

Bhubaneswar Power Private Limited

Balance Sheet

₹ in Lakhs

	Note No.	As at March 31, 2021	As at March 31, 2020
(I) ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4	72,674.30	77,175.92
(b) Capital Work-in-Progress	5	239.17	460.98
(c) Intangible assets	6	3.72	3.06
(d) Right of use assets	7	328.26	322.19
(f) Tax Assets (Net)	8	459.13	458.63
(g) Other Non-Current Assets	9	563.16	899.16
		74,267.73	79,319.94
(2) Current assets			
(a) Inventories	10	4,264.01	3,498.85
(b) Financial assets			
(i) Trade receivables	11	3,237.92	5,564.59
(ii) Cash and Cash Equivalents	12	0.54	4.20
(iii) Other Balances with Banks	13	-	10.84
(iv) Other Financial Assets	14	19.60	15.00
(c) Other Current Assets	15	1,955.17	2,078.30
		9,477.24	11,171.78
TOTAL ASSETS		83,744.97	90,491.72
(II) EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	16	25,325.12	25,325.12
(b) Other equity	17	3,150.70	(81.17)
		28,475.82	25,243.95
(2) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	18(a)	38,678.79	44,630.20
(ii) Lease Liabilities	18(b)	6.53	2.90
(b) Provisions	19	23.69	13.30
(C) Deferred tax liabilities (net)	20	1,019.45	217.53
		39,728.46	44,863.93
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	1,209.54	2,842.41
(ii) Trade Payables	22	2,002.86	2,045.85
(iii) Other financial liabilities	23	6,144.05	6,401.95
(iv) Lease Liabilities	18(b)	18.65	3.20
(b) Provisions	19	1.52	0.91
(c) Other Current Liabilities	24	6,164.07	9,089.52
		15,540.69	20,383.84
TOTAL EQUITY AND LIABILITIES		83,744.97	90,491.72

See accompanying notes to the financial statements

In terms of our report attached

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E / E300009

Chartered Accountants

Sd/-

Dhiraj Kumar

Partner

Membership Number: 060466

For and on behalf of the Board of Directors

Sd/-

Sumitra Saha

Managing Director

DIN: 08742250

Sd/-

Amit Bhartia

Chief Financial Officer

Sd/-

B D Nanda

Director

DIN: 07531186

Sd/-

Susovita Tripathy

Company Secretary

ACS 48856

Place : Kolkata

Date : April 15, 2021

Place : Bhubaneswar

Date : April 15, 2021

Bhubaneswar Power Private Limited

Statement of Profit and Loss

₹ in Lakhs

Particulars	Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
I Revenue from Operations	25	48,899.17	50,956.39
II Other Income	26	59.36	49.51
III Total Income (I+II)		48,958.53	51,005.90
IV Expenses			
(a) Fuel Consumed		24,677.86	28,009.97
(b) Electricity Duty		5,129.63	4,894.03
(c) Employee Benefits Expense	27	578.78	433.68
(d) Finance Costs	28	4,004.90	4,942.44
(e) Depreciation and Amortisation Expense	29	5,064.83	5,062.01
(f) Other Expenses	30	5,468.46	4,907.32
Total Expenses (IV)		44,924.46	48,249.46
V Profit before tax (III - IV)		4,034.07	2,756.44
VI Tax Expense			
a Current tax		-	-
b MAT Credit (Entitlement)/Reversal		-	362.44
c Deferred tax (refer note 20)		801.92	(3,827.88)
Total tax expense		801.92	(3,465.44)
VII Profit after tax for the year (V - VI)		3,232.15	6,221.88
VIII Other comprehensive income			
Items that will not be reclassified to Profit or Loss			
- Remeasurements of defined employee benefit plans		(0.28)	(2.09)
IX Total Comprehensive Profit for the Year (VII+VIII)		3,231.87	6,219.79
Earnings per equity share:			
Basic and Diluted (Refer note 35)		1.28	2.46

See accompanying notes to the financial statements

This is the Statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP

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Bhubaneswar Power Private Limited

Cash Flow Statement

₹ in Lakhs

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
A) Cash Flow from Operating Activities		
Profit Before Tax	4,034.07	2,756.44
Adjustments for:		
Depreciation and Amortisation Expense	5,064.83	5,062.01
Finance Costs	4,002.69	4,941.19
Interest Cost on Lease Liability	2.21	1.25
Interest income on fixed deposits and Others	(49.51)	(48.20)
Profit on Sale of Mutual Funds	(4.55)	-
Loss on Discard of Fixed Assets	11.04	-
Loss on sale of Property, Plant and Equipment	1.40	5.24
Operating Profit before working capital changes	13,062.18	12,717.93
Movement in Working Capital		
(Increase) / Decrease in Inventories	(765.16)	(1,867.80)
(Increase) / Decrease in Trade Receivables	2,326.67	(781.54)
(Increase) / Decrease in Other Financial Assets	0.94	0.73
(Increase) / Decrease in Other Current Assets	123.13	1,137.83
Increase / (Decrease) in Non-Current Provisions	10.11	(6.22)
Increase / (Decrease) in Trade Payables	(42.99)	450.92
Increase / (Decrease) in Current Provisions	0.61	(0.35)
Increase / (Decrease) in Other Financial Liabilities	(67.59)	(170.33)
Increase / (Decrease) in Other Current Liabilities	(2,925.45)	16.35
Cash Generated from Operations	11,722.46	11,497.52
Income Taxes Refund or (Paid)	(0.50)	(304.43)
Net Cash Generated from Operations (A)	11,721.96	11,193.09
B) Cash Flow from Investing Activities		
Interest Received on Fixed Deposits	43.97	55.74
Sale of Property, Plant and Equipment	0.26	3.47
Purchase of Property, Plant and Equipment	(544.77)	(71.39)
Sale of Mutual Funds	2,974.52	-
Purchase of Mutual Funds	(2,969.97)	-
Movement in Other Balances with Banks	10.84	269.59
(Increase) / Decrease in Other Non-Current Assets	(25.26)	315.21
Capital Expenditure on Property, Plant and Equipment including Capital Advances	388.84	(600.17)
Net Cash (used) in Investing Activities (B)	(121.57)	(27.56)
C) Cash Flow from Financing Activities		
Repayment of Long Term Borrowings	(5,949.07)	(5,946.85)
Proceeds/ (Repayment) of Short Term Borrowings (net)	(1,632.87)	(260.87)
Proceeds/(Repayment) of Lease Liability	(17.21)	(16.37)
Finance Costs	(4,002.69)	(4,941.19)
Interest Cost on Lease Liability	(2.21)	(1.25)
Net Cash (Used) in Financing Activities (C)	(11,604.04)	(11,166.53)
Net Decrease in Cash and Cash Equivalents(A+B+C) (D)	(3.66)	(0.99)
Opening Cash and Cash Equivalents (E)	4.20	5.19
Closing Cash and Cash Equivalents (D)+(E) (F)	0.54	4.20

Notes:

a) Cash Flow Statement has been prepared under the Indirect method as set out in the Indian Accounting Standard 7 "Statement of Cash Flows". Cash and cash equivalents in the Cash Flow Statement comprise cash at bank and in hand, demand deposits and cash equivalents which are short-term and held for the purpose of meeting short-term cash commitments.

See accompanying notes to the financial statements

In terms of our report attached

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E / E300009

Chartered Accountants

Sd/-

Dhiraj Kumar

Partner

Membership Number: 060466

Place : Kolkata

Date : April 15, 2021

For and on behalf of the Board of Directors

Sd/-

Sumitra Saha

Managing Director

DIN: 08742250

Sd/-

Amit Bhartia

Chief Financial Officer

Place : Bhubaneswar

Date : April 15, 2021

Sd/-

B D Nanda

Director

DIN: 07531186

Sd/-

Susovita Tripathy

Company Secretary

ACS 48856

Bhubaneswar Power Private Limited**Statement of Changes in Equity**

₹ in Lakhs

Particulars	Equity Share Capital
Balance as at 1 April, 2019	23,025.12
Changes in Equity Share Capital during the Year	-
Balance as at 31 March, 2020	23,025.12
Changes in Equity Share Capital during the year	-
Balance as at 31 March, 2021	23,025.12

Other Equity

Particulars	Reserve & Surplus		Items of Other Comprehensive Income	Total
	Retained earnings	Other Equity	Defined Benefit Plans	
Balance as at 1 April, 2019	(6,288.77)	(22.58)	10.39	(6,300.96)
Profit for the year	6,221.88	-	-	6,221.88
Remeasurement gains / (losses) on defined benefit plans	-	-	(2.09)	(2.09)
Balance as at 31 March, 2020	(66.89)	(22.58)	8.30	(81.17)
Profit for the year	3,232.15	-	-	3,232.15
Remeasurement gains / (losses) on defined benefit plans	-	-	(0.28)	(0.28)
Balance as at 31 March, 2021	3,165.26	(22.58)	8.02	3,150.70

See accompanying notes to the financial statements

This is the Statement of Changes in Equity referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E / E300009

Chartered Accountants

Sd/-

Dhiraj Kumar

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Membership Number: 060466

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Susovita Tripathy

Company Secretary

ACS 48856

Place : Kolkata

Date : April 15, 2021

Place : Bhubaneswar

Date : April 15, 2021

Bhubaneswar Power Private Limited

Notes forming part of the Financial Statements

1. General Information

Bhubaneswar Power Private Limited (BPPL) was incorporated on 31 July, 2006 and is engaged in the business of generating, distributing and supplying of power through thermal power plant. The Company is a 100% subsidiary of Tata Steel Limited (TSL) including shareholding through its another subsidiary Tata Steel Mining Limited (TSML) (formerly known as T S Alloys Limited). The Company provides power to Tata Steel Limited and Tata Steel Mining Limited as per the terms of Power Purchase Agreement (PPA) with the customers.

2. Compliance with Ind AS

The Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

3. Significant Accounting Policies

3.1 Basis of preparation and presentation

The Financial Statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3.2 Use of estimates and judgments

The preparation of these Financial Statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities (including contingent liabilities) as at the date of the Financial Statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimate are recognised in the period in which the estimate are revised and future period are affected.

3.3 Critical estimates and judgments

The preparation of the company's financial statements requires management to make judgments, 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. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

In the process of applying the Company's accounting policies, management has made the following judgments, estimates and assumptions which have significant effect on the amounts recognised in the financial statements:

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 judgment 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. The Company has recognised deferred tax liabilities on a net basis.

3.4 Revenue Recognition

Revenue from Sale of Energy

Revenue from sale of energy is recognised as per the power purchase agreement with the consumers to the extent that it is probable that the future economic benefits will flow to the Company and the revenue can be measured reliably, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.

Other Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is included in other income in the statement of profit and loss.

Bhubaneswar Power Private Limited

Notes forming part of the Financial Statements

3.5 Insurance Claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

3.6 Borrowing

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

3.7 Employee Benefits

3.7.1 Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

3.7.2 Defined benefit plans

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

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

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

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

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

3.7.3 Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

3.7.4 Compensated absences

Bhubaneswar Power Private Limited

Notes forming part of the Financial Statements

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

3.8 Employee Benefits

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the group
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares (Refer Note 35).

(ii) Diluted earnings per share

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

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

3.9 Taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the Income tax Act, 1961 and other applicable tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provisions arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

3.10 Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.10.1 Financial assets at amortised cost

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

Bhubaneswar Power Private Limited

Notes forming part of the Financial Statements

3.10.2 Financial liabilities

Financial liabilities are measured at amortized cost using the effective interest method.

3.11 Property, Plant and Equipment & Intangible Assets

All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated in the Balance Sheet at Historical cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price, attributable expenditure incurred in bringing the asset to its working condition for the intended use and cost of borrowing till the date of capitalisation in the case of assets involving material investment and substantial lead time.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation methods, estimated useful lives and residual value

Relevant provisions pertaining to providing of depreciation as per the Companies Act, 2013 which came in to effect from 1 April, 2014, provide inter-alia that such industries which are governed by specific statutes, can make provision for depreciation / amortization as prescribed under the relevant statutes, instead of adopting the methodology defined in Schedule-II of the Act.

As the Company's business is that of power generation and is governed by the Electricity Act, 2003, it has been decided by the management to provide for depreciation on straight line method at the rates prescribed under the guidelines issued by the Central Electricity Regulatory Commission ("CERC") from time to time, which are as under.

• Buildings	25 years
• Buildings – temporary structures	Nil
• Plant and equipment	18.94 years
• Office equipment	15.80 years
• Furniture and fixtures	15.80 years
• Vehicles	18.94 years
• Computers	6.67 years
• Computer software	6.67 years

Individual assets costing ₹ 5,000 or less are fully depreciated in the year of capitalization.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset is recognised in Statement of Profit and Loss.

3.12 Impairment

Financial assets (other than at fair value)

The Company assesses at each date of balance sheet as per Ind AS 109 whether a financial asset or a group of financial assets is impaired and an impairment loss (if any) is recognised in the Statement of Profit and Loss.

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

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

3.13 Inventories

Inventories are valued at the lower of cost, ascertained on "weighted average method", and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale / consumption, including octroi and other levies, transit insurance and receiving charges.

3.14 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

3.15 Trade receivables

Bhubaneswar Power Private Limited

Notes forming part of the Financial Statements

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

3.16 Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

3.17 Provisions and Contingencies

A provision is recognized when Company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on best estimate of the expenditure required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes forming part of the Financial Statements.

3.18 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

3.19 Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction.

3.20 Leases

The Company's lease asset classes primarily consist of leases for premises. The Company assess whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether:

- (1) The contract involves the use of an identified asset;
- (2) The Company has substantially all the economic benefits from use of the asset through the period of the lease and
- (3) The Company has the right to direct the use of the asset.

At the date of commencement of the lease, The Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, The Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the balance lease term of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

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

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

3.21 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

Bhubaneswar Power Private Limited
Notes forming part of the Financial Statements

Note 4. Property, Plant and Equipment.

							₹ in Lakhs
Particulars	Freehold Land	Buildings	Plant & Equipment	Furniture & Fixtures	Office Equipment	Vehicles	Total
Cost or Deemed Cost							
Balance as at 1 April, 2019	854.25	1,863.97	93,473.06	62.12	120.01	54.08	96,427.49
Additions	-	-	62.39	1.39	7.61	-	71.39
Disposals/Adjustments	(2.44)	-	(17.93)	(17.26)	(2.88)	-	(40.51)
Balance as at 31 March, 2020	851.81	1,863.97	93,517.52	46.25	124.74	54.08	96,458.37
Additions	7.15	377.02	140.76	2.32	16.87	0.65	544.77
Disposals/Adjustments	-	-	(1.00)	(12.62)	(20.23)	(9.01)	(42.86)
Balance as at 31 March, 2021	858.96	2,240.99	93,657.28	35.95	121.38	45.72	96,960.28
Accumulated Depreciation							
Balance as at 1 April, 2019	-	193.28	14,000.19	14.78	42.71	11.48	14,262.44
Depreciation Expense	-	61.49	4,953.52	3.51	10.39	3.45	5,032.36
Depreciation on Disposals/Adjustments	-	-	(1.67)	(9.64)	(1.04)	-	(12.35)
Balance as at 31 March, 2020	-	254.77	18,952.04	8.65	52.06	14.93	19,282.45
Depreciation Expense	-	70.42	4,945.84	4.07	10.82	2.56	5,033.71
Depreciation on Disposals/Adjustments	-	-	(0.32)	(7.20)	(15.30)	(7.36)	(30.18)
Balance as at 31 March, 2021	-	325.19	23,897.56	5.52	47.58	10.13	24,285.98
Carrying amount as at 31 March, 2020	851.81	1,609.20	74,565.48	37.60	72.68	39.15	77,175.92
Carrying amount as at 31 March, 2021	858.96	1,915.80	69,759.72	30.43	73.80	35.59	72,674.30

Note:

i) Property, Plant and Equipment of the Company have been pledged as security against the Borrowings [refer note 18].

ii) Refer note 31 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Bhubaneswar Power Private Limited

Notes forming part of the Financial Statements

₹ in Lakhs

Note 5. Capital Work-in-Progress

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Work-in-Progress	239.17	460.98
Total Capital Work-in-Progress	239.17	460.98

Bhubaneswar Power Private Limited
Notes forming part of the Financial Statements

Note 6. Intangible Assets

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Carrying amounts :		
Software & Licenses	3.72	3.06
Total	3.72	3.06

₹ in Lakhs

Particulars	Software & Licenses
Cost or Deemed Cost	
Balance as at 1 April, 2019	5.16
Additions	1.00
Balance as at 31 March, 2020	6.16
Additions	1.56
Balance as at 31 March, 2021	7.72
Accumulated Depreciation	
Balance as at 1 April, 2019	2.39
Depreciation Expense	0.71
Balance as at 31 March, 2020	3.10
Depreciation Expense	0.90
Balance as at 31 March, 2021	4.00
Carrying amount as at 31 March, 2020	3.06
Carrying amount as at 31 March, 2021	3.72

Note:

i) Intangible assets of the Company have been pledged as security against the Borrowings [refer note 18].

Bhubaneswar Power Private Limited
Notes forming part of the Financial Statements

Note 7. Right of use assets

₹ in Lakhs

Particulars	Right of use assets Land	Right of use assets Buildings	Right of use assets IDCO Land	Right of use assets IDCO Land Prepaid Lease	Total
Balance as at 1 April, 2019	4.68	14.89	2.90	328.65	351.12
Balance as at 31 March, 2020	4.68	14.89	2.90	328.65	351.12
Additions	7.98	28.31	-	-	36.29
Balance as at 31 March, 2021	12.66	43.20	2.90	328.65	387.41
<u>Accumulated / Amortisation</u>					
As at April 01, 2019	-	-	-	-	-
Depreciation/Amortisation Expense	3.75	12.77	0.04	12.38	28.94
Balance as at 31 March, 2020	3.75	12.77	0.04	12.38	28.94
Depreciation/Amortisation Expense	3.93	13.91	0.04	12.34	30.22
Balance as at 31 March, 2021	7.68	26.68	0.08	24.72	59.16
Carrying amount as at 31 March, 2020	0.93	2.12	2.86	316.28	322.19
Carrying amount as at 31 March, 2021	4.98	16.52	2.82	303.94	328.26

Bhubaneswar Power Private Limited

Notes forming part of the Financial Statements

₹ in Lakhs

Note 8. Tax Assets (Net)

Particulars	As at March 31, 2021	As at March 31, 2020
Income Tax Assets (Net)	459.13	458.63
Total Tax Assets (Net)	459.13	458.63

Note 9. Other Non-Current Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered Good		
Capital Advances	184.34	545.60
Security Deposits	369.29	352.57
Others	9.53	0.99
Total Other Non-Current Assets	563.16	899.16

Note 10. Inventories

Particulars	As at March 31, 2021	As at March 31, 2020
(Lower of cost and net realisable value)		
Raw Materials - Coal	3,454.01	2,693.72
Stores and Spares	810.00	805.13
Total Inventories	4,264.01	3,498.85

The mode of valuation of inventories has been stated in Note No. 3.13.

Note 11. Trade Receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered good:		
Receivables from related parties	3,237.92	5,564.59
Total Trade Receivables	3,237.92	5,564.59

1. The credit period on sales of power is 30 days. Payments made after 30 days from the date of submission of invoice shall bear interest from such due date until paid at the rate of one (1%) percent per month and a rebate of 1% is given if the amount is paid by the customer within 2 days of invoice submission date.

2. At 31 March 2021, the Company had 2 major customers (31 March 2020: 2 customers) who owed the Company Rs. 3,237.92 lakhs [31 March 2020: Rs. 5,564.59 lakhs] and account for 100% of all the receivables outstanding.

3. The Company maintains 0% allowance for impairment of doubtful accounts for all trade receivables. The allowance is based on financial condition of the customer, ageing of the customer, account receivable and past experience of realisation of receivables.

4. The concentration of credit risk is limited due to the fact that the Company has only 2 customers.

Note 12. Cash and Cash Equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and Cash equivalents		
(a) Cash on Hand	0.03	0.18
(b) Balances with Banks		
In Current Accounts	0.51	4.02
Total Cash and Cash Equivalents	0.54	4.20

Note: Cash and Cash equivalents as above meet the definition of Cash and Cash equivalents as per Indian Accounting Standard 7 "Statement of Cash Flows."

Bhubaneswar Power Private Limited

Notes forming part of the Financial Statements

₹ in Lakhs

Note 13. Other Balances with Banks

Particulars	As at March 31, 2021	As at March 31, 2020
Other Bank Balances - Margin Money Deposit	-	10.84
Total Other Balances with Banks	-	10.84

Note 14. Other Financial Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Security Deposits	13.16	14.10
Interest Accrued on Fixed Deposits	6.44	0.90
Total Other Financial Assets	19.60	15.00

Note 15. Other Current Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered Good		
Advance to Suppliers	1,879.43	1,918.90
Prepaid Expenses	41.06	125.06
Balances Lying with Government Authorities	34.66	33.94
Advance to Staff for Expenses	0.02	0.40
Total Other Current Assets	1,955.17	2,078.30

Bhubaneswar Power Private Limited

Notes forming part of the Financial Statements

Note 16. Equity Share Capital

₹ in Lakhs

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
(a) Authorised Equity Shares of ₹ 10 each	25,70,00,000	25,700.00	25,70,00,000	25,700.00
(b) Issued, subscribed and fully paid-up Equity Shares of ₹ 10 each	25,32,51,187	25,325.12	25,32,51,187	25,325.12
Total	25,32,51,187.00	25,325.12	25,32,51,187.00	25,325.12

(c) Reconciliation of equity shares

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares Share outstanding at the beginning of the Year	25,32,51,187	25,325.12	25,32,51,187	25,325.12
Add: Shares issued during the year	-	-	-	-
Share outstanding at the end of the Year	25,32,51,187	25,325.12	25,32,51,187	25,325.12

(d) Rights, preferences and restrictions attached to Equity Shares :

Each equity shareholder is entitled to one vote per share. In the event of Liquidation of the Company the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

(e) Equity Shares held by Holding Company

Name of the Shareholder	As at March 31, 2021	As at March 31, 2020
	No. of Shares	No. of Shares
Tata Steel Limited	23,69,86,703	23,69,86,703

(f) Equity shareholders holding more than 5% of equity shares (alongwith the number of equity shares held is as given below)

Name of the Shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	%	No. of Shares	%
Tata Steel Limited	23,69,86,703	93.58%	23,69,86,703	93.58%
Tata Steel Mining Limited (TSML), Formerly known as TS Alloys Limited	1,62,64,484	6.42%	1,62,64,484	6.42%
Total	25,32,51,187	100.00%	25,32,51,187	100.00%

Bhubaneswar Power Private Limited

Notes forming part of the Financial Statements

Note 17. Other Equity

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Retained Earnings	3,173.28	(58.59)
Other equity	(22.58)	(22.58)
Total	3,150.70	(81.17)

Retained earnings

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	(58.59)	(6,278.38)
Profit attributable to owners of the Company	3,232.15	6,221.88
Other comprehensive income arising from remeasurement of defined benefit obligation	(0.28)	(2.09)
Balance at the end of the year	3,173.28	(58.59)

Other equity

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	(22.58)	(22.58)
Balance at the end of the year	(22.58)	(22.58)

Note 18(a). Borrowings

Particulars	As at March 31, 2021		As at March 31, 2020	
	Non-Current	Current *	Non-Current	Current *
Term Loans-Secured From Banks (at amortised cost)	38,678.79	5,951.41	44,630.20	5,949.07
Total	38,678.79	5,951.41	44,630.20	5,949.07

* Current Maturities are included in Note No. 23 - Other Financial Liabilities

Notes:

Terms of repayment and security details:

i) Payment terms: The Loan is repayable in 41 equal Quarterly Installments starting from 30th September 2018 to 30th September 2028 and carry an interest rate of one year HDFC Bank MCLR and the spread. Effective interest rate from 13th September 2019 to 12th September 2020 is 8.75%, from 13th September 2020 to 14th January 2021 is at 7.60% and from 15th January 2021 is 7.25%. The loan has a prepayment option without any prepayment premium if such prepayment is effected at the instance of lender or prepayment is effected after six months from the date of first disbursement by providing 15 business days prior notice, in all other cases prepayment premium is 1% on the amount so prepaid.

ii) Secured by a first ranking pari passu charge on all the movable assets (both Tangible and Intangible) of the Company including any movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future.

First ranking pari passu charge over all the immovable assets (save and except the railway sliding).

Second ranking pari passu charge on all of the existing and future inventory, receivables and other current assets of the Company.

Note 18(b): Lease Liability

Particulars	As at March 31, 2021		As at March 31, 2020	
	Non-Current	Current *	Non-Current	Current *
Lease Liability	6.53	18.65	2.90	3.20
Total	6.53	18.65	2.90	3.20

For adjustments recognised on adoption of Ind AS 116 on April 1, 2019, refer note 41.

Note 19. Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Employee Benefits	25.21	14.21
	25.21	14.21
Non-Current	23.69	13.30
Current	1.52	0.91
Total	25.21	14.21

Bhubaneswar Power Private Limited**Notes forming part of the Financial Statements**

₹ in Lakhs

Note 20: Income tax**The major components of income tax expense are:****Statement of profit and loss:**

	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Current tax	-	-
MAT credit reversal/(entitlement)	-	362.44
Deferred tax:	801.92	(3,827.88)
Income tax expense reported in the statement of profit or loss	801.92	(3,465.44)

Deferred Tax Liability:**Deferred tax liability comprises of temporary differences attributable to:****Balance sheet**

	As at March 31, 2021	As at March 31, 2020
Accelerated depreciation for tax purposes	(6,419.39)	(5,873.40)
Deferred tax liability	(6,419.39)	(5,873.40)
Carried forward unabsorbed depreciation	5,275.99	5,544.53
Indexation benefit on freehold land	123.95	111.34
Deferred tax asset	5,399.94	5,655.87
Net deferred tax assets/(liabilities)	(1,019.45)	(217.53)

Statement of profit and loss

	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Accelerated depreciation for tax purposes	545.99	(1,023.57)
Carried forward unabsorbed depreciation	268.54	(2,796.69)
Indexation benefit on freehold land	(12.61)	(7.62)
Deferred tax expense/(income)	801.92	(3,827.88)

Reconciliation of deferred tax liabilities (net):

	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Opening balance	217.53	3,682.97
Tax expense during the period recognised in profit or loss	801.92	(3,827.88)
MAT credit reversal/(entitlement)	-	362.44
Closing balance	1,019.45	217.53

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Profit before income tax	4,034.07	2,756.44
Income tax rate	25.17%	25.17%
Income tax expense	1,015.29	693.74
Reversal of unutilisable MAT Credit Entitlement	-	362.44
Recognition of previously unrecognised unabsorbed depreciation	-	(3,490.43)
Others	(213.37)	-
Due to decline in income tax rate from 34.944% to 25.168%	-	(1,031.19)
Tax expense recognised in the statement of profit and loss	801.92	(3,465.44)

Bhubaneswar Power Private Limited

Notes forming part of the Financial Statements

₹ in Lakhs

Note 21. Borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
From Banks:		
Cash Credit Facilities	1,209.54	2,842.41
Total Borrowings	1,209.54	2,842.41

Cash credit facility: From August 2020 the Company has renewed cash credit facility from Axis Bank Limited @ 7.65% and from 13th September 2020, the Company has renewed cash credit facility from HDFC bank @ 7.35% and interest is payable on monthly basis.

Security Terms:

First charge on entire current assets and Second charge on Fixed Assets (present and future) of the Company.

Note 22. Trade Payables

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Payables	2,002.86	2,045.85
Total Trade Payables	2,002.86	2,045.85

*The average credit period on purchase of goods range from 1 days to 30 days.

Note 23. Other Financial Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Current Maturities of Long-Term Borrowings (refer note 18)	5,951.41	5,949.07
Retention Money Payable	69.69	99.45
Payables on Purchase of Property, Plant and Equipment	11.43	217.02
Deferred Revenue	111.52	136.41
Total Other Financial Liabilities	6,144.05	6,401.95

Note 24. Other Current Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory Remittances	113.47	89.06
Advance Received from a Customer	6,000.00	9,000.00
Payable to Employees for Expenses	50.60	0.46
Total Other Current Liabilities	6,164.07	9,089.52

Bhubaneswar Power Private Limited**Notes forming part of the Financial Statements**

₹ in Lakhs

Note 25. Revenue from Operations**Particulars**

	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Sale of Energy	48,892.66	50,955.76
Other Operating Revenue	6.51	0.63
Total Revenue from Operations	48,899.17	50,956.39

Note 26. Other Income**Particulars**

	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Interest income:		
- on fixed deposits	31.45	29.68
- others	18.06	18.52
Total Interest Income (A)	49.51	48.20
Profit on Sale of Mutual Funds	4.55	-
Miscellaneous Income (B)	5.30	1.31
Total Other Income (A+B)	59.36	49.51

Note 27. Employee Benefits Expense**Particulars**

	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Salaries and Other Benefits	532.11	403.56
Contribution to Provident and Other Funds	29.27	18.79
Gratuity Expenses	5.52	4.59
Staff Welfare Expenses	11.88	6.74
Total Employee Benefits Expense	578.78	433.68

Note 28. Finance Costs**Particulars**

	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Interest Expense on;		
- Term Loans	3,905.82	4,812.72
- Cash Credit Facilities	12.40	49.04
Other Borrowing Costs		
- Others	84.47	79.43
- Interest Cost on Lease Liability	2.21	1.25
Total Finance Costs	4,004.90	4,942.44

Note 29. Depreciation and Amortisation Expense**Particulars**

	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Depreciation of Property, Plant and Equipment	5,033.71	5,032.36
Depreciation on Right of use Assets	30.22	28.94
Amortisation of Intangible Assets	0.90	0.71
Total Depreciation and Amortisation Expense	5,064.83	5,062.01

Bhubaneshwar Power Private Limited**Notes forming part of the Financial Statements**

₹ in Lakhs

Note 30. Other Expenses

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Power and Fuel	31.08	23.10
Water Charges	574.79	552.94
Transmission Charges	1,375.06	1,087.21
Operation & Maintenance Charges	1,910.87	1,768.03
Consumption of Stores and Spares	390.79	367.08
Rent	9.71	9.80
Repairs and Maintenance	3.03	6.18
Insurance	164.42	196.28
Rates and Taxes	17.59	14.83
Communication Expenses	0.35	2.51
Travelling Expenditure	11.52	22.22
Auditors' Remuneration		
- Statutory Audit	3.30	1.95
- Tax audit	1.20	0.80
- Other Services	1.50	0.75
- Reimbursements	0.09	0.83
Advertisement Expenses	1.28	0.01
Security Expenses	165.54	164.54
Directors' Sitting Fees	2.48	3.07
Consultancy Charges	280.20	446.94
Printing and Stationery	0.61	1.53
Loss on Sale of Property, Plant and Equipment	1.40	5.24
Loss on Discard of Fixed Assets	11.04	-
Ash Management Expenses	470.22	216.91
Corporate Social Responsibility Expenses	29.92	-
Miscellaneous Expenses	10.47	14.57
Total Other Expenses	5,468.46	4,907.32

Bhubaneswar Power Private Limited
Notes forming part of the Financial Statements

31. Commitments

Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances ₹ 245.16 Lakhs (31 March 2020: ₹ 173.11 Lakhs).

32. Disclosures required under Section 22 of Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act")

The Company has not received intimation from "Suppliers" regarding their status under the MSMED Act and hence disclosures, if any, relating to amounts not paid as at the end of the year together with interest paid/ payable as required on the said amount have not been given.

33. Employee benefit plans:

33.1 Defined Contribution Plan

The Company has recognised in the Statement of Profit and Loss under the head Employee Benefits Expense an amount of ₹ 29.27 Lakh in expenses for the year ended 31 March, 2021 (31 March, 2020: ₹ 18.79 Lakh) towards defined contribution plans (Refer Note 27).

33.2 Defined Benefit Plans

The Company provided the following employee benefits

Plan	Funding Status
Gratuity	Funded by "New Group Gratuity Cash Accumulation Plan" with LIC
Compensated absence	Non Funded

Gratuity Plan

Reconciliation of opening and closing balances of obligation	As at 31 March 2021 (₹ in lakh)	As at 31 March 2020 (₹ in lakh)
Opening defined benefit obligation	27.69	19.47
Current service cost	6.06	4.60
Interest cost	1.82	1.42
Acquisitions Cost	16.60	-
Actuarial (gains) / losses	0.96	3.06
Benefits paid	(0.92)	(0.86)
Closing defined benefit obligation	52.21	27.69

Change in Plan Assets (Reconciliation of opening & closing balances)	As at 31 March 2021 (₹ in lakh)	As at 31 March 2020 (₹ in lakh)
Opening fair value of Plan Assets	28.67	11.70
Acquisition adjustment	16.60	-
Interest income	2.37	1.42
Contributions from the employer	14.33	15.44
Benefits paid	(0.92)	(0.86)
Return on plan assets (greater) / less than discount rate	0.69	0.97
Closing fair value of Plan Assets	61.74	28.67

Reconciliation of fair value of assets and obligations	As at 31 March 2021 (₹ in lakh)	As at 31 March 2020 (₹ in lakh)
Present value of funded defined benefit obligation	52.21	27.69
Fair value of plan assets	(61.74)	(28.67)
Amount recognised in balance sheet	(9.53)	(0.98)

Expense recognized in the year	As at 31 March 2021 (₹ in lakh)	As at 31 March 2020 (₹ in lakh)
Current service cost	6.06	4.59
Net interest expense	(0.55)	-
Components of defined benefit costs recognised in Statement of Profit and Loss	5.51	4.59
Actuarial (gains) / losses	0.28	2.09
Components of defined benefit costs recognised in other comprehensive income	0.28	2.09

Bhubaneswar Power Private Limited
Notes forming part of the Financial Statements

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	As at 31 March 2021 (₹ in lakh)	As at 31 March 2020 (₹ in lakh)
Discount Rate(S)	6.50%	6.70%
Rate of escalation in salary (per annum)	6.00%	6.00%
Attrition rate	5.00%	5.00%
Mortality rate	Indian Assured Lives Mortality (2006-08) (modified) Ultimate	

Sensitivity analysis	As at 31 March 2021 (₹ in lakh)	As at 31 March 2020 (₹ in lakh)
Discount rate + 100 basis points	(2.92)	(2.38)
Discount rate - 100 basis points	3.33	2.73
Salary increase rate + 100 basis points	3.15	2.73
Salary increase rate - 100 basis points	(2.94)	(2.41)

33.3 Compensated Absences

The accrual for unutilized leave is determined for the entire available leave balance standing to the credit of the employees at year end. The value of such leave balance eligible for carry forward, is determined by an independent actuarial valuation and charged to the Statement of Profit and Loss in the period determined.

The key assumptions, as provided by an independent actuary, used in the computation of provision for compensated absences are as given below:

Particulars	For the year ended	
	31 March 2021 (₹ in lakh)	31 March 2020 (₹ in lakh)
Discount Rate(S)	6.50%	6.70%
Rate of escalation in salary (per annum)	6.00%	6.00%
Attrition rate	5.00%	5.00%
Mortality rate	Indian Assured Lives Mortality (2006-08) (modified) Ultimate	

33.4 The Hon'ble Supreme Court in February 2019 pronounced its judgment in relation to the non exclusion of certain allowances from the definition of the basic wages of the relevant employees for the purpose of determining the contribution to provident fund under the Employees Provident Fund and Miscellaneous Provisions Act, 1952. The Company based on its assessment concluded that the judgment doesn't have a significant impact and accordingly no provision has been considered in the financial statements.

34.

34.1 Name of the related parties and relationships:

Name of the Related Parties	Description of relationship
Tata Steel Limited	Holding Company
Tata Steel Mining Limited (formerly know as TS Alloys Limited)	Subsidiary of Holding Company
Mjunction Service Limited	Joint venture of Holding Company
Tata International Limited	Subsidiary of Holding Company
Tata AIG General Insurance Company Limited	Group Company
Key Managerial Personnel	
Sumitra Saha	Managing Director (from 15th May 2020)
Sharad Kumar	Managing Director (up to 30th April 2020)
Avneesh Gupta	Chairman
Vuppala Satyanarayana Murty	Director
Roopendra Narayan Roy	Director
Ramya Hariharan	Director
Bibhudutta Nanda	Director

Bhubaneswar Power Private Limited
Notes forming part of the Financial Statements

34.2 Transactions during the Year:

Particulars	For the year ended	
	31 March 2021 (₹ in lakh)	31 March 2020 (₹ in lakh)
Sale of Energy		
- Tata Steel Limited	39,636.61	41,308.79
- Tata Steel Mining Limited(formerly known as TS Alloys Limited)	9,229.35	9,618.05
Purchase of Coal		
- Tata Steel Limited	1,911.17	878.87
- Tata International Limited	0.09	4,515.59
Advance refunded		
- Tata Steel Limited	3,000.00	-
Reimbursements of expenses/ purchases:		
- Tata Steel Limited	5.97	1.46
- Tata Steel Mining Limited (formerly known as TS Alloys Limited)	0.47	14.75
Consultancy Charges		
- Tata Steel Limited	231.01	413.28
Other Services		
-M Junction Service Limited	3.54	9.81
Tata AIG General Insurance Company Limited	0.27	0.29
Remuneration of Key managerial personnel		
Sumitra Saha	66.84	-

34.3 Balances outstanding at the end of the Year:

Particulars	As at	
	31 March 2021 (₹ in lakh)	31 March 2020 (₹ in lakh)
Trade Receivables		
- Tata Steel Limited	2,565.58	3,266.78
- Tata Steel Mining Limited (formerly known as TS Alloys Limited)	671.33	2,297.80
Trade payables		
- Tata Steel Limited	38.92	415.91
- Tata International Limited	-	13.12
- M Junction Service Limited	0.28	0.54
Advance From Customers		
- Tata Steel Limited	6,000.00	9,000.00

35. Earnings/ (Loss) per share:

Particulars	For the year ended	
	31 March 2021 (₹ in lakh)	31 March 2020 (₹ in lakh)
Profit for the Year (₹ in lakhs)	3,231.87	6,219.79
Weighted average no. of equity shares of ₹ 10/- each	25,32,51,187	25,32,51,187
Nominal value per share (in ₹)	10.00	10.00
Profit per equity share : (Basic and Diluted) (in ₹)	1.28	2.46

36. Operating Segment:

The operations of the Company comprises of only one reportable segment – i.e. the business of generating, distributing and supplying of power through thermal power plant.

The Management monitors the operating results of this segment for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

Bhubaneswar Power Private Limited
Notes forming part of the Financial Statements

37. Financial Instruments

37.1 Capital Management:

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the Debt and Equity balance.

The capital structure of the Company comprises of net debt (borrowings reduced by cash and bank balances) and equity.

37.2 Gearing Ratio:

The gearing ratio at the end of the reporting period was as follows.

Particulars	As at	
	31 March 2021 (₹ in lakh)	31 March 2020 (₹ in lakh)
Debt (₹ in lakhs)	45,839.74	53,421.68
Cash and Bank Balances (₹ in lakhs)	(0.54)	(15.00)
Net Debt (₹ in lakhs)	45,839.20	53,406.68
Total Equity (Share Capital + Reserves) (₹ in lakhs)	28,163.01	25,243.95
Net Debt to equity ratio	1.63	2.12

37.3 Categories of Financial Instruments: (Carrying & Fair Value)

Particulars	Level	As at	
		31 March 2021 (₹ in lakh)	31 March 2020 (₹ in lakh)
Financial Assets- Current			
Trade Receivables	3	3,237.92	5,564.59
Cash and Cash Equivalents	1	0.54	4.20
Other Balances with Banks	1	-	10.84
Other Financial Assets	3	19.60	15.00

Particulars	Level	As at	
		31 March 2021 (₹ in lakh)	31 March 2020 (₹ in lakh)
Financial Liabilities- Non-Current			
Borrowings	3	38,678.79	44,630.20
Lease liability	3	6.53	2.90
Financial Liabilities- Current			
Borrowings	3	1,209.54	2,842.41
Trade Payables	3	2,002.86	2,045.85
Other Financial Liabilities (Including current maturities of long term borrowings)	3	6,144.05	6,401.95
Lease liability	3	18.65	3.20

37.4 Interest rate sensitivity analysis:

As per the terms of Power Purchase agreement with the customers, Interest on Term Loan is passed to the customer as capacity charge on actual. Hence there is no impact on the Company due to changes in interest rate as at year end, the outstanding borrowings which are subject to variable interest rate are Rs. 45,840 lakhs (March 31, 2020: Rs. 53,422 lakhs).

There being no debt instrument passing through FVTOCI, there would not be any impact of such change in interest rate, on OCI.

37.5 Financing facilities:

Particulars	As at	
	31 March 2021 (₹ in lakh)	31 March 2020 (₹ in lakh)
Secured bank Cash Credit facility:		
Amount used	1,209.54	2,842.41
Amount unused	5,490.46	3,857.59
Total	6,700.00	6,700.00

Bhubaneswar Power Private Limited
Notes forming part of the Financial Statements

38. Contingent liabilities

Claims against the Company from vendors not acknowledged as debts	-	88.00
Goods and Service tax	32.66	-

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

39. Corporate social responsibility

	Year ended	
	31 March 2021 (₹ in lakh)	31 March 2020 (₹ in lakh)
Amount required to be spent as per Section 135 of the Act	22.67	-
Amount spent during the year on:		
(i) Construction/ acquisition of the asset	-	-
(ii) On purposes other than (i) above	29.92	-

40. Operating leases

The company has entered into certain operating lease agreements and an amount of ₹ 9.71 (March 31, 2020 ₹ 9.80 Lakhs) paid under such agreements have been charged to the statement of Profit and loss. These leases are generally cancellable and are renewable by mutual consent on mutually agreed terms. There are no restrictions imposed by such agreements.

41. Change in Accounting policies

Effective April 1, 2019 the Company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Company has recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate on the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies for the year ended March 31, 2019. The weighted average incremental borrowing rate applied to lease liabilities as at April 01, 2019 is 8.94%.

Right-of-use asset has been recognised at an amount equal to the lease liability adjusted for any prepayments/accruals recognized in the balance sheet immediately before the date of initial application.

In applying Ind AS 116 for the first time, the group has used the following practical expedients permitted by the standard:

1. Applying a single discount rate to a portfolio of leases with reasonably similar characteristics.
2. Relying on previous assessment on whether leases are onerous as an alternative to performing an impairment review -- there were no onerous contracts as at April 01, 2019.
3. Accounting for operating leases with a remaining lease term of less than 12 months as at April 01, 2019 as short-term leases.
4. Excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
5. Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the company relied on its assessment made applying Ind AS 17 and Appendix C to Ind AS 17, determining whether an arrangement contains a lease.

A). The following is the movement in lease liabilities during the year ended March 31, 2021

Particulars	As at	
	31 March 2021 (₹ in lakh)	31 March 2020 (₹ in lakh)
Recognised on account of adoption of Ind AS 116 as on April 01, 2019	-	22.47
Opening Balance	6.10	-
Additions during the year	36.29	-
Finance cost accrued during the year	2.21	1.25
Payment of lease liabilities	19.42	17.62
Closing Balance	25.18	6.10

Bhubaneswar Power Private Limited
Notes forming part of the Financial Statements

B). Amounts recognised in the Statement of Profit and Loss

Particulars	For the Year Ended	
	31 March 2021 (₹ in lakh)	31 March 2020 (₹ in lakh)
Depreciation charge of right of use assets	30.22	28.94
Interest expense (included in finance costs)	2.21	1.25
Total	28.01	30.19

Total cash outflow for leases for the year March 31, 2021 was ₹ 19.42 lakhs (March 31, 2020: Rs. 17.62 lakhs)

42 Management's assessment of impact of COVID 19

Basis its assessment of the impact of the outbreak of Coronavirus (COVID-19) on business operations, the Company's Management concludes that no adjustments are required in the financial statements. However, the situation with COVID-19 is still evolving and the various preventive measures taken by the Government of India are still in force, leading to a highly uncertain economic environment. Due to these circumstances, the Management's assessment of the impact on the subsequent period is dependent upon circumstances as they evolve."

43 The Code on Social Security, 2020 ('Code')

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020 draft rules were published and invited for stakeholders' suggestions. However, the date on which the code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

See accompanying notes to the financial statements

In terms of our report attached

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E / E300009

Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
Dhiraj Kumar

Partner

Membership Number: 060466

Sd/-
Sumitra Saha
 Managing Director
 DIN: 08742250

Sd/-
B D Nanda
 Director
 DIN: 07531186

Sd/-
Amit Bhartia
 Chief Financial Officer

Sd/-
Susovita Tripathy
 Company Secretary
 ACS 48856

Place : Kolkata
 Date : April 15, 2021

Place : Bhubaneswar
 Date : April 15, 2021