

## INDEPENDENT AUDITOR'S REPORT

To the Members of Angul Energy Limited (Formerly Known as Bhushan Energy Limited)

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Angul Energy Limited (Formerly Known as Bhushan Energy Limited) ("the Company"), which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

Reporting of Key audit matters are not applicable being unlisted entity.

#### Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

## **Responsibilities of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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;

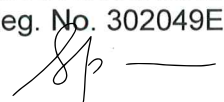


- (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 35 to the financial statements;
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Date: May 18, 2020  
Place: Noida (Delhi – NCR)



For Singhi & Co.  
Chartered Accountants  
Firm Reg. No. 302049E

  
Bimal Kumar Sipani  
Partner

Membership No. 088926

UDIN : 20088926AAAADU9484



**Annexure A referred to in paragraph 1 of our report of even date on the other legal and regulatory requirements (Re: Angul Energy Limited formerly known as Bhushan Energy Limited)**

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant & equipment.
- b. The property, plant and equipment have been physically verified by the management during the year by engaging an outside expert. In our opinion, the frequency of verification of the property, plant and equipment is reasonable having regard to the size of the Company. No material discrepancies were noticed on such verification.
- c. According to information and explanations given by the management, the title deeds of immovable properties which included in Property, Plant & Equipment are held in the name of the Company.
- (ii) The management has conducted physical verification of inventories at reasonable interval during the year and no material discrepancies were noticed on such physical verification.
- (iii) The Company has not granted any loan to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies' Act, 2013. Therefore, the provisions of clause 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) The Company has complied with provisions of Section 186 of the Companies Act, 2013 in respect of investments made. There is no loan granted or guarantee or security provided under section 185 and 186 of the Companies Act, 2013.
- (v) The Company has not accepted any deposit covered under sections 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) during the year. Therefore, provisions of clause 3(v) of the Order are not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of the Company's products to which the said rules are applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have not, however, made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- (vii) a. According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues deducted/ accrued in the books, with the appropriate authorities. There was no undisputed outstanding statutory dues as at the yearend for a period of more than six months from the date they became payable.
- b. As mentioned in note 37 to the financial statements, pursuant to the implementation of the Resolution Plan, there are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

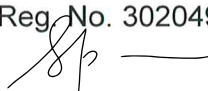


- (viii) On May 30, 2019, the National Company Law Tribunal ('NCLT') has approved the terms of the Resolution Plan submitted by Tata Steel Limited, pursuant to which debts owed by the Company as at that date have been partially settled through repayment and balance amount has been novated by the financial creditors to the Company's immediate holding company, which has been subsequently been waived off. Apart from debts covered under Resolution Plan, the Company has not borrowed from banks and financial institution during the year. The Company has no loans or borrowings payable to government and dues to debenture-holders.
- (ix) During the year, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments). Further in our opinion and explanations given to us, term loans raised during the year were applied for the purpose for which loans were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company by its officers and employees has been noticed or reported during the year.
- (xi) The managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable.
- (xiii) According to the information and explanations given to us, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 wherever applicable and details for the same have been disclosed in the financial statements as required by the applicable Indian accounting standards.
- (xiv) The Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the private placement of shares. We report that the amounts raised, have been used for the purposes for which the funds were raised. The Company has not made any preferential allotment or private placement of fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with directors. Therefore, the provisions of clause 3(xv) of the Order are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Therefore, the provisions of clause 3(xvi) of the Order are not applicable.

Date: May 18, 2020  
Place: Noida (Delhi – NCR)



For Singhi & Co.  
Chartered Accountants  
Firm Reg. No. 302049E

  
Bimal Kumar Sipani  
Partner

Membership No. 088926

UDIN : 20088926AAAADU9484



## ANNEXURE B

### **Report on the Internal Financial controls under Clause (i) of Sub - section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of Angul Energy Limited (Formerly known as Bhushan Energy Limited) ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over the financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.

#### **Auditor's 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 on Audit of Internal Financial Controls Over Financial Reporting (the "guidance Note") and the standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to as audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that we comply with ethical requirements of and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was 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 system 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 internal financial controls with reference to financial statements, 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system 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 control with reference to 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 authorization of management and directors of the company ; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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.


## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial controls with reference to financial statements issued by the Institute of Chartered Accountants of India.

Date: May 18, 2020  
Place: Noida (Delhi – NCR)



For Singhi & Co.  
Chartered Accountants  
Firm Reg. No. 302049E

  
Bimal Kumar Sipani  
Partner

Membership No. 088926

UDIN : 20088926AAAADU9484



ANGUL ENERGY LIMITED (Formerly Known as Bhushan Energy Limited)

BALANCE SHEET as at March 31, 2020

	Note	As at March 31, 2020	As at March 31, 2019
(₹ Lakhs)			
<b>ASSETS</b>			
<b>I Non-current assets</b>			
(a) Property, plant and equipment	3	112,306.42	119,261.02
(b) Right-of-use assets	3A	121.91	-
(c) Intangible assets	4	-	-
(d) Financial assets			
(i) Investments	5A	70.13	118.89
(ii) Loans	5B	3.19	9.14
(iii) Other financial assets	5C	-	31.71
(f) Income tax assets	7A	484.39	294.71
(g) Deferred tax assets	7B	-	-
(e) Other non-current assets	6	12.81	12.81
<b>Total non-current assets</b>		<b>112,998.85</b>	<b>119,728.28</b>
<b>II Current assets</b>			
(a) Inventories	8	457.34	1,339.18
(b) Financial assets			
(i) Trade receivables	9	5,404.79	15,435.47
(ii) Cash and cash equivalents	10	103.70	21,145.15
(iii) Other balances with bank	11	250.00	7.91
(iv) Loans	5B	62.96	150.08
(vi) Other financial assets	5C	703.30	-
(c) Other assets	6	189.47	3,644.46
<b>Total current assets</b>		<b>7,171.56</b>	<b>41,722.25</b>
<b>Total assets</b>		<b>120,170.41</b>	<b>161,450.53</b>
<b>EQUITY AND LIABILITIES</b>			
<b>I Equity</b>			
(a) Equity share capital	12	1,000.01	13,623.00
(b) Other equity	13	80,578.29	(197,535.00)
<b>Total Equity</b>		<b>81,578.30</b>	<b>(183,912.00)</b>
<b>II Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	14A	32,618.24	-
(b) Provisions	16	212.12	184.81
<b>Total non-current liabilities</b>		<b>32,830.37</b>	<b>184.81</b>
<b>III Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	14A	-	7,456.00
(ii) Trade payables			
- total outstanding dues of micro enterprises and small enterprises	14B	63.51	1.63
- total outstanding dues of creditors other than micro enterprises and	14B	1,178.31	3,217.85
(iii) Other financial liabilities	14C	3,798.65	324,670.35
(b) Other current liabilities	15	714.90	9,811.71
(c) Provisions	16	6.38	20.18
<b>Total current liabilities</b>		<b>5,761.75</b>	<b>345,177.72</b>
<b>Total equity and liabilities</b>		<b>120,170.41</b>	<b>161,450.53</b>
Notes forming part of financial statements	1-41		

As per our report of even date attached.


For Singhi & Co.  
Chartered Accountants  
Firm Reg. No. 302049E

  
Bimal Kumar Sipani  
Partner  
Membership No. 088926

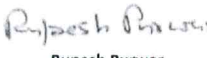


Place: Noida (Delhi - NCR)  
Date: May 18, 2020

For and on behalf of the Board of Directors

  
Subodh Pandey  
Director  
(DIN : 08279634)  
(Angul)

  
Harinder Singh Deelak  
Managing Director  
(DIN : 08448162)  
(Angul)

  
Rupesh Purwar  
Company Secretary  
(Ghazipur)

  
Sanjay Gupta  
Chief Financial Officer  
(Angul)

ANGUL ENERGY LIMITED (Formerly Known as Bhushan Energy Limited)

STATEMENT OF PROFIT AND LOSS for the year ended ended March 31, 2020

		(₹ Lakhs)	
	Note	Year ended March 31, 2020	Year ended March 31, 2019
<b>I Revenue</b>			
(a) Revenue from operations	17	48,378.32	80,084.80
(b) Other income	18	315.25	336.58
<b>Total income</b>		<b>48,693.57</b>	<b>80,421.38</b>
<b>II Expenses:</b>			
(a) Cost of materials consumed	19	23,583.58	47,835.63
(b) Employee benefits expense	20	916.54	1,043.93
(c) Finance costs	21	10,280.33	58,682.11
(d) Depreciation and amortisation expense	22	6,850.67	18,321.54
(e) Other expenses	23	8,651.39	18,026.65
<b>Total expenses</b>		<b>50,282.51</b>	<b>143,909.86</b>
<b>III Loss before exceptional items and tax (I-II)</b>		<b>(1,588.94)</b>	<b>(63,488.48)</b>
<b>IV Exceptional items</b>	24	6,009.56	(118,873.82)
<b>V Profit/(loss) before tax (III+IV)</b>		<b>4,420.62</b>	<b>(182,362.30)</b>
<b>VI Tax expense:</b>			
(a) Current tax	26	-	-
(b) Deferred tax		-	-
<b>Total tax expense</b>		<b>-</b>	<b>-</b>
<b>VII Profit/ (loss) for the year (V-VI)</b>		<b>4,420.62</b>	<b>(182,362.30)</b>
<b>VIII Other comprehensive income/(loss)</b>			
(a) (i) Items that will not be reclassified to profit or loss			
- Re-measurement of the net defined benefit plan		(23.72)	1.49
- Changes in fair value of equity instruments through other comprehensive Income		(48.75)	(23.19)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
(b) (i) Items that will be reclassified to profit and loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total other comprehensive income/(loss)</b>		<b>(72.47)</b>	<b>(21.70)</b>
<b>IX Total comprehensive income / (loss) for the year (VII+VIII)</b>		<b>4,348.15</b>	<b>(182,384.00)</b>
<b>X Earnings per share</b>			
Basic (₹)	25	14.42	(133.86)
Diluted (₹)		14.42	(133.86)
<b>The accompanying notes forming part of the financial statements</b>	<b>1-41</b>		

As per our report of even date attached.  
For Singhi & Co.  
Chartered Accountants  
Firm Reg. No. 302049E



Bimal Kumar Sipani  
Partner  
Membership No. 088926

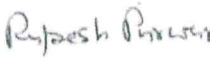
Place: Noida (Delhi - NCR)  
Date: May 18, 2020



For and on behalf of the Board of Directors

  
Subodh Pandey  
Director  
(DIN : 08279634)  
(Angul)

  
Harbinder Singh Deepak  
Managing Director  
(DIN : 08448162)  
(Angul)

  
Rupesh Purwar  
Company Secretary  
(Ghaziabad)

  
Sanjay Gupta  
Chief Financial Officer  
(Angul)



ANGUL ENERGY LIMITED (Formerly Known as Bhushan Energy Limited)

STATEMENT OF CHANGES IN EQUITY for the year ended March 31, 2020

A. EQUITY SHARE CAPITAL

	Balance as at April 1, 2019	Changes during the year	Year ended March 31, 2020
Equity Shares of ₹ 10 each issued, subscribed and fully paid	13,623.00	(12,622.99)	1,000.01
For detail of changes during the year, Refer Note - 12			

	Balance as at April 1, 2018	Changes during the year	As at March 31, 2019
Equity Shares of ₹ 10 each issued, subscribed and fully paid	13,623.00	-	13,623.00

B. OTHER EQUITY

	Reserves and Surplus		Equity instruments at fair value through other comprehensive income	Capital contribution (Refer Note 13 (iv))	Total Equity
	Securities premium	Retained earnings			
As at April 1, 2018	44,318.00	(57,010.54)	(2,458.46)	-	(15,151.00)
Profit / (loss) for the year	-	(182,362.30)	-	-	(182,362.30)
Other comprehensive income / (loss)	-	1.49	(23.19)	-	(21.70)
As at March 31, 2019	44,318.00	(239,371.35)	(2,481.65)	-	(197,535.00)
Capital reduction during the year (Refer Note No. 37)	-	13,622.99	-	-	13,622.99
Transactions with owners in their capacity as owners	-	-	-	260,142.15	260,142.15
Profit / (loss) for the year	-	4,420.62	-	-	4,420.62
Transfer	-	28.14	(28.14)	-	-
Other comprehensive income / (loss)	-	(23.72)	(48.75)	-	(72.47)
As at March 31, 2020	44,318.00	(221,323.32)	(2,558.54)	260,142.15	80,578.29


As per our report of even date attached  
For Singhi & Co.  
Chartered Accountants  
Firm Reg. No. 302049E

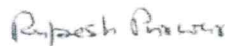
  
Bimal Kumar Sipani  
Partner  
Membership No. 088926




Place: Noida (Delhi - NCR)  
Date: May 18, 2020

For and on behalf of the Board of Directors

  
Subodh Pandey  
Director  
(DIN : 08279634 )  
(Angul)

  
Rupesh Purwar  
Company Secretary  
(Ghazipur)

  
Harbinder Singh Deepak  
Managing Director  
(DIN : 08448162)  
(Angul)

  
Sanjay Gupta  
Chief Financial Officer  
(Angul)

ANGUL ENERGY LIMITED (Formerly Known as Bhushan Energy Limited)

CASH FLOW STATEMENT for the year ended March 31, 2020

(₹ Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit/(loss) before taxes	4,420.62	(182,362.34)
Adjustments for:		
Depreciation and amortisation expenses	6,850.67	18,321.54
Finance Costs	10,280.33	58,682.11
Exceptional items	(6,009.56)	118,873.82
Interest income	(262.18)	(320.39)
Loss allowance for doubtful advances etc.	369.13	-
Dividend income	(2.93)	(3.63)
<b>Operating cash flows before working capital changes</b>	<b>11,225.46</b>	<b>195,553.45</b>
Adjustments for:		
Trade receivables	6,110.30	(4,432.26)
Inventories	881.84	3,993.61
Loans and advances	2,225.63	2,669.09
Trade and other payables	(6,214.03)	2,087.16
<b>Cash generated from operations</b>	<b>18,649.82</b>	<b>17,508.70</b>
Direct taxes paid	(189.68)	(31.64)
<b>Net cash generated from operating activities</b>	<b>18,460.14</b>	<b>17,477.07</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Payments made for purchase of property, plant and equipment	(50.15)	-
Interest received	262.18	320.38
Movement in fixed deposits	39.61	(0.85)
Dividend received	2.93	3.63
<b>Net cash generated in Investing Activities</b>	<b>254.57</b>	<b>323.16</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from issue of Equity share capital	1,000.00	-
Proceeds from borrowings (Net)	74,500.00	83.78
Repayment of borrowings	(76,080.15)	-
Payment of lease liabilities	18.24	-
Interest & other borrowing charges paid	(39,194.25)	-
<b>Net cash generated/(used) in Financing Activities</b>	<b>(39,756.16)</b>	<b>83.78</b>
<b>Net (decrease)/increase in Cash and Cash Equivalents (A+B+C)</b>	<b>(21,041.45)</b>	<b>17,884.01</b>
<b>Opening Cash and Cash Equivalents</b>	<b>21,145.15</b>	<b>3,261.14</b>
<b>Closing Cash and Cash Equivalents (Refer note 10)</b>	<b>103.70</b>	<b>21,145.15</b>

**Notes:**

- A. The company has prepared cash flow statement as per indirect method.  
B. Additional disclosure required under IND AS 7, Refer Note no. 36B


For and on behalf of the Board of Directors

As per our report of even date attached.  
For Singhi & Co.  
Chartered Accountants  
Firm Reg. No. 302049E

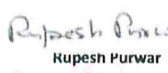
  
Bimal Kumar Sipani  
Partner  
Membership No. 088926




Place: Noida (Delhi - NCR)  
Date: May 18, 2020

  
Subodh Pandey  
Director  
(DIN : 08279634)  
(Angul)

  
Harbinder Singh Deepak  
Managing Director  
(DIN : 08448162)  
(Angul)

  
Rupesh Purwar  
Company Secretary  
(Ghaziabad)

  
Sanjay Gupta  
Chief Financial Officer  
(Angul)



**ANGUL ENERGY LIMITED (Formerly Known as Bhushan Energy Limited)**

**CIN: U40105DL2005PLC140748**

**Notes to the Financial Statements for the year ended March 31, 2020**

## **1. Corporate information**

Angul Energy Limited (Formerly known as Bhushan Energy Limited) ("the Company") is a public limited company incorporated in India with its registered office located at Ground Floor, Mira Corporate Suites, Plot No. 1 & 2, Ishwar Nagar, Mathura Road, New Delhi 110065. The main objective of the Company is to carry on business of generation of thermal power.

The Company has set up 300 MW (2X150MW) and 165 MW (1X165MW) thermal power project at Meramandali Village, District Dhenkanal, Odisha under Phase-I. The plants were commissioned in the year 2010 and 2016 respectively.

### **Statement of compliance**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standard) Rules, 2015 as amended time to time.

### **Basis of preparation**

The financial statements have been prepared on a historical cost basis, except:

- (a) Certain assets and liabilities that are required to be carried at fair values by Indian Accounting Standards (Ind AS); and
- (b) Property, plant & equipment which have been fair valued at the transition date (i.e. April 01, 2015) as 'deemed cost' upon transition to Ind AS.
- (c) Defined benefit liabilities / (assets): Present value of defined benefit obligation less fair value of plan assets.

The financial statements are presented in INR and all values are rounded to the nearest Lakhs (INR 00,000), except when otherwise indicated.

These financial statements for the year ended March 31, 2020 were approved by the Board of Directors and approved for issue on May 18, 2020.

## **2. Summary of significant accounting policies**

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.

### **a. Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset / liability is treated as current when it is expected to be realised/ settled, sold, consumed within the normal operating cycle. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has determined its operating cycle, as explained in Schedule III of the Companies Act, 2013, as twelve months, having regard to the nature of business being carried out by the Company. The same has been considered for classifying assets and liabilities as 'current' and 'non-current' while preparing the financial statements.



ANGUL ENERGY LIMITED (Formerly Known as Bhushan Energy Limited)

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Notes to the Financial Statements for the year ended March 31, 2020

**b. Property, plant and equipment**

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is derecognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (net of revenue) are capitalised. Borrowing costs incurred during the period of construction is capitalised as part of cost of qualifying asset.

The gain or loss arising on disposal of an item of property, plant and equipment is determined as the difference between sale proceeds and carrying value of such item, and is recognised in the statement of profit and loss.

**c. Depreciation and amortisation of property, plant and equipment and intangible assets**

Depreciation or amortisation is provided on straight line method using the rates arrived at on the basis of estimated useful lives given in Schedule II of the Companies Act, 2013 except for the following which has been determined on the basis of technical evaluation.

<b>Class of Property, Plant &amp; Equipment</b>	<b>Useful Life</b>
Plant and Machinery	01 - 26 Years
Buildings	20 - 26 Years

Depreciation on all assets commences from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of leased assets, over the lease period or estimated useful life whichever is less. The estimated useful lives of assets and residual values are regularly reviewed and, when necessary, are revised.

During the year ended March 31, 2020, the Company has reassessed the balance useful lives and the manner in which the economic benefit is being derived from property, plant and equipment. Refer Note 22

**d. Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Ancillary costs incurred in connection with the arrangement of borrowings are adjusted with the proceeds of the borrowings.

**e. Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual





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**Notes to the Financial Statements for the year ended March 31, 2020**

asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

For assets an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU'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 does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

**f. Inventories**

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, wherever considered necessary. Net realizable value is the estimated selling price in the ordinary course of business based on market price at the reporting date and discounted for the time value of money if material, less estimated costs of completion and estimated costs necessary to make the sale. Raw material is recorded at cost on a first-in-first-out (FIFO) basis. Spare parts including other items are recorded on weighted average basis.

**g. Revenue Recognition**

Revenue from contracts with customers is recognized when control of the goods (power) or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services having regard to the terms of the Power Purchase Agreements, tolling agreements, relevant tariff regulations and the tariff orders by the regulator, as applicable, and contracts for services.

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated having regard to various relevant factors including historical trend and constraint until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Delayed payment charges and compensation towards shortfall in offtake are recognized when there is reasonable certainty to expect ultimate collections.

Interest income are recognised on an accrual basis using the effective interest method.

Dividends are recognised at the time the right to receive payment is established



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Notes to the Financial Statements for the year ended March 31, 2020

**h. Foreign currencies**

The Company's financial statements are presented in INR, which is also its functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rate of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in statement of profit or loss are also recognised in OCI or statement of profit or loss, respectively).

**i. Income Taxes**

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted in India, at the reporting date.

Current tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets is offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax liabilities are generally recognised for all the temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.





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**Notes to the Financial Statements for the year ended March 31, 2020**

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

MAT credit is recognised as an asset, whenever there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

**j. Employee benefits**

Short-term benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the service rendered by employees are recognised during the period when the employee renders the services.

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Company's contribution to state defined contribution plans namely Employee State Insurance is made in accordance with the Statute, and are recognised as an expense when employees have rendered services entitling them to the contribution.

Defined benefits plans

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. Gratuity is a defined benefit obligation.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. In respect of post-retirement benefit re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit or loss in subsequent periods.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

Other long term benefits

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it



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**Notes to the Financial Statements for the year ended March 31, 2020**

expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date. Actuarial gains/ losses on the compensated absences are immediately taken to the statement of profit and loss and are not deferred.

**k. Leases**

**Company as a lessee**

The Company assesses if a contract is or contains a lease at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the commencement date, except for short-term leases of twelve months or less and leases for which the underlying asset is of low value, which are expensed in the statement of operations on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if not readily determinable, the incremental borrowing rate specific to the country, term and currency of the contract.

Lease payments can include fixed payments, variable payments that depend on an index or rate known at the commencement date, as well as any extension or purchase options, if the Company is reasonably certain to exercise these options. The lease liability is subsequently measured at amortized cost using the effective interest method and remeasured with a corresponding adjustment to the related right-of-use asset when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessments of options.

The right-of-use asset comprises, at inception, the initial lease liability, any initial direct costs and, when applicable, the obligations to refurbish the asset, less any incentives granted by the lessors. The right-of-use asset is subsequently depreciated, on a straight-line basis, over the lease term, if the lease transfers the ownership of the underlying asset to the Company at the end of the lease term or, if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, over the estimated useful life of the underlying asset. Right-of-use assets are also subject to testing for impairment if there is an indicator for impairment. Variable lease payments not included in the measurement of the lease liabilities are expensed to the statement of operations in the period in which the events or conditions which trigger those payments occur. In the statement of financial position right-of-use assets and lease liabilities are classified respectively as part of property, plant and equipment and short-term/long-term debt.

**Company as a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease shall not be straight-lined, if escalation in rentals is in line with expected inflationary cost. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Contingent rentals are recognised as revenue in the period in which they are earned.

**l. Provisions, contingent liabilities and contingent assets**

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises when there is a presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts. Provisions are not recognised for future operating losses.





**ANGUL ENERGY LIMITED (Formerly Known as Bhushan Energy Limited)**

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**Notes to the Financial Statements for the year ended March 31, 2020**

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material. Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

**Contingent liability is disclosed for:**

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

**m. Earnings per share**

Basic earnings per equity share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

**n. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

**o. Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

**p. Fair value measurement**

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.



**ANGUL ENERGY LIMITED (Formerly Known as Bhushan Energy Limited)**

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**Notes to the Financial Statements for the year ended March 31, 2020**

**q. Government grants**

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received.

Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. The benefit of a government loan at below market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on the prevailing market interest rates.

**r. Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting done to the chief operating decision maker. The Company operates in a single operating segment and geographical segment.

**s. Financial instruments**

**Initial recognition and measurement**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below:

Non-derivative financial assets

**Subsequent measurement**

- i. **Financial assets carried at amortised cost** – a financial asset is measured at the amortised cost, if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

- ii. **Investments in equity instruments** - Investments in equity instruments, where the Company has opted to classify such instruments at fair value through other comprehensive income (FVOCI) are measured at fair value through other comprehensive income. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

- iii. **Financial assets at fair value through Profit & Loss (FVTPL)**

Financial assets, which does not meet the criteria for categorization as at amortized cost or as FVOCI, are classified as at FVTPL.

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit & Loss.

**t. Compound Financial Instrument**

The component parts of compound instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a





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Notes to the Financial Statements for the year ended March 31, 2020

financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. The conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

#### Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. ECL is the weighted-average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

**Trade receivables:** In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

**Other financial assets:** In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

**De-recognition of financial assets:** A financial asset is primarily de-recognised when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

**Derivative financial instruments:** In the ordinary course of business, the Company uses derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange. The instruments are confined principally to forward foreign exchange contracts and these contracts do not generally extend beyond six months.



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Notes to the Financial Statements for the year ended March 31, 2020

Derivatives are initially accounted for and measured at fair value from the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

**Non-derivative financial liabilities**

**Subsequent measurement:** Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

**De-recognition of financial liabilities:** A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**Offsetting of financial instruments:** Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.





ANGUL ENERGY LIMITED (Formerly known as Bhushan Energy Limited)  
NOTES TO FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Land	Building	Plant and Equipment	Furniture and fixtures	Vehicles	Office equipments	Total
<b>Property, Plant and Equipment</b>							
Cost as at April 01, 2018	106.76	33,520.63	3,28,267.63	11.19	10.07	3.64	3,61,919.92
Addition during the year	-	-	-	-	-	-	-
Sold/discarded during the year	-	-	-	-	-	-	-
Adjustment during the year	-	-	-	-	-	-	-
Other re-classifications	-	-	-	-	-	-	-
<b>Cost as at March 31, 2019</b>	<b>106.76</b>	<b>33,520.63</b>	<b>3,28,267.63</b>	<b>11.19</b>	<b>10.07</b>	<b>3.64</b>	<b>3,61,919.92</b>
Transfer to Right-of-use assets as per Ind AS 116	(106.76)	-	-	-	-	-	(106.76)
Addition during the year	-	-	-	-	-	-	-
Sold/discarded during the year	-	-	-	-	-	-	-
<b>Cost as at March 31, 2020</b>	<b>-</b>	<b>33,520.63</b>	<b>3,28,267.63</b>	<b>11.19</b>	<b>10.07</b>	<b>3.64</b>	<b>3,61,813.16</b>
<b>Accumulated depreciation &amp; impairment</b>							
Accumulated depreciation as at April 01, 2018	-	12,066.65	96,101.06	7.80	9.03	3.29	1,08,187.83
Depreciation for the year	1.21	2,035.00	16,284.66	0.50	0.07	0.10	18,321.54
Impairment	-	6,778.92	1,09,370.61	-	-	-	1,16,149.53
Disposals	-	-	-	-	-	-	-
Adjustment during the period	-	-	-	-	-	-	-
<b>Accumulated impairment as at March 31, 2019</b>	<b>-</b>	<b>6,778.92</b>	<b>1,09,370.61</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,16,149.53</b>
<b>Accumulated depreciation as at March 31, 2019</b>	<b>1.21</b>	<b>14,101.65</b>	<b>1,12,385.72</b>	<b>8.30</b>	<b>9.10</b>	<b>3.39</b>	<b>1,26,509.37</b>
Accumulated Impairment as at April 01, 2019	-	6,778.92	1,09,370.61	-	-	-	1,16,149.53
Accumulated depreciation as at April 01, 2019	1.21	14,101.65	1,12,385.72	8.30	9.10	3.39	1,26,509.37
Transfer to Right-of-use assets as per Ind AS 116	(1.21)	-	-	-	-	-	(1.21)
Depreciation for the year	-	520.30	6,328.15	0.48	0.07	0.05	6,849.05
Impairment	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Adjustment during the period	-	-	-	-	-	-	-
<b>Accumulated impairment as at March 31, 2020</b>	<b>-</b>	<b>6,778.92</b>	<b>1,09,370.61</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,16,149.53</b>
<b>Accumulated depreciation as at March 31, 2020</b>	<b>-</b>	<b>14,621.95</b>	<b>1,18,713.87</b>	<b>8.78</b>	<b>9.17</b>	<b>3.44</b>	<b>1,33,357.21</b>
Net carrying value as on March 31, 2019	105.55	12,640.06	1,06,511.30	2.89	0.97	0.25	1,19,261.02
Net carrying value as on March 31, 2020	-	12,119.76	1,00,183.15	2.41	0.90	0.20	1,12,306.42

(i) During the previous year assets were pledged and hypothecated against borrowings; the details relating to which have been described in Note 14A pertaining to borrowings

(ii) During the previous year, the Company had carried out an impairment assessment of its property, plant & equipment. Based on that an impairment loss was recognised on building and plant and machinery for ₹ 6,778.92 Lakhs and ₹ 109,370.61 Lakhs respectively.



ANGUL ENERGY LIMITED (Formerly Known as Bhushan Energy Limited)  
NOTES TO FINANCIAL STATEMENTS

3A. Right of Use Assets

	(₹ Lakhs)	
	Lease hold Land	Total
Cost as at March 31, 2019	-	-
Transfer from Property, Plant & Equipment as per Ind AS 116 *	106.76	106.76
<b>Cost as at April 01, 2019</b>	<b>106.76</b>	<b>106.76</b>
Reclassification due to the effect of Ind AS 116 (Refer Note 41)	17.98	17.98
Sold/discarded during the period	-	-
Adjustment during the period	-	-
<b>Cost as at March 31, 2020</b>	<b>124.74</b>	<b>124.74</b>
Accumulated depreciation as at April 1, 2019	1.21	1.21
Depreciation for the period	1.62	1.62
Adjustment / Reclassification during the period	-	-
<b>Accumulated depreciation as at March 31, 2020</b>	<b>2.83</b>	<b>2.83</b>
Net carrying value as on March 31, 2019	-	-
Net carrying value as on April 01, 2019	105.55	105.55
<b>Net carrying value as on March 31, 2020</b>	<b>121.91</b>	<b>121.91</b>

\* Refer Note 41.





ANGUL ENERGY LIMITED (Formerly Known as Bhushan Energy Limited)  
NOTES TO FINANCIAL STATEMENTS

4. INTANGIBLE ASSETS

	(₹ Lakhs)	
	Computer software	Total
<b>Cost as at April 01, 2018</b>	115.62	115.62
Addition during the year	-	-
Sold/discarded during the year	-	-
<b>Cost as at March 31, 2019</b>	115.62	115.62
Addition during the year	-	-
Sold/discarded during the year	-	-
Adjustment during the year	-	-
<b>Cost as at March 31, 2020</b>	115.62	115.62
	Computer software	Total
<b>Accumulated amortisation as at April 01, 2018</b>	115.62	115.62
Amortisation during the year	-	-
Disposals	-	-
Adjustment during the year	-	-
<b>Accumulated amortisation as at March 31, 2019</b>	115.62	115.62
Amortisation during the year	-	-
Disposals	-	-
Adjustment during the year	-	-
<b>Accumulated amortisation as at March 31, 2020</b>	115.62	115.62
<b>Net carrying value as at March 31, 2019</b>	-	-
<b>Net carrying value as at March 31, 2020</b>	-	-



ANGUL ENERGY LIMITED (Formerly Known as Bhushan Energy Limited)  
NOTES TO FINANCIAL STATEMENTS

5. FINANCIAL ASSETS

A. INVESTMENTS

NON-CURRENT	(₹ Lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>A. Investment carried at fair value through other comprehensive income</b>		
<b>a. Investments in Equity shares (quoted)</b>		
2,212 (Previous year 2,212) of ₹ 10 each of United Bank of India *	0.09	0.25
50,018 (Previous year 50,018) of ₹ 10 each of Coal India Limited	70.04	118.64
<b>b. Investments in ordinary shares (unquoted)</b>		
47,00,000 (Previous year 47,00,000) shares of AUD 1 each fully paid up of Bhushan Steel (Australia ) Pty Limited	-	-
<b>B. Investment carried at fair value through profit and loss</b>		
<b>a. Investments in Preference shares (unquoted)</b>		
500,000 (Previous year 500,000) 10% Redeemable preference shares of ₹ 10 each of Bhushan Steel (South) Limited	50.00	50.00
Less : Provision for impairment	(50.00)	(50.00)
<b>Total investments</b>	<b>70.13</b>	<b>118.89</b>
<b>Other disclosures</b>		
Aggregate carrying value of non-current quoted investments	70.13	118.89
Aggregate market value of non-current quoted investments	70.13	118.89
Aggregate value of non-current unquoted investments	50.00	50.00
Aggregate value of impairment in value of non-current investment	50.00	50.00

Refer note 31B for determination of fair values of non-current investment

\* merged with Punjab National Bank w.e.f 01.04.2020

B. LOANS

NON-CURRENT	(₹ Lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>(a) Security deposits</b>		
- Unsecured, considered good	3.19	2.39
Less: Allowance for expected credit losses	-	-
	3.19	2.39
<b>(b) Loans to employees</b>		
- Unsecured, considered good	-	6.75
	-	6.75
	<b>3.19</b>	<b>9.14</b>
<b>CURRENT</b>		
		(₹ Lakhs)
	As at March 31, 2020	As at March 31, 2019
<b>(a) Security deposits</b>		
- Unsecured, considered good	60.00	79.71
- Unsecured, Credit impaired	2,058.27	2,058.27
Less: Loss allowance for security deposits	(2,058.27)	(2,000.00)
	60.00	137.98
<b>(b) Loans to employees</b>		
- Unsecured, considered good	2.96	12.10
	<b>62.96</b>	<b>150.08</b>

During the previous year, Loans were pledged and hypothecated against secured borrowings. For details refer Note No. 14A.





ANGUL ENERGY LIMITED (Formerly Known as Bhushan Energy Limited)  
NOTES TO FINANCIAL STATEMENTS

C. OTHER FINANCIAL ASSETS

NON-CURRENT

	(₹ Lakhs)	
	As at March 31, 2020	As at March 31, 2019
(a) Fixed deposits with original maturity of more than 12 months*	-	31.71
	-	31.71

\*During the previous year, deposits were under bank lien.

CURRENT

	(₹ Lakhs)	
	As at March 31, 2020	As at March 31, 2019
(a) Other advances		
Unsecured, considered good	703.30	-
	703.30	-

6. OTHER ASSETS

NON-CURRENT

	(₹ Lakhs)	
	As at March 31, 2020	As at March 31, 2019
(a) Capital advances		
Unsecured, Considered doubtful	1,140.37	1,140.37
Less: Provision for doubtful balances	(1,140.37)	(1,140.37)
	-	-
(b) Payment under protest to statutory authorities (refer sub-note (i))		
Unsecured, considered good	12.81	12.81
Unsecured, considered doubtful	4,367.77	4,367.77
Less: Provision for doubtful balances	(4,367.77)	(4,367.77)
	12.81	12.81
(c) Balances with statutory authorities		
(d) Prepaid expenses	-	-
	12.81	12.81

(i) Payment under protest relates to custom duty, electricity duty and entry tax.

CURRENT

	(₹ Lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>Unsecured, Considered Good</b>		
(a) Balances with statutory authorities	3.25	-
(b) Prepaid expenses	133.91	65.60
(c) Advance to suppliers	52.31	3,578.86
<b>Unsecured, Credit Impaired</b>		
(a) Advance to suppliers	310.86	-
Less: Loss allowance for advance to suppliers	(310.86)	-
	52.31	3,578.86
	189.47	3,644.46

7A. INCOME TAX ASSETS

NON-CURRENT

	(₹ Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Advance tax (net of tax provisions)	484.39	294.71
	484.39	294.71



ANGUL ENERGY LIMITED (Formerly Known as Bhushan Energy Limited)  
 NOTES TO FINANCIAL STATEMENTS  
 7B. DEFERRED TAX ASSETS

**NON-CURRENT**

	As at March 31, 2020	(₹ Lakhs) As at March 31, 2019
MAT Credit Entitlement	-	6,135.02
Less: Provision for impairment	-	(6,135.02)
	-	-

**8. INVENTORIES**

**CURRENT**

(Valued at lower of cost or net realizable value)

	As at March 31, 2020	(₹ Lakhs) As at March 31, 2019
(a) Raw materials	-	950.60
(b) Stores and spares	457.34	388.58
	<b>457.34</b>	<b>1,339.18</b>
<b>A. Included above, goods-in-transit:</b>		
(a) Raw materials	-	873.16
(b) Stores and spares	-	-
	-	<b>873.16</b>

**B.** During the previous year, Inventories were pledged and hypothecated against secured borrowings. For details refer Note No. 14A.

**9. TRADE RECEIVABLES**

**CURRENT**

	As at March 31, 2020	(₹ Lakhs) As at March 31, 2019
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	5,404.79	15,435.47
Trade receivables considered doubtful- Unsecured	-	-
Trade receivables having significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
	5,404.79	15,435.47
Less: Allowance for expected credit losses	-	-
	<b>5,404.79</b>	<b>15,435.47</b>

(i) For details of receivables from Related Parties, Refer Note No. 29

(ii) Trade receivables relates to Company's contract with Tata Steel BSL Limited, are non-interest bearing and are on credit terms not exceeding 30 days.

(iii) There are no outstanding receivable debts due from directors or other officers of the Company.

**10. CASH AND CASH EQUIVALENTS**

**CURRENT**

	As at March 31, 2020	(₹ Lakhs) As at March 31, 2019
(a) Cash in hand	0.77	1.30
(b) Balance with banks		
- In current accounts	102.93	1,107.92
- Deposit with original maturity of less than three months	-	20,035.93
	<b>103.70</b>	<b>21,145.15</b>

**11. OTHER BALANCES WITH BANK**

**CURRENT**

	As at March 31, 2020	(₹ Lakhs) As at March 31, 2019
(a) Earmarked balances with banks		
- Deposit with original maturity of more than three months but less than twelve months	-	7.91
(b) Retained balances with bank (under CIRP Process)	250.00	-
	<b>250.00</b>	<b>7.91</b>





ANGUL ENERGY LIMITED (Formerly Known as Bhushan Energy Limited)  
NOTES TO FINANCIAL STATEMENTS

12. EQUITY SHARE CAPITAL

	(₹ Lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>Authorised:</b>		
21,00,00,000 Equity shares of ₹ 10 each (March 31, 2019: 21,00,00,000)	21,000.00	21,000.00
	21,000.00	21,000.00
<b>Issued, Subscribed and Paid-up:</b>		
1,00,00,142 Equity shares of ₹ 10 each (March 31, 2019: 13,62,30,000)	1,000.01	13,623.00
	1,000.01	13,623.00

a) Reconciliation of number of shares outstanding and the amount of share capital:

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount (₹ in lakhs)	Number of shares	Amount (₹ in lakhs)
Shares outstanding at the beginning of the year	13,62,30,000	13,623.00	13,62,30,000	13,623.00
Shares issued during the year*	1,00,00,000	1,000.00	-	-
Reduction during the year (Refer Note No. 37)	-13,62,29,858	-13,622.99	-	-
Shares outstanding at the end of the year	1,00,00,142	1,000.01	13,62,30,000	13,623.00

\* During the year, the Company has issued 1,00,00,000 shares at the face value of 10/- per share by way of private placement of shares.

b) Rights, preferences and restrictions attached to the equity shares

The Company has only one class of equity share having a par value of ₹ 10 per share. Each shareholder is eligible for one vote for every share held and are entitled to dividend declared from time to time.

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, in proportion to their shareholding.

c) Details of the Equity Shareholders holding more than 5% share in the Company

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares held	% of holding	Number of shares held	% of holding
1. Brij Bhushan Singal*	0	0.00%	2,00,03,500	14.68%
2. Neeraj Singal*	0	0.00%	1,90,03,500	13.95%
3. Bhushan Consumer Electronics Private Limited*	0	0.00%	3,12,20,000	22.92%
4. Tata Steel BSL Limited (formerly known as "Bhushan Steel Ltd.")	1,00,00,065	99.99%	6,50,00,000	47.71%
<b>Total</b>	<b>1,00,00,065</b>	<b>99.99%</b>	<b>13,52,27,000</b>	<b>99.26%</b>

\* As at March 31 2020, shareholding is not more than 5%

d) Details of the Equity Shares held by the holding company

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares held	% of holding	Number of shares held	% of holding
Equity shares of ₹ 10/- each fully paid up				
1. Tata Steel BSL Limited (formerly known as "Bhushan Steel Ltd.") (w.e.f. June 01, 2019)	1,00,00,065	99.99%	6,50,00,000	47.71%



ANGUL ENERGY LIMITED (Formerly Known as Bhushan Energy Limited)  
NOTES TO FINANCIAL STATEMENTS

13. OTHER EQUITY

	As at March 31, 2020	As at March 31, 2019
(₹ Lakhs)		
<b>a) Security premium</b>		
Opening balance	44,318.00	44,318.00
Changes during the year	-	-
<b>Balance as at the end of the year</b>	<b>44,318.00</b>	<b>44,318.00</b>
<b>b) Retained earnings</b>		
Balance as at the beginning of the year	(2,39,371.35)	(57,010.54)
Capital reduction during the year (Refer Note No. 37)	13,622.99	-
Profit/(loss) for the year	4,420.62	(1,82,362.30)
Transfer from other comprehensive income	28.14	-
Other comprehensive income /(loss) for the year *	(23.72)	1.49
<b>Balance as at the end of the year</b>	<b>(2,21,323.32)</b>	<b>(2,39,371.35)</b>
<b>c) Other comprehensive income</b>		
Balance as at the beginning of the year	(2,481.65)	(2,458.46)
Transfer to retained earnings	(28.14)	-
Other comprehensive income for the year *	(48.75)	(23.19)
<b>Balance as at the end of the year</b>	<b>(2,558.54)</b>	<b>(2,481.65)</b>
<b>d) Capital contribution</b>		
Balance as at the beginning of the year	-	-
Addition during the year [Refer Note (iv) below]	2,60,142.15	-
<b>Balance as at the end of the period</b>	<b>2,60,142.15</b>	<b>-</b>
<b>Total other equity</b>	<b>80,578.29</b>	<b>(1,97,535.00)</b>

\* This consist of the following:

(a) Re-measurement gain/(loss) on defined benefit plans amounting to ₹ (23.72) Lakhs (Previous period ₹ 1.49 Lakhs)

(b) Net gain/(loss) on FVTOCI equity securities amounting to ₹ (48.75) Lakhs (Previous period ₹ (23.19) Lakhs)

(i) **Securities premium** - This represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

(ii) **Retained earnings** - Retained earnings are profits earned by the Company after transfer to general reserve and payment of dividend to shareholders, if any.

(iii) **Other comprehensive income** - The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within FVTOCI reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

(iv) **Capital contribution** - During the year, post implementation of resolution plan dated May 30, 2019, Tata Steel BSL Ltd. ("Holding Company") in its capacity as the promoter of the Company, had waived off novated debts (reduced by cost of novation) amounting to ₹ 2,60,142.15 Lakhs. The Company recognised such waiver as a capital contribution made during the period as an item of "Other Equity". Refer note 37 for details of accounting of resolution plan.





ANGUL ENERGY LIMITED (Formerly Known as Bhushan Energy Limited)  
NOTES TO FINANCIAL STATEMENTS

14. FINANCIAL LIABILITIES

A. BORROWINGS

NON-CURRENT

	As at March 31, 2020	(₹ Lakhs) As at March 31, 2019
<b>(a) Secured</b>		
(i) Term loans from banks		
- Indian rupees loans	-	1,67,106.71
- Foreign currency loan	-	5,358.27
(ii) Term loans from financial institutions	-	53,147.07
(iii) Long-term maturities of finance lease obligations	18.25	
	18.25	2,25,612.05
<b>(b) Unsecured</b>		
Loan from Holding Company *	32,600.00	
	<b>32,618.25</b>	<b>2,25,612.05</b>
Less: Current maturities of long term borrowings classified under 'other financial liabilities'	-	2,25,612.05
Less: Current maturities of lease obligations classified under 'other financial liabilities'	0.01	-
	<b>32,618.24</b>	<b>-</b>

\* Loan from Holding Company carries interest rate of 10% per annum and is repayable after 20 years from the date of receipt however the company may at its discretion prepay the loan.

Pursuant to the continuing defaults of the Company in repayment of borrowings in previous years, a corporate insolvency resolution process ("CIRP") under the Insolvency and Bankruptcy Code, 2016 was initiated against the Company. On May 30, 2019, the NCLT approved the terms of the Resolution Plan submitted by Tata Steel Limited ("TSL"). The accounting for the borrowings was carried out considering the terms of such Resolution Plan. Refer Note 37 for details of effect of resolution plan & accounting thereof.

CURRENT

	As at March 31, 2020	(₹ Lakhs) As at March 31, 2019
<b>(a) Secured</b>		
Cash credit	-	7,456.00
	-	<b>7,456.00</b>

\*Refer Note No. 37



ANGUL ENERGY LIMITED (Formerly Known as Bhushan Energy Limited)  
NOTES TO FINANCIAL STATEMENTS

B. TRADE PAYABLES

CURRENT

	(₹ Lakhs)	
	As at March 31, 2020	As at March 31, 2019
(a) Total outstanding dues of micro enterprises and small enterprises;	63.51	1.63
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	1,178.31	3,217.85
	<b>1,241.82</b>	<b>3,219.48</b>

- (i) Based on the information available as identified by the management there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures relating to dues of Micro and Small enterprises under section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year

- Principal amount due to micro and small enterprises	63.51	1.33
- Interest due on above	-	0.30

The amount of interest paid by the buyer under MSMED Act 2006 along with the amounts of the payment made to the supplier 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 the MSMED Act 2006.

The amount of interest accrued and remaining unpaid at the end of accounting year; and

The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.

- (ii) The Company considers its maximum exposure to liquidity risk with respect to vendors as at March 31, 2020 to be ₹ 1241.82 lakhs (March 31, 2019: ₹ 3219.48 lakhs), which is the fair value of trade payables.

C. OTHER FINANCIAL LIABILITIES

CURRENT

	(₹ Lakhs)	
	As at March 31, 2020	As at March 31, 2019
(a) Current maturities of long term borrowings	-	2,25,612.06
(b) Current maturities of lease obligations	0.01	-
(c) Interest accrued on borrowings	3,355.37	93,523.55
(d) Liability for capital goods	-	5,113.56
(e) Employees Emoluments	66.80	78.70
(f) Other payables	376.47	342.48
	<b>3,798.65</b>	<b>3,24,670.35</b>





ANGUL ENERGY LIMITED (Formerly Known as Bhushan Energy Limited)  
NOTES TO FINANCIAL STATEMENTS

15. OTHER LIABILITIES

**CURRENT**

	As at March 31, 2020	(₹ Lakhs) As at March 31, 2019
(a) Statutory Dues	714.90	9,811.71
	<b>714.90</b>	<b>9,811.71</b>

16. PROVISIONS

**NON-CURRENT**

	As at March 31, 2020	(₹ Lakhs) As at March 31, 2019
(a) Provision for employee benefits		
- Gratuity	131.30	108.48
- Leave encashment	80.82	76.33
	<b>212.12</b>	<b>184.81</b>

**CURRENT**

	As at March 31, 2020	(₹ Lakhs) As at March 31, 2019
(a) Provision for employee benefits		
- Gratuity	4.16	8.96
- Leave encashment	2.22	11.22
	<b>6.38</b>	<b>20.18</b>



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NOTES TO FINANCIAL STATEMENTS

17. REVENUE FROM OPERATIONS

	(₹ Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Sale of power	43,224.84	80,084.80
Tolling charges * (Refer Note no. 40)	5,153.48	-
	<b>48,378.32</b>	<b>80,084.80</b>

\*Tolling charges are net off of electricity duty amounting ₹ 2,564.28 lakhs.

18. OTHER INCOME

	(₹ Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
(a) Finance income on:		
-Fixed deposits	260.74	316.37
-Others	1.44	4.02
(b) Liabilities written back	28.61	-
(c) Dividend income on - long term investments	2.93	3.63
(d) Miscellaneous income	21.53	12.56
	<b>315.25</b>	<b>336.58</b>

19. RAW MATERIALS CONSUMED

	(₹ Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Cost of raw materials consumed	23,583.58	47,835.63
	<b>23,583.58</b>	<b>47,835.63</b>

20. EMPLOYEE BENEFIT EXPENSE

	(₹ Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
(a) Salaries and wages*	904.78	1,032.48
(b) Contribution to provident and other funds	10.30	10.10
(c) Staff welfare expenses	1.46	1.35
	<b>916.54</b>	<b>1,043.94</b>

\* Salary and wages are net off of employee cost of ₹ 115.60 lakhs ( Previous year : Nil) recovered from holding Company, Tata Steel BSL Limited under Service agreement.





ANGUL ENERGY LIMITED (Formerly Known as Bhushan Energy Limited)  
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21. FINANCE COSTS

	(₹ Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
(a) Interest on borrowings*	10,278.53	58,675.37
(b) Interest on lease obligations	1.80	-
(b) Other borrowing cost	-	6.74
	<b>10,280.33</b>	<b>58,682.11</b>

\* Refer Note No. 37(vi)

22. DEPRECIATION AND AMORTISATION EXPENSE

	(₹ Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
(a) Depreciation of property, plant and equipment	6,849.05	18,321.54
(b) Amortisation of Right of use assets	1.62	-
	<b>6,850.67</b>	<b>18,321.54</b>

During the year, the Company has revised the method of depreciation of the building and plant & machinery. This shall have effect on depreciation charge in current and subsequent year as follows :

	(₹ Lakhs)
Financial Year	Decrease in Depreciation charges
2019-20	12,547.52
2020-21	8,959.57
2021-22	6,199.56
2022-23	3,999.33

During the year, the Company has also reassessed residual estimated useful life as determined by the third party consulting engineers. However effect of change in this estimation for current and future years could not be ascertained hence not included above.



### 23. OTHER EXPENSES

	(₹ Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
(a) Consumption of stores, spares and consumables	315.50	948.79
(b) Electricity duty*	4,490.48	10,724.58
(c) Contractual handling expenses	1,091.70	1,596.75
(d) Rent	16.94	226.44
(e) Insurance charges	175.11	81.11
(f) Rates and taxes**	79.74	1,395.09
(g) Repairs and maintenance:		
Machinery	595.45	536.74
(h) Payment to auditors:		
Audit fee	25.00	20.00
Certification fees	8.50	
Tax Audit fee	5.00	5.00
Other Matters	2.00	
Reimbursement of expenses	0.78	0.19
Reimbursement of Goods and Service Tax (including related to previous year ₹ 4.50)	11.79	-
(i) Net loss on foreign currency translations and transactions	75.10	357.87
(j) Ash Handling Expenses	866.34	1,242.36
(k) CIRP related expenses	259.43	847.97
(l) Loss allowance for doubtful advances	369.13	-
(m) Legal and Professional expenses	123.21	3.72
(n) Director Sitting Fees	2.45	-
(o) Deputation cost	101.24	-
(p) Miscellaneous expenses	36.50	40.04
	<b>8,651.39</b>	<b>18,026.65</b>

\*Net off of Electricity duty of ₹ 2,564.28 lakhs (Previous year : Nil) recovered under tolling arrangement and Contractual handling expenses of ₹ 347.81 lakhs (Previous year : Nil) recovered from holding Company, M/S Tata Steel BSL Limited under Service agreement.

\*\*Includes related to earlier periods ₹ Nil (Previous year ₹ 1,387.03 lakhs)





ANGUL ENERGY LIMITED (Formerly Known as Bhushan Energy Limited)  
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24. EXCEPTIONAL ITEMS

	Year ended March 31, 2020	(₹ Lakhs) Year ended March 31, 2019
(a) Provision for impairment on property, plant & equipment	-	(1,16,149.53)
(b) Trade Receivable written off*	(3,920.38)	-
(c) Expected Credit Loss extinguishment	-	6,562.04
(d) MAT Recoverable written off	-	(6,135.02)
(e) Loss allowance for capital advances	-	(1,140.37)
(f) Loss allowance for security deposits	-	(2,010.94)
(g) Effect of implementation of resolution plan **	9,929.94	-
	<b>6,009.56</b>	<b>(1,18,873.82)</b>

\* Represents pre CIRP period trade receivables from Tata Steel BSL Limited (Insolvency commencement date under CIRP of Tata Steel BSL Limited was July 27, 2017).

\*\*Pursuant to CIRP proceedings and on implementation of resolution plan, liabilities of ₹ 9929.94 lakhs written back on account of the following :

- (i) Operational creditors extinguishment - ₹ 5622.05 lakhs.
- (ii) Electricity duty dues - ₹ 4307.89 lakhs

Refer Note 37 for details of effects of resolution plan

25. EARNING PER SHARE

The following table reflects the income and shares data used in computation of the basic and diluted earnings per share:

	Year ended March 31, 2020	Year ended March 31, 2019
(a) Profit/ (loss) for the year (₹ Lakhs)	4,420.62	(1,82,362.30)
(b) Face value per share (₹)	10.00	10.00
(c) Number of equity shares at the beginning of the year	13,62,30,000	13,62,30,000
Less: Cancelled during the year	13,62,29,858	-
Add: Issued during the year	1,00,00,000	-
Number of equity shares at the end of the year	1,00,00,142	13,62,30,000
<b>Weighted average number of equity shares</b>	<b>3,06,66,239</b>	<b>13,62,30,000</b>
<b>Earning Per Share</b>		
Basic (₹ / share) [ (a)/(c) ]	14.42	(133.86)
Diluted (₹/ share) [ (a)/(c) ]	14.42	(133.86)



26. TAX EXPENSES

(a) Income tax expense:

The major components of income tax expenses are as follows:

(i) Profit or loss section

	Year ended March 31, 2020	Year ended March 31, 2019
Current tax expense	-	-
Deferred tax expense	-	-
<b>Total income tax expense recognised in statement of profit &amp; loss</b>	<b>-</b>	<b>-</b>

(ii) OCI Section

	Year ended March 31, 2020	Year ended March 31, 2019
Net (gain) on remeasurement of defined benefit plans	-	-
Unrealised (gain)/loss on FVTOCI equity securities	-	-
<b>Income tax charged to OCI</b>	<b>-</b>	<b>-</b>

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

	Year ended March 31, 2020	Year ended March 31, 2019
Accounting profit before tax from continuing operations	4,420.62	(1,82,362.30)
Accounting profit before tax from discontinuing operations	-	-
<b>Accounting profit before income tax</b>	<b>4,420.62</b>	<b>(1,82,362.30)</b>
At India's statutory income tax rate of 34.944% (Previous year: 34.944%)	1,544.74	(63,724.68)
<b>Non-deductible expenses for tax purposes:</b>		
(a) Tax effect of Income exempt from tax	(1.02)	-
(b) Tax effect of Items not deductible	196.12	-
(c) Tax effect of items brought forward losses and other items	(1,739.84)	-
(d) Deferred taxes (assets)/liabilities relating to earlier years recognised during the year	-	63,724.68
<b>At the effective income tax rate of 34.944% (Previous year: 34.944%)</b>	<b>-</b>	<b>-</b>
Income tax expense reported in the statement of profit and loss	-	-
	-	-

(c) Deferred tax assets have not been recognised in respect of business losses and unabsorbed depreciation aggregating to ₹ 57,848.88 Lakhs (Previous year: ₹ 43,733.95 Lakhs) as there is no convincing evidence that sufficient taxable profits will be available in the future against which such the deferred tax assets can be realised in the normal course of business of the Company.

(d) In previous year, the Company has written off unused minimum alternate tax credit (MAT Credit) of ₹ 6,135.02 Lakhs recognised in earlier years as it is not probable that sufficient taxable profits will be available in the future against which such the MAT can be realised in the normal course of business of the Company.

(e) The amounts and expiry dates, if any, of unutilised tax losses and deductible temporary differences for which no deferred tax asset is recognised in the balance sheet are given below :

Particulars	Year of expiry	Amount
Unabsorbed depreciation	No expiry	1,43,533.81
Business Loss	next 3 to 8 years	22,013.59
		<b>1,65,547.40</b>



27 Employee benefits

A. **Defined Contribution Plans**

**Provident Fund:** During the year, the Company has recognised ₹ 10.30 Lakhs (previous year ₹ 10.10 Lakhs) as contribution to Employee Provident Fund in the Statment of Profit and Loss.

B. **Defined Benefit Plans - Gratuity**

Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount equal to 15/26 of the monthly emoluments for every completed year of service subject to maximum of ₹ 20 Lakhs at the time of separation from the company.

The following tables summarise 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 defined benefit plans:

	(₹ Lakhs)	
	Current Year	Previous Year
(i) <b>Reconciliation of fair value of plan assets and defined benefit obligation:</b>		
Fair value of plan assets	-	-
Defined benefit obligation	135.46	117.45
<b>Net assets / (liability) recognised in the Balance Sheet at year end</b>	<b>(135.46)</b>	<b>(117.45)</b>
(ii) <b>Changes in the present value of the defined benefit obligation are, as follows:</b>		
<b>Defined benefit obligation at beginning of the year</b>	<b>117.45</b>	<b>100.15</b>
Current service cost	17.93	17.53
Interest expense	9.38	7.72
Benefits paid	(33.02)	(6.47)
Actuarial (gain)/ loss on obligations - OCI	23.72	(1.48)
<b>Defined benefit obligation at year end</b>	<b>135.46</b>	<b>117.45</b>
(iii) <b>Amount recognised in Statement of Profit and Loss:</b>		
Current service cost	17.93	17.53
Net interest expense	9.38	7.72
Remeasurement of Net Benefit Liability/ Asset	-	-
<b>Amount recognised in Statement of Profit and Loss</b>	<b>27.32</b>	<b>25.25</b>
(iv) <b>Amount recognised in Other Comprehensive Income:</b>		
Actuarial (gain)/ loss on obligations	23.72	(1.48)
Return on plan assets (excluding amounts included in net interest expense)	-	-
<b>Amount recognised in Other Comprehensive Income</b>	<b>23.72</b>	<b>(1.48)</b>
(v) <b>The Company has no plan assets.</b>		
(vi) <b>The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:</b>		
Discount rate (in %)	6.96%	7.65%
Salary Escalation (in %)	5.00%	5.00%
Rate of return in plan assets (in %)	-	-
Expected average remaining working lives of employees (in years)	60	60
Expected average remaining working lives of employees (in years)	20.74	21.47





27 Employee benefits

(vii) A quantitative sensitivity analysis for significant assumption are given as below :

Sensitivity Level	(₹ Lakhs)			
	As at March 31, 2020		As at March 31, 2019	
	+ 0.5%	- 0.5%	+ 0.5%	- 0.5%
Effect of change in discount rate	(8.04)	8.78	(6.23)	6.80
Effect of change in salary escalation	8.91	(8.22)	6.49	(5.80)

- The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.
- Sensitivities due to mortality and withdrawals are insignificant, hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.
- Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

(viii) Maturity profile of defined benefit obligation :

	(₹ Lakhs)	
	Current Year	Previous Year
Within next twelve months	4.16	8.96
Between one to five years	18.31	21.34
Beyond five years	112.99	87.15

28 Segment Reporting

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the company falls within one business segment viz. "Generation and Supply of Power" till October 24, 2019 and Tolling Charges thereafter within the country. Hence, the disclosure requirement of Ind AS 108 of 'Segment Reporting' is not considered applicable.



29 Related party disclosures

**Names of related parties and description of relationship**

**A Relationship**

**i) Entity having significant influence over the ultimate holding company**

Tata Sons Private Limited

**ii) Ultimate holding company**

Tata Steel Limited

**iii) Holding company ("Parent Company")**

Tata Steel BSL Limited (Formerly known as "Bhushan Steel Limited") (from June 01, 2019)

**iv) Key Management Personnel :**

Mr. Navneet Kumar Gupta	Resolution professional (till May 30, 2019)
Mr. Harbinder Singh Deepak	Managing Director (from June 01, 2019)
Mr. Sanjib Nanda ^	Director (from June 01, 2019)
Mr. Ansuman Das ^	Director (from September 27, 2019)
Mr. Meena Lal ^	Director (from June 01, 2019)
Mr. Subodh Pandey ^	Director (from June 01, 2019)
Mr. Debojyoti Roy ^	Director (from June 01, 2019)
Mr. Sougata Ray ^	Director (from September 27, 2019)
Mr. Sanjay Gupta \$	Chief Financial Officer (from June 01, 2019)

^ under Ind AS

\$ under the Companies Act, 2013

**v) Tata Steel Ltd (ultimate holding company) holds 50% in joint venture:**

Mjunction Services Limited

(₹ Lakhs)

	Year ended	Resolitional Professional	Holding Company	Key Management Personnel (KMP)	Tata Steel Limited	Mjunction Services Limited	Grand Total
<b>Transactions during the year</b>							
Sales of power/Tolling charges	March 31, 2020		35,553.94				35,553.94
	March 31, 2019		-				-
Inter corporate deposits received	March 31, 2020	-	74,500.00				74,500.00
	March 31, 2019	-	-				-
Interest on Inter Corporate Deposits	March 31, 2020	-	3,728.19				3,728.19
	March 31, 2019	-	-				-
Receivable written off*	March 31, 2020	-	3,920.38				3,920.38
	March 31, 2019	-	-				-
Capital contribution received	March 31, 2020	-	2,60,142.15				2,60,142.15
	March 31, 2019	-	-				-
Remuneration and perks	March 31, 2020	7.08	-				7.08
	March 31, 2019	29.02	-				29.02
Deputation cost	March 31, 2020		101.24				101.24
	March 31, 2019		-				-
Reimbursement of employee cost	March 31, 2020		115.60				115.60
	March 31, 2019		-				-
Short-term employee benefits (Director Sitting Fee)	March 31, 2020	-	-	2.45			2.45
	March 31, 2019	-	-	-			-
Reimbursement of electricity duty	March 31, 2020		2,564.28				2,564.28
	March 31, 2019		-				-
Reimbursement of contractual handling expenses	March 31, 2020		347.81				347.81
	March 31, 2019		-				-
Purchase of goods	March 31, 2020		-		5.35		5.35
	March 31, 2019		-		-		-
Earnest money deposit given and refunded back	March 31, 2020		-			170	170.00
	March 31, 2019		-			-	-
<b>Closing balances</b>							
Trade receivables (including GST)	March 31, 2020	-	5,404.79				5,404.79
	March 31, 2019	-	-				-
Inter corporate deposits payable	March 31, 2020	-	32,600.00				32,600.00
	March 31, 2019	-	-				-
Interest on Inter corporate deposits payable	March 31, 2020	-	3,355.37				3,355.37
	March 31, 2019	-	-				-
Payables	March 31, 2020	-	101.24				101.24
	March 31, 2019	-	-				-

\* Represents pre CIRP period trade receivables from Tata Steel BSL Limited (Insolvency commencement date under CIRP of Tata Steel BSL Limited was July 27, 2017).

Terms and conditions related to Outstanding balances : ☐

- 1) Trade and others receivables are receivable in cash within 30 days of the due date and are unsecured.
- 2) All outstanding payables are unsecured and payable in cash. ☐
- 3) Key management services are provided by management entity at ₹ 101.24 Lakhs.



### 30 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### JUDGEMENTS

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

#### Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractual, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence and potential quantum of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events

#### ESTIMATES AND ASSUMPTIONS

The key assumptions concerning the future and other key sources of estimating the uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### Impairment of non-financial asset

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. In such cases, the fair value less costs of disposal calculation is based on available data, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use for calculation in such cases is based on a discounted cash flow (DCF) model.

#### Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

#### Defined benefit plans and other long term benefit plan (gratuity benefits and leave encashment)

The cost and present value of the defined benefit gratuity plan and leave encashment (other long term benefit plan) are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation and other long term benefits are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the market yield on government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about defined benefit plans are given in Note No. 27.

#### Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note No. 31 and 32 for further disclosures.

#### Estimation uncertainty relating to the global health pandemic on COVID-19

In assessing the recoverability of certain assets, the Company has considered internal and external information up to the date of approval of the financial statements including economic forecasts. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets.





31 Financial Instruments

A) Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	(₹ Lakhs)			
	As at March 31, 2020		As at March 31, 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial assets</b>				
<b>Measured at amortized cost</b>				
Loans				
- Non Current	3.19	3.19	9.14	9.14
- Current	62.96	62.96	150.07	150.07
Other financial Assets				
- Non Current	-	-	31.71	31.71
- Current	703.30	703.30	-	-
Trade receivables	5,404.79	5,404.79	15,435.47	15,435.47
Cash and cash equivalents	103.70	103.70	21,145.15	21,145.15
Bank balances other than cash and Cash equivalents	250.00	250.00	7.91	7.91
<b>Total Financial assets at amortised cost (A)</b>	<b>6,527.94</b>	<b>6,527.94</b>	<b>36,779.45</b>	<b>36,779.45</b>
<b>Financial Assets</b>				
<b>Measured at fair value through other Comprehensive Income</b>				
Non Current Investments [Quoted]	70.13	70.13	118.88	118.88
Non Current Investments [Unquoted]	-	-	-	-
<b>Total financial assets at fair value through other comprehensive Income</b>	<b>70.13</b>	<b>70.13</b>	<b>118.88</b>	<b>118.88</b>
<b>Total financial assets ( A+B )</b>	<b>6,598.07</b>	<b>6,598.07</b>	<b>36,898.33</b>	<b>36,898.33</b>
<b>Financial liabilities</b>				
<b>Measured at amortized cost</b>				
Current borrowings	-	-	7,456.00	7,456.00
Trade payables	1,241.82	1,241.82	3,219.48	3,219.48
Other financial liabilities	3,798.65	3,798.65	3,24,662.88	3,24,662.88
<b>Total</b>	<b>5,040.47</b>	<b>5,040.47</b>	<b>3,35,338.36</b>	<b>3,35,338.36</b>

The management assessed that cash and cash equivalents, other bank balances, trade receivables and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.



**B) Fair value hierarchy**

The fair value of financial instruments as referred to in note (A) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1] measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:-

**Level 1:** Quoted prices for identical instruments in an active market;

**Level 2:** Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

**Level 3:** Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

**B.1) Financial assets and liabilities measured at fair value - recurring fair value measurements**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

(a) recognised and measured at fair value and

(b) measured at amortised cost.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

	(₹ Lakhs)			
As at 31st March 2020	Level 1	Level 2	Level 3	Total
<b>Assets at fair value</b>				
Investments measured at -				
Fair value through other comprehensive income	70.13	-	-	<b>70.13</b>
Fair value through profit & loss	-	-	-	-
<b>As at 31st March 2019</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets at fair value</b>				
Investments measured at -				
Fair value through other comprehensive income	118.88	-	-	<b>118.88</b>
Fair value through profit & loss	-	-	-	-

**a) Valuation process and technique used to determine fair value**

i) The fair value of investments in quoted equity shares is based on the current bid price of respective investment as at the balance sheet date.

ii) There is no transfer between level 1 to level 2.

iii) The Company has investments in equity of a company which has negative networth therefore fair value has been considered NIL (Previous year NIL).

**B.2) Fair value of instruments measured at amortised cost**

For the purpose of disclosing fair values of financial instruments measured at amortised cost, the management assessed that fair values of short term financial assets and liabilities approximate their respective carrying amounts largely due to the short-term maturities of these instruments. Further, the fair value of long term financial assets and financial liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.



32. Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include security deposits given, employee advances, trade and other receivables, cash and term deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk, liquidity risk, interest risk and foreign currency risk. The Company's management oversees the management of these risks. The management reviews and agrees policies for managing each of these risks, which are summarised below.

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. The Company is not significantly exposed to currency risk and other price risk.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company is exposed to interest rate risk because Company borrows funds at both floating interest rates. These exposures are reviewed by appropriate levels of management. The Company regularly monitors the market rate of interest to mitigate the risk exposure. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows. After CIRP process, the Company does not have floating rate borrowings therefore no interest rate risk exists.

	(₹ Lakhs)			
	Increase / Decrease in basis point	Effect on profit before tax	Increase / Decrease in basis point	Effect on profit before tax
	As at March 31, 2020		As at March 31, 2019	
Borrowings from banks and others	-	-	+50%	-1165.34
Borrowings from banks and others	-	-	-50%	1165.34

**Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities including deposits with banks and other third parties and other financial instruments.

**Trade and other receivables:**

Trade receivables do not have any significant potential credit risk for the Company as the business of the Company is with single customer. The Company Management has established a credit policy under which the customer is analyzed for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Credit limit has been set up and reviewed periodically. The credit risk from loans and advances are being managed in accordance with the procedures defined by the Company which includes parameters of safety, liquidity and returns. The Company's review includes market check, industry feedback, past financials and external ratings, if they are available, and in some cases bank reference checks are also done.

**Liquidity risk**

Liquidity risk refers to the probability of loss arising from a situation where there will not be enough cash and/or cash equivalents to meet the needs of depositors and borrowers, sale of liquid assets will yield less than their fair value and illiquid assets will not be sold at the desired time due to lack of buyers. The primary objective of liquidity management is to provide for sufficient cash and cash equivalents at all times and any place in the world to enable the Company to meet its payment obligations. Currently the Company is facing liquidity crises due to cash losses and major capitalisation in past.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	(₹ Lakhs)				
	< 1 year	2-3 years	3-5 years	> 5 years	Total
<b>Year ended 31 March 2020</b>					
Non-current borrowings #	0.01	0.02	0.02	32,618.19	32,618.23
Current borrowings	-	-	-	-	-
Trade payables	1,241.82	-	-	-	1,241.82
Other financial liabilities	3,798.65	-	-	-	3,798.65
	<b>5,040.47</b>	<b>0.02</b>	<b>0.02</b>	<b>32,618.19</b>	<b>37,658.70</b>
<b>Year ended 31 March 2019</b>					
Non-current borrowings #	2,52,612.06	-	-	-	2,52,612.06
Current borrowings	7,456.00	-	-	-	7,456.00
Trade payables	3,219.48	-	-	-	3,219.48
Other financial liabilities	72,058.28	-	-	-	72,058.28
	<b>3,35,345.82</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,35,345.83</b>

# Refer Note No. 14A

**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 Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). The exposure of entity to foreign currency risk is very limited on account of limited transactions in foreign currency.

**Foreign currency sensitivity**

The Company has exposure in USD and EURO exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.





33 Exposure to Financial Derivatives

The Company has not entered into derivative instruments to hedge their foreign currency contracts. Foreign currency exposure that are not hedged by a derivative instrument as at Balance Sheet are as follows

(₹ Lakhs)							
	Currency	As at March 31, 2020			As at March 31, 2019		
		Amount in Foreign Currency	Amount	Conversion Rate	Amount in Foreign Currency	Amount	Conversion Rate
<b>Unhedged Payables</b>							
Creditors	USD	0.06	4.37	75.39	16.01	1107.70	69.17
Loans/ Interest payables	USD	-	-	75.39	0.00	0.00	69.17
<b>Total</b>		<b>0.06</b>	<b>4.37</b>		<b>16.02</b>	<b>1107.70</b>	

**Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ Lakhs)			
	Currency	As at March 31, 2020	As at March 31, 2019
<b>USD sensitivity</b>			
INR/USD- increase by 10%*	USD	(0.01)	(1.60)
INR/USD- decrease by 10%*	USD	0.01	1.60

\*Holding all other variables constant



ANGUL ENERGY LIMITED (Formerly Known as Bhushan Energy Limited)  
NOTES TO FINANCIAL STATEMENTS

34 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 31 March 2019.

	(₹ Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Equity Share Capital	1,000.01	13,623.00
Other Equity (including capital contribution)	80,578.29	(1,97,535.00)
<b>Shareholders' Fund</b>	<b>81,578.30</b>	<b>(1,83,912.00)</b>
Non Current Borrowings (including current maturities)	32,618.24	2,25,612.05
Current borrowings	-	7,456.00
<b>Total debts</b>	<b>32,618.24</b>	<b>2,33,068.05</b>



35 Commitments and Contingencies

**Contingent liabilities, contingent assets and commitments as identified by the Company**

	(₹ Lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>Contingent liabilities (not provided for) in respect of:</b>		
<b>A. Demands, among others against which the Company has preferred appeals</b>		
- Entry Tax	-	1,573.14
- Income Tax	-	3,534.06
- Customs	-	924.04
<b>Total</b>	<b>-</b>	<b>6,031.24</b>

As per the approved Resolution Plan, contingent liabilities (which have / are capable of being crystallized) prior to May 30, 2019 ("Effective Date") stand extinguished.

Furthermore, the Resolution Plan, among other matters, provide that except to the extent of the amount payable to the relevant Operational Creditors in accordance with the Resolution Plan, all liabilities of the Company relating in any manner to the period prior to the Effective Date, immediately, irrevocably and unconditionally stand fully and finally discharged and settled and there being no further claims whatsoever, and all the rights of the Operational Creditors and Other Creditors to invoke or enforce the same stands waived off. It is provided that any and all legal proceedings initiated before any forum by or on behalf of any Operational Creditor (including Governmental Authorities) or any Other Creditors to enforce any rights or claims against the Company also stands extinguished. Further, in terms of the Resolution Plan, no Governmental Authority has any further rights or claims against the Company, in respect of the period prior to the Effective Date and / or in respect of the amounts written off and all legal proceedings initiated before any forum by or on behalf of any Operational Creditor (including Governmental Authorities) or any Other Creditors, to enforce any rights or claims against the Company will immediately, irrevocably and unconditionally stand withdrawn, abated, settled and/or extinguished. Further, the Operational Creditors of the Company (including Governmental Authorities) and Other Creditors will have no further rights or claims against the Company (including but not limited to, in relation to any past breaches by the Company), in respect of any liability for period prior to the Effective Date, and all such claims shall immediately, irrevocably and unconditionally stand extinguished.

The Company has been advised that while the Resolution Plan provides for extinguishment of all liabilities of the Company owed to Operational Creditors and Other Creditors as of the Insolvency Commencement Date i.e. January 08, 2018, the implementation of the Resolution Plan does not have any such similar effect over claims or receivables owed to the Company. Accordingly, the Company has concluded that any receivables due to the Company, evaluated based on merits of underlying litigations, from various governmental agencies continue to subsist.

36 Other Notes

**A.** Amount receivable from Mahanadi Coalfields Ltd (MCL) ₹ 703.30 Lakhs is subject to balance confirmation and reconciliation.

**B.** As per Ind AS 7, the Company is required to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. During the year on account of novation of debt from the holding company, the company has recognized ₹ 260,142.15 lakhs as capital contribution. (Refer Note no. 37(vi))





37 The corporate insolvency resolution process ("CIRP") was initiated pursuant to a petition filed by one of its financial creditors, State Bank of India ("SBI") under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("IBC"). SBI filed the petition before the National Company Law Tribunal, Principal Bench, New Delhi ("Adjudicating Authority") vide Company Petition No. (IBJ)-530(PB)/2017. The Adjudicating Authority admitted the said petition and the CIRP for the Company commenced on January 8, 2018. The CIRP culminated into the approval of the Resolution Plan submitted by Tata Steel Ltd ("TSL") by the Adjudicating Authority vide its order dated May 30, 2019 ("Order").

Accordingly, keeping in view the Order dated May 30, 2019, these financial statements have been prepared after considering the following adjustments :

i. On May 31, 2019, Share capital of the Company was reduced in the ratio 10,00,000:1 i.e., for every 10,00,000 (Ten Lakh) shares currently held by a shareholder, 9,99,999 (Nine Lakh Ninety Nine Thousand Nine Hundred and Ninety Nine) shares were cancelled and extinguished. The paid-up share capital of the Company was henceforth reduced from ₹ 13,623 Lakhs to ₹ 0.0142 Lakhs.

ii. Accordingly, Capital amounting to ₹ 13,622.99 Lakhs were utilised in writing off the debit balance of Profit & Loss. Refer Note 13 for details of other equity.

iii. On June 01, 2019 ("Closing Date") , and subsequent to (i) and (ii) above, the Company issued, and Tata Steel BSL Limited (subsidiary of TSL) ("TSBSL") subscribed to 1,00,00,000 equity shares of the Company at face value of ₹ 10 per share. The issuance of equity shares was undertaken by way of a preferential allotment.

iv. Post issuance, on June 01, 2019 TSBSL deposited ₹ 74,500 lakhs as Inter Corporate Deposits for payment of CIRP cost, employee related dues, and payment to financial creditors in terms of the approved Resolution Plan.

v. Out of the amount received from TSBSL, ₹ 697.36 lakhs were utilised towards payment of CIRP cost and employee related dues and ₹ 72,000 lakhs were paid to the Financial Creditors.

vi. Remaining balance due to Financial Creditors, amounting to ₹ 261,142.15 lakhs were novated to TSBSL for an aggregate consideration of ₹ 1,000 lakhs. TSBSL, in its capacity as the promoter of the Company, has waived off the debts less cost of novation i.e ₹ 260,142.15 lakhs including interest of ₹ 6,550.06 lakhs (being interest accrued for April 01, 2019 to May 30, 2019), and the same has been considered as capital contribution. Refer Note 13 for details of other equity.

vii. In respect of Operational Creditors aggregating ₹ 14848.50 lakhs , the Company has provided for liabilities based on the amount of claims admitted pursuant to CIRP. Further, the Company has paid an amount of ₹ 4,918.56 lakhs to Operational Creditors, in the manner mentioned in the Resolution Plan. Accordingly, the Company has recognized a gain of ₹ 9,929.94 lakhs on account of extinguishment of such financial liabilities as an exceptional item in these financial statements. Refer Note 24 for the details of exceptional items.

38 The Resolution Plan, among other matters, provide that except to the extent of the amount payable to the relevant Operational Creditors in accordance with the Resolution Plan, all liabilities of the Company relating in any manner to the period prior to the Effective Date, immediately, irrevocably and unconditionally stand fully and finally discharged and settled and there being no further claims whatsoever, and all the rights of the Operational Creditors and Other Creditors to invoke or enforce the same stands waived off. It is provided that any and all legal proceedings initiated before any forum by or on behalf of any Operational Creditor (including Governmental Authorities) or any Other Creditors to enforce any rights or claims against the Company also stands extinguished.

Further, in terms of the Resolution Plan, no Governmental Authority has any further rights or claims against the Company, in respect of the period prior to the Effective Date and / or in respect of the amounts written off and all legal proceedings initiated before any forum by or on behalf of any Operational Creditor (including Governmental Authorities) or any Other Creditors, to enforce any rights or claims against the Company will immediately, irrevocably and unconditionally stand withdrawn, abated, settled and/or extinguished.

Further, the Operational Creditors of the Company (including Governmental Authorities) and Other Creditors will have no further rights or claims against the Company (including but not limited to, in relation to any past breaches by the Company), in respect of any liability for period prior to the Effective Date, and all such claims shall immediately, irrevocably and unconditionally stand extinguished.

39 The Company was summoned by the Special Judge (Companies Act)/ Additional Sessions Judge – 03, Dwarka Courts, New Delhi ("Special Court"), to appear before the Special Court in relation to a criminal complaint ("Complaint") filed by the Serious Fraud Investigation Office ("SFIO") against the company.

The Company was acquired through CIRP under the Insolvency and Bankruptcy Code, 2016 vide resolution plans approved by the NCLT. The management believes that the resolution plans as approved by NCLT provides adequate protection to the Company against any potential liability arising from any investigation/proceeding/order or any matter relating to period prior to the approval of the resolution plan. Accordingly, the Company is pursuing appropriate legal remedies as available. Also, the Insolvency & Bankruptcy Code (Amendment) Ordinance 2019 dated December 29, 2019, provides immunity against prosecution and prevent action against the properties of Corporate Debtor.

The Company had filed writ petitions before the Delhi High Court ("High Court") challenging the Complaint, Order of Cognizance dated August 16, 2019 and the Summons issued by the Special Court against the company.

Based on the submissions and the law, the High Court was pleased to allow the Writ Petition(s) and set aside the Complaint, Order of Cognizance dated August 16, 2019 and the Summons as were issued against the company.

40 The company has entered into a tolling agreement for conversion of fuel into power with Tata Steel BSL Limited (holding company w.e.f October 24, 2019 for a period of 15 years and accordingly the company has recognised revenue as per tolling arrangement.



41 Leases

As a Lessee

(i) On April 1, 2019, the Company adopted Ind AS 116 "Leases", which resulted in the recognition of right-of-use assets and lease liabilities for lease contracts. Carrying amount of right-of-use asset and lease liability at the date of initial application i.e. April 1, 2019 is the carrying amount of the lease asset and lease liability classified as finance lease under Ind AS 17 on March 31, 2019. The carrying amount of finance lease assets (leasehold land) and lease liabilities was ₹ 105.55 Lakhs and Nil, respectively as of March 31, 2019.

Following the application of the modified retrospective method at the date of implementation of Ind AS 116 i.e. April 1, 2019, Right of Use Assets of ₹ 123.53 lakhs were recognized which includes finance lease assets (previously classified under property plant & equipment) amounting to ₹ 105.55 lakhs and present value of future lease obligations ₹ 17.98 lakhs. Accordingly present value of future lease obligations has been classified under borrowings.

(ii) There were no impacts on retained earnings upon implementation of Ind AS 116 "Leases".

(iii) The Company recognizes the expenses of short-term leases on a straight-line basis over the lease term. The expenses related to short-term leases are ₹ 16.94 Lakhs for the year ended March 31, 2020.

(iv) There are no income from subleasing right-of-use assets nor any gains or losses from sales and leaseback for the year ended March 31, 2020.

(v) There are no variable lease payments for the year ended March 31, 2020.

(vi) Total cash outflow on leases for the year ended March 31, 2020 was Rs. 1.52 lakhs

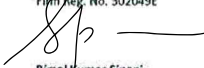
As a Lessor

The company has given certain assets on operating lease to Tata Steel BSL Limited w.e.f. October 24, 2019 for a period of 15 years. The annual lease payment to be made by Tata Steel BSL Limited has been given below:

Years	Lease Payment to be received
0-1'	11,700
1-2'	11,700
2-3'	11,700
3-4'	11,700
4-5'	11,700
>5	111,898
Total	170,398

As per our report of even date attached

For Singhi & Co.  
Chartered Accountants  
Firm Reg. No. 302049E





Bimal Kumar Sipani  
Partner  
Membership No. 088926

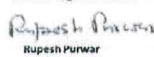



Place: Noida (Delhi - NCR)  
Date: May 18, 2020

For and on behalf of the Board of Directors

  
Subodh Pandey  
Director  
(DIN : 08279634)  
(Angul)

  
Harbinder Singh Dey  
Managing Director  
(DIN : 08448162)  
(Angul)

  
Rupesh Purwar  
Company Secretary  
(Ghaziabad)

  
Sanjay Gupta  
Chief Financial Officer  
(Angul)