the society. Good Corporate Governance is a way of life and the way we do Company's business, encompassing every day's activities and is enshrined as a part of Company's way of working.

Your corporate structure, business, operations, and disclosure practices are aligned to the global practices. The Company is committed to conducting business fairly, ethically and in accordance with applicable laws of the land. Your management processes, including your company's commitment to the environment and sustainability, aim to reflect the robust governance practices of the Sembcorp group.

The Board and management of the Company recognizes that well-defined Corporate Governance processes are essential in enhancing corporate accountability and long-term sustainability, and hence, the Company is committed to high standards of governance to preserve and maximize stakeholders value.

Board Composition:

The Company's policy is to have appropriate mix of Executive and Non-Executive/ Independent Directors including woman Director on the Board. The number of Non-Executive Directors (NEDs) exceeds 50% of the total number of Directors. All Independent Directors have confirmed that they meet the criteria as mentioned under Section 149 of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As on March 31, 2019, the Company's Board of Directors comprises eight members, consisting of one Executive Director and seven Non-Executive Directors (NEDs). Out of these seven NEDs, four are Independent Directors. Further, there are two women directors on your Company's Board. The Board's composition is in compliance with the requirements of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board is collectively responsible for providing overall strategic direction and ensuring the long-term success of Company's business.

The names and categories of the Directors on the Board, the number of directorships and committee positions held by them in other companies as on March 31, 2019 are as given below:

Sl No.	Name of the Director	Designation	Category of Directorship	No. of other Directorships(1)	Shares held	No. of Committee Positions held(2)	
						Chairman	Member
1.	Mr. Neil Garry McGregor	Chairman	Non	1	Nil	Nil	Nil
2.	Mr. T.V. Sandeep Kumar Reddy	Director	Independent,	7	326	1	4
3.	Ms. Looi Lee Hwa	Director	Non-Executive	Nil	Nil	Nil	Nil
4.	Mr. Vipul Tuli	Managing Director	Executive	1	Nil	Nil	Nil
5.	Mr. R S Sharma	Director		5	Nil	Nil	2
6.	Ms. Sangeeta Talwar	Director	Independent,	6	Nil	2	6
7.	Mr. Bobby Parikh	Director	Non-Executive	5	Nil	1	2
8.	Mr. Kalaikuruchi Jairaj	Director		6	Nil	2	-

NOTES

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

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

Sl No.	Name of the Director	Name of listed Company	Category of directorship in listed Company
1.	Mr. Neil Garry McGregor	Nil	NA.
2.	Mr. T.V. Sandeep Kumar Reddy	Gayatri Projects Limited	Managing Director
		Gayatri Sugars limited	Director
		Gayatri Bio-Organics Limited	Director
3.	Ms. Looi Lee Hwa	Nil	NA.
4.	Mr. Vipul Tuli	Nil	NA.
5.	Mr. R S Sharma	Polycab India Limited Jubilant Industries Limited	Independent Director
6.	Ms. Sangeeta Talwar	HCL Infosystems Limited Glaxosmithkline Consumer Healthcare Limited TCNS Clothing Co. Limited Castrol India Limited	Independent Director
7.	Mr. Bobby Parikh	Biocon Ltd. Indostar Capital Finance Ltd.	Independent Director
8.	Mr. Kalaikuruchi Jairaj	Adani Transmission Limited CESC Ltd. CESC Ventures Ltd.	Independent Director

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

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

Name of Director	Expertise in specific functional area
Mr. Neil Garry McGregor	He is a non-executive Chairman of our Board. He holds a bachelor's degree in engineering from the University of Auckland and a master's degree in business administration in international finance from the University of Otago, New Zealand, and has also completed the advanced management programme at INSEAD, France. He is the Group President & Chief Executive Officer, at Sembcorp Industries. He has been, in the past, associated with Singapore LNG Corporation Pte. Ltd. as its chief executive officer and with YTL Power Seraya Pte. Ltd. as its Managing Director. Most recently, he was the head of Temasek International's Energy and Resources Group, Head of Australia and New Zealand and Senior Managing Director of the enterprise development group
Ms. Looi Lee Hwa	She is a non-executive Director on our Board. She holds a bachelor's degree in law from the National University of Singapore. She is the General Counsel at Sembcorp Industries. Prior to joining the Sembcorp group, she was associated with Neptune Orient Lines Limited and Chartered Semiconductor Manufacturing Ltd
Mr. Vipul Tuli	He is the Managing Director of our Company. He holds a bachelor's degree in technology (chemical engineering) from the Indian Institute of Technology, New Delhi and a post-graduate diploma in management from the Indian Institute of Management, Kolkata. He has been associated with the Sembcorp group since 2015 in various positions, including as the Chief Executive Officer & Country Head, India, as the Managing Director of Sembcorp's thermal business in India and as the head of group strategy at SCI. Prior to joining the Sembcorp group, he was associated with McKinsey & Company, Inc. since 1992, where he worked across the energy, chemicals and infrastructure sector and at the time of leaving in 2015, Inc., he was acting as a director [senior partner] based in its India office.
Mr. R S Sharma	He is an independent Director on our Board. He holds a bachelor's degree in arts from the University of Delhi. He is a qualified cost and works accountant and is also a certified associate of the Indian Institute of Bankers. He has been previously associated with ONGC Limited as its Chairman and Managing Director
Ms. Sangeeta Talwar	She is an independent Director on our Board. She holds a bachelor's degree in arts from University of Delhi and holds a post-graduate diploma in management from Indian Institute of Management, Kolkata. She has also completed the executive development programme from the Wharton School, University of Pennsylvania. She is currently a designated partner at Flyvision Consulting LLP. She has in the past, been associated with Nestle India Limited as its Executive Vice President, Marketing, Mattel Inc. as its Managing Director, India, Tata Tea Limited as its Executive Director, marketing and NDDB Dairy Services as its Managing Director

Name of Director	Expertise in specific functional area
Mr. Bobby Parikh	He is an independent Director on our Board. He holds a bachelor's degree in commerce from the University of Bombay and is a qualified chartered accountant. He is a partner at Bobby Parikh Associates. Previously, he was associated with Ernst & Young and BMR & Associates LLP.
Mr. Kalaikuruchi Jairaj	He is an independent Director on our Board. He holds a bachelor's degree in arts (economics) and law from the Bangalore University and a master's degree in arts (economics) from the University of Delhi. He also holds a master's degree in public administration from Woodrow Wilson School of Public and International Affairs, Princeton University and a master's degree in public administration from the Kennedy School of Government, Harvard University. In the past, he has held the position of an additional chief secretary in the Government of Karnataka and has acted as the president of All India Management Association, Delhi.
Mr. T.V. Sandeep Kumar Reddy	He is a non-executive Director on our Board. He holds a bachelor's degree in science (civil engineering) from the Purdue University, Indiana and a master's degree in science (construction engineering and management) from the University of Michigan. He is the promoter and Managing Director of Gayatri Projects Ltd.. Additionally, he is on the board of directors of other companies belonging to the Gayatri group.

Board Meeting

Dates for Board meetings in the ensuing year are decided in advance and circulated to all Directors. The agenda for each meeting, along with detailed notes, is circulated in advance to the Directors. With a view to leverage technology and reducing paper consumption, the Company has adopted a digital application for transmitting Board/ Committee agendas and notes.

During the year 2018-19, four Board meetings were held on May 21, 2018, July 30, 2018, October 31, 2018 and February 11, 2019.

The names and categories of the Directors on the Board and their attendance at Board Meetings and the Annual General Meeting during the Financial Year 2018-19 is as follows;

Sl No.	Name of the Director	Designation	No. of Board meetings held	Number of Board meetings attended	Attendance at AGM on June 11, 2018
1.	Mr. Neil Garry McGregor	Chairman	4	3	No
2.	Mr. T.V. Sandeep Kumar Reddy	Director	4	4	Yes
3.	Mr. Vipul Tuli	Managing Director	4	4	Yes
4.	Ms. Looi Lee Hwa	Director	4	3	No
5.	Mr. R S Sharma	Director	4	4	No
6.	Ms. Sangeeta Talwar	Director	4	4	No
7.	Mr. Bobby Parikh	Director	4	4	No
8.	Mr. Kalaikuruchi Jairaj	Director	4	4	No

Separate Independent Directors' Meetings

The Independent Directors meet at least once in a year, without the presence of Executive Directors or Management representatives. During the year the Independent Directors met on February 28, 2019 and inter alia have considered and evaluated:

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

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

Independent Directors

Your Directors confirm that in the opinion of the Board, the Independent Directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

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

Committess of The Board

Audit Committee

The terms of reference of the Audit Committee are as per guidelines set out in the Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 read with Section 177 of the Companies Act, 2013. The Audit Committee provides directions to the audit functions and monitors the quality of internal and statutory audit.

The Audit Committee of the Company is comprised of four Directors, out of which three are Independent Directors. All members of the Committee possess knowledge of Corporate Finance, Accounts and Company Law. The Chairman of the Committee is an Independent Director. The Audit Committee meetings are attended by the Auditors, Chief Financial Officer, Accounts and Finance Heads. The Company Secretary acts as the Secretary to the Audit Committee.

The minutes of the Audit Committee meetings are noted by the Board of Directors at the subsequent Board meeting.

During the period under review, six meetings of the Audit Committee were held on May 18, 2018, July 09, 2018, August 23, 2018, October 30, 2018, December 14, 2018 and February 07, 2019.

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

Sl No.	Members	Designation	No of meetings attended
1.	Mr. R.S. Sharma	Chairman	6
2.	Mr. K Jairaj	Member	6
3.	Ms. Sangeeta Talwar	Member	6
4.	Ms. Looi Lee Hwa	Member	5

The Management is responsible for the adequacy of Internal Financial controls with reference to the Financial Statements. The Independent Auditors are responsible for performing an independent audit of the Company's Financial Statements in accordance with the Generally Accepted Auditing Principles and for issuing a report thereon. The Committee's responsibility is to monitor these processes. The Committee is also responsible for overseeing the processes related to financial reporting and information dissemination. This is to ensure that the financial statements are true, fair and sufficient and credible.

All recommendations made by the Audit Committee during the year were accepted by the Board.

The Committee also reviews the internal control over financial reporting put in place to ensure that the accounts of the Company are properly maintained and the accounting transactions are in accordance with prevailing laws and regulations.

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

Nomination and Remuneration Committee (NRC)

The Board has constituted the Nomination and Remuneration Committee and the terms of reference of the Committee are as per guidelines set out in the Regulation 19 read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 read with Section 178 of the Companies Act, 2013.

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

The Nomination and Remuneration Committee of the Company is comprised of five Directors. All the members are Non-Executive Directors, including four Independent Directors. The Chairman of the Committee is an Independent Director.

During the year under review, the Nomination and Remuneration Committee of the Board met twice on July 9, 2018 and March 8, 2019.

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

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

* appointed as a member of the Committee w.e.f. February 11, 2019

Remuneration to Directors

a) Details of remuneration and perquisites paid to the Managing Director during the year under review.

(in ₹)

Sl No.	Particulars of Remuneration	Mr. Vipul Tuli, Managing Director
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,83,59,239
	(b) Value of perquisites u/s17(2) Income-tax Act, 1961	39,600
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2	Stock Option	69,20,489
3	Sweat Equity	-
4	Commission	-
5	Others - Project Completion Bonus	-
	Total	**6,53,19,328**

b) Details of remuneration to NEDs during and for the year under review. The Company pay sitting fee only to the Non- Executive Independent Directors. No commission payable to any director.

Sl No.	Name of the Director	Category of the Director	Sitting Fee (Amt. in ₹)
1.	Mr. R S Sharma	Non-Executive Independent Director	18,00,000
2.	Ms. Sangeeta Talwar	Non-Executive Independent Director	14,00,000
3.	Mr. Bobby Parikh	Non-Executive Independent Director	7,00,000
4.	Mr. Kalaikuruchi Jairaj	Non-Executive Independent Director	12,00,000

None of the NEDs had any pecuniary relationship or transactions with the Company other than the Sitting Fees received by them. The Company also reimburses out-of-pocket expenses incurred by the Directors for attending meetings.

Corporate Social Responsibility (CSR) Committee

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

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

The Corporate Social Responsibility Committee of the Company is comprised of five Directors including three Independent Director. The Chairman of the Committee is an Independent Director. The CSR Committee of the Board met once during the financial year on December 14, 2018.

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

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

* appointed as a member of the Committee w.e.f. February 11, 2019

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

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

Stakeholders' Relationship Committee

The Board has constituted the Stakeholders' Relationship Committee in line with the provisions of Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013. The Stakeholders' Relationship Committee of the Company is comprised of three Directors including two Independent Directors. The Chairman of the Committee is a Non-Executive Director. Stakeholders' Relationship Committee of the Board consists of the following members as given below:

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

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

Name, designation and address of the Compliance Officer:

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

In accordance with Regulation 6 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has appointed Mr. Narendra Ande, Company Secretary as the Compliance Officer. Share transfer formalities are regularly attended to and at least once a fortnight depending on the requirement. Investor complaints which cannot be settled at the level of the Compliance Officer, would be placed before the Committee for final settlement.

Your company did not receive any investor complaints received during the year.

Transfer of unclaimed dividend to Investor Education and Protection Fund

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

Since the company has started operations recently, no dividend has been declared yet, there is no unclaimed dividend, there are no amounts transferred to IEPF during the year.

General Body Meetings

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

Financial year ended	Day, Date & Time	Venue	Special Resolutions passed
2017-18	Monday, June 11, 2018 at 11.00. A.M.	6-3-1090, A-block 5th floor, T.S.R Towers, Rajbhavan Road, Somajiguda, Hyderabad – 500082, Telangana, India.	Nil
2016-17	Thursday, September 28, 2017 at 11.00. A.M.		Nil
2015-16	Friday, September 30, 2016 at 11.00 A.M.		Nil

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

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

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

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

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

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

General Shareholder Information

(a) Details of AGM : Monday, September 9, 2019 at 11.00 AM at 5th floor, Tower C, Building No. 8, DLF Cybercity, Gurugram - 122002, Haryana.

(b) Financial Year : 1st April 2018 to 31st March 2019

(c) Dividend Payment Date : Not Applicable

(d) Listing on Stock Exchanges : Not Applicable

Registrars and Share Transfer Agents:

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

Shareholding Details:

Slab	Number of shares				Number of Shareholders					
	Physical	Demat	Total	%	Physical	%	Demat	%	Total	%
1-5000	126	820	946	Negligible	1	7.69%	10	76.92%	11	84.61%
5001-10000										
10000-20000	-	-	-	-	-	-	-	-	-	-
20001-30000	-	-	-	-	-	-	-	-	-	-
30001-40000	-	-	-	-	-	-	-	-	-	-
40001-50000	-	-	-	-	-	-	-	-	-	-
50001-100000	-	-	-	-	-	-	-	-	-	-
100001 and above	-	5,15,87,20,818	5,15,87,20,818	100%	-	-	2	15.39%	2	15.39%
TOTAL	**126**	**5,15,87,21,638**	**5,15,87,21,764**	**100%**	**1**	**7.69%**	**12**	**92.31**	**13**	**100%**

Shareholding Pattern as on 31st March 2019:

Particulars	Equity shares of ₹10/- each No. of Shares	Percentage
a) Promoters (including Promoter Group)	4,83,52,67,991	93.73%
b) Directors and their Relatives	856	-
c) Insurance Companies	-	-
d) Financial Institutions/ Banks	-	-
e) Clearing Members	-	-
f) Corporate Bodies	32,34,52,917	6.27%
g) Body Corporate – NBFC	-	-
h) Limited Liability Partnership – LLP	-	-
i) Trusts	-	-
j) Resident Individuals & HUF	-	-
k) Central/ Statement Governments	-	-
l) Foreign Institutional Investors	-	-
m) Foreign Portfolio Investors – Corporate	-	-
n) Foreign Banks	-	-
o) OCBs	-	-
p) Foreign Nationals	-	-
q) Foreign Bodies	-	-
r) Foreign Institutional Investors	-	-
s) GDRs	-	-
t) Non Resident Indians	-	-
TOTAL	**5,15,87,21,764**	**100%**

Top 10 Shareholders as on March 31, 2019

Sl No	Shareholder	Number of Equity Shares held	Percentage of Equity Share capital (%)
1.	Sembcorp Utilities Pte. Ltd. (SCU)	4,83,52,67,901	93.73
2.	Gayatri Energy Ventures Pvt. Ltd. (GEVPT)	32,34,52,917	6.27
3.	Mr. T V Sandeep Kumar Reddy*	326	Negligible
4.	Mr. G Siva Kumar Reddy*	126	Negligible
5.	Ms. T. Sarita Reddy*	126	Negligible
6.	Ms. T. Indira Subbarami Reddy*	126	Negligible
7.	Mr. J. Brij Mohan Reddy *	126	Negligible
8.	Mr. T. Rajiv Reddy*	26	Negligible
9.	Mr. Harsh Bansal**	18	Negligible
10.	Mr. Sanjay Nagrare**	18	Negligible

* GEVPL Nominee shareholders

** SCU Nominee shareholders

Dematerialization of Shares as on March 31, 2019 and Liquidity:

The Company's shares would be traded in dematerialized form from the date of listing of equity shares on stock exchanges and are available for trading through both the Depositories in India – National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

Near to 100 % of the Paid-up Equity Share Capital of the Company is in dematerialised form as on March 31, 2019.

The Company has no outstanding GDRs/ADRs/Warrants or any other convertible instruments as on March 31, 2019.

Commodity price risk and hedging activity:

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

Plant location of the Company:

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

Address for Correspondence:

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

Credit Rating:

Below are the list of rating of Bank facilities revised during the financial year 2018-19.

1. Project 1
    a. India Rating (June 2018) – Present rating is IND AA- which is 2 notches above the previous rating of IND A
    b. CARE Rating (December 2018) – Present rating is CARE AA- which is 2 notches above the previous rating of CARE A
2. Project 2 – India Rating (June 2018) – Present rating is IND AA- which is 2 notches above the previous rating of IND A.

Other Disclosures

1. There were no materially significant related party transactions during the year, except those disclosed in financial statements.
2. The Board has not entered into any transactions with senior management relating to material, financial and commercial transactions where they and/or their relatives have personal interest. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large.
3. The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for employees and Directors to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics policy. The said policy has been posted on the Company's website. The Company affirms that no personnel have been denied access to the Audit Committee of Directors.
4. The Company follows Accounting Standards issued by the Ministry of Corporate Affairs in the preparation of its financial statements.
5. Web link of (a) Policy for determining material subsidiaries and (b) Policy on dealing with related party transactions is http://sembcorpenergyindia.com/AboutUs/CodeEthics
6. Disclosure of commodity price risks and commodity hedging activities: The Company is exposed to risk from market fluctuations of foreign exchange on coal import. The Audit Committee reviews the risk exposures and hedging strategies on quarterly basis. The Company is hedging its exposure by way of various hedge instrument such as Forward, Options or combination of both.

7. The Company hasn't raised any funds through preferential allotment or qualified institutions placement during the year as specified under Regulation 32 (7A) of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015

8. As required under Regulation 36(3) of the Listing Regulations, particulars of Directors seeking appointment/re-appointment at the forthcoming AGM are given in the Notice of the AGM to be held on September 9, 2019.

9. The Board of Directors accept the recommendation(s) of any committee of the board which is mandatorily required in the financial year.

Other Shareholder Information:

- Corporate Identity Number (CIN): U40103TG2008PLC057031

- International Securities Identification Number (ISIN): INE460M01013

- E-voting

  E-voting is a common internet infrastructure that enables investors to vote electronically on resolutions of companies. Investors can now vote on resolutions requiring voting through Postal Ballot as per the applicable rules and regulations without sending their votes through post. The Company will also provide the E-voting facility for the items to be transacted at the General Meetings after listing its shares. The MCA has authorised NSDL and CDSL for setting up electronic platform to facilitate casting of votes in electronic form. The Company would be entering into separate agreements with NSDL and CDSL for availing E-voting facilities.

- Shareholders' Relations Team

  The Shareholders' Relations Team is located at the Corporate Office of the Company.

  Contact Person: Company Secretary & Compliance Officer,

  5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurugram 122 002, Haryana, India
  Tel: +91 124 389 6700 Fax: +91 124 389 6710

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

Neil Garry McGregor
Chairman
(DIN: 07754310)

Vipul Tuli
Managing Director
(DIN: 07350892)

Independent Auditors' Report

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

Report on the Audit of the Standalone Financial Statements

Opinion

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

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

Basis for Opinion

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

   e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its standalone financial statements - Refer Note 2.32 to the standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2019.

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

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

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

Hemant Maheshwari
Partner
Membership No.: 096537

Place: Gurugram
Date: 17 May 2019

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

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

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

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

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

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

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

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

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

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

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

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Income tax, Goods and Services tax, Duty of customs and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the provisions of Employees' State Insurance, Sales tax, Value Added tax, Service tax, Works Contract tax, Duty of excise and cess are not applicable to the Company. Refer note 2.32 to the standalone financial statements relating to provident fund contribution.

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

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

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

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

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

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

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

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

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

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

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

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

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

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

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

Hemant Maheshwari
Partner
Membership No.: 096537

Place: Gurugram
Date: 17 May 2019

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

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

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

Opinion

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

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

Hemant Maheshwari
Partner
Membership No.: 096537

Place: Gurugram
Date: 17 May 2019

Standalone Balance Sheet

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

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

* Refer Note 1.1 and 2.48

Significant accounting policies 1

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

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

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

Hemant Maheshwari
Partner
Membership No: 096537

Place: Gurugram
Date: 17 May 2019

for and on behalf of the Board of Directors of
Sembcorp Energy India Limited
(formerly Thermal Powertech Corporation India Limited)
CIN: U40103TG2008PLC057031

Neil McGregor
Chairman
DIN: 07754310

Vipul Tuli
Managing Director
DIN: 07350892

Juvenil Jani
Chief Financial Officer

Narendra Ande
Company Secretary
Membership No: A14603

Place: Gurugram
Date: 17 May 2019

Standalone statement of Profit and Loss

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

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

* Refer Note 1.1 and 2.48

Significant accounting policies 1

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

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

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

for and on behalf of the Board of Directors of
Sembcorp Energy India Limited
(formerly Thermal Powertech Corporation India Limited)
CIN: U40103TG2008PLC057031

Hemant Maheshwari
Partner
Membership No: 096537

Neil McGregor
Chairman
DIN: 07754310

Vipul Tuli
Managing Director
DIN: 07350892

Juvenil Jani
Chief Financial Officer

Narendra Ande
Company Secretary
Membership No: A14603

Place: Gurugram
Date: 17 May 2019

Place: Gurugram
Date: 17 May 2019

Standalone statement of cash flows

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

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

Standalone statement of cash flows (Continued)

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

Note:

Components of cash and cash equivalents:

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

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

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

* Refer Note 1.1 and 2.48

Significant accounting policies 1

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

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

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

Hemant Maheshwari
Partner
Membership No: 096537

Place: Gurugram
Date: 17 May 2019

for and on behalf of the Board of Directors of
Sembcorp Energy India Limited
(formerly Thermal Powertech Corporation India Limited)
CIN: U40103TG2008PLC057031

Neil McGregor
Chairman
DIN: 07754310

Vipul Tuli
Managing Director
DIN: 07350892

Juvenil Jani
Chief Financial Officer

Narendra Ande
Company Secretary
Membership No: A14603

Place: Gurugram
Date: 17 May 2019

Standalone statement of changes in equity

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

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

* Refer Note 1.1 and 2.48

Significant accounting policies 1

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

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

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

Hemant Maheshwari
Partner
Membership No: 096537

Place: Gurugram
Date: 17 May 2019

for and on behalf of the Board of Directors of
Sembcorp Energy India Limited
(formerly Thermal Powertech Corporation India Limited)
CIN: U40103TG2008PLC057031

Neil McGregor
Chairman
DIN: 07754310

Vipul Tuli
Managing Director
DIN: 07350892

Juvenil Jani
Chief Financial Officer

Narendra Ande
Company Secretary
Membership No: A14603

Place: Gurugram
Date: 17 May 2019

Notes to standalone financial statements

Corporate information

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

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

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

1. Significant accounting policies

1.1 Basis of preparation and statement of compliance

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

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

New and amended standards adopted by the Company

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

1.2 Functional and presentation currency

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

1.3 Basis of measurement

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

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

1.4 Use of estimates and judgements

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

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

Notes to standalone financial statements (Continued)

Significant accounting policies (Contd..)

Assumptions, estimation uncertainties and judgments

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

Impairment of investments:

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

Useful lives of property, plant and equipment and intangible:

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

Valuation of deferred tax assets:

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

Defined benefit plans:

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

Recognition and measurement of other provisions:

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the closing date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

1.5 Current and Non-current classification

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

Assets

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

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

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

iii) it is expected to be realised within 12 months after the reporting date; 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 Company's operating cycle;

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

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

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

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

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

Operating cycle

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

Notes to standalone financial statements (Continued)

Significant accounting policies (Contd..)

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

1.6 Property, plant and equipment and depreciation

i. Recognition and measurement

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

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

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

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

ii. Subsequent expenditure

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

iii. Disposals

Gains or losses arising from the retirement or disposal of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit and loss on the date of retirement or disposal.

iv. Depreciation

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

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

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

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

1.7 Intangible assets

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

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

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

- Computer Software : 3 years

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

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

Notes to standalone financial statements (Continued)

Significant accounting policies (Contd..)

1.8 Financial instruments

i) Recognition and initial measurement

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

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

ii) Financial assets - Classification and subsequent measurement:

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

a) Financial assets at amortised cost

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

b) Financial assets at fair value through other comprehensive income

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

c) Financial assets at fair value through profit or loss

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

iii) Financial liabilities - Classification and subsequent measurement:

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

a) Financial liabilities at FVTPL

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

b) Other financial liabilities:

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

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

iv) De-recognition of financial instruments

a) Financial asset

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

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

b) Financial liability

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

Notes to standalone financial statements (Continued)

Significant accounting policies (Contd..)

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

v) Offsetting

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

1.9 Fair value of financial instruments

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

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

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

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

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

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

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

1.10 Derivative financial instruments and hedge accounting

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

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

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

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

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

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

ii) Cash flow hedge accounting

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

Notes to standalone financial statements (Continued)

Significant accounting policies (Contd..)

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

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

1.11 Impairment

i) Financial assets (other than at fair value)

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

ii) Non-financial assets

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

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

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

Goodwill has indefinite useful life and tested for impairment annually.

1.12 Investment in Subsidiaries

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

1.13 Inventories

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

1.14 Foreign currency transactions

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

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

Notes to standalone financial statements (Continued)

Significant accounting policies (Contd..)

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

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

1.15 Employee benefits

Short-term employee benefits

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

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

Defined benefit plans:

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

Defined contribution plans:

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

Compensated absences:

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

Bonus plans:

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

1.16 Revenue recognition

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

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

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

Notes to standalone financial statements (Continued)

Significant accounting policies (Contd..)

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

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

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

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

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

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

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

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

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

1.17 Borrowing costs

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

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

1.18 Earnings / (loss) per share

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

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

Notes to standalone financial statements (Continued)

Significant accounting policies (Contd..)

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

1.19 Leases

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

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

1.20 Income taxes

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

i) Current tax

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

ii) Minimum alternate tax

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

iii) Deferred tax

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

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

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

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

Notes to standalone financial statements (Continued)

Significant accounting policies (Contd..)

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

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

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

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

1.21 Provisions and contingent liabilities

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

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

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

1.22 Cash flow statement

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

1.23 Cash and cash equivalents

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

1.24 Business combinations

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

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

Notes to standalone financial statements (Continued)

Significant accounting policies (Contd..)

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

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

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

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

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

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

ii) Common control business combinations

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

1.25 Standards issued but not yet effective

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

Ind AS 116, Leases

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

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

i. Leases in which the Company is a lessee

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

Notes to standalone financial statements (Continued)

Significant accounting policies (Contd..)

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

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

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

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

ii. Transition

The Company plans to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

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

Ind AS 23 – Borrowing Costs

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

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

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

2.Notes to standalone financial statements (Continued)

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

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

Particulars	Land (owned)	Land (leased) (Note 1)	Roads	Office buildings	Factory buildings	Furniture and fittings	Vehicles	Office equipments	Electrical installations	Plant and equipments	Computers	Total of Property,Plant and equipment	Capital work-in-progress
Gross carrying amount													
Balance as at 1 April 2017 (As reported earlier)	936.17	619.63	1,390.27	501.91	521.85	59.49	46.59	83.85	95.93	87,208.68	23.86	91,488.23	670.95
Amalgamation of Sembcorp Gayatri Power Limited (refer note 2.48)	1,505.87	-	671.53	7.23	205.74	12.98	19.16	33.75	-	91,550.37	18.60	94,025.23	637.94
Restated balance as at the beginning of the reporting year	**2,442.04**	**619.63**	**2,061.80**	**509.14**	**727.59**	**72.47**	**65.75**	**117.60**	**95.93**	**1,78,759.05**	**42.46**	**1,85,513.46**	**1,308.89**
Additions	-	-	133.94	978.72	23.24	20.13	13.73	8.56	-	586.02	47.02	1,811.36	1,208.33
Adjustments	-	-	-	-	-	-	-	-	-	(34.19)	-	(34.19)	-
Disposals	-	-	-	-	-	(0.82)	(5.84)	(3.60)	-	(0.23)	(1.74)	(12.23)	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	(1,641.55)
Balance as at 31 March 2018	**2,442.04**	**619.63**	**2,195.74**	**1,487.86**	**750.83**	**91.78**	**73.64**	**122.56**	**95.93**	**1,79,310.65**	**87.74**	**1,87,278.40**	**875.67**
Gross carrying amount													
Balance as at 1 April 2018	2,442.04	619.63	2,195.74	1,487.86	750.83	91.78	73.64	122.56	95.93	1,79,310.65	87.74	1,87,278.40	875.67
Additions	-	-	50.55	28.42	24.05	5.47	3.13	2.30	-	2,131.75	14.06	2,259.73	1,966.86
Disposals	-	-	-	-	-	-	-	-	-	(1.24)	(4.04)	(5.28)	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	(2,088.48)
Balance as at 31 March 2019	**2,442.04**	**619.63**	**2,246.29**	**1,516.28**	**774.88**	**97.25**	**76.77**	**124.86**	**95.93**	**1,81,441.16**	**97.76**	**1,89,532.85**	**754.05**
Accumulated depreciation													
Balance as at 1 April 2017 (As reported earlier)	-	-	250.66	20.70	36.84	10.98	8.08	44.38	26.89	6,047.00	8.09	6,453.62	-
Amalgamation of Sembcorp Gayatri Power Limited (refer note 2.48)	-	-	24.49	4.86	9.44	2.24	2.67	7.63	-	996.16	11.33	1,058.82	-
Restated balance as at the beginning of the reporting year	**-**	**-**	**275.15**	**25.56**	**46.28**	**13.22**	**10.75**	**52.01**	**26.89**	**7,043.16**	**19.42**	**7,512.44**	**-**
Depreciation for the year	-	-	271.50	23.86	34.03	8.93	8.57	24.87	13.50	7,017.33	19.16	7,421.75	-
Disposals	-	-	-	-	-	(0.35)	(3.46)	(2.86)	-	(0.05)	(1.61)	(8.33)	-
Balance as at 31 March 2018	**-**	**-**	**546.65**	**49.42**	**80.31**	**21.80**	**15.86**	**74.02**	**40.39**	**14,060.44**	**36.97**	**14,925.86**	**-**
Balance as at 1 April 2018	-	-	546.65	49.42	80.31	21.80	15.86	74.02	40.39	14,060.44	36.97	14,925.86	-
Depreciation for the year	-	-	193.16	32.00	24.61	9.69	9.48	20.60	13.50	7,070.41	21.81	7,395.26	-
Disposals	-	-	-	-	-	-	-	-	-	(0.05)	(3.84)	(3.89)	-
Balance as at 31 March 2019	**-**	**-**	**739.81**	**81.42**	**104.92**	**31.49**	**25.34**	**94.62**	**53.89**	**21,130.80**	**54.94**	**22,317.23**	**-**
Carrying amounts (net)													
As at 31 March 2019	**2,442.04**	**619.63**	**1,506.48**	**1,434.86**	**669.96**	**65.76**	**51.43**	**30.24**	**42.04**	**1,60,310.36**	**42.82**	**1,67,215.62**	**754.05**
As at 31 March 2018	**2,442.04**	**619.63**	**1,649.09**	**1,438.44**	**670.52**	**69.98**	**57.78**	**48.54**	**55.54**	**1,65,250.21**	**50.77**	**1,72,352.54**	**875.67**

Note 1:

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

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

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

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

2.Notes to standalone financial statements (Continued)

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

2.2 Intangible assets

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

Impairment tests for goodwill:

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

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

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

2.Notes to standalone financial statements (Continued)

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

2.3 Investments

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

2.4 Derivatives

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

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

2.5 Other non-current financial assets

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

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

2.Notes to standalone financial statements (Continued)

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

2.6 Other non-current assets

(Unsecured, considered good)

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

2.7 Inventories

(Valued at lower of cost and net realisable value)

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

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

2.8 Trade receivables

(Unsecured)

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

Notes:

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

(ii) The Company's exposure to credit and currency risk and loss allowances related to trade receivables are disclosed in note 2.41.

2.Notes to standalone financial statements (Continued)

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

2.9 Cash and bank balances

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

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

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

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

2.10 Loans

(Unsecured, considered good)

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

2.11 Derivatives

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

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

2.12 Other financial assets

(Unsecured, considered good)

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

2.Notes to standalone financial statements (Continued)

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

2.13 Other current assets

(Unsecured, considered good)

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

2.14 Share capital

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

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

Notes:

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

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

Equity shares

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

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

Equity Shares

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

2.Notes to standalone financial statements (Continued)

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

2.14 Share capital (Continued)

Terms and rights attached to equity shares:

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

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

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

2.15 Other equity

Securities premium

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

Share pending issuance

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

Capital reserve on amalgamation

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

Other reserves

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

Retained earnings

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

Effective portion of cash flow hedges

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

2.Notes to standalone financial statements (Continued)

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

2.16 Borrowings

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

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

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

a) Rupee term loans and FCNR term loans:

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

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

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

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

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

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

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

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

2.Notes to standalone financial statements (Continued)

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

2.16 Borrowings (Contd..)

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

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

b) External commercial borrowings

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

c) INR denominated Notes

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

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

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

2.Notes to standalone financial statements (Continued)

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

2.17 Derivatives

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

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

2.18 Other financial liabilities

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

2.19 Provisions

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

2.20 Borrowings

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

a) Terms and nature of security:

Loans from banks by Sembcorp-P1

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

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

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

2.Notes to standalone financial statements (Continued)

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

2.20 Borrowings (Contd..)

Loans from banks by Sembcorp-P2

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

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

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

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

b) Term of interest and repayments:

Repayment terms:

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

Rate of interest:

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

2.21 Trade payables

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

2.22 Derivatives

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

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

2.Notes to standalone financial statements (Continued)

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

2.23 Other financial liabilities

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

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

2.24 Other current liabilities

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

2.25 Provisions

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

2.26 Revenue from operations

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

2.Notes to standalone financial statements (Continued)

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

2.26 Revenue from operations (Contd..)

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

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

Changes in unearned income are as follows:

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

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

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

2.27 Other income

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

2.28 Employee benefits expense

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

2.Notes to standalone financial statements (Continued)

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

2.29 Finance costs

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

2.30. Depreciation and amortisation expense

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

2.31 Other expenses

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

2.Notes to standalone financial statements (Continued)

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

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

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

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

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

III) Bank guarantees with customs and others		
Bank guarantees with customs and excise	8,975.92	8,975.92
Bank guarantees for PPA and other commitments	7,202.57	5,567.46

Notes:

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

b. During the Previous year the Company has received an audit memo from Commissioner of Central excise and GST towards levy of service tax on liquidated damages claim on NCCL by Sembcorp-P2.

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

d. The Hon'ble Supreme Court of India ("SC") by their order dated 28 February 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. Pending decision on the subject review petition and directions from the EPFO, the management has a view that the applicability of the decision is prospective and accordingly has provided the liability for March 2019. The impact for the past period, will depend upon the outcome of subject review petition and directions from the EPFO and hence has been disclosed as a Contingent liability in the financial statements. The impact of the same is not ascertainable.

2.33 Liquidated damages and bank guarantee encashment:

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

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

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

2.Notes to standalone financial statements (Continued)

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

2.34 Earnings per share (EPS)

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

Note:

a) Earnings per share for the year ended 31 March 2018 has been retrospectively adjusted w.e.f 1 April 2017 for shares issued against amalgamation of Sembcorp Gayatri Power Limited with the Company from the appointed date (Refer note 2.48).

b) The Company did not have any potentially dilutive securities in any of the periods presented.

2.35 Leases

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

2.36 Segment reporting

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

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

2.37 Initial Public Offering ('IPO')

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

2.Notes to standalone financial statements (Continued)

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

2.38 Assets and liabilities relating to employee benefits

i) Defined contribution plan

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

ii) Defined benefit plan

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

A. Funding

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

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

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

2.Notes to standalone financial statements (Continued)

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

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

C. Expense recognized in the statement of profit and loss

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

D. Plan assets

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

E. Summary of actuarial assumptions

Demographic assumptions

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

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

Sensitivity analysis

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

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

2.Notes to standalone financial statements (Continued)

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

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

Asset-liability matching strategy

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

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

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

G. Maturity profile of the defined benefit obligation

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

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

iii) Compensated absences

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

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

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

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

2.Notes to standalone financial statements (Continued)

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

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

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

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

2.40 Details of Corporate social responsibility expenditure

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

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

2.41 Auditor's remuneration (excluding taxes)

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

2.Notes to standalone financial statements (Continued)

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

2.42 Deferred tax

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

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

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

2.43 Capital management

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

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

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

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

2.Notes to standalone financial statements (Continued)

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

2.44 Financial instruments - Fair values and risk management

A) Accounting classifications and fair values

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

As at 31 March 2019:

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

As at 31 March 2018:

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

Note:

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

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

2.Notes to standalone financial statements (Continued)

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

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

A) Accounting classifications and fair values (continued)

Valuation techniques and significant unobservable inputs

Investment in mutual funds:

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

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

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

B) Financial risk management objectives and policies

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

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

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

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

a) Market risk

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

(i) Interest rate risk

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

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

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

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

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

2.Notes to standalone financial statements (Continued)

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

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

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

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

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

(ii) Foreign currency risk

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

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

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

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

2.Notes to standalone financial statements (Continued)

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

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

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

Sensitivity analysis:

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

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

(iii) Commodity price risk

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

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

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

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

iv) Derivative financial instruments

Cash flow hedges:

Cross currency interest rate swaps

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

2.Notes to standalone financial statements (Continued)

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

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

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

Commodity hedge contracts

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

Fair value hedges:

Forward contracts

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

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

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

b) Credit risk

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

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

Trade receivables and unbilled receivables

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

2.Notes to standalone financial statements (Continued)

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

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

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

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

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

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

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

Impairment

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

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

Other financial assets/ derivative assets

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

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

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

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

c) Liquidity risk

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

2.Notes to standalone financial statements (Continued)

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

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

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

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

As at 31 March 2019

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

As at 31 March 2018

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

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

2.45 Related party disclosure

a) List of related parties

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

2.Notes to standalone financial statements (Continued)

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

2.45 Related party disclosure (Contd..)

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

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

2.Notes to standalone financial statements (Continued)

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

2.45 Related party disclosure (Contd..)

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

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

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

c) Details of related party balances is as under:

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

2.Notes to standalone financial statements (Continued)

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

2.46 Share-based Payments

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

a) Performance Share Plan

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

b) Restricted Share Plan

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

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

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

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

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

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

2.47 Significant acquisitions during the previous year:

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

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

2.Notes to standalone financial statements (Continued)

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

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

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

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

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

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

Note:

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

2.48 Merger of subsidiary company (Sembcorp Gayatri Power Limited)

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

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

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

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

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

2.Notes to standalone financial statements (Continued)

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

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

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

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

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

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

for and on behalf of the Board of Directors of
Sembcorp Energy India Limited
(formerly Thermal Powertech Corporation India Limited)
CIN: U40103TG2008PLC057031

Hemant Maheshwari
Partner
Membership No: 096537

Neil McGregor
Chairman
DIN: 07754310

Vipul Tuli
Managing Director
DIN: 07350892

Juvenil Jani
Chief Financial Officer

Narendra Ande
Company Secretary
Membership No: A14603

Place: Gurugram
Date: 17 May 2019

Place: Gurugram
Date: 17 May 2019

Independent Auditors' Report

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

Report on the Audit of Consolidated Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2019, of its consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (company and subsidiaries) to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matters

We did not audit the consolidated financial statements of a subsidiary (which comprise 25 step-down subsidiaries), whose consolidated financial statements reflect total assets of Rs. 98,581.87 million as at 31 March 2019, total revenues of Rs. 9,948.44 million and net cash inflows amounting to Rs. 2,094.00 million for the year ended on that date, as considered in the consolidated financial statements. These consolidated financial statements of the subsidiary have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements of the Group, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the audit reports of the other auditors.

We did not audit the financial statements of a subsidiary incorporated outside India, whose financial statements reflect total assets of Rs. 0.10 million as at 31 March 2019, total revenues of Rs. Nil and net inflows amounting to Rs. 0.48 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

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

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The consolidated balance sheet, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

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

   e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:

   i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group. Refer Note 3.39 to the consolidated financial statements.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses if any, on long-term contracts including derivative contracts as at 31 March 2019. Refer Note 3.15 to the consolidated financial statements in respect of such items as it relates to the Group.

iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2019.

iv. The disclosures regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the consolidated financial statements since they do not pertain to the financial year ended 31 March 2019.

C. With respect to the matter to be included in the Auditor's report under section 197(16):

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

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

Hemant Maheshwari
Partner
Membership No.: 096537

Place: Gurugram
Date: 17 May 2019

Annexure A to the Independent Auditors' Report on the consolidated financial statements of Sembcorp Energy India Ltd. for the year ended 31 March 2019.

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

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of Sembcorp Energy India Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

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

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to a subsidiary (which comprises of 26 step-down subsidiaries), which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Hemant Maheshwari
Partner
Membership No.: 096537

Place: Gurugram
Date: 17 May 2019

Consolidated Balance Sheet

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

Particulars	Note No.	As at 31 March, 2019	As at 31 March, 2018
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	3.1	2,27,315.34	2,18,758.49
(b) Capital work-in-progress	3.1	19,720.84	9,691.52
(c) Goodwill	3.2	1,234.20	1,234.20
(d) Other intangible assets	3.2	22.35	41.37
(e) Financial assets			
(ii) Derivatives assets	3.3	520.19	354.51
(iii) Other financial assets	3.4	5,508.49	4,020.14
(f) Non-current tax assets (net)	3.5	1,011.07	889.95
(g) Other non-current assets	3.6	7,146.72	6,766.03
Total non-current assets		**2,62,479.20**	**2,41,756.21**
II Current assets			
(a) Inventories	3.7	5,468.14	6,130.47
(b) Financial assets			
(i) Investments	3.8	2,926.61	2,629.49
(ii) Trade receivables	3.9	20,954.73	16,772.92
(iii) Cash and cash equivalents	3.10	4,003.84	7,473.05
(iv) Bank balances other than (iii) above	3.10	4,782.16	968.24
(v) Derivative assets	3.3	47.75	-
(vi) Loans	3.11	-	0.75
(vii) Other financial assets	3.4	10,344.59	7,917.15
(c) Other current assets	3.6	2,107.62	1,797.01
Total current assets		**50,635.44**	**43,689.08**
Total assets		**3,13,114.64**	**2,85,445.29**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	3.12	51,587.22	51,587.22
(b) Other equity	3.13	13,805.03	12,598.32
(c) Non-controlling interests		238.17	199.83
Total equity		**65,630.42**	**64,385.37**
LIABILITIES			
I Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	3.14	1,76,603.19	1,62,777.55
(ii) Derivatives	3.15	5.66	696.20
(iii) Other financial liabilities	3.16	6,726.91	33.87
(b) Provisions	3.17	240.83	328.74
(c) Deferred tax liabilities (net)	3.18	730.32	332.91
(d) Other non-current liabilities	3.19	512.02	736.16
Total non-current liabilities		**1,84,818.93**	**1,64,905.43**
II Current liabilities			
(a) Financial liabilities			
(i) Borrowings	3.20	31,059.56	28,610.97
(ii) Trade payables	3.21		
Dues to micro and small enterprises		4.51	-
Dues to creditors other than micro and small enterprises		3,409.86	3,427.84
(iii) Derivatives	3.15	1,664.58	92.70
(iv) Other financial liabilities	3.16	21,569.64	18,712.96
(b) Other current liabilities	3.19	4,537.91	4,890.36
(c) Provisions	3.17	8.76	10.90
(d) Current tax liabilities (net)	3.22	410.47	408.76
Total current liabilities		**62,665.29**	**56,154.49**
Total liabilities		**2,47,484.22**	**2,21,059.92**
Total equity and liabilities		**3,13,114.64**	**2,85,445.29**

Significant accounting policies 2

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

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

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

Hemant Maheshwari
Partner
Membership No: 096537

Place: Gurugram
Date: 17 May 2019

for and on behalf of the Board of Directors of
Sembcorp Energy India Limited
(formerly Thermal Powertech Corporation India Limited)
CIN: U40103TG2008PLC057031

Neil McGregor
Chairman
DIN: 07754310

Vipul Tuli
Managing Director
DIN: 07350892

Juvenil Jani
Chief Financial Officer

Narendra Ande
Company Secretary
Membership No: A14603

Place: Gurugram
Date: 17 May 2019

Consolidated statement of Profit and Loss

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

	Particulars	Note No.	For the year ended 31 March, 2019	For the year ended 31 March, 2018
I	**Revenue**			
	Revenue from operations	3.23	83,412.38	77,976.16
	Other income	3.24	5,254.48	1,171.35
	Total income		**88,666.86**	**79,147.51**
II	**Expenses**			
	Cost of fuel	3.25	45,931.12	43,476.20
	Transmission charges	3.26	3,716.14	2,888.49
	Employee benefits expense	3.27	1,876.89	1,499.08
	Finance costs	3.28	19,021.03	21,088.93
	Depreciation and amortisation expenses	3.29	11,178.77	10,956.04
	Operating and other expenses	3.30	4,611.60	4,753.88
	Total expenses		**86,335.55**	**84,662.62**
III	**Profit/(loss) before tax**		**2,331.31**	**(5,515.11)**
IV	**Tax expense**	3.31		
	Current tax expense		656.94	175.70
	Deferred tax charge		399.17	139.21
	Total tax expense		**1,056.11**	**314.91**
V	**Profit/(loss) for the year**		**1,275.20**	**(5,830.02)**
VI	**Other comprehensive income/(loss)**			
	(A) Items that will not be reclassified subsequently to profit or loss			
	Remeasurement of defined benefit liabilities, net		(5.86)	(4.00)
	Tax effect on above item	3.31	1.76	0.19
			(4.10)	**(3.81)**
	(B) Items that will be reclassified subsequently to profit or loss			
	Effective portion of changes in fair value of cash flow hedge		(669.70)	44.35
	Tax effect on above item		-	-
			(669.70)	**44.35**
VII	**Total comprehensive income/(loss) for the year**		**601.40**	**(5,789.48)**
	Attributable to:			
	Shareholders of the Company		559.05	(4,931.23)
	Non-controlling interests		42.35	(858.25)
			601.40	**(5,789.48)**
	Profit/(loss) for the year attributable to:			
	Shareholders of the Company		1,232.55	(4,971.76)
	Non-controlling interests		42.65	(858.26)
			1,275.20	**(5,830.02)**
	Other comprehensive income/(loss) attributable to:			
	Shareholders of the Company		(673.50)	40.53
	Non-controlling interests		(0.30)	0.01
			(673.80)	**40.54**
	Earnings/(loss) per equity share (face value of share Rs.10 each)	3.32		
	Basic (Rs.)		0.24	(0.97)
	Diluted (Rs.)		0.24	(0.97)

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
(formerly Thermal Powertech Corporation India Limited)
CIN: U40103TG2008PLC057031

Hemant Maheshwari
Partner
Membership No: 096537

Neil McGregor
Chairman
DIN: 07754310

Vipul Tuli
Managing Director
DIN: 07350892

Juvenil Jani
Chief Financial Officer

Narendra Ande
Company Secretary
Membership No: A14603

Place: Gurugram
Date: 17 May 2019

Place: Gurugram
Date: 17 May 2019

Consolidated statement of cash flows

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

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
A. Cash flows from operating activities		
Profit/(loss) before tax	2,331.31	(5,515.11)
Adjustments:		
Depreciation and amortisation expenses	11,178.77	10,956.04
(Gain)/loss on disposal of property, plant and equipment, net	(0.34)	2.86
Loss on write off of property, plant and equipment	216.61	-
Unrealised loss on exchange translations, net	114.57	155.00
Capital work-in-progress written off	-	78.17
Doubtful receivables/advance written off	0.92	30.85
Allowance for expected credit losses, net	46.31	84.91
Provision no longer required, written back	(25.17)	-
Liabilities no longer required, written back	-	(233.65)
Unrealised gain on derivatives, net	184.67	39.88
Finance costs	19,021.03	21,076.18
Net gain on fair value changes classified as FVTPL	(203.84)	(182.15)
Interest income	(781.01)	(612.83)
Operating profit before working capital changes	**32,083.83**	**25,880.15**
Movements in working capital:		
- Decrease/(increase) in inventories	662.33	(864.00)
- (Increase)/decrease in trade receivables	(4,195.86)	180.50
- (Increase)/decrease in other financial assets	(1,880.90)	127.09
- (Decrease)/increase in trade payables and other financial liabilities	(13.72)	2,176.00
- Decrease in other liabilities	(798.27)	(17.98)
- Increase in provisions	13.14	0.75
Cash generated from operations	**25,870.55**	**27,482.51**
Income-tax paid (net)	(765.51)	(366.50)
Net cash generated from operating activities	**25,105.04**	**27,116.01**
B. Cash flows from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress, capital advances and capital vendors)	(23,642.32)	(17,537.41)
Purchase of mutual funds, net	(86.56)	(15.23)
Investment in bank deposits, net	(5,236.36)	(1,033.57)
Interest income received	647.02	590.34
Proceeds from sale of property, plant and equipment	1.64	0.59
Purchase of intangible assets	-	(7.33)
Acquisition of non-controlling interest in subsidiaries	(2.66)	(14,102.43)
Proceeds from sale of shares of step-down subsidiaries	0.03	0.21
Net cash used in investing activities	**(28,319.21)**	**(32,104.83)**
C. Cash flows from financing activities		
Proceeds from issue of shares including securities premium	-	15,102.00
Proceeds from issue of share capital to non-controlling interest	-	0.95
Proceeds from long-term borrowings	24,131.88	39,435.20
Repayment of long-term borrowings	(9,804.25)	(65,106.56)
Net proceeds of short-term borrowings	2,448.59	7,250.24
Proceeds from issue of INR denominated notes	-	25,506.10
Interest and finance charges paid	(17,031.26)	(17,399.05)
Net cash (used in) generated from financing activities	**(255.04)**	**4,788.88**
Net (Decrease)/Increase in cash and cash equivalents (A+B+C)	**(3,469.21)**	**(199.94)**
Cash and cash equivalents at the beginning of the year	7,473.05	7,672.99
Cash and cash equivalents at the end of the year	**4,003.84**	**7,473.05**

Consolidated statement of cash flows (Contd..)

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

Components of cash and cash equivalents comprise:

Particulars	As at 31 March 2019	As at 31 March 2018
Cash on hand	0.04	0.84
Balance with scheduled banks		
-on current accounts	2,538.47	1,533.97
-on deposit accounts	1,465.33	5,938.24
Total cash and cash equivalents (refer note no. 3.10)	**4,003.84**	**7,473.05**

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

Particulars	As at 31 March 2018	Net cash flows	Foreign exchange movement and borrowing cost	As at 31 March 2019
Long-term borrowings	1,68,270.02	14,327.63	277.43	1,82,875.08
Short-term borrowings	28,610.97	2,448.59	-	31,059.56
	1,96,880.99	**16,776.22**	**277.43**	**2,13,934.64**

Significant accounting policies 2

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

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

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

for and on behalf of the Board of Directors of
Sembcorp Energy India Limited
(formerly Thermal Powertech Corporation India Limited)
CIN: U40103TG2008PLC057031

Hemant Maheshwari
Partner
Membership No: 096537

Neil McGregor
Chairman
DIN: 07754310

Vipul Tuli
Managing Director
DIN: 07350892

Juvenil Jani
Chief Financial Officer

Narendra Ande
Company Secretary
Membership No: A14603

Place: Gurugram
Date: 17 May 2019

Place: Gurugram
Date: 17 May 2019

Consolidated statement of changes in equity for the year ended 31 March, 2019

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

Particulars	Equity share capital	Reserves and Surplus									Other items of other comprehensive income	Equity attributable to shareholder of the Company	Non-controlling interest	Total
		Securities premium	Share pending Issuance*	Capital reserve on acquisition*	Capital reserve	Other reserves	Capital redemption reserve	Debenture redemption reserve	General reserve	Retained earnings	Effective portion of cash flow hedges			
Balance as at 1 April 2017	**18,399.15**	**8,577.34**	**44,765.72**	**(5,658.75)**	**1,121.58**	**0.82**	**1.01**	**125.00**	**74.00**	**(5,354.57)**	**(307.00)**	**61,744.30**	**7,430.82**	**69,175.12**
Transactions with shareholders:														
Equity shares issued during the year towards acquisitions*	33,188.07	29,210.16	-	-	-	-	-	-	-	-	-	62,398.23	-	62,398.23
Acquisition of stake in subsidiaries under common control*	-	-	(44,765.72)	(8,891.43)	-	-	-	-	-	(1,371.08)	-	(55,028.23)	(6,371.00)	(61,399.23)
Adjustments due to change in stake of step-down subsidiaries	-	-	-	-	-	2.47	-	-	-	-	-	2.47	0.73	3.20
Sale of stake in step-down subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(2.47)	(2.47)
	33,188.07	**29,210.16**	**(44,765.72)**	**(8,891.43)**	**-**	**2.47**	**-**	**-**	**-**	**(1,371.08)**	**-**	**7,372.47**	**(6,372.74)**	**999.73**
Comprehensive income/ (loss) for the year:														
Loss for the year	-	-	-	-	-	-	-	-	-	(4,971.76)	-	(4,971.76)	(858.26)	(5,830.02)
Other comprehensive income /(loss)	-	-	-	-	-	-	-	-	-	(3.82)	44.35	40.53	0.01	40.54
	-	-	-	-	-	-	-	-	-	(4,975.58)	44.35	(4,931.23)	(858.25)	(5,789.48)
Balance as at 31 March 2018	**51,587.22**	**37,787.50**	**-**	**(14,550.18)**	**1,121.58**	**3.29**	**1.01**	**125.00**	**74.00**	**(11,701.23)**	**(262.65)**	**64,185.54**	**199.83**	**64,385.37**

Consolidated statement of changes in equity for the year ended 31 March, 2019

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

Particulars	Equity share capital	Reserves and Surplus									Other items of other comprehensive income	Equity attributable to shareholder of the Company	Non-controlling interest	Total
		Securities premium	Share pending Issuance*	Capital reserve on acquisition*	Capital reserve	Other reserves	Capital redemption reserve	Debenture redemption reserve	General reserve	Retained earnings	Effective portion of cash flow hedges			
Transactions with shareholders:														
Adjustments due to change in stake of step-down subsidiaries	-	-	-	-	-	1.40	-	-	-	-	-	1.40	(1.38)	0.02
Sale of stake in step-down subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(2.63)	(2.63)
	-	**-**	**-**	**-**	**-**	**1.40**	**-**	**-**	**-**	**-**	**-**	**1.40**	**(4.01)**	**(2.61)**
Comprehensive income/ (loss) for the year:														
Profit for the year	-	-	-	-	-	-	-	-	-	1,232.55	-	1,232.55	42.65	1,275.20
Fair value of interest free loans from parent company	-	-	-	-	-	646.26	-	-	-	-	-	646.26	-	646.26
Other comprehensive income /(loss)	-	-	-	-	-	-	-	-	-	(3.80)	(669.70)	(673.50)	(0.30)	(673.80)
	-	**-**	**-**	**-**	**-**	**646.26**	**-**	**-**	**-**	**1,228.75**	**(669.70)**	**1,205.31**	**42.35**	**1,247.66**
Balance as at 31 March 2019	**51,587.22**	**37,787.50**	**-**	**(14,550.18)**	**1,121.58**	**650.95**	**1.01**	**125.00**	**74.00**	**(10,472.48)**	**(932.35)**	**65,392.25**	**238.17**	**65,630.42**

* Refer Note 3.40

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
(formerly Thermal Powertech Corporation India Limited)
CIN: U40103TG2008PLC057031

Hemant Maheshwari
Partner
Membership No: 096537

Neil McGregor
Chairman
DIN: 07754310

Vipul Tuli
Managing Director
DIN: 07350892

Juvenil Jani
Chief Financial Officer

Narendra Ande
Company Secretary
Membership No: A14603

Place: Gurugram
Date: 17 May 2019

Place: Gurugram
Date: 17 May 2019

Notes to consolidated financial statements (Contd..)

1. Corporate information

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

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

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

These consolidated financial statements comprise the Company and its subsidiaries (referred to collectively as the 'Group') and the Group's interest in associates. Refer note 3.43 for information related to subsidiaries and associate entities under the Group.

2. 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.

New and amended standards adopted by the Group

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

2.2 Functional and presentation currency

The consolidated financial statements are presented in Indian rupees (INR) and all the values are rounded off to the nearest million to two decimal places except when otherwise indicated, which is also the functional currency of the 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 Use of estimates and judgements

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

Assumptions, estimation uncertainties and judgments

Information about significant areas of assumptions, estimation uncertainty and critical judgements in applying

Notes to consolidated financial statements (Contd..)

2. Significant accounting policies (Contd..)

accounting policies that have the most significant effect on the amounts recognised in the financial statements are:

Impairment of trade receivable and unbilled receivables:

The Group estimates the impairment losses on trade receivables and unbilled receivables using the expected credit loss model which considers, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

Useful lives of property, plant and equipment and intangible:

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.

Valuation of deferred tax assets:

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

Defined benefit plans:

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

Recognition and measurement of other provisions:

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the closing date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

2.5 Current and Non-current classification

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

Assets

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

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

Notes to consolidated financial statements (Contd..)

2. Significant accounting policies (Contd..)

2.6 Principles of Consolidation

The Group consolidates the entities which it owns or controls. 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 and associates 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 the unrealised profits / losses, unless cost/revenue cannot be recovered.

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.

2.7 Business combinations

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

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

Notes to consolidated financial statements (Contd..)

2. Significant accounting policies (Contd..)

amalgamation or merger (combination) that are under the control of the shareholder that controls the Group are accounted for as if the acquisition, amalgamation or merger had occurred at the beginning of the earliest comparative years presented or, if later, at the date that common control was established. The Group has followed 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 013 (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. Further, in case of consideration discharged by way of issuance of new equity shares are disclosed as a separate line item under the other equity as "Share Pending Issuance" in the corresponding periods till the date of actual allotment.

2.8 Property, plant and equipment and depreciation

i) Recognition and measurement

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

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

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

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

ii) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment is recognised in the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the 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) Disposals

Gains or losses arising from the retirement or disposal of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit and loss on the date of retirement or disposal.

iv) Depreciation

Depreciation on thermal power plants under plant and machinery is provided on straight line method based on the useful life, where the estimated useful life has been considered as 25 years, which the Management believes best represent based on internal assessment. Depreciation is provided on straight-line method (SLM) basis over the estimated useful life of the assets.

Depreciation on the renewable energy generating assets included under plant and machinery are provided at the rates as well as methodology notified (i.e. 90% of the energy generating assets is depreciated at the rate of 5.83% per annum in the first 12 years from commissioning date of the plant and remaining value of the asset is depreciated over the next 13 years) by the Central Electricity Regulatory Commission (Terms and Conditions for

Notes to consolidated financial statements (Contd..)

2. Significant accounting policies (Contd..)

Tariff determination from Renewable Energy Sources) Regulations, 2012 where applicable.

Depreciation on renewable energy generating assets for projects which are won under competitive bidding is provided on straight line method on the useful life. The estimated useful life has been considered as 30 years and 95% of the gross block (5% being residual value) of asset is considered for depreciation, which the Management believes best represent based on internal assessment.

Depreciation on other assets of the Group is provided on straight line method based on the useful life as specified in Schedule II to the Act, except in respect of following category of assets, in whose case the 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
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. Freehold land is not depreciated.

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

Depreciation on additions (disposals) is provided on a pro-rata basis i.e from (upto) the date on which asset is ready for use (disposed of). Assets whose acquisition cost is less than Rs. 5,000 are fully depreciated in the year of acquisition.

2.9 Intangible assets

Intangible assets other than Goodwill are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the 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.

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.

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.

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.

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

ii) Financial assets - Classification and subsequent measurement:

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

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

Notes to consolidated financial statements (Contd..)

2. Significant accounting policies (Contd..)

specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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.

Financial assets at fair value through profit or loss

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

iii) Financial liabilities - Classification and subsequent measurement:

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

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.

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

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.

Financial liability

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

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

v) Offsetting

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

2.11 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

Notes to consolidated financial statements (Contd..)

2. Significant accounting policies (Contd..)

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.

2.12 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 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 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.

Notes to consolidated financial statements (Contd..)

2. Significant accounting policies (Contd..)

2.13 Impairment

i) Financial assets (other than at fair value)

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses ('ECL') to be measured through a loss allowance. The Group recognises 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.

2.14 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.

2.15 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 provide 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.

Notes to consolidated financial statements (Contd..)

2. Significant accounting policies (Contd..)

2.16 Employee benefits

Short-term employee benefits

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

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

Defined benefit plans

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

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

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 a past practice that has created as contractual obligation.

2.17 Revenue recognition

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

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

The Group has assessed that the existing accounting policy for revenue recognition (sale of electricity, income from generation based incentive and income from sale of renewable energy certificates) in all material aspects are consistent with Ind AS 115 and the implementation has therefore not had any impact on the retained earnings as of 1 April 2018 except for minor changes in wording and classification of contract liability from other financial liability to other current liability.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment

Notes to consolidated financial statements (Contd..)

2. Significant accounting policies (Contd..)

excluding discounts, rebates, and taxes or duty. When there is uncertainty as to measurement or ultimate collectability of revenue, recognition is postponed until such uncertainty is resolved.

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

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

Unbilled receivables (previously unbilled revenue) represents energy units delivered to the power network as per the terms of PPAs and was not invoiced up to the reporting date. The 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 realized.

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) are recognised when the control have been passed to the buyer, which generally coincides with the delivery of RECs.

Claims for delayed payment charges 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 actual receipt of the claim, whichever is earlier, considering the uncertainty as to measurement or ultimate collectability of revenue.

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

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

2.18 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 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.

2.19 Earnings / (loss) per share

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

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

Notes to consolidated financial statements (Contd..)

2. Significant accounting policies (Contd..)

2.20 Leases

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

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

2.21 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.

2.22 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.

2.23 Income taxes

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

Current tax

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

Minimum alternate tax

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

Deferred tax

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

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

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

Notes to consolidated financial statements (Contd..)

2. Significant accounting policies (Contd..)

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

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

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

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

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

2.24 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.

2.25 Standards issued but not yet effective

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

Ind AS 116, Leases

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

The Group has assessed the estimated impact that initial application of Ind AS 116 will have on its consolidated financial statements. The actual impacts of adopting the

Notes to consolidated financial statements (Contd..)

2. Significant accounting policies (Contd..)

standard on 1 April 2019 may change because the new accounting policies are subject to change until the Group presents its first financial statements that include the date of initial application.

i. Leases in which the Group a lessee

The Group will recognise new assets and liabilities for its operating leases of offices, plant sites and guesthouse facilities (see note 3.35). The nature of expenses related to those leases will now change because the Group will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

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

In addition, the Group will no longer recognise provisions for operating leases that it assesses to be onerous as described in note 2.24. Instead, the Group will include the payments due under the lease in its lease liability and apply Ind AS 36, Impairment of Assets.

Based on the information currently available, the Group estimates that it will recognise additional lease liabilities of Rs. 240.22 million and an increase in right of use asset approximately by 149.57 million as at 1 April 2019.

ii. Transition

The Group plans to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

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

Ind AS 23 – Borrowing Costs

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

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

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

3.Notes to consolidated financial statements (Contd..)

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

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

Particulars	Land (owned)	Land (leased) (Note 1)	Roads	Office buildings	Factory buildings	Furniture and fittings	Vehicles	Office equipments	Electrical installations	Plant and machinery	Computers	Leasehold improvements	Total of Property,Plant and equipment	Capital work-in-progress
Gross carrying amount														
Balance as at 1 April 2017	**3,217.38**	**1,190.80**	**2,061.80**	**512.81**	**727.59**	**72.47**	**65.75**	**143.93**	**95.93**	**2,31,596.81**	**55.08**	**36.20**	**2,39,776.55**	**2,264.89**
Additions	-	10.00	133.94	978.72	23.24	20.13	13.73	13.95	-	1,324.05	47.34	-	**2,565.10**	9,880.65
Disposals/adjustments	-	-	-	-	-	(0.82)	(5.51)	(3.60)	-	(73.76)	(1.74)	-	**(85.43)**	(78.17)
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,375.85)
Balance as at 31 March 2018	**3,217.38**	**1,200.80**	**2,195.74**	**1,491.53**	**750.83**	**91.78**	**73.97**	**154.28**	**95.93**	**2,32,847.10**	**100.68**	**36.20**	**2,42,256.22**	**9,691.52**
Additions	331.28	-	50.55	28.42	24.05	5.47	2.80	49.70	-	19,593.38	23.77	0.71	**20,110.13**	30,340.05
Disposals/adjustments	-	-	-	-	-	-	-	(0.11)	-	(454.30)	(5.24)	-	**(459.65)**	(799.63)
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	(19,511.10)
Balance as at 31 March 2019	**3,548.66**	**1,200.80**	**2,246.29**	**1,519.95**	**774.88**	**97.25**	**76.77**	**203.87**	**95.93**	**2,51,986.18**	**119.21**	**36.91**	**2,61,906.70**	**19,720.84**
Accumulated depreciation														
Balance as at 1 April 2017	**-**	**34.47**	**275.15**	**25.85**	**46.28**	**13.23**	**10.75**	**57.49**	**26.89**	**12,082.98**	**22.09**	**2.06**	**12,597.24**	**-**
Depreciation for the year	-	24.00	271.50	24.00	34.03	8.93	8.57	29.86	13.50	10,471.68	24.02	4.04	**10,914.13**	-
Disposals/adjustments	-	-	-	-	-	(0.34)	(3.45)	(2.86)	-	(5.38)	(1.61)	-	**(13.64)**	-
Balance as at 31 March 2018	**-**	**58.47**	**546.65**	**49.85**	**80.31**	**21.82**	**15.87**	**84.49**	**40.39**	**22,549.28**	**44.50**	**6.10**	**23,497.73**	**-**
Depreciation for the year	-	24.08	193.16	32.12	24.61	9.67	9.47	26.53	13.50	10,788.55	29.50	4.06	**11,155.25**	-
Disposals/adjustments	-	-	-	-	-	-	-	(0.11)	-	(56.47)	(5.04)	-	**(61.62)**	-
Balance as at 31 March 2019	**-**	**82.55**	**739.81**	**81.97**	**104.92**	**31.49**	**25.34**	**110.91**	**53.89**	**33,281.36**	**68.96**	**10.16**	**34,591.36**	**-**
Carrying amounts (net)														
As at 31 March 2018	**3,217.38**	**1,142.33**	**1,649.09**	**1,441.68**	**670.52**	**69.96**	**58.10**	**69.79**	**55.54**	**2,10,297.82**	**56.18**	**30.10**	**2,18,758.49**	**9,691.52**
As at 31 March 2019	**3,548.66**	**1,118.25**	**1,506.48**	**1,437.98**	**669.96**	**65.76**	**51.43**	**92.96**	**42.04**	**2,18,704.82**	**50.25**	**26.75**	**2,27,315.34**	**19,720.84**

Notes:

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

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

3. Title deeds of certain lands in the name of the Group are under dispute. In respect of such disputes, the Group has been legally advised that it has the valid title deeds in its name for the aforesaid immovable properties and that it will be able to defend any counter claim to such property. Refer note 3.39.

4. Refer note 3.14 and 3.20 for assets pledged against the borrowings of the Group.

3.Notes to consolidated financial statements (Contd..)

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

3.2 Goodwill and other intangible assets

Particulars	Customer contracts	Softwares and licenses	Total of other intangible assets	Goodwill
Gross carrying amount				
Balance as at 1 April 2017	**32.10**	**96.50**	**128.60**	**1,234.20**
Additions	-	10.13	**10.13**	-
Balance as at 31 March 2018	**32.10**	**106.63**	**138.73**	**1,234.20**
Additions	-	4.50	**4.50**	-
Disposals	-	(0.02)	**(0.02)**	-
Balance as at 31 March 2019	**32.10**	**111.11**	**143.21**	**1,234.20**
Accumulated amortisation				
Balance as at 1 April 2017	**4.33**	**51.12**	**55.45**	**-**
Amortisation for the year	6.42	35.49	**41.91**	-
Balance as at 31 March 2018	**10.75**	**86.61**	**97.36**	**-**
Amortisation for the year	6.42	17.10	**23.52**	-
Disposals	-	(0.02)	**(0.02)**	-
Balance as at 31 March 2019	**17.17**	**103.69**	**120.86**	**-**
Carrying amounts (net)				
As at 31 March 2018	**21.35**	**20.02**	**41.37**	**1,234.20**
As at 31 March 2019	**14.93**	**7.42**	**22.35**	**1,234.20**

Impairment tests for goodwill:

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

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

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

3.Notes to consolidated financial statements (Contd..)

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

3.3 Derivative assets

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current		
Derivative designated as cash flow hedge		
- Fair value of cross currency interest rate swaps	109.29	-
Derivatives not designated as hedge		
- Fair value of cross currency interest rate swaps	385.06	327.82
- Fair value of foreign exchange option contracts	21.23	18.38
- Fair value of interest rate swaps	4.61	8.31
	520.19	**354.51**
Current		
Derivative designated as cash flow hedge		
- Fair value of Commodity hedge contracts	47.75	-
	47.75	**-**

The Group's exposure to currency and liquidity risk related to above derivative assets are disclosed in note 3.33.

3.4 Other financial assets

Particulars	As at 31 March 2019	As at 31 March 2018
(Unsecured, considered good)		
Non-current		
Margin money deposits and other deposits with banks*	5,176.80	3,754.36
Interest accrued but not due on above deposits	293.38	228.60
Advance recoverable	27.00	27.00
Security deposits	11.31	10.18
	5,508.49	**4,020.14**
Current		
Unbilled receivables	8,770.25	7,002.96
Less: Allowance for credit loss	(1.80)	(12.68)
Income accrued on generation based incentive	297.82	146.07
Interest accrued but not due on deposits	151.13	83.05
Margin money deposit with related party (refer note 3.38)	564.73	664.73
Advance given for purchase of mutual funds	0.28	7.50
Security deposits	41.08	25.52
Premium on forward contracts	344.21	-
Other receivables	176.89	-
	10,344.59	**7,917.15**

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

3.5 Non-current tax assets

Particulars	As at 31 March 2019	As at 31 March 2018
Advance income tax	588.37	577.24
Taxes paid under protest (refer note 3.39 (II))	422.70	312.71
	1,011.07	**889.95**

3.Notes to consolidated financial statements (Contd..)

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

3.6 Other assets

Particulars	As at 31 March 2019	As at 31 March 2018
(Unsecured, considered good)		
Non-current		
Capital advances	6,682.69	6,316.03
Advance to suppliers and service providers	-	408.64
Contribution to gratuity fund (refer note 3.37)	13.38	8.52
Prepayments	450.65	32.84
	7,146.72	**6,766.03**
Current		
Advance to suppliers and service providers	910.24	916.60
Balance with government authorities	80.60	10.99
Staff advances	2.68	2.33
Prepayments	1,113.75	867.09
Other receivables	0.35	-
	2,107.62	**1,797.01**

3.7 Inventories

Particulars	As at 31 March 2019	As at 31 March 2018
(Valued at lower of cost and net realisable value)		
Fuel*	3,893.58	4,645.39
Stores and spares	1,574.56	1,485.08
	5,468.14	**6,130.47**

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

3.8 Investments

	Number of units		Face value (Rs.)	As at	
	31 March 2019	31 March 2018		31 March 2019	31 March 2018
Current investments					
Quoted, debt securities					
Mutual fund securities valued at FVTPL					
Aditya Birla Sun Life Liquid Fund - Direct Plan - Growth	7,78,402	11,55,761	100	233.86	322.82
ICICI Prudential Liquid Fund - Direct Plan - Growth	12,35,940	11,24,600	100	341.63	289.18
IDFC Cash Fund - Direct Plan - Growth	26,615	1,29,612	1,000	60.32	273.51
DSP Liquid Fund - Direct Plan - Growth	1,06,590	1,25,945	1,000	284.96	313.01
SBI Liquid Fund - Direct Plan - Growth	1,25,806	63,222	1,000	368.43	172.24
L&T Liquid Fund - Direct Plan - Growth	1,25,163	44,626	1,000	320.75	106.34
Kotak Liquid Fund - Direct Plan - Growth	69,865	1,11,791	1,000	264.39	393.72
TATA Liquid Fund - Direct Plan - Growth	58,237	1,28,724	1,000	171.48	412.40
Sundram Money Fund - Direct Plan - Growth	37,44,137	-	10	147.56	-
Edelweiss Liquid Fund - Direct Plan - Growth	93,271	-	1,000	224.12	-
HSBC Cash Fund - Direct Plan - Growth	19,974	-	1,000	37.18	-
UTI Liquid Cash Fund - Direct Plan - Growth	78,862	-	1,000	241.38	-
Baroda Liquid Fund - Direct Plan - Growth	93,065	-	1,000	200.23	-
Reliance Liquid Fund - Direct Plan - Growth	6,647	-	1,000	30.32	-

3.Notes to consolidated financial statements (Contd..)

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

3.8 Investments (Contd..)

	Number of units		Face value (Rs.)	As at	
	31 March 2019	31 March 2018		31 March 2019	31 March 2018
HDFC Liquid Fund - Direct Plan - Growth	-	1,01,133	1,000	-	346.27
				2,926.61	**2,629.49**
Aggregate fair value of quoted investments				2,926.61	2,629.49
Aggregate provision for impairment in value of investments				-	-

3.9 Trade receivables

Particulars	As at 31 March 2019	As at 31 March 2018
(Unsecured)		
Trade receivables		
(a) considered good	21,084.15	16,845.15
(b) credit impaired	-	-
Less: Allowance for credit loss	(129.42)	(72.23)
	20,954.73	**16,772.92**

Notes:

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

(ii) The Group's exposure to credit and currency risk and loss allowances related to trade receivables are disclosed in note 3.33.

3.10 Cash and cash equivalents

Particulars	As at 31 March 2019	As at 31 March 2018
Cash and cash equivalents:		
Cash on hand*	0.04	0.84
Balance with banks:		
- in current accounts	2,538.47	1,533.97
- Deposits with original maturity of less than three months**	1,465.33	5,938.24
	4,003.84	**7,473.05**
Bank balances other than those disclosed above		
Deposits due to mature after three months but before twelve months from the reporting date**	4,782.16	968.24
	4,782.16	**968.24**

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

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

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

3.11 Loans

Particulars	As at 31 March 2019	As at 31 March 2018
(Unsecured, considered good)		
Loan to employees	-	0.75
	-	**0.75**

3.Notes to consolidated financial statements (Contd..)

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

3.12 Share capital

Particulars	As at 31 March 2019	As at 31 March 2018
Authorised		
Equity shares		
15,000.00 million (31 March 2018: 10,000.00 million) equity shares of Rs.10 each (refer note 3.40)	1,50,000.00	1,00,000.00
	1,50,000.00	**1,00,000.00**
Issued, Subscribed and fully paid up		
5,158.72 million (31 March 2018: 5,158.72 million) equity shares of Rs.10 each, fully paid up (refer note below)	51,587.22	51,587.22
	51,587.22	**51,587.22**

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

Notes:

643.97 million (31 March 2018: 643.97 million) equity shares of Rs.10 each, fully paid up are pledged against secured term loans from banks by SEIL-P1 and the holding company has given an undertaking to pledge 408.48 million equity shares of the Company for loans availed by SEIL-P2.

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

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

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of shares (in million)	% of holding	No. of shares (in million)	% of holding
Equity shares				
Sembcorp Utilities Pte. Ltd., Singapore	4,835.27	93.73%	4,835.27	93.73%
Gayatri Energy Ventures Private Limited	323.45	6.27%	323.45	6.27%

Terms and rights attached to equity shares:

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

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

For the year ended 31 March 2018, the Company has issued 2,568.75 million equity shares of Rs. 10 each fully paid at a premium of Rs. 8.80 per share to the shareholders of Sembcorp Gayatri Power Limited and Sembcorp Green Infra Limited as a consideration for acquisition of these entities on 15 February 2018. (refer note 3.40)

3.Notes to consolidated financial statements (Contd..)

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

3.13. Other equity

Nature and purpose of other equity

Securities premium

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

Share pending issuance

'Share pending issuance' account represents shares to be issued as consideration for acquisition of Sembcorp Gayatri Power Limited (SGPL) and Sembcorp Green Infra Limited (SGIL). The Company has issued shares as consideration on 15 February 2018. Accordingly, on 15 February 2018, the balance lying in share pending issuance account has been transferred to equity share capital and share premium. (refer note 3.40).

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 (refer note 3.40).

Capital reserve

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

Other reserves

Other reserves include all other transactions with the owners in their capacity as owners, impact of changes in the ownership interest do not result in loss of control and fair value adjustments (refer note 3.14).

Capital redemption reserve

Capital redemption reserve represents amounts set aside out of retained earnings on redemption of preference shares by one of the subsidiary, Green Infra Wind Farm Limited.

Debenture redemption reserve

One of the subsidiary, Green Infra Wind Farm Assets Limited allotted 500, 12% Non-convertible debentures of face value of Rs. 1.00 million each. GIWFAL has transferred Rs. 125.00 million to 'Debenture redemption reserve' (DRR) out of profits available for distribution of dividends, as required under section 71 of the Companies Act, 2013, read with rule 18 under Companies (Share capital and Debentures) Rules, 2014.

General reserve

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

Retained earnings

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

Other items of other comprehensive income

Effective portion of cash flow hedges

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

3.Notes to consolidated financial statements (Contd..)

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

3.14 Long-term borrowings

Particulars	As at 31 March 2019	As at 31 March 2018
A) Non-current borrowings:		
Secured		
From banks		
- External commercial borrowings	16,883.09	16,747.24
- Term loans	60,024.69	86,218.13
- Foreign currency non repatriable (FCNR) term loan	26,698.56	-
From financial institutions		
- External commercial borrowings	2,663.08	2,868.40
-Term loans	17,433.77	14,043.78
From others		
500 (31 March 2018: 500) 12% Non-convertible debentures of face value of Rs. 1.00 million each	500.00	500.00
10,000 (31 March 2018: Nil) 9.85% Non-convertible debentures of face value of Rs. 1.00 million each	10,000.00	-
Unsecured		
From related party (refer note 3.38)		
- INR denominated notes	42,400.00	42,400.00
	1,76,603.19	**1,62,777.55**
B) Current maturities of long-term borrowings:		
Current maturities	6,271.89	5,492.47
	6,271.89	**5,492.47**

Long-term borrowings in the Group	Interest rate and repayment terms of the long-term borrowings	Security terms of the long-term borrowings
External commercial borrowings (ECB) of Rs. 15,783.47 million (31 March 2018: Rs. 15,578.06 million) from banks in the Company for Sembcorp – P1	ECB loans carry interest at 3 month USD LIBOR plus 1.15% p.a. (31 March 2018: 3 month USD LIBOR plus 1.15% p.a.) These ECB loans are payable in 20 quarterly structured unequal instalments commencing from 30 June 2017. The Company has entered into cross currency interest rate swaps and the applicable interest rate under the hedge agreement is 8.36% p.a.	ECB loans are guaranteed by Sembcorp Utilities Pte Ltd, the holding company of the Company.
Rupee term loans of Rs. 24,422.61 million (31 March 2018: 47,148.99 million) from banks in the Company for Sembcorp – P1	The rupee term loans in respect of facility I and II carries an interest of SBI MCLR plus 1.25% p.a. Interest rate applicable during the year is 9.20% - 9.75% p.a. (31 March 2018: 9.20% - 10.15%) Rupee Term Loan facility - I is repayable in 79 quarterly structured unequal instalments commencing from 31 December 2016 and Rupee Term Loan facility - II consisting of Rs. 1,943.17 million is repayable in 77 quarterly structured unequal instalments commencing 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 land under lease 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 Sembcorp P1. 643.97 million equity shares of Rs. 10 each of the Company, fully paid up are pledged by the holding company.

3.Notes to consolidated financial statements (Contd..)

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

Long-term borrowings in the Group	Interest rate and repayment terms of the long-term borrowings	Security terms of the long-term borrowings
Rupee term loans of Rs. 21,777.25 million (31 March 2018: 29,774.19 million) from banks in the Company for Sembcorp - P2	The term loans carry an interest of SBI one year MCLR plus 1.25% p.a. The term loans carry an interest rate of 9.25% - 9.50% p.a. (31 March 2018: 9.25%) The term loans facility are repayable in 78 quarterly structured unequal installments commencing 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 Sembcorp - P2. Further, the holding company has given undertaking to pledge 408.48 million equity shares of the Company for borrowings availed by Sembcorp – P2. The holding company have given corporate guarantees to cover the outstanding exposure. All securities rank pari passu on first charge basis inter se amongst all the term loan lenders and created in favour of SBICAP Trustee Company Limited, acting as security trustee for term loan lenders.
Foreign currency non repetriable (FCNR) term loan of Rs. 26,698.56 million (31 March 2018: Nil) in the Company for Sembcorp – P1 & P2 During the year, the Company has converted Rupee term loan of Rs. 19,999.25 million pertaining to Sembcorp-P1 and Rupee term loan of Rs. 7,500.00 million pertaining to Sembcorp-P2 into FCNR term loans.	FCNR term loans tenure is 358 to 360 days from the date of conversion and these loans are repayable in one lump sum on the date of maturity. However, as per the terms of FCNR term loan agreements, the Company can rollover the facility or can convert it into Rupee term loans. The business model of the Company is either to rollover or conversion into Rupee term loans. Accordingly, the Company has classified the borrowings in the financial statements as per the original Rupee term loan agreement. The rate of interest applicable on these FCNR term loans is at 12 months LIBOR plus Spread plus Hedging cost plus upfront conversion cost (All in cost is at 9.01% to 9.05% p.a.). The Company has obtained hedge contract on principle and interest payable.	The FCNR is secured as per the rupee term loan with respective lenders as mentioned above.
Rs. 42,400.00 Million (March 2018: 42,400.00 Million) INR denominated notes in the Company for SEIL-P2.	INR denominated notes are payable in Single Tranche and Interest on Notes are payable on Quarterly basis. Terms of repayment, interest rate and Interest accrued and outstanding are given below:	These notes are unsecured and subscribed by holding company i.e. Sembcorp Utilities Pte Ltd.

3.Notes to consolidated financial statements (Contd..)

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

Long-term borrowings in the Group	Interest rate and repayment terms of the long-term borrowings	Security terms of the long-term borrowings

Tranche	Amount	Date of receipt	Interest coupon	Maturity period or due date	Interest outstanding as on balance sheet date	Due dates for payment of interest accrued but not due
1	7,893.90	9 December 2016	12.00% p.a.	30 September 2020	1,638.03	30 September 2020
2	9,000.00	27 March 2017	10.00% p.a.	10 years	1,285.35	30 September 2020
3	9,000.00	6 April 2017	10.00% p.a.	10 years	1,714.05	30 September 2020
4	9,000.00	7 April 2017	10.00% p.a.	10 years	1,284.61	30 September 2020
5	7,506.10	7 April 2017	10.00% p.a.	10 years	1,427.48	30 September 2020
	42,400.00				**7,349.53**	

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

(i) Term loan of Rs. 3,750.00 million (31 March 2018: Rs. 2,060.00 million) from banks in GIWEL (ii) Rs. 10,000.00 million, 10,000 9.65% Non-convertible debentures of Rs. 1.00 million each in GIWEL	Interest rate on loan is 9.65% (31 March 2018: 9.35% - 10.50 % p.a.) and is repayable in 77 unequal quarterly installments and 64 unequal quarterly installments starting from 30 June 2020 and 30 June 2018. During the year ended 31 March 2019, few of the existing loans have been repaid entirely. The said loan had interest rate in the range of 9.30% - 9.45 % p.a. During the year ended 31 March 2018, existing loans were repaid entirely by refinancing from short-term borrowings. The said loan had interest in the range of 9.35% - 10.50% p.a. Non-convertible debentures are repayable in 12 quarterly unequal installments starting from 31 October 2020 and carry an interest rate of 9.65% p.a.	Secured by pari passu first charge on all immovable properties and movables including plant and machinery, spares, tools, accessories, furniture, fixtures of the respective projects and other assets of project, cash flows, receivables, book debts, revenues by way of 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 GIWEL in favour of the Security Trustee.
Term loans of Rs. 3,279.11 million (31 March 2018: Rs. 3,378.20 million) from banks in GICSL Term loans of Rs. 2,282.78 million (31 March 2018: Rs. 2,420.79 million) from financial institutions in GICSL	Interest rates are in the range of 9.95% - 11.35% p.a. (31 March 2018: 10.45% - 10.90% p.a.) and is repayable in 57 quarterly unequal installments from 15 January 2016 and 30 June 2016.	Secured by first charge on all immovable and movables 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 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 for various wind power project located at state of Rajasthan, Madhya Pradesh, Gujarat and Maharashtra and pledge of 51% shareholding of all class of its shares held by its promoter.

3.Notes to consolidated financial statements (Contd..)

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

Long-term borrowings in the Group	Interest rate and repayment terms of the long-term borrowings	Security terms of the long-term borrowings
External commercial borrowings of Rs. 2,476.48 million (31 March 2018: Rs. 2,626.14 million) from foreign financial institutions in GICSL	Interest rates are in the range of 10.28% to 10.97% p.a. (31 March 2018: 10.71% to 10.97% p.a.) and is repayable in 57 quarterly unequal installments from 15 January 2016.	Secured by first charge on all immovable and movables 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 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 for wind power projects. The loan is also secured by pledge of 51% of all class of its shares.
Term loans of Rs. 4,543.66 million (31 March 2018: Rs. 4,061.65 million) from financial institutions in GIWPGL Term loans of Rs. 601.39 million (31 March 2018: Rs. 1,555.58 million) from bank in GIWPGL	Interest rates are in the range of 9.60% - 9.90% p.a. (31 March 2018: 9.60% - 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.	Secured by first charge on all movables 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 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, mortgage by deposit of title deeds on immovable properties of GIWPGL.
Term loan of Rs. 1,000 million (31 March 2018: Rs. 984.36 million) from financial institution in GIWFL	Interest on the loan is 10.00% p.a. (31 March 2018: Nil.) and is repayable in 44 structured unequal quarterly installments starting from 30 June 2019. During the year ended 31 March 2019, existing loan having interest in the range of 10.25% - 10.50% p.a. (31 March 2018: 10.00% - 11.25%) and repayable in 52 structured unequal quarterly installments starting from 1 October 2014, have been repaid entirely by refinancing from short-term loan which was further refinanced by long-term loan.	Secured by first charge by way of mortgage of immoveable and moveable properties including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, and goodwill, first charge by way of assignment or creation of security on all rights, title, interest, benefits claim and demands, letter of credit, insurance contract/ insurance proceeds, guarantee, performance bond and receivables. The previous loan was also secured by pledge of GIWFL's shares equivalent to Nil (31 March 2018: 51%) shareholdings of all classes of its shares.

3.Notes to consolidated financial statements (Contd..)

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

Long-term borrowings in the Group	Interest rate and repayment terms of the long-term borrowings	Security terms of the long-term borrowings
Term loan of Rs. 568.19 million (31 March 2018: Rs. 602.40 million) from financial institution in GIWPL	Interest on loan is 10.80% (31 March 2018: 10.80% p.a.) and is repayable in 54 structured unequal quarterly installments starting from 15 March 2016.	Secured by way of first charge of mortgage on freehold immovable property, hypothecation of movable assets including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, intangibles, goodwill, first charge by way of 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 any other reserves and any other bank account and receivables of GIWPL and 51% equity shares of Rs. 10 each of the GIWPL held by promoter i.e. GIWVL have been pledged in favour of the financial institution.
Term loan of Rs. 580.89 million (31 March 2018: Rs. 616.53 million) from financial institution in GICWL	Interest on loan is 10.80% p.a. (31 March 2018: 10.80% p.a.) and is repayable in 54 structured unequal quarterly installments starting from 15 March 2016.	Secured by way of first charge of mortgage on freehold immovable property, hypothecation of movable assets including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, intangibles, goodwill, first charge by way of assignment or creation of security on all rights, title, interest, benefits claim and demands in any 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 other reserves and bank accounts and receivables of GICWL, and 51% Equity shares of the GICWL held by promoter (i.e. GIWVL) have been pledged in favour of the financial institution.

3.Notes to consolidated financial statements (Contd..)

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

Long-term borrowings in the Group	Interest rate and repayment terms of the long-term borrowings	Security terms of the long-term borrowings
Term loans of Nil (31 March 2018: Rs. 644.40 million) from financial institutions in GISEL	Interest rates were in the range of 10.25% - 10.91 % p.a. (31 March 2018: 9.57% - 11.00 % p.a.) and were repayable in 52 structured unequal quarterly installments from 1 October 2014. During the year ended 31 March 2019, the entire has been repaid by refinancing from short-term loan.	Secured by first charge on all movables 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 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. The loan is also secured by mortgage by deposit of title deeds of immovable properties of GISEL and pledge of Nil (31 March 2018: 51%) share capital of GISEL together with all accretions, held by SGIL.
Term loan of Rs. 822.80 million (31 March 2018: Rs. 889.77 million) from financial institution in GIWGL	Interest on loan is 9.55% p.a. (31 March 2018: 9.55% p.a.) and is repayable in 59 structured unequal quarterly installments commencing from 31 September 2017. During the year ended 31 March 2018, existing loans were paid entirely by refinancing from long-term loan having interest in the range of 12.55% to 12.90% p.a.	Secured by pari-passu first charge on all immovable and movables properties including plant and machinery, spares, tools, accessories, furniture, fixtures and other assets of project, cash flows, receivables, book debts, revenues, intangible assets, trust and retention account, debt service reserve account and any other reserves and bank accounts of borrower, all rights, title, interest, benefits, claims and demands in the project documents, clearances, letter of credit, guarantee, performance bond and bank guarantee pledge of shares held by sponsors (i.e. Sembcorp Green Infra Limited) in the equity and preference shares representing Nil (31 March 2018: 51%) of the total paid up capital of the GIWGL in favour of the Security Trustee.
Term loan of Rs. 636.94 million (31 March 2018: Rs. 680.37 million) from financial institution in GIWPPL	Interest on loan is 9.45% p.a. (31 March 2018: 9.45% p.a.) and is repayable in 48 structured unequal quarterly installments starting from 30 June 2017.	Secured by pari-passu first charge on all immovable and movables properties including plant and machinery, spares, tools, accessories, furniture, fixtures and other assets of project, cash flows, receivables, book debts, revenues, intangible assets, trust and retention account, debt service reserve account and any other reserves and bank accounts of borrower, all rights, title, interest, benefits, claims and demands in the project documents, clearances, letter of credit, guarantee, performance bond and bank guarantee and pledge of shares held by sponsors (i.e. Sembcorp Green Infra Limited) in the equity Nil (31 March 2018: 51%) and preference shares representing 51% (31 March 2018: 51%) of GIWPPL in favour of the Security Trustee.

3.Notes to consolidated financial statements (Contd..)

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

Long-term borrowings in the Group	Interest rate and repayment terms of the long-term borrowings	Security terms of the long-term borrowings
Term loans of Nil (31 March 2018: Rs. 559.30 million) from financial institutions in GIWEAL	Interest rate were in the range of 10.25% - 10.92% p.a. (31 March 2018: 9.61% - 11.00% p.a.) and was repayable in 52 structured unequal quarterly installments from 1 October 1, 2014. During the year ended 31 March 2019, the entire loan has been repaid by refinancing from short-term loan.	Secured by first charge on immovable properties (leasehold or freehold) together with all the structures and appurtenances; first charge by way of hypothecation of all movable assets, first charge on book debts, operating cash flows, receivables, commission, revenue intangibles, goodwill, first charge on trust and retention account, debt service reserve account, project contracts (including insurance policies, land, right, titles) and PPAs along with pledge of 993,423 (31 March 2018: 993,423) equity shares of GIWEAL with the Lender held by promoter (i.e. GIWVL). The Group is in the process of removal of pledge as the loan has been repaid during the year.
Term loans of Rs. 1,508.01 million (31 March 2018: Rs. 1,623.84 million) from financial institutions in GIWFAL Rs. 500.00 million (31 March 2018: Rs. 500.00 million) 12% Non-Convertible Debentures of Rs. 1.00 million each in GIWFAL	(i) Interest rates are in the range of 10.00% - 11.25% p.a. (31 March 2018: 9.78% - 11.25% p.a.) and are repayable in 64 quarterly unequal installments starting from 1 April 2015. (ii) Non-convertible debentures are issued at 12% interest rate and are repayable in 4 yearly installments and starting at the ended of 6th year from the date of allotment, i.e. 30 December 2014.	Secured by way of pari passu mortgage on immovable property, hypothecation of movable assets including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, intangibles, goodwill, first charge by way of 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 reserves and any other bank account and receivables and 37,383,000 equity shares of Rs. 10 each of GIWFAL have been pledged by promoter i.e. GIWVL in favour of the Lenders.
Term loan of Rs. 606.94 million (31 March 2018: Rs. 648.32 million) from financial institution in GIWEPL	Interest on loan is 9.45% p.a. (31 March 2018: 9.45% p.a.) and is repayable in 44 structured unequal quarterly installments commencing from 30 June 2017.	Secured by first charge by way of hypothecation on entire movable properties, cash flows, receivables, book debts and revenues, 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 any other reserves and bank account performance bond, corporate guarantee, bank guarantee.

3.Notes to consolidated financial statements (Contd..)

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

Long-term borrowings in the Group	Interest rate and repayment terms of the long-term borrowings	Security terms of the long-term borrowings
Term loan of Nil (31 March 2018: Rs. 108.33 million) from bank in GIWEThL	Interest rate was in range of 9.95% - 10.95% p.a. (31 March 2018: 9.95% - 11.75% p.a.) and was repayable in 36 equal quarterly installments after moratorium period of 12 months from the first withdrawal date i.e. 28 August 2011. During the year ended 31 March 2019, the entire loan has been repaid by refinancing from short-term loan.	Secured by way of mortgage of immovable and movable properties and all rights, titles rights interest of the 7.5 MW wind farm at Theni, Tamil Nadu.
Term loan of Nil (31 March 2018: Rs. 124.50 million) from financial institution in GIWPThL	Interest rate was in the range of 10.25% - 10.50% p.a. (31 March 2018: 10.00% - 11.25% p.a.) and was repayable in 52 unequal quarterly installments starting from 1 October 2014. During the year ended 31 March 2019, the entire loan has been repaid by refinancing from short-term loan.	Secured by first charge on all movables 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 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. The loan is also secured by mortgage by deposit of title deeds of immovable properties of GIWPThL and pledge of 51% share capital of GIWPThL together with all accretions, held by promoter (i.e. Green Infra BTV Limited). The pledge on above shares has been removed subsequently on 3 April 2019.
Term loan of Rs. 1,132.30 million (31 March 2018: Rs. 1,175.20 million) from financial institution in MREL	Interest rate is in the range of 9.60% - 10.10% p.a. (31 March 2018: 9.60% - 10.50% p.a.) and is repayable in 59 structured unequal quarterly installments from 31 December 2018.	Secured by first mortgage and charge on all immovable properties, first charge on the entire movable properties 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, trust and retention account; an assignment by way of security on project documents and contracts (including insurance policies, land, right, titles).

3.Notes to consolidated financial statements (Contd..)

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

Long-term borrowings in the Group	Interest rate and repayment terms of the long-term borrowings	Security terms of the long-term borrowings
Term loans of 2,449.37 million (31 March 2018: Rs. 2,555.80 million) from banks in GIWSL	Interest rates are in the range of 9.35% - 9.60% p.a. (31 March 2018: 9.35% - 9.50% p.a.) and are repayable in 63 structured unequal quarterly installments starting from 30 June 2018.	Secured by first mortgage and charge on all immovable properties, first charge on the entire movable properties 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 (including insurance policies, land, right, titles) and 26% equity shares of the GIWSL held by promoter have been pledged in favour of the Lender.
(i) Term loan of Rs. 7,585.07 million (31 March 2018: Rs. 3,520.00 million) from banks in GIREL (ii) Term loans of Rs. 5,316.80 million (31 March 2018: Nil) from financial institutions in GIREL	Interest rates are in the range of 9.00% - 9.85% p.a. (31 March 2018: 9.00% p.a.) and are repayable in 71 structured unequal quarterly installments starting from 31 December 2019.	Secured by first mortgage and charge on all immovable properties, first charge on the entire movable properties and intangible assets including plant and machinery, machinery spares, tools and accessories, furniture, fixture, vehicles along with first charge on the goodwill, uncalled capital, cash flows, receivables, book debts, revenues, first charge on all bank accounts, debt service reserve account, trust and retention account; an assignment by way of security on project documents and contracts.
(i) External commercial borrowing of USD 10.05 million equivalent to Rs. 695.50 million (31 March 2018: USD 11.09 million equivalent to Rs. 721.39 million) from bank in GISFL (ii) External commercial borrowing of Rs. 311.19 million (31 March 2018: Rs. 342.53 million) from foreign financial institution in GISFL	(i) External commercial borrowing from bank carries interest rate of USD 3M LIBOR + 2.5% p.a. (31 March 2018: USD 3M LIBOR + 2.5% p.a.) and is repayable in 45 structured unequal quarterly installments 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 2018: 10.57% - 11.48% p.a. and is repayable in 26 structured unequal half yearly installments from 15 October 2013.	Secured by first charge on immovable properties all movables 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, along with 51% (31 March 2018: 100%) of equity shares of GISFL have been pledged in favour of the Security Trustee of Lenders.

3.Notes to consolidated financial statements (Contd..)

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

Long-term borrowings in the Group	Interest rate and repayment terms of the long-term borrowings	Security terms of the long-term borrowings
(i) External commercial borrowing of USD 2.63 million equivalent to Rs. 181.91 million (31 March 2018: USD 2.90 million equivalent to Rs. 188.68 million) from bank in GISPL (ii) External commercial borrowing of Rs. 80.73 million (31 March 2018: Rs. 88.86 million) from foreign financial institution in GISPL	(i) External commercial borrowing from bank carries an interest rate of USD 3M LIBOR + 2.5% p.a. (31 March 2018: USD 3M LIBOR + 2.5% p.a.) and is repayable in 45 structured unequal quarterly installments 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 2018: 10.57% - 11.48% p.a.) and is repayable in 26 structured unequal half yearly installments from 15 October 2013.	Secured by first charge on immovable properties all movables 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 borrower, along with 51% (March 2018: 100%) of equity shares of the GISPL have been pledged in favour of the Security Trustee of Lenders.
(i) External commercial borrowing of JPY 227.28 million equivalent to Rs. 142.09 million (31 March 2018: JPY 318.19 million equivalent to Rs. 195.81 million) from bank in GIBTVL (ii) Term loan of Rs. 68.57 million (31 March 2018: Rs. 137.14 million) from bank in GIBTVL	(i) External commercial borrowing from bank carries an interest rate of JPY LIBOR + 1.81% p.a. (31 March 2018: JPY LIBOR + 1.81% p.a.) and is repayable in 20 half yearly equal installments of JPY 45.46 million from 15 months from first disbursements i.e. 22 February 2012. (ii) The term loan carries an interest rate in the range of 9.95% to 10.70% p.a. (31 March 2018: 9.95% to 12.00% p.a.) and is repayable in 35 quarterly equal installments of from 15 months from first disbursements i.e. 7 September 2011.	Secured by first pari passu charge on assets including land, plant and machinery and movables properties 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 14.98 million equivalent to Rs. 1,036.09 million (31 March 2018: USD 17.36 million equivalent to Rs. 1,129.44 million) from banks in GIBTVL	(i) External commercial borrowings of outstanding USD 3.58 million (31 March 2018: USD 5.96 million) carries an interest rate of USD LIBOR + 4.50% p.a. (31 March 2018: USD LIBOR + 4.50% p.a.) and are repayable in 14 half yearly equal installments of USD 1.19 million from 31 December 2013. (ii) External commercial borrowings of outstanding USD 11.40 million (31 March 2018: USD 11.40 million) carries an interest rate of USD LIBOR + 2.74% p.a. (31 March 2018: USD LIBOR + 2.74% p.a.) and are repayable in 6 installments. First installment of USD 0.60 million was paid on September 23, 2013 and remaining balance is repayable in 5 structured unequal half yearly installments starting from 22 March 2021.	Secured by an exclusive charge on all immovable and movables properties pertaining to the 25.50 MW wind farms projects at Satara, Maharashtra

3.Notes to consolidated financial statements (Contd..)

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

3.15 Derivative liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current		
Derivative designated as cash flow hedge		
- Fair value of cross currency interest rate swaps	-	684.96
Derivatives not designated as hedge		
- Fair value of interest rate swaps	4.73	8.73
- Fair value of foreign exchange option contracts	0.93	2.51
	5.66	**696.20**
Current		
Derivatives designated as cash flow hedge		
- Fair value of commodity hedge contracts	489.52	-
- Fair value of forward contracts	40.03	-
Derivatives not designated as hedge		
- Fair value of forward contracts	1,135.03	0.25
- Fair value of commodity hedge contracts	-	92.45
	1,664.58	**92.70**

The Group's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in note 3.33.

3.16 Other financial liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current		
Retention bonus payable	23.64	33.87
Interest accrued but not due on INR denominated notes (refer note 3.14)	6,703.27	-
	6,726.91	**33.87**
Current		
Current maturity of long-term borrowings (refer note 3.14)	6,271.89	5,492.47
Capital creditors	8,062.67	1,623.92
Interest accrued but not due on borrowings	413.31	4,720.73
Retention bonus payable	18.40	41.36
Retention money payable (refer note 3.39 (IV))	6,596.94	6,606.09
Security deposits	-	2.35
Amount payable to employees	112.34	225.74
Other payables	94.09	0.30
	21,569.64	**18,712.96**

The Group's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in note 3.33.

3.17 Provisions

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current		
Provision for employee benefits		
- Gratuity (refer note 3.37)	10.81	2.36
- Compensated absences	51.91	39.22
Other provisions		
Provision for asset retirement obligation (refer subnote below)	178.11	287.16
	240.83	**328.74**
Current		
Provision for employee benefits		
- Compensated absences	6.49	8.41
Other provisions		
Provision for captive consumption tax	2.27	2.49
	8.76	**10.90**

3.Notes to consolidated financial statements (Contd..)

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

Movement in provision for asset retirement obligation is as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
At the beginning of the year	287.16	261.51
Provision (re-estimated)/added during the year (including unwinding of interest)	(109.05)	25.65
At the end of the year	**178.11**	**287.16**

3.18 Deferred tax liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred tax liabilities:		
Excess of depreciation on assets under Income Tax law over depreciation provided in accounts	16,741.34	16,723.08
Fair value adjustment of current investments	11.50	12.62
Unamortised part of borrowing costs	189.69	3.92
	16,942.53	**16,739.62**
Deferred tax assets:		
Provision for asset retirement obligation	49.55	79.89
Allowance for expected credit loss	44.49	18.69
Operation and maintenance expenses equalization reserve	116.22	164.90
Expenses to be allowed as deductible in future	6,249.39	-
Unabsorbed depreciation/carried forward tax losses #	9,752.56	16,143.23
	16,212.21	**16,406.71**
Net deferred tax liabilities	**730.32**	**332.91**
Deferred tax liabilities at the beginning of the year	332.91	193.89
Deferred tax expenses recognised in the consolidated statement of profit and loss	399.17	139.21
Deferred tax credit recognised in other comprehensive income	(1.76)	(0.19)
Deferred tax liabilities at the end of the year	**730.32**	**332.91**

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

3.19 Other liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current		
Operation and maintenance expenses equalisation reserve	487.13	717.76
Lease equalisation reserve	24.89	18.40
	512.02	**736.16**
Current		
Operation and maintenance expenses equalisation reserve	44.70	349.41
Advance from customers	20.70	37.17
Unearned income	292.31	225.03
Dues to statutory authorities	255.28	201.36
Other payables (refer note 3.39 (IV))	3,924.92	4,077.39
	4,537.91	**4,890.36**

3.Notes to consolidated financial statements (Contd..)

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

3.20 Short-term borrowings

Particulars	As at 31 March 2019	As at 31 March 2018
Secured		
Working capital loans from banks including buyer's credit	16,893.29	15,468.51
Short-term project loans	6,824.72	9,841.66
Bills discounted against letter of credit	1,739.08	3,300.80
Unsecured		
Commercial papers	3,250.00	-
Short-term project loans	2,000.00	-
Bills discounted against letter of credit	352.47	-
	31,059.56	**28,610.97**

Short-term borrowings in the Group	Interest rate and repayment terms of the short-term borrowings	Security terms of the short-term borrowings
Working capital loans from banks including buyer's credit of Rs. 13,559.39 million (31 March 2018: 9,456.13 million) in the Company for Sembcorp – P1	Working capital loans currently carry an interest in the range of 8.30% - 10.15% p.a. (31 March 2018: 7.95% - 9.40% p.a.) and buyers credit carry LIBOR based interest rate which was in the range of 3.80% to 4.05% p.a. (31 March 2018: 2.27% - 3.25% p.a.) and tenure is 180 days from the date of draw down and cash credits are repayable on demand for the projects.	Short-term borrowings from banks are secured by mortgage pari passu first charge of registered mortgage of freehold land of 160 sq. mt. in Sudhagad Taluka, Raigad, Maharashtra and equitable mortgage of 800.80 acres of owned land and 680.55 acres of land under lease situated at Pynampuram and Nelatur Villages, Muthukur Mandal in the state of Andhra Pradesh and first pari passu charge over all the present and future assets (both tangible and intangible) of the Sembcorp – 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 and Gayatri Energy Ventures Private Limited, in the ratio of their respective shareholding at all times.
Working capital loans from banks including buyer's credit of Rs. 2,926.64 million in the Company for Sembcorp – P2	Interest on Cash Credit facility linked to SBI MCLR plus spread of 1.25% (31 March 2018: SBI MCLR plus spread of 2.55%) Interest rate applicable was 9.25%- 9.75% p.a. (31 March 2018: 11.55% p.a.) Working capital loans currently carry an interest of 8.35% to 9.70% p.a. (31 March 2018: 8.35% to 9.70% p.a.) and buyers credit carries LIBOR based interest in range of 3.80% to 4.05% p.a. (31 March 2018: 2.00% to 2.70% p.a.)	Secured by first ranking pari passu charge of registered mortgage of freehold land of 150 sq. mtrs at Village Zaap, Sudhagad Taluka, Raigad, Maharashtra and equitable mortgage over 1,216.88 acres of owned land and leasehold rights on land admeasuring 38.91 acres, under lease from the Company 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 Sembcorp – P2 The fund based working capital facilities from State Bank of India are secured by the Corporate guarantee of Sembcorp Utilities Pte Ltd.

3.Notes to consolidated financial statements (Contd..)

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

Short-term borrowings in the Group	Interest rate and repayment terms of the short-term borrowings	Security terms of the short-term borrowings
		The working capital facilities from DBS bank and HSBC Bank are secured by corporate guarantee from Sembcorp Utilities Pte Ltd and Gayatri Energy Ventures Private Limited in proportionate to shareholding in the Company till the date of supply of power under Long-term Power Purchase Agreement (PPA) for 990 MW.
Bills discounted against letter of credit of Rs. 916.65 million (31 March 2018: Rs. 3,300.80 million) from banks in GIREL	Bill discounted carry an interest rate in the rage of 7.20% - 8.60% p.a. (31 March 2018: 7.20% - 7.50% p.a.) and are repayable within 365 days from the date of issuance of Bill of Exchange.	Secured by first mortgage and charge on all immovable properties, first charge on the entire movable properties and intangible assets including plant and machinery, machinery spares, tools and accessories, furniture, fixture, vehicles along with first charge on the goodwill, uncalled capital, cash flows, receivables, book debts, revenues, first charge on all bank accounts, debt service reserve account, trust and retention account; an assignment by way of security on project documents and contracts.
Bills discounted against letter of credit of Rs. 822.43 million (31 March 2018: Nil) from banks in GIWEL	Bills discounted carry an interest rate of 8.70% p.a. (31 March 2018: Nil) and are repayable within 365 days from the date of issuance of Bill of Exchange.	Secured by first charge on all immovable properties and movables including plant and machinery, spares, accessories, furniture, and other assets of project, cash flows, receivables, book debts, revenues by way of 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 GIWEL in favour of the Security Trustee.
Rs. 407.26 million (31 March 2018: Rs. 307.90 million) working capital loans from banks in GIWEL	The working capital loan carries interest rate in the range of 8.19% - 9.30% p.a. (31 March 2018: 8.60%) and is repayable on demand.	The working capital loan is secured by way of first charge of entire immovable properties pertaining to the project, entire movable properties including movable plant and machinery, machinery spares, tools and accessories, furniture and fixtures, vehicles, current assets, entire cash flow, receivables, book debts and revenues, entire intangible assets, assignment of all rights, title, interest, benefits, claims of project, all project documents, first charge on trust and retention accounts, debt service reserve accounts and other bank accounts.

3.Notes to consolidated financial statements (Contd..)

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

Short-term borrowings in the Group	Interest rate and repayment terms of the short-term borrowings	Security terms of the short-term borrowings
Rs. 5,474.89 million (31 March 2018: Rs. 9,841.66) loans from banks in GIWEL	Interest rate are on based of MCLR rates plus spread margin and is in the range of 8.16 % - 9.51% p.a. (31 March 2018: 7.85% - 8.60%) and are repayable within 12 months from the date of loan taken.	Secured by first rank pari passu charge over all rights, title, interest and benefit in entire movable properties including movable plant and machinery, machinery spares, tools and accessories, furniture and fixtures, vehicles and intangible assets of the related projects.
Rs. 91.67 million (31 March 2018: Nil) loan from bank in GIWEThL Rs. 119.28 million (31 March 2018: Nil) loan from bank in GIWPThL Rs. 599.39 million (31 March 2018: Nil) loan from bank in GISEL Rs. 539.50 million (31 March 2018: Nil) loan from bank in GIWEAL	Interest rates are in the range of 8.27% - 9.51% p.a. (31 March 2018: Nil) and is repayable within 12 months from the date of disbursement of loan.	Secured by first rank pari passu charge over all rights, title, interest and benefit in entire movable properties including movable plant and machinery, machinery spares, tools and accessories, furniture and fixtures, vehicles and intangible assets of respective entity.
Bills discounted against letter of credit of Rs. 352.47 million (31 March 2018: Rs. Nil) from banks in GIWEL	Bill discounted carry an interest rate of 8.70% p.a. (31 March 2018: Nil) and are repayable within 365 days from the date of issuance of Bill of Exchange.	Bills discounted against letter of credit from banks are unsecured.
Rs. 2,000.00 million (31 March 2018: Nil) loan from bank in GIWEL	Interest rates are on based of MCLR rates plus spread margin and is 8.95% (31 March 2018: Nil) and is repayable within 12 months from the date of disbursement of loan.	These loans are unsecured.
Commercial papers Rs. 3,250.00 million (31 March 2018: Nil) issued by GIWEL	Commercial papers have a discount rate in the range of 8.70% - 8.95% p.a. (31 March 2018: Nil) and are repayable within 93 - 274 days from the date of issue.	These commercial papers are unsecured.

3.Notes to consolidated financial statements (Contd..)

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

3.21 Trade payables

Particulars	As at 31 March 2019	As at 31 March 2018
Total outstanding dues to micro and small enterprises	4.51	-
Total outstanding dues to other than micro and small enterprises		
- related parties (refer note 3.38)	52.81	109.03
- others	3,357.05	3,318.81
	3,414.37	**3,427.84**

The Group's exposure to currency and liquidity risks related to trade payables are disclosed in note 3.33.

3.22 Current tax liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for taxes (net of advance tax)	410.47	408.76
	410.47	**408.76**

3.23 Revenue from operations

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Sale of electricity	82,810.36	77,329.80
Other operating revenues:		
- Income from generation based incentive	471.65	462.90
- Income from sale of renewable energy certificates	81.76	157.72
- Other operating revenue	48.61	25.74
	83,412.38	**77,976.16**

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

Particulars	For the year ended 31 March 2019
Contract price	83,787.74
Adjustments for:	
Rebates	(606.03)
Deviation charges (refer note 2.17)	(304.07)
Unearned income	(67.28)
Sale of electricity	**82,810.36**

3.Notes to consolidated financial statements (Contd..)

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

3.23 Revenue from operations (Contd..)

Changes in unearned income are as follows:

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

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

3.24 Other income

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest income under effective interest rate method	781.01	612.83
Net gain on fair value changes classified as FVTPL		
- mutual funds	203.34	168.45
- other financial assets	0.50	13.70
Liquidated damages recovered	1,865.40	121.14
Liabilities no longer required, written back (refer note 3.39 (IV))	671.49	233.65
Provision no longer required, written back	25.17	-
Gain on derivative contracts, net	459.32	-
Gain on sale of property, plant and equipment, net	0.34	-
Income from insurance claims	52.17	-
Late payment surcharges from beneficiary	1,150.30	9.10
Miscellaneous income, net	45.44	12.48
	5,254.48	**1,171.35**

3.25 Cost of fuel

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Coal and alternative fuel	45,931.12	43,476.20
	45,931.12	**43,476.20**

3.26 Transmission charges

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Transmission charges	3,716.14	2,888.49
	3,716.14	**2,888.49**

3.Notes to consolidated financial statements (Contd..)

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

3.27 Employee benefits expense

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries, wages and bonus	1,675.59	1,350.02
Contribution to provident and other funds (refer note 3.37)	86.74	72.37
Employee shared based expenses	22.14	-
Staff welfare expenses	92.42	76.69
	1,876.89	**1,499.08**

3.28 Finance costs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest expense on financial liabilities measured at amortised cost	18,454.82	18,603.18
Unwinding of discount on asset retirement obligation	16.19	21.20
Loss on derivative contracts	-	19.90
Other borrowing costs	550.02	2,444.65
	19,021.03	**21,088.93**

3.29 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Depreciation on property, plant and equipment	11,155.25	10,914.13
Amortisation on intangible assets	23.52	41.91
	11,178.77	**10,956.04**

3.30 Operating and other expenses

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Operation and maintenance expenses	692.79	752.71
Consumption of stores, spares and consumables	513.13	437.17
Site development expenses	24.90	31.03
Repairs and maintenance		
- Buildings and civil works	40.56	70.62
- Plant and equipment	870.07	896.31
- Others	123.42	130.41
Travelling and conveyance	141.08	125.53
Insurance	419.81	419.07
Security charges	111.56	134.94
Legal and professional expenses (refer subnote below)	586.62	959.16
Vehicle hire charges	40.17	38.47
Health and safety expenses	19.60	25.79
Expenditure on corporate social responsibility	22.75	39.15
Rates and taxes	67.32	62.61
Rent	68.44	50.98

3.Notes to consolidated financial statements (Contd..)

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

3.30 Operating and other expenses (Contd..)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Directors' sitting fee (including subsidiary companies)	12.49	14.00
Loss on foreign exchange fluctuations, net	501.43	290.96
Loss on disposal of property, plant and equipment, net	-	2.86
Property, plant and equipment written off (refer note 3.39 (IV))	216.61	-
Commission charges	6.48	9.66
Communication expenses	12.97	12.74
Business promotion	10.42	9.26
Capital work-in-progress written off	-	78.17
Allowance for expected credit loss	46.31	84.91
Doubtful receivables and advances written off	0.92	30.85
Miscellaneous expenses	61.75	46.52
	4,611.60	**4,753.88**

Auditor's remuneration (excluding taxes)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
- statutory audit fee	10.92	11.15
- for other services	12.73	14.34
- for reimbursement of expenses	1.84	1.19
	25.49	**26.68**

Notes:

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

3.31 Tax expenses

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current tax expense*	649.57	175.70
Current tax expense (changes in estimates related to prior years)	7.37	-
Deferred tax charge	399.17	139.21
	1,056.11	**314.91**
Tax effect on other comprehensive income	(1.76)	(0.19)
	1,054.35	**314.72**

* refer note 3.40 for restatement in previous year figures

3.Notes to consolidated financial statements (Contd..)

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

3.31 Tax expenses (Contd..)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Reconciliation of effective tax rate		
Profit/(loss) before tax	**2,331.31**	**(5,515.11)**
Enacted tax rate in India	34.94%	34.61%
Computed expected tax expenses/ (benefit)	**814.65**	**(1,908.67)**
Effect of		
Tax expenses (MAT) of which credit is not recognised	626.09	171.00
Tax on changes in estimates related to prior years	(282.60)	(13.50)
Adjustments due to income taxable at different tax rates	(211.18)	-
Non-deductible expenses	35.35	46.75
Changes in permanent difference of deferred tax assets/liabilities	(97.80)	(100.05)
Non-taxable income (income under section 80IA)	(84.12)	(61.46)
Carried forward losses lapsed during the year	-	342.94
Deferred tax asset not recognised on losses	255.72	1,837.90
Income tax expense	**1,056.11**	**314.91**
Tax effect on other comprehensive income	(1.76)	(0.19)
	1,054.35	**314.72**

3.32 Earnings per share

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit/(loss) attributable to equity shareholders of the Company	1,232.55	(4,971.76)
Number of equity shares: (in millions)		
Number of shares at the beginning of the year	5,158.72	1,839.92
Add: Weighted average number of shares issued against share pending issuance*	-	3,279.04
Weighted average number of shares outstanding during the year	**5,158.72**	**5,118.96**
Earnings per equity share (face value of share Rs.10 each)		
- Basic earnings per share (Rs.)	0.24	(0.97)
- Diluted earnings per share (Rs.)	0.24	(0.97)

*Represents weighted average number of equity shares issued against acquisition of SGPL and SGIL (refer note 3.40).

3.Notes to consolidated financial statements (Contd..)

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

3.33. Financial instruments - Fair values and risk management

A) Accounting classifications and fair values

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

As at 31 March 2019:

	Note	Carrying amount				Fair value		
		FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets								
Derivative assets	3.3	410.90	157.04	-	567.94	-	567.94	-
Investments	3.8	2,926.61	-	-	2,926.61	2,926.61	-	-
Trade receivables	3.9	-	-	20,954.73	20,954.73	-	-	-
Cash and cash equivalents	3.10	-	-	4,003.84	4,003.84	-	-	-
Other bank balances	3.10	-	-	4,782.16	4,782.16	-	-	-
Other financial assets	3.4	-	-	15,853.08	15,853.08	-	-	-
		3,337.51	**157.04**	**45,593.81**	**49,088.36**	**2,926.61**	**567.94**	**-**
Financial liabilities								
Derivative liabilities	3.15	1,140.69	529.55	-	1,670.24	-	1,670.24	-
Borrowings (excluding current maturities)	3.14 & 3.20	-	-	2,07,662.75	2,07,662.75	-	-	-
Trade payables	3.21	-	-	3,414.37	3,414.37	-	-	-
Other financial liabilities	3.16	-	-	28,296.55	28,296.55	-	-	
		1,140.69	**529.55**	**2,39,373.67**	**2,41,043.91**	**-**	**1,670.24**	**-**

As at 31 March 2018:

	Note	Carrying amount				Fair value		
		FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets								
Derivative assets	3.3	354.51	-	-	354.51	-	354.51	-
Investments	3.8	2,629.49	-	-	2,629.49	2,629.49	-	-
Trade receivables	3.9	-	-	16,772.92	16,772.92	-	-	-
Cash and cash equivalents	3.10	-	-	7,473.05	7,473.05	-	-	-
Other bank balances	3.10	-	-	968.24	968.24	-	-	-
Loans	3.11	-	-	0.75	0.75	-	-	
Other financial assets	3.4	-	-	11,937.29	11,937.29	-	-	
		2,984.00	**-**	**37,152.25**	**40,136.25**	**2,629.49**	**354.51**	**-**
Financial liabilities								
Derivative liabilities	3.15	103.94	684.96	-	788.90	-	788.90	-
Borrowings (excluding current maturities)	3.14 & 3.20	-	-	1,91,388.52	1,91,388.52	-	-	-
Trade payables	3.21	-	-	3,427.84	3,427.84	-	-	-
Other financial liabilities	3.16	-	-	18,746.83	18,746.83	-	-	-
		103.94	**684.96**	**2,13,563.19**	**2,14,352.09**	**-**	**788.90**	**-**

3.Notes to consolidated financial statements (Contd..)

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

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

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

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.

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

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

a) Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and commodity prices 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 and long-term and short-term borrowings.

The Group entered into various cross currency interest rate swaps to reduce its exposure to interest rate volatility. In accordance with the Group's policy, the duration of such cross currency interest rate swaps must not exceed the tenure of the underlying debt. The Group's borrowings majorly consists of project funding loans 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.

3.Notes to consolidated financial statements (Contd..)

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

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

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

Particulars	As at 31 March 2019	As at 31 March 2018
Fixed rate instruments		
Non-current and current borrowings	72,867.74	51,110.03
Effect of interest rate swaps	17,896.64	17,677.64
	90,764.38	**68,787.67**
Variable rate instruments		
Non-current and current borrowings	1,41,066.90	1,45,770.96
Effect of interest rate swaps	(17,896.64)	(17,677.64)
	1,23,170.26	**1,28,093.32**
	2,13,934.64	**1,96,880.99**

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 the its operating and financing activities. The functional currency of the Group is Indian rupee. The currencies in which these transactions are primarily denominated in US dollars (USD) and Singapore dollar (SGD).

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

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

Particulars	Currency	31 March 2019		31 March 2018	
		Indian Rupees	Foreign currency	Indian Rupees	Foreign currency
Financial assets					
Cash in hand	USD	0.02	0.00	0.00	0.00
Cash in hand	SGD	0.02	0.00	0.11	0.00
Trade receivables	USD	418.32	6.05	-	-
Other financial assets (unbilled receivables)	USD	691.23	9.99	-	-
Total financial assets		**1,109.59**		**0.11**	
Financial liabilities					
Borrowings - ECB, FCNR and Buyer's credit	USD	(46,693.71)	(673.77)	(25,903.76)	(398.26)
Borrowings - ECB	JPY	(142.09)	(227.28)	(195.81)	(318.19)
Trade payables	USD	(682.86)	(9.87)	(1,409.13)	(21.81)
Trade payables	SGD	(34.23)	(0.67)	(33.66)	(0.66)
Trade payables	EUR	(2.38)	(0.03)	(0.04)	0.00
Other financial liabilities	USD	(3,663.93)	(52.87)	(3,721.78)	(57.09)
Other financial liabilities	GBP	(1.65)	(0.02)	(1.69)	(0.02)
Other financial liabilities	JPY	(0.51)	(0.95)	(0.71)	(1.34)
Total financial liabilities		**(51,221.36)**		**(31,266.58)**	
Net financial liabilities		**(50,111.77)**		**(31,266.47)**	
Less:					
Foreign exchange forward contracts	USD	2,711.59	39.20	5,910.84	90.88
FCNR term loans	USD	26,801.13	386.19	-	-
Cross currency and interest rate swaps	USD	17,810.49	257.39	17,473.85	268.52
Forward options	JPY	142.60	228.23	196.52	319.53

3.Notes to consolidated financial statements (Contd..)

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

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

Particulars	Currency	31 March 2019		31 March 2018	
		Indian Rupees	Foreign currency	Indian Rupees	Foreign currency
Total		**47,465.81**		**23,581.21**	
Net exposure in respect of recognised assets/ (liabilities)		**(2,645.96)**		**(7,685.26)**	

*Refers 0.00 for figures less than Rs 0.01 million.

Sensitivity analysis

A reasonably possible strengthening (weakening) of Indian rupee against US dollar as at balance sheet date would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast purchases.

Particulars	Profit/(loss)		Equity increase/(decrease), net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2019				
USD (5% movement)	130.39	(130.39)	130.39	(130.39)
31 March 2018				
USD (5% movement)	382.50	(382.50)	382.50	(382.50)

(iii) Commodity price risk

The prices of imported coal purchases are linked to price fluctuations in international coal market. Significant portion of cost and inventories are exposed to the risk of price fluctuations in international coal markets. The Group uses commodity hedge contracts to hedge the price risk of forecasted transactions.

The Group operates a risk management desk that uses hedging instruments to seek to reduce the impact of market volatility in coal prices on the Group's profitability. The Group's risk management desk uses coal commodity hedge contracts that are available in the commodity derivative markets. (The derivative instruments used for hedging purposes typically do not expose the Group to market risk because the change in their market value is usually offset by an equal and opposite change in the market value of the underlying asset, liability or transaction being hedged). The Group's open positions in commodity hedge contracts are monitored and managed on a regular basis to ensure compliance with its stated risk management policy which has been approved by the management.

Break-up of commodity hedge contracts entered into by the Group and outstanding as at balance sheet date:

Particulars	Contracts currency	Quantity of open contracts (MT)		Fair value of derivative asset/ (liability), net (INR)	
		31 March 2019	31 March 2018	31 March 2019	31 March 2018
Coal commodity hedge contracts	USD	8,30,000	5,30,000	(441.77)	(92.45)

3.Notes to consolidated financial statements (Contd..)

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

3.33. Financial instruments - Fair values and risk management (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:

Particulars	Fair value of derivative asset/ (liability)		Nominal values in Foreign currency		Nominal values Indian Rupees	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Derivatives designated as cash flow hedges:						
Cross currency interest rate swaps						
In USD	109.29	(684.96)	229.50	239.73	15,874.81	15,592.71
Commodity hedge contracts						
In USD	47.75	-	6.52	-	450.89	-
In USD	(489.52)	-	42.09	-	2,911.37	-
Forward and option contracts						
In USD	(40.03)	-	15.76	-	1,148.73	-
Derivatives not designated as hedges:						
Options						
In USD	(0.93)	(2.51)	0.06	0.16	4.42	10.45
In JPY	21.23	18.38	76.68	343.87	47.94	211.62
Forward contracts and swaps						
In USD	389.67	336.13	33.78	37.32	2,336.52	2,427.31
In USD	(1,135.03)	(0.25)	425.39	90.88	29,512.72	5,910.84
In JPY	(4.73)	(8.73)	227.28	318.19	142.09	195.81
Commodity hedge contracts						
In USD	-	(92.45)	-	47.75	-	3,163.49

3.Notes to consolidated financial statements (Contd..)

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

3.33. Financial instruments - Fair values and risk management (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.

Trade receivables and unbilled receivables

The Group has exposure to credit risk from a limited customer group on account of specialised nature of business, i.e. sale of power. The Group ensures concentration of credit does not significantly impair the financial assets since the customers to whom the exposure of credit is taken are well established and reputed undertakings which are sovereign backed and other large corporates.

Customer credit risk is managed by the Group subject to the Group's established policy, procedures and control relating to the customer credit risk management. Credit quality of a customer is assessed based on their past performance. Outstanding customer receivables are regularly monitored and taken up on case to case basis.

The Group has adopted a policy of dealing with credit worthy counter parties as a means of mitigating the risk of financial loss from defaults. The Group's exposure and credit worthiness of its customers are continuously monitored.

Impairment

The movement in allowance for expected credit loss in respect of trade receivables and unbilled revenue during the year end is as follows:

Particulars	Allowance for expected credit loss		
	Trade receivables	Unbilled revenue	Total
31 March 2019			
Balance at the beginning of the year	72.23	12.68	84.91
Movement in expected credit loss allowance	57.19	(10.88)	46.31
Balance at the end of the year	129.42	1.80	131.22
31 March 2018			
Balance at the beginning of the year	-	-	-
Movement in expected credit loss allowance	72.23	12.68	84.91
Balance at the end of the year	72.23	12.68	84.91

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 derivate liabilities are limited as the Group generally invests in deposits with banks with high credit ratings assigned by credit rating agencies. Given the high credit ratings of these banks, the Group does not expect these banks and financial institutions to fail in meeting their obligations.

Credit risk arising from investment in mutual funds is limited and there is no collateral held against these because the counterparties are recognised financial institutions with high credit ratings assigned by the various credit rating agencies. The mutual funds are valued at market price prevailing at reporting date which represents the fair value.

The fair value of foreign exchange contracts and foreign exchange swaps are accounted for based on the difference between the contractual price and the current market price. The fair value of interest rate swaps and cross currency swaps are the indicative amounts that the Group is expected to receive or pay to terminate the swap counterparties at the balance sheet date.

3.Notes to consolidated financial statements (Contd..)

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

3.33. Financial instruments - Fair values and risk management (Contd..)

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 2019

Particulars	Carrying value	Contractual cash flows (Gross)			
		within 12 months	1-5 years	More than five years	Total
Borrowings - long-term (including current maturities)*	1,82,875.08	25,319.51	98,122.39	1,64,852.26	2,88,294.16
Borrowings - short-term	31,059.56	31,059.56	-	-	31,059.56
Trade payables	3,414.37	3,414.37	-	-	3,414.37
Other financial liabilities (excluding current maturities of borrowings)	22,024.66	14,651.49	7,373.17	-	22,024.66
Derivative contracts	1,670.24	1,664.58	5.66	-	1,670.24
	2,41,043.91	**76,109.51**	**1,05,501.22**	**1,64,852.26**	**3,46,462.99**

As at 31 March 2018

Particulars	Carrying value	Contractual cash flows (Gross)			
		within 12 months	1-5 years	More than five years	Total
Borrowings - long-term (including current maturities)*	1,68,270.02	20,945.16	1,03,826.64	1,76,119.66	3,00,891.46
Borrowings - short-term	28,610.97	28,610.97	-	-	28,610.97
Trade payables	3,427.84	3,427.84	-	-	3,427.84
Other financial liabilities (excluding current maturities of borrowings)	13,254.36	13,220.49	33.87	-	13,254.36
Derivative contracts	788.90	92.70	696.20	-	788.90
	2,14,352.09	**66,297.16**	**1,04,556.71**	**1,76,119.66**	**3,46,973.53**

*Contractual cash flows includes contractual interest payments based on the interest rate prevailing at the reporting date.

3.34. 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.

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.

3.Notes to consolidated financial statements (Contd..)

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

3.34. Capital management (Contd..)

The Group's debt to equity ratio as at the balance sheet date is as follows:

Particulars	31 March 2019	31 March 2018
Debt (A)	2,13,934.64	1,96,880.99
Total equity (B)	65,630.42	64,385.37
Total debt and equity	**2,79,565.06**	**2,61,266.36**
Debt-to-equity ratio (A/B)	**3.26**	**3.06**

3.35. Leases

The Group has taken rental premises on cancellable operating leases. Lease rental under such cancellable leases amounting to Rs. 28.99 million (31 March 2018: Rs. 12.59 million) has been charged to the consolidated statement of profit and loss (net of recoveries).

The Group is also obligated under non-cancellable operating leases for the premises which are renewable at the option of both the lessor and lessee. Minimum lease payments charged during the period to the consolidated statement of profit and loss was Rs. 39.45 million (31 March 2018: Rs. 38.39 million). The future minimum lease payments under non-cancellable operating leases as on balance sheet date are as follows:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Not later than one year	31.47	31.22
Later than one year but not later than five years	135.90	129.78
Later than five years	216.27	247.42

3.36. 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 Company exist only in India and all its assets are located only in India, disclosures under paragraphs 32-34 of Ind AS 108 are not required. Revenue to specific customers exceeding 10% of total revenue for the years ended 31 March 2019 and 31 March 2018 were as follows:

Customer Name	For the year ended 31 March 2019		For the year ended 31 March 2018	
	Revenue	Percentage	Revenue	Percentage
Telangana State Government utilities	28,018.02	33.59%	33,867.18	43.33%
Indian Energy Exchange (IEX)	12,561.37	15.06%	7,949.05	10.17%
GMR Energy Trading Limited	-	0.00%	10,612.00	13.58%

3.37. 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. 70.55 million (31 March 2018: Rs. 54.66 million).

3.Notes to consolidated financial statements (Contd..)

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

3.37. Assets and liabilities relating to employee benefits (Contd..)

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

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	59.01	46.53
Current service cost	18.35	13.37
Past service cost	-	1.52
Interest cost	4.41	3.26
Benefits paid	(5.00)	(8.94)
Actuarial loss recognised in the other comprehensive income	6.60	3.27
Liabilities assumed*	1.68	-
Balance at the end of the year	**85.05**	**59.01**

* For employee transferred from other group companies

Reconciliation of the present value of plan assets

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	65.17	48.52
Contributions paid into the plan by employer	20.83	22.06
Benefits paid	(4.07)	(8.09)
Interest income on plan assets	4.95	3.41
Actuarial gain on plan assets	0.74	(0.73)
Balance at the end of the year	**87.62**	**65.17**
Net defined benefit obligation/ (asset)	**(2.57)**	**(6.16)**

Disclosure in the Balance sheet:

Particulars	As at 31 March 2019	As at 31 March 2018
Funded asset - Current	13.38	8.52
Provision for employee benefits	10.81	2.36

3.Notes to consolidated financial statements (Contd..)

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

3.37. Assets and liabilities relating to employee benefits (Contd..)

C. Expense recognised in the consolidated statement of profit and loss

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current service cost	18.35	13.37
Past service cost	-	1.52
Interest cost	4.41	3.26
Interest income	(4.95)	(3.41)
Total expense during the year	**17.81**	**14.74**

D. Remeasurements recognised in Other comprehensive income

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Actuarial loss on defined benefit obligation	6.60	3.27
Actuarial gain on planned asset	(0.74)	0.73
Total expense during the year	**5.86**	**4.00**

E. Plan assets

Plan assets comprise of the following:

Particulars	As at 31 March 2019	As at 31 March 2018
New Group Gratuity Cash Accumulation Plan with LIC	87.62	65.17

F. Summary of actuarial assumptions

Demographic assumptions

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Mortality rate (% of IALM 06-08)	100%	100%
Attrition rate		
18 - 30 years	10%	5% - 10%
31 - 40 years	5%	5%
41 years and above	1%	1% - 5%
Financial assumptions		
Discount rate	7.50% - 7.75%	7.60% - 7.71%
Future salary growth rate	5% - 10%	5% - 7%

3.Notes to consolidated financial statements (Contd..)

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

3.37. Assets and liabilities relating to employee benefits (Contd..)

F. Summary of actuarial assumptions (Contd..)

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amount shown below.

Particulars	As at 31 March 2019	As at 31 March 2018
Impact of the change in discount rate		
0.5% increase	(4.38)	(3.19)
0.5% decrease	4.82	3.47
Impact of the change in future salary increase		
0.5% increase	4.72	3.45
0.5% decrease	(4.36)	(3.20)

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).

G. Expected contributions to the plan for the next reporting year

The Group expects to contribute a sum of Rs. Nil million to the plan for the next annual reporting year.

H. Maturity profile of the defined benefit obligation

Expected cash flows over the next periods (valued on undiscounted basis):

Particulars	As at 31 March 2019	As at 31 March 2018
Within 1 year	3.80	3.31
2 to 5 years	15.96	13.51
More than 5 years	179.94	126.49

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. 11.51 million (31 March 2018: Rs. 3.05 million).

3.Notes to consolidated financial statements (Contd..)

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

3.38. Related party disclosure

a) List of related parties

Name of the party	Nature of relationship
Sembcorp Industries Ltd, Singapore	Ultimate holding company
Sembcorp Utilities Pte. Ltd., Singapore	Holding company
Sembcorp India Private Limited, India	Entity under common control
Gayatri Projects Limited, India	Key management personnel having significant influence
Gayatri Energy Ventures Private Limited, India	Key management personnel having significant influence
Deep Corporation Private Limited, India	Key management personnel having significant influence
Gayatri Hi-Tech Hotels Limited, India	Key management personnel having significant influence
Green Kurpan Power Private Limited, India	Associates (upto 19 January 2018)
Green Mountain Hydro Power Private Limited, India	Associates (upto 19 January 2018)
Hurla Valley Power Private Limited, India	Associates (upto 19 January 2018)
Neil Garry McGregor	Chairman (from 31 May 2017)
Vipul Tuli	Managing Director (from 31 May 2017)
T V Sandeep Kumar Reddy	Director
Looi Lee Hwa	Director (from 2 February 2018)
Radhey Shyam Sharma	Independent Director (from 2 February 2018)
Kalaikuruchi Jairaj	Independent Director (from 2 February 2018)
Sangeeta Talwar	Independent Director (from 2 February 2018)
Bobby Kanubhai Parikh	Independent Director (from 2 February 2018)
Juvenil Jani	Chief Financial Officer (from 11 January 2018)
B N K Reddy	Chief Financial Officer (upto May 2017)
Chidambaram Iyer	Chief Financial Officer (June 2017 to Dec 2017)
Narendra Ande	Company Secretary (from 11 January 2018)

b) The following are the transactions with related parties during the year

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Contract work		
Gayatri Projects Limited	43.68	12.06
Rent and utility expense		
Sembcorp India Private Limited	21.57	5.44
Deep Corporation Private Limited	10.68	9.66
Gayatri Hi-Tech Hotels Limited	0.03	0.97
Project development/consultancy expenses		
Sembcorp Utilities Pte Ltd	178.57	173.51
Sembcorp India Private Limited	25.76	109.79
Manpower consultancy charges		
Sembcorp India Private Limited	46.22	318.46
Interest expense on INR Denominated notes		
Sembcorp Utilities Pte Ltd	4,397.88	4,358.42
Bank guarantee fees/ commission		
Sembcorp Utilities Pte Ltd	228.23	217.78
License costs		
Sembcorp Utilities Pte. Limited	7.10	12.41
Share based payment		
Sembcorp Utilities Pte Ltd	22.14	-

3.Notes to consolidated financial statements (Contd..)

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

3.38. Related party disclosure (Contd..)

b) The following are the transactions with related parties during the year (Contd..)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Reimbursement received		
Sembcorp India Private Limited	0.01	47.42
Reimbursement of expenses		
Sembcorp Utilities Pte Ltd	12.76	28.78
Sembcorp India Private Limited	4.49	8.30
Deep Corporation Private Limited	0.67	0.89
Gayatri Energy Ventures Private Limited	20.00	-
Green Kurpan Power Private Limited	-	0.02
Green Mountain Hydro Power Private Limited	-	0.02
Hurla Valley Power Private Limited	-	0.01
Advances write-off/(Liabilities written back)		
Sembcorp Utilities Pte Ltd	(18.58)	-
Green Kurpan Power Private Limited	-	(0.01)
Green Mountain Hydro Power Private Limited	-	0.02
Hurla Valley Power Private Limited	-	0.01
Shares issued for consideration other than cash		
Gayatri Energy Ventures Private Limited	-	1,538.67
Sembcorp Utilities Pte Ltd	-	46,757.56
Money received from issue of share capital including share premium		
Sembcorp Utilities Pte Limited	-	15,102.00
Allotment of INR denominated notes		
Sembcorp Utilities Pte Ltd	-	25,506.10
Margin money recovered		
Gayatri Projects Limited	100.00	49.62
Salaries to Key managerial person*		
Vipul Tuli	65.32	14.52
Juvenil Jani	21.62	4.76
Narendra Ande	5.30	3.69
B N K Reddy	-	1.25
Chidambaram Iyer	-	4.40
Sitting fees to Directors (including taxes)		
Comal Ramachandran Gayathri	0.59	1.99
Kalaikuruchi Jairaj	1.42	0.47
Radhey Shyam Sharma	2.12	0.71
Sangeeta Talwar	2.55	1.37
Bobby Kanubhai Parikh	1.73	1.35
Tantra Narayana Thakur	0.59	2.35

* 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.

3.Notes to consolidated financial statements (Contd..)

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

3.38. Related party disclosure (Contd..)

c) Details of related party balances is as under:

Particulars	As at 31 March 2019	As at 31 March 2018
Related party receivables		
Gayatri Projects Limited (margin money deposit)	564.73	664.73
Gayatri Projects Limited (advance)	2.10	-
Sembcorp India Private Limited	5.22	-
Related party payables		
Sembcorp Utilities Pte Ltd (Trade payables)	52.81	109.03
Sembcorp India Private Limited (Other payable)	-	41.99
Deep Corporation Private Limited (Other payable)	1.30	-
Gayatri Projects Limited (Retention money payable)	53.03	17.91
Gayatri Projects Limited (Capital creditors)	-	4.56
INR denominated Notes		
Sembcorp Utilities Pte Ltd	42,400.00	42,400.00
Interest accrued but not due on INR denominated notes		
Sembcorp Utilities Pte Ltd	7,349.53	4,428.40
Corporate guarantee for external commercial borrowings and term loans		
Sembcorp Utilities Pte Ltd	44,825.04	45,352.25
(Represents the amount of facility outstanding)		
Corporate guarantee for short-term borrowings and bank guarantees		
Gayatri Energy Ventures Private Limited	662.26	1,421.48
Sembcorp Utilities Pte Ltd	11,110.97	12,766.13
(Represents the amount of facility outstanding)		

3.39. Contingent liabilities and commitments (to the extent not provided for)

I) Commitments

Particulars	As at 31 March 2019	As at 31 March 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	10,319.71	38,381.29

II) Claims against the Company not acknowledged as debt in respect of

Particulars	As at 31 March 2019	As at 31 March 2018
(i) Income tax *	638.90	2,443.09
(ii) Buildings and other construction works cess (BOCW Cess)	287.21	287.21
(iii) Stamp duty (Refer subnote a below)	-	-
(iv) Service tax (refer subnote b below)	917.64	-
(v) Works contract tax	861.69	-
(vi) Entry tax**	214.25	177.74
(vii)Others (refer subnote c below)	Amount not Ascertainable	Amount not Ascertainable

* Tax paid under protest Rs. 422.70 million (31 March 2018: Rs. 312.71 million) (including advance tax and tax deducted at source for respective years)

** Entry tax paid under protest as at 31 March 2019 : Rs 15.15 million

Subnote:

a) Based on the NCC Limited ('NCCL') Warranty and Indemnity agreement dated 1 February 2014 entered between Sembcorp-P2, NCCL and other counterparts, the liability, if any arising on account of dispute relating to Sembcorp-P2, would be to the account of NCCL. Accordingly, there would not be any impact on the financial position of the Company on account of BOCW Cess relating to Sembcorp-P2.

3.Notes to consolidated financial statements (Contd..)

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

3.39. Contingent liabilities and commitments (to the extent not provided for) (Contd..)

II) Claims against the Company not acknowledged as debt in respect of (Contd..)

b) During the previous year, the Company has received an audit memo from Commissioner of Central excise and GST towards levy of service tax on liquidated damages claim on NCCL by Sembcorp-P2.

c) 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.

d) The Hon'ble Supreme Court of India ("SC") by their order dated 28 February 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. Pending decision on the subject review petition and directions from the EPFO, the management has a view that the applicability of the decision is prospective and accordingly has provided the liability for March 2019. The impact for the past period, will depend upon the outcome of subject review petition and directions from the EPFO and hence has been disclosed as a Contingent liability in the financial statements. The impact of the same is not ascertainable.

III) Bank guarantees

Particulars	As at 31 March 2019	As at 31 March 2018
Bank guarantees with customs and excise	8,975.92	8,975.92
Bank guarantees for PPA and other commitments	7,202.57	5,567.46

IV) Liquidated damages and bank guarantees encashment:

a. Sembcorp Gayatri Power Limited (SGPL) (merged with the Company):

During an earlier year, SGPL (Sembcorp-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, SGPL had to incur additional costs to commence the operations. Also a claim of US$ 40.97 million was raised on China National Technical I&E Corporation and Tianjin Electric Power Construction Company (CTC) Consortium towards the delay in agreed delivery schedule and non-achievement of Project Provisional Acceptance.

The Group has encashed performance bank guarantee of Rs. 516.00 million on 19 April 2017 and Rs. 2,915 million on 3 November 2017 given by NCCL. NCCL has invoked Arbitration proceedings on 27 May 2017. NCCL has filed its statement of claims for Rs. 15,579.00 million with interest. SGPL has filed its statement of defence along with its counter claims to the tune of Rs. 10,127.00 million and US$ 9.04 million.

The matter is pending disposal as of date and accordingly, no related adjustments have been made in these consolidated 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:

During the year ended 31 March 2018, the concern entities in the Group had served notices of default to an operation and maintenance vendor due to performance issues which were not in line with the agreed terms as per the operation and maintenance agreement (O&M contract).

As the concerned vendor failed in taking necessary action for curing the defaults, the Group terminated the O & M contract with the said vendor in the financial year ended 31 March 2018 and also invoked the performance bank guarantees related to the terminated agreements amounting to Rs. 577.97 million. Both parties had approached Hon'ble High Court of Delhi & Madras seeking interim relief against each other. In terms of a consent order dated 22 December 2017 recorded by the High Court of Delhi, an amount of Rs. 267.57 million has been deposited with the Registrar of Delhi High Court.

Accordingly, the Group had written back the operation and maintenance expenses equalisation reserve amounting to Rs. 159.84 million in the year ended 31 March 2018 pertaining to such contracts on which the Court has consented for the Group to do O&M activities on certain plants at its own cost.

3.Notes to consolidated financial statements (Contd..)

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

3.39. Contingent liabilities and commitments (to the extent not provided for) (Contd..)

III) Bank guarantees (Contd..)

During the year ended 31 March 2019, the Group further invoked the bank guarantees related to the projects of the vendor amounting to Rs. 432.57 million. Subsequently, the parties reached an out of Court settlement and a Settlement Agreement was executed on August 25, 2018. As per the settlement agreement, the funds against the invoked bank guarantees was to be retained by the Group and outstanding financial liability amounting to Rs. 472.68 million pertaining to supply of material and other operation and maintenance activities was to be paid to the vendor as full and final settlement. As stipulated in the agreement, the O&M vendor has to hand over the wind turbine generators (WTGs) in fully working condition subject to a few WTGs in which the respective entity has to provide the requisite component of the WTGs to bring it into working condition. Accordingly, during the year, the Group has written off amounting to Rs. 216.61 million for the discarded components of such WTGs. As agreed between the parties, all existing operation and maintenance contracts were also terminated.

Thus, out of the total amount of Rs. 1,010.54 million pertaining to the encashment of bank guarantees, Rs. 996.09 million has been accounted as liquidated damages during the year. Further, the Group has also written back the operation and maintenance expenses equalisation reserve amounting to Rs. 293.64 million in the year ended 31 March 2019 pertaining to all such contracts that were terminated. The Group, subsequently paid the outstanding financial liability amounting to Rs. 472.68 million to the vendor. Final order of High Court of Delhi, is awaited for the release of Rs. 267.57 million which has been deposited with the Registrar of Delhi High Court.

c. Sembcorp Green Infra Limited and its subsidiaries:

During the year ended 31 March 2019, two subsidiaries have entered into a settlement agreement with an operation and maintenance (O&M) vendor for 216 MW projects and terminated the existing operation and maintenance agreements under which the vendor was to provide operations and maintenance services in the projects. As per the terms of the agreement, the two subsidiaries have retained bank guarantees to the tune of Rs. 781.71 million which will be returned to the vendor post completion of certain activities as stipulated in the agreement including reconciliation of balance with vendor. Accordingly, the Group has written back the operation and maintenance expenses equalisation reserve amounting to Rs. 345.82 million in the year ended 31 March 2019 pertaining to such terminated contracts and the same has been accounted as other income.

3.40. Business combinations under common control

Business combinations during the year ended 31 March 2018:

On 15 February 2018, the Company had acquired 100% equity shareholding of Sembcorp Gayatri Power Limited ('SGPL'), a fellow subsidiary till such date, from Sembcorp Utilities Pte Ltd, Singapore ('SUPL') and Gayatri Energy Ventures Private Limited (GEVPL) and 71.57% equity shareholding of Sembcorp Green Infra Limited ('SGIL'), a fellow subsidiary till such date, from SUPL. The balance 28.43% equity shareholding in SGIL was held by IDFC Infrastructure Fund 3 and the same was acquired on 20 February 2018.

This transaction was pursuant to an agreement between the Company, SUPL, GEVPL and SGPL entered on 8 January 2018, to execute the reorganization of Sembcorp Group's power portfolio in India. The details of equity share holding of SGPL and SGIL before the transaction and after the transaction are as follows:

Name of the Entity	Before transaction		After transaction	
	SGPL	SGIL	SGPL	SGIL
Sembcorp Utilities Pte Limited	87.98%	71.57%	-	-
Gayatri Energy Ventures Private Limited	12.02%	-	-	-
IDFC Infrastructure Fund 3	-	28.43%	-	-
Sembcorp Energy India Limited	-	-	100%	100%

On 30 August 2017, Sembcorp Utilities Pte Ltd had entered into an agreement with IDFC to acquire the SGIL's shares held by IDFC directly by SUPL or through any of its affiliates at purchase consideration of amounting Rs. 14,102.00 million. As a part of above agreement, Sembcorp had acquired the shares from IDFC on 20 February 2018 for agreed consideration of Rs. 14,102.00 million and issued new equity shares to SUPL for cash injection to settle the transaction with IDFC.

3.Notes to consolidated financial statements (Contd..)

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

3.40. Business combinations under common control (Contd..)

All these transactions (i.e. acquisition of shareholding of SUPL in SGPL and SGIL, acquisition of IDFC shareholding in SGIL and acquisition of GEVPL shareholding in SGPL) were executed through shares swap by Sembcorp. Sembcorp has issued 2,568.76 million equity shares at a price of Rs. 18.80 per share to SUPL and GEVPL as consideration for acquisition of 100% equity shareholding in SGPL and 71.57% equity shareholding in SGIL. Sembcorp has issued 750.05 million equity shares at a price of Rs. 18.80 per share to SUPL for raising Rs. 14,102.00 million for acquisition of SGIL's shares held by IDFC. In order to acquire the 100% equity shareholding of SGPL and SGIL, Sembcorp has issued total 3,318.81 million new equity shares at a price of Rs. 18.80 per share.

Accounting treatment for Business combinations under common control:

Sembcorp, SGPL and SGIL are ultimately controlled by SUPL both before and after the transaction. Ind AS 103 (Appendix C) deals with accounting for combination of entities or businesses under common control (refer note 2.7 (ii) for accounting treatment). The Company has followed the pooling of interest method to account the SGPL and SGIL acquisition in its consolidated financial statements.

Since all these entities are under common control as defined under Appendix C of Ind AS 103 "Business Combinations", the financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the consolidated financial statements, irrespective of the actual date of the combination. The accounting is required to be done on book value basis instead of on fair value basis.

Acquisition related adjustments:

Acquisition related adjustments on total equity and capital reserve on acquisition and acquisition liabilities are summarised below:

Particulars	SGPL	SGIL	Total
On the date of acquisition:			
Total share capital and share premium of SGPL and SGIL	28,813.56	19,034.49	47,848.05
Share capital issued by the Company for acquisition	12,800.00	49,598.23	62,398.23
Capital reserve on acquisition	**16,013.56**	**(30,563.74)**	**(14,550.18)**

As per Ind AS 103 (Appendix C), Business combinations of entities under common control, acquisition of SGPL and SGIL are required to account for from the beginning of the preceding period in the financial statements, shares to be issued for acquisition has been accounted as share pending issuance on 1 April 2017. The Company has issued shares as consideration on 15 February 2018.

Post the acquisition of 100% shareholding in SGPL, the Board of Directors of the Company and the Board of SGPL have in their respective board meetings held on 19 February 2018 unanimously approved the proposal for the amalgamation of SGPL with the Company and the scheme of amalgamation has been approved by the concerned authority on 31 October 2018. Since, the SGPL is already forming part of these consolidated financials, amalgamation of SGPL with the Company does not have any impact on these consolidated financial statements except as below:

a) Upon the Scheme become effective and with effect from the appointed date, the authorised share capital of SGPL shall stand transferred to and be merged/amalgamated with the authorised share capital of the Company. Consequently, authorised share capital of the Company enhanced to Rs. 150,000 million (divided into 15,000 million equity shares of Rs. 10 each).

b) In accordance with the Scheme, the shares held by the Company in SGPL shall stand cancelled and extinguished in entirety. Since Sembcorp is the 100% shareholder of SGPL, no shares shall be required to be allotted by Sembcorp either to itself or to any of its nominee shareholders holding shares in SGPL.

c) Appointed date as per Scheme of Amalgamation is 1 April 2017. Upon the Scheme become effective and based on tax return filed by the Company for the financial year 2017-18, there is no taxable income as per the merged financial statement of the Company for the year ended 31 March 2018. Accordingly, the Company has restated the tax liability as at 31 March 2018 as per para 9(iii) of Ind AS 103 (Appendix C) and the retained earnings of the Group increased by Rs. 522.98 million as at 31 March 2018.

3.Notes to consolidated financial statements (Contd..)

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

3.41. Initial Public Offering (IPO)

The Company is in the process of listing its equity shares on stock exchanges in India and proposes to offer its equity share to public. As part of the listing process, the Company has filed the Draft Red Hearing Prospectus (DRHP) on 22 February 2018 with the Securities Exchange Board of India. The Company has received the approval from SEBI in August 2018. As part of the process, apart from the Company, existing shareholders also proposes to sell the stake in the Company. Prepayments under other current assets include expenses of Rs. 182.99 million (31 March 2018: Rs. 133.10 million) incurred by the Company towards IPO of the equity shares held by shareholders as well as the Company. Portion of these expenses are recoverable from shareholders in proportionate to shares that will be offered to public in offering.

3.42 Share-based Payments

The Group participates in Performance Share Plan ("SCI PSP") and the Restricted Share Plan ("SCI RSP") of Sembcorp Industries Ltd (SCI). The Group has to pay an amount of equivalent to the value of of SCI shares on date of vesting, delivered to the employee. The details are as under:

a) Performance Share Plan

Under the SCI PSP, the awards granted conditional on performance targets are set based on medium-term corporate objectives at the start of each rolling three-year performance qualifying period. A specific number of performance shares shall be awarded at the end of the three-year performance cycle depending on the extent of the achievement of the performance conditions established at the onset. The performance levels were calibrated based on Wealth Added and Total Shareholder Return by SCI.

b) Restricted Share Plan

Under the SCI RSP, the awards granted conditional on performance targets are set based on corporate objectives at the start of each rolling two-year performance qualifying period. The performance criteria for the restricted shares are calibrated based on Return on Total Assets (excluding Sembcorp Marine Ltd) and Group Profit from Operations for awards granted in 2017. The managerial participants of the SCI Group will be awarded restricted shares under SCI RSP.

A specific number of restricted shares shall be awarded at the end of the two-year performance cycle depending on the extent of the achievement of the performance conditions established at the onset. There is a further vesting period of three years after the performance period, during which one-third of the awarded shares are released each year to managerial participants.

The details of the movement of PSP and RSP shares of SCI awarded during the year to employees of the Group are as follows:

Particulars	SCI PSP	SCI RSP
Outstanding at the beginning of the year	-	-
Trasferred on transfer of employees*	1,16,500	1,63,088
Shares awarded during the year	96,000	2,03,108
Shares lapsed arising from targets not met	(76,500)	(98,675)
Shares transferred out	-	(35,747)
At the end of the year	**1,36,000**	**2,31,774**

* Certain employees of Sembcorp Group have been transferred to Company from other group companies. PSP and RSP relating to these employees has been transferred during the year.

The Group has remitted and charges to the statement of profit and loss on account of share based payments is amounting to Rs. 22.14 million based on the fair value of the performance shares and restricted shares at the grant date being expensed over the vesting period.

3.Notes to consolidated financial statements (Contd..)

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

3.43. The Group, in addition to the Company, comprises of the following subsidiaries and associate entities:

a) Subsidiaries

Name of entity	Date of Incorporation	Country of Incorporation	% of Ownership interest and voting power as at	
			31 March 2019	31 March 2018
Sembcorp Gayatri Power Limited (refer note 3.40)	12 June 2008	India	Merged with the Company	100.00%
Sembcorp Green Infra Limited (refer note 3.40)	3 April 2008	India	100.00%	100.00%
TPCIL Singapore Pte. Ltd	18 November 2014	Singapore	100.00%	100.00%
Subsidiaries of SGIL:				
Green Infra Wind Energy Limited	6 June 2005	India	100.00%	100.00%
Green Infra Wind Assets Limited	14 October 2008	India	100.00%	100.00%
Green Infra Corporate Wind Limited	14 October 2008	India	100.00%	100.00%
Green Infra Solar Energy Limited	29 April 2010	India	100.00%	100.00%
Green Infra Solar Farms Limited	29 April 2010	India	100.00%	100.00%
Green Infra Wind Power Limited	3 May 2010	India	100.00%	100.00%
Green Infra Wind Ventures Limited	28 December 2010	India	100.00%	100.00%
Green Infra Wind Limited	23 February 2011	India	100.00%	100.00%
Green Infra Corporate Solar Limited	12 September 2011	India	100.00%	100.00%
Green Infra Wind Energy Project Limited	4 July 2011	India	100.00%	100.00%
Green Infra Solar Projects Limited	12 September 2011	India	100.00%	100.00%
Green Infra Wind Energy Asset Limited	14 September 2011	India	100.00%	100.00%
Green Infra Wind Farm Assets Limited	14 September 2011	India	100.00%	100.00%
Green Infra Wind Solutions Limited	22 May 2012	India	100.00%	100.00%
Green Infra Wind Technology Limited	22 May 2012	India	100.00%	100.00%
Green Infra Clean Wind Energy Limited	24 July 2012	India	100.00%	100.00%
Green Infra BTV Limited	1 September 2008	India	90.46%	90.46%
Green Infra Wind Farms Limited	14 October 2008	India	60.93%	60.93%
Green Infra Wind Power Generation Limited	4 July 2011	India	72.29%	67.31%
Green Infra Wind Power Projects Limited	4 July 2011	India	69.06%	69.06%
Green Infra Wind Generation Limited	4 July 2011	India	70.55%	70.55%
Green Infra Wind Energy Theni Limited	6 January 2011	India	73.02%	73.02%
Green Infra Wind Power Theni Limited	6 January 2011	India	73.21%	73.21%
Mulanur Renewable Energy Limited	29 January 2016	India	67.30%	70.00%
Green Infra Renewable Energy Limited	2 March 2017	India	99.00%	99.00%

b) Associates of SGIL

Name of entity	Date of Incorporation	Country of Incorporation	% of Ownership interest and voting power as at	
			31 March 2019	31 March 2018
Green Kurpan Power Private Limited	20 December 2007	India	-	49.00%
Green Mountain Hydro Power Private Limited	20 December 2007	India	-	49.00%
Hurla Valley Power Private Limited	20 December 2007	India	-	49.00%

The associates filed an application dated 19 January 2018 for closure before Registrar of Companies under Fast Track Exit scheme. Accordingly, the above associates have not been considered for consolidation.

3.Notes to consolidated financial statements (Contd..)

(All amounts are in Indian Rupees millions except for share data or otherwise stated)

3.44. Additional information as required under schedule III of the Companies Act, 2013, in respect of consolidated subsidiaries are as below:

Name of entity	Net Assets i.e. total assets minus total liabilities		Share in total comprehensive income/(loss)	
	Amount	As a % of consolidated net assets	Amount	As a % of consolidated total comprehensive income/(loss)
Parent				
Sembcorp Energy India Limited	92,895.50	69.51%	(1,301.56)	(265.03%)
Subsidiaries				
Sembcorp Green Infra Limited	18,102.05	13.54%	168.13	34.24%
Green Infra Wind Energy Limited	11,097.46	8.30%	687.94	140.08%
Green Infra Corporate Solar Limited	1,980.20	1.48%	207.69	42.29%
Green Infra Wind Power Limited	208.88	0.16%	(6.70)	(1.36%)
Green Infra Corporate Wind Limited	224.28	0.17%	(3.32)	(0.68%)
Green Infra Wind Energy Assets Limited	318.02	0.24%	(13.14)	(2.68%)
Green Infra Wind Farm Assets Limited	783.69	0.60%	86.41	17.59%
Green Infra Wind Energy Project Limited	656.62	0.49%	107.68	21.92%
Green Infra Wind Solutions Limited	808.15	0.60%	104.54	21.28%
Green Infra Wind Power Generation Limited	1,345.96	1.01%	(3.59)	(0.73%)
Green Infra Wind Farms Limited	(66.69)	(0.05%)	(17.15)	(3.49%)
Green Infra Wind Generation Limited	(236.95)	(0.18%)	(43.41)	(8.84%)
Green Infra Wind Power Projects Limited	271.39	0.20%	65.42	13.32%
Green Infra BTV Limited	1,293.67	0.97%	154.79	31.52%
Green Infra Wind Energy Theni Limited	186.09	0.14%	(43.33)	(8.82%)
Green Infra Wind Power Theni Limited	66.76	0.05%	2.47	0.50%
Mulanur Renewable Energy Limited	506.42	0.38%	121.13	24.67%
Green Infra Solar Energy Limited	524.99	0.39%	43.69	8.90%
Green Infra Solar Farms Limited	954.86	0.71%	81.90	16.68%
Green Infra Solar Projects Limited	260.04	0.19%	21.15	4.31%
Green Infra Wind Ventures Limited	1,053.18	0.79%	(124.20)	(25.29%)
Green Infra Renewable Energy Limited	343.68	0.26%	247.13	50.32%
Green Infra Wind Assets Limited	40.22	0.03%	(46.51)	(9.47%)
Green Infra Wind Technology Limited	15.06	0.01%	(4.64)	(0.94%)
Green Infra Wind Limited	18.87	0.01%	(0.67)	(0.14%)
Green Infra Clean Wind Energy Limited	0.06	0.00%	(0.05)	(0.01%)
TPCIL Singapore Pte. Ltd	(0.17)	0.00%	(0.70)	(0.14%)
Total	**1,33,652.29**	**100.00%**	**491.10**	**100.00%**
Non-controlling interests in subsidiaries	238.17		42.35	
Inter group eliminations and adjustments	(68,260.04)		67.95	
Consolidated figures	**65,630.42**		**601.40**	

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
(formerly Thermal Powertech Corporation India Limited)
CIN: U40103TG2008PLC057031

Hemant Maheshwari
Partner
Membership No: 096537

Neil McGregor
Chairman
DIN: 07754310

Vipul Tuli
Managing Director
DIN: 07350892

Juvenil Jani
Chief Financial Officer

Narendra Ande
Company Secretary
Membership No: A14603

Place: Gurugram
Date: 17 May 2019

Place: Gurugram
Date: 17 May 2019

NOTICE OF THE 11th ANNUAL GENERAL MEETING

Notice is hereby given that the 11th Annual General Meeting (AGM) of the members of Sembcorp Energy India Limited (formerly Thermal Powertech Corporation India Limited) will be held on Monday, September 9, 2019, at the Corporate office of the Company at 11.00 AM at 5th Floor, Tower C, Building No.-8, DLF Cybercity, Gurugram - 122002, Haryana, to transact the following business:

Ordinary Business:

1. To consider and adopt (a) the Audited Financial Statements of the Company for the financial year ended March 31, 2019 together with the Reports of Directors and Auditors thereon and (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019 together with the Report of Auditors thereon and in this regard to pass the following resolution(s) as ordinary resolution(s);

   (a) "RESOLVED THAT the Audited Financial Statements of the Company for the financial year ended March 31, 2019 together with the Reports of Directors and Auditors thereon be and are hereby considered and adopted."

   (b) "RESOLVED THAT the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019 together with the Report of Auditors thereon be and are hereby considered and adopted."

2. To appoint a Director in place of Ms. Looi Lee Hwa, who retires by rotation and being eligible, offers herself for re-appointment and in this regard to pass the following resolution as an ordinary resolution:

   "RESOLVED THAT Ms. Looi Lee Hwa (DIN- 08058201) who retires by rotation be and is hereby re-appointed as a Director of the Company."

Special Business

3. **Approval of Cost Auditor's Remuneration**

   To consider and if thought fit, to pass, with or without modifications the following resolution as an **Ordinary Resolution;**

   "RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the members of the Company hereby consider, approve and ratify the remuneration of Rs.6,00,000/- (Rupees Six Lakhs only) excluding out of pocket expenses and Goods and Service tax payable to M/s. Narasimha Murthy & Co., Cost Accountants, who are appointed as Cost auditors to conduct the audit of cost records maintained by the Company for the financial year 2019-20."

   RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company be and are hereby severally authorized to do all such things and deeds as may be required in this regard."

By order of the Board of Directors

NARENDRA ANDE
COMPANY SECRETARY
M. No. A 14063

Place : Gurugram
Date : August 13, 2019

Notes :

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), in regard to the business as set out in Item Nos. 3 above and the relevant details of the Directors seeking re-appointment/ appointment under Item Nos. 2 above as required by Regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and as required under Secretarial Standard - 2 on General Meetings issued by The Institute of Company Secretaries of India, are annexed hereto.

2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. Such a proxy need not be a member of the Company. Proxies, in order to be valid and effective, must be received at the Company's Registered Office not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of companies, societies, partnership firms etc., must be supported by appropriate resolution/ authority as applicable, issued on behalf of the nominating organization. Proxy form is enclosed.

   Members are requested to note that a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or member.

3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of board resolution on the letterhead of the company, signed by one of the directors or company secretary or any other authorized signatory named in the resolution, authorizing their representatives to attend and vote their behalf at the meeting.

4. Members/Proxies are requested to hand over the enclosed Attendance Slip duly filled in, at the entrance for attending the meeting.

5. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

6. Relevant Documents referred to in the Notice and Explanatory Statement are available for inspection by the members at the Corporate Office of the Company during Office hours between 03.00 P.M. and 05.00 P.M on all working days upto the date of the Annual General Meeting and also at the meeting.

7. The Record date for the purpose of identifying the Register of Members has been fixed as August 16, 2019.

8. Members are requested to notify immediately any change in their addresses and/or the Bank Mandate details to the Company's Registrars and Share Transfer Agents, Karvy Fintech Pvt Ltd. (Karvy) for shares held in physical form and to their respective Depository Participants (DP) for shares held in electronic form.

9. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such members for change/ deletion in such bank details. Further, instructions, if any, already given by them in respect of shares held in physical form, will not be automatically applicable to the dividend paid on shares held in electronic form. Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend to their DPs.

10. Members holding shares in physical form and who have not registered their e-mail IDs are requested to register the same with Karvy.

11. The Notice of the AGM alongwith the Annual Report 2018-19 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/ Depositories, unless any member has requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

12. To support the 'Green Initiative', members who have not registered their e-mail addresses are requested to register the same with Karvy /Depositories.

13. Process and manner for members opting for e-voting would be provided on availing the facility and as applicable to the company.

14. The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Act, requires the Company/ Registrars and Share Transfer Agents to record additional details of members, including their PAN details, e-mail address, bank details for payment of dividend etc. A form for capturing additional details is appended at the end of this Annual Report. Members holding shares in physical form are requested to submit the filled in form to the Company or its Registrars and Share Transfer Agents in physical mode or in electronic mode, as per instructions mentioned on the form. Members holding shares in electronic form are requested to submit the details to their respective DP only and not to the Company or its Registrar and Share Transfer Agents.

Details of the Directors seeking appointment at the forthcoming Extra Ordinary General Meeting (In pursuance of Secretarial Standard - 2 on General Meetings)

Name of Director	Ms. Looi Lee Hwa
Date of Birth (Age)	July 01, 1965 (53 years)
Date of Appointment	February 02, 2018
Expertise in specific functional areas	Ms. Looi Lee Hwa has held variety of positions primarily in the legal profession working as the in-house legal counsel and advising the Board of Directors, CEO, CFO and business groups on all legal related issues and corporate secretarial matters. She has spent last 7 years in NOL, a global container shipping company with presence in more than 70 countries. Prior to that she spent over 10 years in the semiconductor industry. In NOL she was given the opportunity to be chief compliance officer and head the compliance function, an emerging key area of risk for most organizations. Insurance was also added to form part of her responsibilities They have enabled her to develop a comprehensive set of leadership and competency skills in directing and managing legal issues, in midst of very challenging business environments, balancing the needs of legal and commercial/business considerations.
Qualifications	LLB(Hons) from National University of Singapore
Directorships held in other companies	Sembcorp Green Infra Limited
Membership/ Chairmanship of Committees of other Boards	Nil
Remuneration	Nil
No. of meetings of the Board attended during the year	3 (Three)
No. of shares held	Nil
Inter-se relationship with other Directors	None

Explanatory Statement Under Section 102 of the Companies Act, 2013

Item No. 3

Pursuant to Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a cost accountant in practice. On the recommendation of the Audit Committee of Directors, the Board of Directors have approved the appointment of M/s. Narasimha Murthy & Co., Cost Accountants, Hyderabad as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company for the Financial Year 2019-20, at a remuneration of Rs 6,00,000 (Rupees Six Lakhs Only) plus Goods and Service tax and actual out-of-pocket expenses.

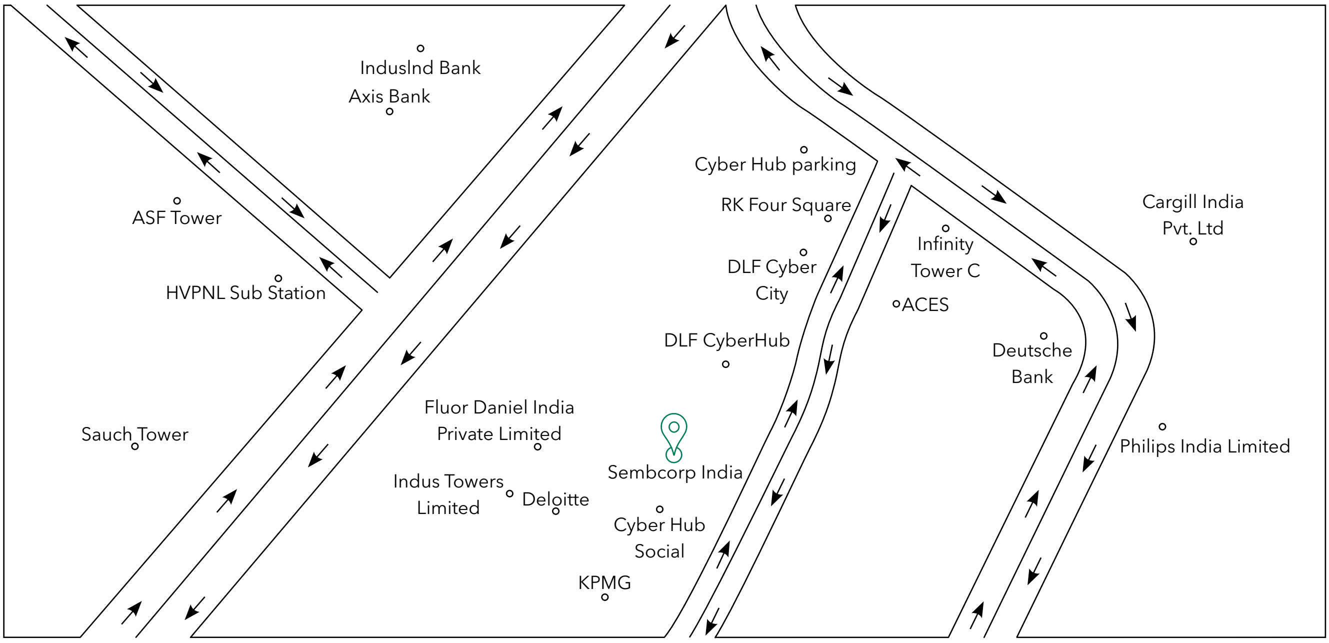
M/s. Narasimha Murthy & Co., Cost Accountants have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company having vast experience in the field of cost audit.

The Board commends the Resolution at Item No. 3 of the accompanying Notice for ratification of the Cost Auditors' remuneration by the Members of the Company.

None of the Directors or KMP of the Company or their respective relatives are concerned or interested in the Resolution at Item No.3 of the accompanying Notice.

ROUTE MAP FOR AGM VENUE

Venue for the Meeting : 5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurugram - 122002, Haryana.



The page has been left intentionally blank

SHAREHOLDER INFORMATION

Karvy Fintech Private Limited
UNIT: **Sembcorp Energy India Limited**
Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District, Nanakramguda, Hyderabad,
Telangana – 500 032, India

Updation of Shareholder Information for physical holdings

I/We request you to record the following information against my/our Folio No.:

Folio No.	
Name of the sole/first shareholder	
PAN *	
CIN/Registration No.: *	
(applicable to corporate shareholders)	
Tel. No. with STD Code	
Mobile No.	
E-mail ID	

* Self attested copy of the document(s) enclosed

BANK Details

IFSC: (11 digit)	MICR: (9 digit)
Bank A/c Type:	Bank A/c No.: *
Name of the Bank:	Bank Branch Address:

* A blank cancelled cheque is enclosed to enable verification of bank details.

I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/we shall not hold the Company/RTA responsible. I/We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/We understand that the above details shall be maintained by you till I/we hold the securities under the above mentioned Folio No.

Place:
Date:
Encl:

Signature of sole/first holder

Notes:

1) Scanned copy of the above form, duly completed, along with the necessary documents, can also be sent to us on the following e-mail IDs: investorservices@sembcorp.com

2) For Members holding shares in electronic form, any change in the above details must be intimated directly to their Depository Participant only and not to the Company or its Registrars and Share Transfer Agents.

Sembcorp Energy India Limited

(Formerly Thermal Powertech Corporation India Limited)
Reg Off: 6-3-1090, A-5, T.S.R Towers, Rajbhavan Road, Somajiguda, Hyderabad – 500 082, Telangana
Ph:040-49048300; Fax: 040-23370360 ; mail: investorservices@sembcorp.com;
Website : www.sembcorpenergyindia.com

(FORM NO. MGT-11)

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	U40103TG2008PLC057031
Name of the Company	Sembcorp Energy India Limited
Registered Office	6-3-1090, A-5, T.S.R Towers, Rajbhavan Road, Somajiguda, Hyderabad – 500 082

Name of the Member(s)	
Registered Address	
E-mail id	
Folio No/ Client Id	
DP Id	

I/We, being the member (s) of .... shares of the above named company, hereby appoint:

Name	
Address	
E-mail ID	
Signature	

Or failing him;

Name	
Address	
E-mail ID	
Signature	

Or failing him;

Name	
Address	
E-mail ID	
Signature	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Monday, September 9, 2019 at 11 AM at 5th floor, Tower C, Building No. 8, DLF Cyber city, Gurugram 122002 Haryana and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

Resolution No.	Resolution	For	Against
1	To consider and adopt : (a) the Audited Financial Statements of the Company for the financial year ended March 31, 2019 together with the Reports of Directors and Auditors thereon and (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019 together with the Report of Auditors thereon		
2	Re- appointment of Ms. Looi Lee Hwa as Director, who retires by rotation and being eligible.		
3	Approval of Cost Auditor's Remuneration		

Signed this………….. day of………………. 2019

Signature of shareholder

Affix
Revenue
Stamp

Signature of Proxy holder(s)

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. A Proxy need not be a member of the Company.

3. Those Members who have multiple folios with different joint holders may use copies of the Proxy Form.

sembcorp

Sembcorp Energy India Limited

(Formerly Thermal Powertech Corporation India Limited)
Reg Off: 6-3-1090, A-5, T.S.R Towers, Rajbhavan Road, Somajiguda, Hyderabad – 500 082, Telangana
Ph:040-49048300; Fax: 040-23370360 ; mail: investorservices@sembcorp.com;
Website : www.sembcorpenergyindia.com

Attendance Slip for the 11th Annual General Meeting

(to be handed over at the Registration Counter)

I/We hereby record my /our presence at the 11th Annual General Meeting of the Company on Monday, September 9, 2019 at 11.00 AM at the Corporate office of the Company at 5th Floor, Tower C, Building No. 8, DLF Cybercity, Gurugram - 122002, Haryana

NAME (S) AND ADDRESS OF THE MEMBER(S) ____________________

____

____

Folio No./DP ID No. and Client ID No * ____________________

Number of Shares ____________________

Please (tick) in the Box

☐ Member ☐ Proxy

____________________ ____________________

First / Sole Holder/ Proxy Second Holder/ Proxy

Notes:

I. Member / Proxy attending the Annual General Meeting (AGM) must bring his / her Attendance Slip which should be signed and deposited before entry at the Meeting Hall.

II. Duplicate Attendance Slip will not be issued at the venue.

*Applicable only in case of investors holding shares in Electronic Form.

NOTES

NOTES

NOTES

sembcorp

Corporate Office
5th floor, Tower C, Building No. 8,
DLF Cyber city, Gurugram - 122002, Haryana

Registered Office
6-3-1090, A-5, TSR Towers, Rajbhavan Road,
Somajiguda, Hyderabad, Telangana - 500082

www.sembcorpenergyindia.com