

# Price Waterhouse & Co Chartered Accountants LLP

## Independent auditor's report To the Members of Bhubaneswar Power Private Limited Report on the audit of the financial statements

### Opinion

1. We have audited the accompanying financial statements of Bhubaneswar Power Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. 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, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

### Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) 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 opinion.

### Emphasis of Matter

4. We draw your attention to Note 42 to the financial statements, which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Company. The management believes that no adjustments are required in the financial statements as it does not impact the current financial year, however, in view of the various preventive measures taken (such as complete lock-down restrictions by the Government of India, travel restrictions etc.) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

### Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report, but does not include the financial statements and our auditor's report thereon.

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.



Price Waterhouse & Co Chartered Accountants LLP, Plot No. 77/A, 8-2-624/A/1, 3rd Floor, Road No. 10  
Banjara Hills, Hyderabad - 500 034  
T: +91 (40) 4424 6300, F: +91 (40) 4424 6300

Hyderabad office and Head Office: Plot No. Y-14, Block-EP, Sector-V, Salt Lake Electronic Complex, Bidhan Nagar, Kolkata - 700 091

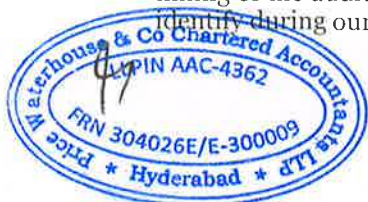
Price Waterhouse & Co. (a Partnership Firm) Converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-4362) with effect from July 7, 2014. Post its conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E-300009 (ICAI registration number before conversion was 304026E)

### **Responsibilities of management and those charged with governance for the financial statements**

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

### **Auditor's responsibilities for the audit of the financial statements**

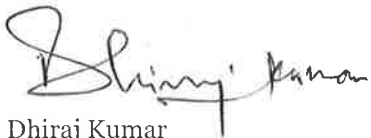
8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.
10. 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.



## Report on other legal and regulatory requirements

11. 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 B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
12. 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 other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement 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.
  - 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - g. 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, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 38 to the financial statements;
    - ii. The Company has long-term contracts as at March 31, 2020 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2020.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020.
    - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.
13. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse & Co Chartered Accountants LLP  
Firm Registration Number: 304026E/E300009  
Chartered Accountants



Dhiraj Kumar  
Partner  
Membership Number: 060466  
UDIN: 20060466AAAAAY4026

Place: Hyderabad  
Date: May 20, 2020

## **Annexure A to Independent Auditors' Report**

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of Bhubaneswar Power Private Limited on the financial statements for the year ended March 31, 2020

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### **Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls with reference to financial statements of Bhubaneswar Power Private 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**

2. The Company's management is responsible for establishing and maintaining internal financial controls 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 Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). 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 Act.

#### **Auditors' Responsibility**

3. 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 deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. 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.
5. 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.



## **Annexure A to Independent Auditors' Report**

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of Bhubaneshwar Power Private Limited on the financial statements for the year ended March 31, 2020

Page 2 of 2

### **Meaning of Internal Financial Controls with reference to financial statements**

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

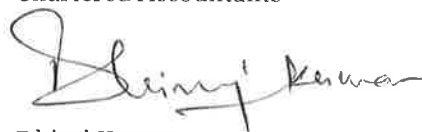
### **Inherent Limitations of Internal Financial Controls with reference to financial statements**

7. 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**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements 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 Over Financial Reporting issued by the Institute of Chartered Accountants of India. Also refer paragraph 4 of the main audit report.

For Price Waterhouse & Co Chartered Accountants LLP  
Firm Registration Number: 304026E/E300009  
Chartered Accountants



Dhiraj Kumar  
Partner  
Membership Number: 060466  
UDIN: 20060466AAAAAY4026

Place: Hyderabad  
Date: May 20, 2020

## Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Bhubaneshwar Power Private Limited on the financial statements as of and for the year ended March 31, 2020

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
  - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
  - (c) The title deeds of immovable properties, as disclosed in Note 4 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax and goods and service tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Also refer Note 33.4 to the financial statements regarding management's assessment on certain matters relating to provident fund.
  - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, duty of customs, and duty of excise or value added tax or goods and service tax which have not been deposited on account of any dispute.
- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government as at the balance sheet date. The Company has not issued any debentures as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.



**Annexure B to Independent Auditors' Report**

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Bhubaneswar Power Private Limited on the financial statements as of and for the year ended March 31, 2020

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- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse & Co Chartered Accountants LLP  
Firm Registration Number: 304026E/E300009  
Chartered Accountants



Dhiraj Kumar  
Partner  
Membership Number: 060466  
UDIN: 20060466AAAAAY4026

Place: Hyderabad  
Date: May 20, 2020

**Bhubaneswar Power Private Limited**  
Balance Sheet

₹ in Lakhs

Particulars	Note No.	As at 31 March, 2020	As at 31 March, 2019
<b>I. ASSETS:</b>			
<b>1. Non-Current Assets</b>			
(a) Property, Plant and Equipment	4	77,175.92	82,165.05
(b) Capital Work-in-Progress	5	460.98	159.16
(c) Intangible Assets	6	3.06	2.77
(d) Right of use assets	7	322.19	-
(e) Tax Assets (Net)	8	458.63	154.20
(f) Other Non-Current Assets	9	899.16	1,203.15
<b>Total Non-Current Assets</b>		<b>79,319.94</b>	<b>83,684.33</b>
<b>2. Current Assets</b>			
(a) Inventories	10	3,498.85	1,631.05
(b) Financial Assets			
(i) Trade Receivables	11	5,564.59	4,783.05
(ii) Cash and Cash Equivalents	12	4.20	5.19
(iii) Other Balances with Banks	13	10.84	280.43
(iv) Other Financial Assets	14	15.00	23.27
(c) Other Current Assets	15	2,078.30	3,216.13
<b>Total Current Assets</b>		<b>11,171.78</b>	<b>9,939.12</b>
<b>Total Assets</b>		<b>90,491.72</b>	<b>93,623.45</b>
<b>II. EQUITY AND LIABILITIES:</b>			
<b>Equity</b>			
(a) Equity Share Capital	16	25,325.12	25,325.12
(b) Other Equity	17	(81.17)	(6,300.95)
<b>Total Equity</b>		<b>25,243.95</b>	<b>19,024.17</b>
<b>Liabilities</b>			
<b>1. Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18(a)	44,630.20	50,579.27
(ii) Lease Liability	18(b)	2.90	-
(b) Provisions	19	13.30	17.43
(c) Deferred tax liabilities	20	217.53	3,682.97
<b>Total Non-Current Liabilities</b>		<b>44,863.93</b>	<b>54,279.67</b>
<b>2. Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	21	2,842.41	3,103.28
(ii) Trade Payables	22	2,045.85	1,594.93
(iii) Other Financial Liabilities	23	6,401.95	6,546.97
(iv) Lease Liability	18(b)	3.20	-
(b) Provisions	19	0.91	1.26
(c) Other Current Liabilities	24	9,089.52	9,073.17
<b>Total Current Liabilities</b>		<b>20,383.84</b>	<b>20,319.61</b>
<b>Total Liabilities</b>		<b>65,247.77</b>	<b>74,599.28</b>
<b>Total Equity and Liabilities</b>		<b>90,491.72</b>	<b>93,623.45</b>

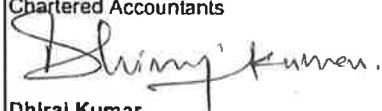
See accompanying notes to the financial statements

In terms of our report attached

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E / E300009

Chartered Accountants

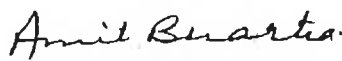
  
Dhiraj Kumar  
Partner

Membership Number: 060466

For and on behalf of the Board of Directors



Sumitra Saha  
Managing Director  
DIN: 08742250



Amit Bhartia  
Chief Financial Officer



B D Nanda  
Director  
DIN: 07531186

  
Jyoti Srivastva  
Company Secretary

Place : Hyderabad  
Date : 20 May 2020

Place : Bhubaneswar  
Date : 20 May 2020



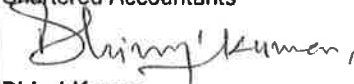
**Bhubaneswar Power Private Limited**  
Statement of Profit and Loss

₹ in Lakhs

Sl. No.	Particulars	Note No.	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
I.	Revenue from Operations	25	50,956.39	54,062.64
II.	Other Income	26	49.51	65.77
III.	<b>Total Income (I+II)</b>		<b>51,005.90</b>	<b>54,128.41</b>
IV.	<b>EXPENSES</b>			
	Fuel Consumed		28,009.97	26,732.83
	Electricity Duty		4,894.03	4,799.76
	Employee Benefits Expense	27	433.68	429.31
	Finance Costs	28	4,942.44	8,678.39
	Depreciation and Amortisation Expense	29	5,062.01	4,992.44
	Other Expenses	30	4,907.32	4,175.05
	<b>Total Expenses</b>		<b>48,249.46</b>	<b>49,807.78</b>
V.	<b>Profit Before Tax (III-IV)</b>		<b>2,756.44</b>	<b>4,320.63</b>
VI.	<b>Tax Expense</b>			
	Current tax		-	362.44
	MAT Credit (Entitlement)/Reversal		362.44	(362.44)
	Deferred tax (refer note 20)		(3,827.88)	436.03
VII.	<b>Profit for the Year (V-VI)</b>		<b>6,221.88</b>	<b>3,884.60</b>
VIII.	<b>Other Comprehensive Income</b>			
	Items that will not be reclassified to Profit or Loss			
	- Remeasurements of defined employee benefit plans		(2.09)	3.28
IX.	<b>Total Comprehensive Profit for the Year (VII+VIII)</b>		<b>6,219.79</b>	<b>3,887.88</b>
X.	<b>Profit per Equity Share (Face Value of ₹ 10 each)</b>			
	Basic and Diluted (Refer note 35)		2.46	1.56


See accompanying notes to the financial statements

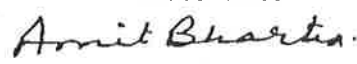
For Price Waterhouse & Co Chartered Accountants LLP  
Firm Registration Number: 304026E / E300009  
Chartered Accountants

  
Dhiraj Kumar  
Partner  
Membership Number: 060466

For and on behalf of the Board of Directors

  
Sumitra Saha  
Managing Director  
DIN: 08742250

  
B D Nanda  
Director  
DIN: 07531186

  
Amit Bhartia  
Chief Financial Officer

  
Jyoti Srivastva  
Company Secretary

Place : Hyderabad  
Date : 20 May 2020

Place : Bhubaneswar  
Date : 20 May 2020

**Bhubaneswar Power Private Limited**  
Cash Flow Statement

₹ in Lakhs

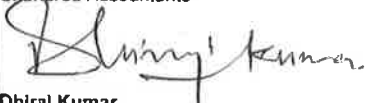
Particulars	For the Year ended 31 March, 2020	For the Year Ended 31 March, 2019
<b>A) Cash Flow from Operating Activities</b>		
Profit Before Tax	2,756.44	4,320.64
<b>Adjustments for:</b>		
Depreciation and Amortisation Expense	5,062.01	4,992.44
Finance Costs	4,941.19	8,678.39
Interest Cost on Lease Liability	1.25	-
Interest income on fixed deposits and Others	(48.20)	(65.72)
Loss on sale of Property, Plant and Equipment	5.24	8.00
<b>Operating Profit before working capital changes</b>	<b>12,717.93</b>	<b>17,933.76</b>
<b>Movement in Working Capital</b>		
(Increase) / Decrease in Other Non-Current Assets	315.21	63.08
(Increase) / Decrease in Inventories	(1,867.80)	(403.87)
(Increase) / Decrease in Trade Receivables	(781.54)	(4,764.18)
(Increase) / Decrease in Trade Receivables - Unbilled	-	4,192.30
(Increase) / Decrease in Other Financial Assets	0.73	6.05
(Increase) / Decrease in Other Current Assets	1,137.83	(1,478.86)
Increase / (Decrease) in Non-Current Provisions	(6.22)	(2.55)
Increase / (Decrease) in Trade Payables	450.92	(1,201.90)
Increase / (Decrease) in Current Provisions	(0.35)	(13.75)
Increase / (Decrease) in Other Financial Liabilities	(170.33)	(1,444.04)
Increase / (Decrease) in Other Current Liabilities	16.35	1,377.72
<b>Cash Generated from Operations</b>	<b>11,812.73</b>	<b>14,263.74</b>
Income Taxes Refund or (Paid)	(304.43)	(366.64)
<b>Net Cash Generated from Operations (A)</b>	<b>11,508.31</b>	<b>13,897.10</b>
<b>B) Cash Flow from Investing Activities</b>		
Interest Received on Fixed Deposits	55.74	67.34
Sale of Property, Plant and Equipment	3.47	2.81
Movement in Other Balances with Banks	269.59	(3.55)
Capital Expenditure on Property, Plant and Equipment including Capital Advances	(671.56)	(481.20)
<b>Net Cash (used) in Investing Activities (B)</b>	<b>(342.76)</b>	<b>(414.61)</b>
<b>C) Cash Flow from Financing Activities</b>		
Proceeds from issue of Equity Shares	-	2,300.00
Share Issue Expenses	-	(22.58)
Repayment of Long Term Borrowings	(5,946.85)	(4,873.88)
Proceeds/ (Repayment) of Short Term Borrowings (net)	(260.87)	(1,210.71)
Proceeds/(Repayment) of Lease Liability	(16.37)	-
Finance Costs	(4,941.19)	(9,786.69)
Interest Cost on Lease Liability	(1.25)	-
<b>Net Cash (Used) in Financing Activities (C)</b>	<b>(11,166.53)</b>	<b>(13,593.86)</b>
<b>Net Decrease in Cash and Cash Equivalents (D) = (A+B+C)</b>	<b>(0.99)</b>	<b>(111.37)</b>
<b>Opening Cash and Cash Equivalents (E)</b>	<b>5.19</b>	<b>116.56</b>
<b>Closing Cash and Cash Equivalents (F) = (D)+(E)</b>	<b>4.20</b>	<b>5.19</b>

**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**

For Price Waterhouse & Co Chartered Accountants LLP  
Firm Registration Number: 304026E / E300009  
Chartered Accountants



**Dhiraaj Kumar**  
Partner  
Membership Number: 060466

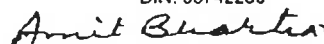
For and on behalf of the Board of Directors




**Sumitra Saha**  
Managing Director  
DIN: 08742250



**B D Nayda**  
Director  
DIN: 07531186



**Amit Bharti**  
Chief Financial Officer



**Jyoti Srivastava**  
Company Secretary

Place : Hyderabad  
Date : 20 May 2020

Place : Bhubaneswar  
Date : 20 May 2020

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

Equity Share Capital

Particulars	₹ in Lakhs
	Equity Share Capital
Balance as at 1 April, 2018	23,025.12
Changes in Equity Share Capital during the Year	2,300.00
Balance as at 31 March, 2019	25,325.12
Changes in Equity Share Capital during the year	-
Balance as at 31 March, 2020	25,325.12

Other Equity

Particulars	Reserves and Surplus		Items of Other Comprehensive Income	Total
	Retained Earnings	Other Equity	Remeasurement gains / (losses) on defined benefit plans	
Balance as at 1 April, 2018	(10,173.36)	-	7.11	(10,166.25)
Profit for the Year	3,884.60	-	-	3,884.60
Transaction costs on issue of equity shares	-	(22.58)	-	(22.58)
Other Comprehensive Income for the Year, net of income tax	-	-	3.28	3.28
<b>Total Comprehensive Income for the Year</b>	<b>3,884.60</b>	<b>(22.58)</b>	<b>3.28</b>	<b>3,865.30</b>
Balance as at 31 March, 2019	(6,288.76)	(22.58)	10.39	(6,300.95)
Profit for the Year	6,221.88	-	-	6,221.88
Other Comprehensive Income for the Half year, net of income tax	-	-	(2.09)	(2.09)
<b>Total Comprehensive Income for the Half year</b>	<b>6,221.88</b>	<b>-</b>	<b>(2.09)</b>	<b>6,219.79</b>
Balance as at 31 March, 2020	(66.88)	(22.58)	8.30	(81.17)

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



Dhiraj Kumar  
Partner  
Membership Number: 060466

For and on behalf of the Board of Directors



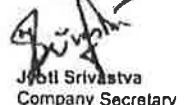
Sumitra Saha  
Managing Director  
DIN: 08742250



Amit Bhartia  
Chief Financial Officer



B D Nanda  
Director  
DIN: 07831188

  
Jyoti Srivastava  
Company Secretary

Place : Hyderabad  
Date : 20 May 2020

Place : Bhubaneswar  
Date : 20 May 2020

**1) General Information**

Bhubaneswar Power Private Limited (BPPL) was incorporated on 31 July, 2006 and was formed for the purpose of generating, distributing and supplying of power by setting up thermal power plant. A Joint Venture Agreement was entered into between Tata Steel Limited, its wholly owned subsidiary TS Alloys Limited ("TSAL") and Jasper Industries Private Limited ("JIPL") for setting up a 135 MW (2 x 67.5 MW each) thermal Captive Power Plant at Anantapur Village in Cuttack District of Odisha. The power generated at BPPL plant would primarily be used by Tata Steel Limited and its group of Companies. During the year ended 31 March 2011, vide Deed of Adherence entered between the Joint Venture partners, the entire shareholding and obligation of JIPL was transferred/assigned to JL Power Ventures Private Limited (subsidiary of JIPL). On 1 February 2018, vide a Share Purchase Agreement entered into between JL Power Ventures Private Limited and Tata Steel Limited, JL Power Ventures Limited sold its entire equity stake of 74% in the Company to Tata Steel Limited.

**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.

**New standards adopted by the Company**

The Company has adopted Ind AS 116, Leases for the first time for their Annual reporting period commencing April 1, 2019. This is disclosed in Note 41.

**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**

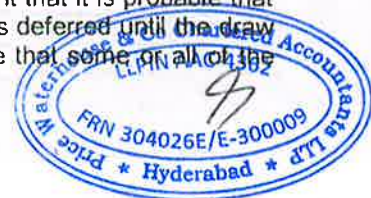
Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is included in other income in the statement of profit and loss.

### **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**

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 Earnings Per Share**

### **(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**

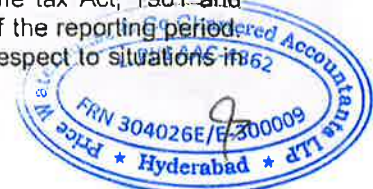
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- 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.

#### **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

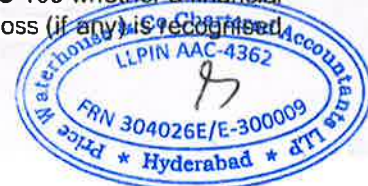
Individual assets costing ` 5,000 or less are fully depreciated in the year of capitalization.

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**

#### **3.12.1 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.



### **3.12.2 Non-financial assets (other than at fair value)**

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

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

### **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**

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**

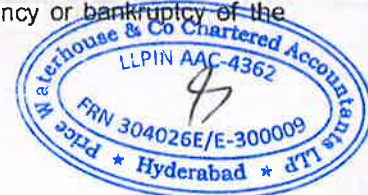
These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 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.



# Bhubaneshwar Power Private Limited

Notes forming part of the Financial Statements

## Note 4. Property, Plant and Equipment

Particulars	Freehold Land	Buildings	Plant & Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total
<b>Cost or Deemed Cost</b>							
Balance as at 1 April, 2018	842.27	1,693.62	93,708.43	57.93	101.14	64.71	96,468.10
Additions	11.98	170.35	10.82	12.30	20.02	0.28	225.75
Disposals/Adjustments	-	-	(246.19)	(8.11)	(1.15)	(10.91)	(266.36)
<b>Balance as at 31 March, 2019</b>	<b>854.25</b>	<b>1,863.97</b>	<b>93,473.06</b>	<b>62.12</b>	<b>120.01</b>	<b>54.08</b>	<b>96,427.49</b>
Additions	-	-	62.39	1.39	7.61	-	71.39
Disposals/Adjustments	(2.44)	-	(17.93)	(17.26)	(2.88)	-	(40.51)
<b>Balance as at 31 March, 2020</b>	<b>851.81</b>	<b>1,863.97</b>	<b>93,517.52</b>	<b>46.25</b>	<b>124.74</b>	<b>54.08</b>	<b>96,458.37</b>
<b>Accumulated Depreciation</b>							
Balance as at 1 April, 2018	-	131.91	9,088.92	13.97	32.05	13.15	9,280.00
Depreciation Expense	-	61.37	4,911.27	3.98	10.97	4.21	4,991.80
Depreciation on Disposals/Adjustments	-	-	-	(3.17)	(0.31)	(5.88)	(9.36)
<b>Balance as at 31 March, 2019</b>	<b>-</b>	<b>193.28</b>	<b>14,000.19</b>	<b>14.78</b>	<b>42.71</b>	<b>11.48</b>	<b>14,262.44</b>
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)
<b>Balance as at 31 March, 2020</b>	<b>-</b>	<b>254.77</b>	<b>18,952.04</b>	<b>8.65</b>	<b>52.06</b>	<b>14.93</b>	<b>19,282.45</b>
<b>Carrying amount as at 31 March, 2019</b>	<b>854.25</b>	<b>1,670.69</b>	<b>79,472.87</b>	<b>47.34</b>	<b>77.30</b>	<b>42.60</b>	<b>82,165.05</b>
<b>Carrying amount as at 31 March, 2020</b>	<b>851.81</b>	<b>1,609.20</b>	<b>74,565.48</b>	<b>37.60</b>	<b>72.68</b>	<b>39.15</b>	<b>77,175.92</b>

**Note:**

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

## Note 5. Capital Work-in-Progress

₹ in Lakhs

Particulars	As at 31 March, 2020	As at 31 March, 2019
Assets under Construction	460.98	159.16
<b>Total</b>	<b>460.98</b>	<b>159.16</b>



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

**Note 6. Intangible Assets**

Particulars	As at 31 March, 2020	As at 31 March, 2019
Carrying amounts : Software & Licenses	3.06	2.77
<b>Total</b>	<b>3.06</b>	<b>2.77</b>

**₹ In Lakhs**

Particulars	Software & Licenses
<u>Cost or Deemed Cost</u>	
Balance as at 1 April, 2018	3.61
Additions	1.55
<b>Balance as at 31 March, 2019</b>	<b>5.16</b>
Additions	1.00
<b>Balance as at 31 March, 2020</b>	<b>6.16</b>
<u>Accumulated Depreciation</u>	
Balance as at 1 April, 2018	1.75
Depreciation Expense	0.64
<b>Balance as at 31 March, 2019</b>	<b>2.39</b>
Depreciation Expense	0.71
<b>Balance as at 31 March, 2020</b>	<b>3.10</b>
<b>Carrying amount as at 31 March, 2019</b>	<b>2.77</b>
<b>Carrying amount as at 31 March, 2020</b>	<b>3.06</b>

**Note:**

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



# Bhubaneshwar Power Private Limited

Notes forming part of the Financial Statements

## Note 7. Right of use assets

₹ in Lakhs

Particulars	Right of use assets Land (B P Mishra)	Right of use assets Buildings (PICOL)	Right of use assets IDCO Land	Right of use assets IDCO Land Prepaid Lease	Total
<b>Balance as at 01 April, 2019</b>	4.68	14.89	2.90	328.65	351.12
Additions	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	-
<b>Balance as at 31 March, 2020</b>	4.68	14.89	2.90	328.65	351.12
<u>Accumulated Depreciation/Amortisation</u>					
Balance as at 1 April, 2019	-	-	-	-	-
Depreciation/Amortisation Expense	-	-	-	-	-
<b>Balance as at 01 April, 2019</b>	-	-	-	-	-
Depreciation/Amortisation Expense	3.75	12.77	0.04	12.38	28.94
<b>Balance as at 31 March, 2020</b>	3.75	12.77	0.04	12.38	28.94
<b>Carrying amount as at 31 March, 2020</b>	0.93	2.12	2.86	316.28	322.19



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

**Note 8. Tax Assets (Net)**

₹ In Lakhs

Particulars	As at 31 March, 2020	As at 31 March, 2019
Income Tax Assets (Net)	458.63	154.20
<b>Total</b>	<b>458.63</b>	<b>154.20</b>

**Note 9. Other Non-Current Assets**

₹ In Lakhs

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Unsecured, Considered Good</b>		
Capital Advances	545.60	534.39
Security Deposits	352.57	352.46
Prepaid Lease Payments	-	316.30
Other Non Current Assets	0.99	.
<b>Total</b>	<b>899.16</b>	<b>1,203.15</b>

**Note 10. Inventories**

₹ In Lakhs

Particulars	As at 31 March, 2020	As at 31 March, 2019
(Lower of cost and net realisable value)		
Raw Materials - Coal	2,693.72	980.70
Stores and Spares	805.13	650.35
<b>Total</b>	<b>3,498.85</b>	<b>1,631.05</b>

The mode of valuation of inventories has been stated in Note No. 3.4.

**Note 11. Trade Receivables**

₹ In Lakhs

Particulars	As at 31 March, 2020	As at 31 March, 2019
Unsecured, Considered good:		
Receivables from related parties	5,564.59	4,783.05
<b>Total</b>	<b>5,564.59</b>	<b>4,783.05</b>

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 2020, the Company had 2 major customers (31 March 2020: 2 customers) who owed the Company Rs. 5,564.59 lakhs [31 March 2019: Rs. 4,783.05 lakhs] and account for 100% (31 March 2019: 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.





**Bhubaneswar Power Private Limited**

Notes forming part of the Financial Statements

**Note 12. Cash and Cash Equivalents**

₹ in Lakhs

Particulars	As at 31 March, 2020	As at 31 March, 2019
Cash and Cash equivalents		
(a) Cash on Hand	0.18	0.05
(b) Balances with Banks		
In Current Accounts	4.02	5.14
In Fixed Deposit Accounts		
<b>Total</b>	<b>4.20</b>	<b>5.19</b>

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".

**Note 13. Other Balances with Banks**

₹ in Lakhs

Particulars	As at 31 March, 2020	As at 31 March, 2019
Other Bank Balances - Margin Money Deposit	10.84	280.43
<b>Total</b>	<b>10.84</b>	<b>280.43</b>

**Note 14. Other Financial Assets**

₹ in Lakhs

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Unsecured, Considered Good</b>		
Security Deposits	14.10	14.83
Interest Accrued on Fixed Deposits	0.90	8.44
<b>Total</b>	<b>15.00</b>	<b>23.27</b>

**Note 15. Other Current Assets**

₹ in Lakhs

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Unsecured, Considered Good</b>		
Advance to Suppliers	1,918.90	3,117.68
Prepaid Lease Payments	-	12.34
Prepaid Expenses	125.06	50.36
Balances Lying with Government Authorities	33.94	35.75
Advance to Staff for Expenses	0.40	-
<b>Total</b>	<b>2,078.30</b>	<b>3,216.13</b>



# Bhubaneswar Power Private Limited

Notes forming part of the Financial Statements

## Note 16. Equity Share Capital

₹ in Lakhs

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	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
<b>Total</b>	<b>25,32,51,187</b>	<b>25,325.12</b>	<b>25,32,51,187</b>	<b>25,325.12</b>

### (c) Reconciliation of equity shares

Particulars	Year ended 31 March, 2020		Year ended 31 March, 2019	
	No. of Shares	Amount	No. of Shares	Amount
<b>Equity Shares</b>				
Share outstanding at the beginning of the Year	25,32,51,187	25,325.12	23,02,51,187	23,025.12
Add: Shares issued during the half year/ year	-	-	2,30,00,000	2,300.00
<b>Share outstanding at the end of the Year</b>	<b>25,32,51,187</b>	<b>25,325.12</b>	<b>25,32,51,187</b>	<b>25,325.12</b>

### (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 31 March, 2020	As at 31 March, 2019
	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 31 March, 2020		As at 31 March, 2019	
	No. of Shares	%	No. of Shares	%
Tata Steel Limited	23,69,86,703	93.58%	23,69,86,703	93.58%
T S Alloys Limited	1,62,64,484	6.42%	1,62,64,484	6.42%
<b>Total</b>	<b>25,32,51,187</b>	<b>100.00%</b>	<b>25,32,51,187</b>	<b>100.00%</b>



# Bhubaneswar Power Private Limited

Notes forming part of the Financial Statements

## Note 17. Other Equity

₹ In Lakhs

Particulars	As at	
	31 March, 2020	31 March, 2019
Retained Earnings	(58.58)	(6,278.37)
Other equity	(22.58)	(22.58)
<b>Total</b>	<b>(81.16)</b>	<b>(6,300.95)</b>

## Retained earnings

Particulars	Year ended	
	31 March, 2020	31 March, 2019
Balance at the beginning of the year	(6,278.37)	(10,166.25)
Profit attributable to owners of the Company	6,221.88	3,884.60
Other comprehensive income arising from remeasurement of defined benefit obligation	(2.09)	3.28
<b>Balance at the end of the year</b>	<b>(58.58)</b>	<b>(6,278.37)</b>

## Other equity

₹ in Lakhs

Particulars	As at	
	31 March, 2020	31 March, 2019
Balance at the beginning of the year	(22.58)	-
Transaction costs on issue of equity shares	-	(22.58)
<b>Balance at the end of the year</b>	<b>(22.58)</b>	<b>(22.58)</b>

## Note 18(a). Borrowings (Refer notes below)

₹ In Lakhs

Particulars	As at		As at	
	31 March, 2020		31 March, 2019	
	Non-Current	Current *	Non-Current	Current *
Term Loans - Secured (at amortised cost) From Banks	44,630.20	5,949.07	50,579.27	5,946.85
<b>Total</b>	<b>44,630.20</b>	<b>5,949.07</b>	<b>50,579.27</b>	<b>5,946.85</b>

\* 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 for the year is 8.75% from 13th September 2019 (Upto 12th September 2019 - 8.90%). 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

₹ In Lakhs

Particulars	As at		As at	
	31 March, 2020		1 April, 2019	
	Non-Current	Current *	Non-Current	Current *
Lease Liability	2.90	3.20	6.10	16.37
<b>Total</b>	<b>2.90</b>	<b>3.20</b>	<b>6.10</b>	<b>16.37</b>

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

## Note 19. Provisions

₹ In Lakhs

Particulars	As at		As at	
	31 March, 2020		31 March, 2019	
Employee Benefits		14.21		18.69
<b>Total</b>		<b>14.21</b>		<b>18.69</b>
		13.30		17.43
		0.91		1.26
<b>Total</b>		<b>14.21</b>		<b>18.69</b>



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

Nota 20: Income tax

The major components of Income tax expense are:

₹ in Lakhs

Statement of profit and loss:	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Current tax	-	362.44
MAT credit reversal/(entitlement)	362.44	(362.44)
Deferred tax	(3,827.88)	436.03
<b>Income tax expense reported in the statement of profit or loss</b>	<b>(3,465.44)</b>	<b>436.03</b>

**Deferred Tax Liability:**

Deferred tax liability comprises of temporary differences attributable to:

Balance sheet	As at 31 March, 2020	As at 31 March, 2019
Accelerated depreciation for tax purposes	(5,873.40)	(6,896.97)
Carried forward unabsorbed depreciation	5,544.53	2,747.84
Indexation benefit on freehold land	111.34	103.72
MAT credit entitlement	-	362.44
<b>Net deferred tax assets/(liabilities)</b>	<b>(217.53)</b>	<b>(3,682.97)</b>

Statement of profit and loss	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Accelerated depreciation for tax purposes	(1,023.57)	1,575.86
Carried forward unabsorbed depreciation	(2,796.69)	(1,164.84)
Indexation benefit on freehold land	(7.62)	25.01
<b>Deferred tax expense/(income)</b>	<b>(3,827.88)</b>	<b>436.03</b>

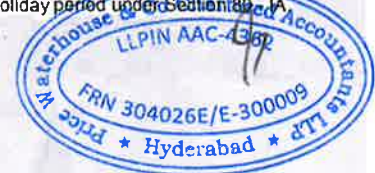
Reflected in the balance sheet as follows:	As at 31 March, 2020	As at 31 March, 2019
Deferred tax assets	5,655.87	2,851.56
MAT credit entitlement	-	362.44
Deferred tax liabilities	(5,873.40)	(6,896.97)
<b>Deferred tax liabilities, net</b>	<b>(217.53)</b>	<b>(3,682.97)</b>

Reconciliation of deferred tax liabilities (net):	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Opening balance	3,682.97	3,609.38
Tax expense during the period recognised in profit or loss	(3,827.88)	436.03
MAT credit reversal/(entitlement)	362.44	(362.44)
<b>Closing balance</b>	<b>217.53</b>	<b>3,682.97</b>

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

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Profit before income tax	2,756.44	4,320.63
Income tax rate	25.168%	34.944%
Income tax expense	693.74	1,509.80
Reversal of unutilisable MAT Credit Entitlement	362.44	-
Recognition of previously unrecognised unabsorbed depreciation (refer note below)	(3,490.43)	(1,073.77)
Due to decline in income tax rate from 34.944% to 25.168%	(1,031.19)	-
<b>Tax expense recognised in the statement of profit and loss</b>	<b>(3,465.44)</b>	<b>436.03</b>

The Company has elected to exercise the option permitted under Section 115 BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly the company has recognised provision for income tax and remeasured their deferred tax balances basis the rate prescribed in the said section. The Company has recognised deferred tax assets on unabsorbed depreciation carried forward from earlier years on election of option under Section 115BAA, the same was not being recognised upto the previous year, since the unabsorbed depreciation was being utilised during tax holiday period under Section 80 IA.



# Bhubaneshwar Power Private Limited

Notes forming part of the Financial Statements

## Note 21. Borrowings

₹ in Lakhs

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Secured</b>		
From Banks:		
Cash Credit Facilities	2,842.41	3,103.28
<b>Total</b>	<b>2,842.41</b>	<b>3,103.28</b>

Cash credit facility: Interest rate payable on cash credit facilities is 9.30% (One year MCLR + 0.25%) and interest is payable on monthly basis. From August 2019 the Company has availed cash credit facility from Axis Bank Limited @ 8.70% and from September 2019 the Company has availed cash credit facility from HDFC bank @ 8.60% and interest is payable on monthly basis.

### Security Terms:

First charge on entire current assets and second charge on the fixed assets (present and future) of the Company.

## Note 22. Trade Payables

₹ in Lakhs

Particulars	As at 31 March, 2020	As at 31 March, 2019
Trade Payables	2,045.85	1,594.93
<b>Total</b>	<b>2,045.85</b>	<b>1,594.93</b>

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

## Note 23. Other Financial Liabilities

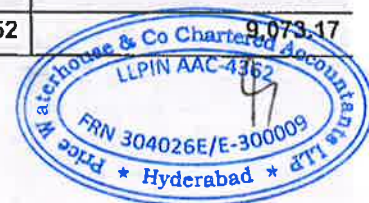
₹ in Lakhs

Particulars	As at 31 March, 2020	As at 31 March, 2019
Current Maturities of Long-Term Borrowings (refer note 18)	5,949.07	5,946.85
Retention Money Payable	99.45	202.42
Payables on Purchase of Property, Plant and Equipment	217.02	225.54
Deferred revenue	136.41	172.16
<b>Total</b>	<b>6,401.95</b>	<b>6,546.97</b>

## Note 24. Other Current Liabilities

₹ in Lakhs

Particulars	As at 31 March, 2020	As at 31 March, 2019
Statutory Remittances	89.06	73.17
Advance received from a Customer	9,000.00	9,000.00
Payable to employees for Expenses	0.46	-
<b>Total</b>	<b>9,089.52</b>	<b>9,073.17</b>



**Bhubaneswar Power Private Limited**

Notes forming part of the Financial Statements

**Note 25. Revenue from Operations**

₹ In Lakhs

Particulars	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Sale of Energy	50,955.76	54,036.48
Other Operating Revenue	0.63	26.16
<b>Total</b>	<b>50,956.39</b>	<b>54,062.64</b>

**Note 26. Other Income**

Particulars	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Interest income:		
- on fixed deposits	29.68	44.45
- others	18.52	21.27
Miscellaneous Income	1.31	0.05
<b>Total</b>	<b>49.51</b>	<b>65.77</b>

**Note 27. Employee Benefits Expense**

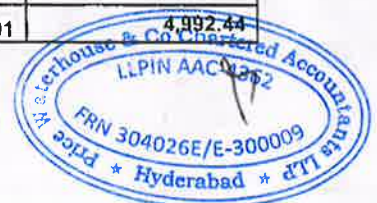
Particulars	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Salaries and Other Benefits	403.56	391.43
Contribution to Provident and Other Funds	18.79	19.16
Gratuity Expenses	4.59	7.82
Staff Welfare Expenses	6.74	10.90
<b>Total</b>	<b>433.68</b>	<b>429.31</b>

**Note 28. Finance Costs**

Particulars	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Interest Expense on:		
- Term Loans	4,812.72	6,359.91
- Cash Credit Facilities	49.04	225.18
Other Borrowing Costs		
- Other Borrowing Costs	79.43	2,093.30
- Interest Cost on Lease Liability	1.25	-
<b>Total</b>	<b>4,942.44</b>	<b>8,678.39</b>

**Note 29. Depreciation and Amortisation Expense**

Particulars	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Depreciation of Property, Plant and Equipment	5,032.36	4,991.80
Depreciation on Right of use Assets	28.94	-
Amortisation of Intangible Assets	0.71	0.64
<b>Total</b>	<b>5,062.01</b>	<b>4,992.44</b>



# Bhubaneswar Power Private Limited

Notes forming part of the Financial Statements

## Note 30. Other Expenses

Particulars	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Power and Fuel	23.10	11.95
Water Charges	552.94	529.47
Transmission Charges	1,087.21	764.05
Operation & Maintenance Charges	1,768.03	1,490.12
Operating Lease Payments	-	12.34
Consumption of Stores and Spares	367.08	363.75
Rent	9.80	35.84
Repairs and Maintenance	6.18	10.06
Insurance	196.28	96.67
Rates and Taxes	14.83	31.59
Communication Expenses	2.51	2.07
Travelling Expenditure	22.22	24.52
Auditors' Remuneration		
- Statutory Audit	1.95	1.95
- Tax audit	0.80	0.80
- Other Services	0.75	0.75
- Reimbursements	0.83	1.16
Advertisement Expenses	0.01	0.54
Security Expenses	164.54	127.35
Directors' Sitting Fees	3.07	3.19
Consultancy Charges	446.94	393.34
Printing and Stationery	1.53	1.86
Loss on Sale of Property, Plant and Equipment	5.24	8.00
Ash Management Expenses	216.91	241.18
Miscellaneous Expenses	14.57	21.50
<b>Total</b>	<b>4,907.32</b>	<b>4,175.05</b>



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

**31. Commitments**

Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances ₹ 173.11 Lakhs (31 March 2019: ₹ 410.75 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 ₹ 18.79 lakh in expenses for the year ended 31 March, 2020 (31 March, 2019: ₹ 19.16 lakh) towards defined contribution plans (Refer Note 27).

**33.2 Defined Benefit Plans**

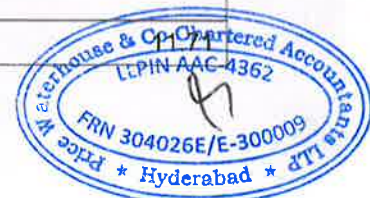
The Company provided the following employee benefits

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

**Gratuity Plan**

	For the year ended	
	31 March 2020 (₹ in lakh)	31 March 2019 (₹ in lakh)
<b>Reconciliation of opening and closing balances of obligation</b>		
Opening defined benefit obligation	19.47	31.80
Current service cost	4.60	7.54
Interest cost	1.42	1.83
Actuarial (gains) / losses	3.06	(3.82)
Benefits paid	(0.86)	(17.88)
<b>Closing defined benefit obligation</b>	<b>27.69</b>	<b>19.47</b>

	For the year ended	
	31 March 2020 (₹ in lakh)	31 March 2019 (₹ in lakh)
<b>Change in Plan Assets (Reconciliation of opening &amp; closing balances)</b>		
Opening fair value of plan assets	11.70	28.13
Interest income	1.42	1.55
Contributions from the employer	15.44	0.45
Benefits paid	(0.86)	(17.88)
Return on plan assets (greater) / less than discount rate	0.97	(0.54)
<b>Closing fair value of plan assets</b>	<b>28.67</b>	





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

Reconciliation of fair value of assets and obligations	As at 31 March 2020 (₹ in lakh)	As at 31 March 2019 (₹ in lakh)
Present value of funded defined benefit obligation	27.69	19.47
Fair value of plan assets	28.67	11.71
<b>Amount recognised in balance sheet</b>	<b>(0.99)</b>	<b>7.76</b>

Expense recognized in the year	For the year ended	
	31 March 2020 (₹ in lakh)	31 March 2019 (₹ in lakh)
Current service cost	4.59	7.54
Net interest expense	0.00	0.28
<b>Components of defined benefit costs recognised in Statement of Profit and Loss</b>	<b>4.59</b>	<b>7.82</b>
Actuarial (gains) / losses	2.09	(3.28)
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>2.09</b>	<b>(3.28)</b>

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

Particulars	For the year ended	
	31 March 2020 (₹ in lakh)	31 March 2019 (₹ in lakh)
Discount rate(s)	6.70%	7.50%
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	For the year ended	
	31 March 2020 (₹ in lakh)	31 March 2019 (₹ in lakh)
Discount rate + 100 basis points	2.38	1.59
Discount rate - 100 basis points	2.73	1.83
Salary increase rate + 100 basis points	2.73	1.84
Salary increase rate - 100 basis points	2.41	1.63

### 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:



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

Particulars	For the year ended	
	31 March 2020 (₹ in lakh)	31 March 2019 (₹ in lakh)
Discount rate(s)	6.70%	7.50%
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. Related party disclosures:**

**34.1 Name of the related parties and relationships:**

Name of the Related Parties	Description of relationship
Tata Steel Limited	Holding Company
TS Alloys Limited	Subsidiary of Holding Company
Mjunction Service Limited	Joint venture of Holding Company
Tata International Limited	Subsidiary of Holding Company
<b>Key Managerial Personnel</b>	
Sharad Kumar	Managing Director
Avneesh Gupta	Chairman
Vuppala Satyanarayana Murty	Director
Roopendra Narayan Roy	Director
Srikant Kumar Pati	Director (upto 18 September 2018)
Ramya Hariharan	Director
Hemant Kumar Das	Nominee Director (upto 11 October 2018) (PFC)
Bubhu Dutta Nanda	Director



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

**34.2 Transactions during the Year:**

Particulars	₹ in Lakhs	
	For the Year ended	
	31 March, 2020	31 March, 2019
<b>Sale of Energy</b>		
- Tata Steel Limited	41,308.79	43,867.93
- TS Alloys Limited	9,618.05	9,466.33
<b>Purchase of Coal</b>		
- Tata Steel Limited	878.87	163.05
- Tata International Limited	4,515.59	-
<b>Advance Received from Customers</b>		
- Tata Steel Limited	-	2,300.00
- TS Alloys Limited	-	700.00
<b>Advance refunded / Adjusted</b>		
- TS Alloys Limited	-	1400.00
<b>Advances with Customers</b>		
- Tata Steel Limited	-	8.31
<b>Reimbursements of expenses/ purchases:</b>		
- TS Alloys Limited	14.75	2.38
- Tata Steel Limited	-	11.45
<b>Allotment of Equity Shares</b>		
- Tata Steel Limited	-	2,300.00
<b>Consultancy Charges</b>		
Tata Steel Limited	414.25	314.22
<b>Other Services</b>		
M Junction Service Limited	9.81	

**34.3 Balances outstanding at the end of the Year:**

Particulars	₹ in Lakhs	
	As at 31 March, 2020	As at 31 March, 2019
<b>Trade Receivables</b>		
Tata Steel Limited	3,266.78	3,589.22
TS Alloys Limited	2,297.80	1,193.83
<b>Trade payables</b>		
Tata Steel Limited	415.91	58.38
Tata International Limited	13.12	-
M Junction Service Limited	0.54	3.12
<b>Advances to suppliers</b>		
Tata Steel Limited	-	8.31
<b>Advance Received From Customers</b>		
Tata Steel Limited	9,000.00	9,000.00



35 Earnings/ (Loss) per share:

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Profit for the Year (₹ in lakhs)	6,219.79	3,887.88
Weighted average no. of equity shares of ₹ 10/- each	253,251,187	249,848,447
Nominal value per share (in ₹)	10	10
Profit per equity share : (Basic and Diluted) (in ₹)	2.46	1.56

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.

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.

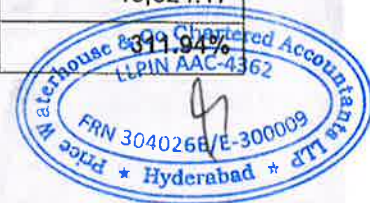
The capital structure of the Company comprises of net debt (borrowings reduced by cash and bank balances) and equity.

The Company is not subject to any externally imposed capital requirements.

37.2 Gearing Ratio

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

Particulars	₹ in Lakhs	
	As at 31 March, 2020	As at 31 March, 2019
Debt (₹ in lakhs)	53,421.68	59,629.40
Cash and Bank Balances (₹ in lakhs)	(15.04)	(285.62)
<b>Net Debt (₹ in lakhs)</b>	<b>53,406.64</b>	<b>59,343.78</b>
Total Equity (Share Capital + Reserves) (₹ in lakhs)	25,243.95	19,024.17
<b>Net Debt to equity ratio</b>	<b>211.56%</b>	<b>311.94%</b>



37.3 Categories of Financial Instruments

₹ in Lakhs

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Financial Assets</b>		
<b>Current</b>		
Trade Receivables	5,564.59	4783.05
Cash and Cash Equivalents	4.20	5.19
Other Balances with Banks	10.84	280.43
Other Financial Assets	15.00	23.27

₹ in Lakhs

37.4 Interest rate sensitivity analysis

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Financial Liabilities</b>		
<b>Non Current</b>		
Borrowings	44,630.20	50,579.27
Lease liability	2.90	-
<b>Current</b>		
Borrowings	2,842.41	3,103.28
Trade Payables	2,045.85	1,594.93
Other Financial Liabilities	6,401.95	6,546.97
Lease liability	3.20	-

The sensitivity analysis below have been determined based on the exposure to interest rates for non derivative instruments at the end of the reporting period, as the Company does not transact in any derivative instruments. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Company's:

- Profit for the year ended 31 March, 2020 would increase / decrease by ₹ 276.00 lakhs (31 March, 2019: ₹ 307.56 lakhs). This is mainly attributable to Company's exposure to interest rates on its variable rate borrowings; and
- There being no debt instrument passing through FVTOCI, there would not be any impact of such change in interest rate, on OCI.



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

**37.5 Financing facilities**

₹ in Lakhs

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Secured bank Cash Credit facility:</b>		
Amount used	2,842.41	3,103.28
Amount unused	3,857.59	1,496.72
<b>Total</b>	<b>6,700.00</b>	<b>4,600.00</b>

**37.6 Fair value measurements**

Fair value of Financial Assets and Financial Liabilities that are not measured at fair value (but fair value disclosures are required)

₹ in Lakhs

Particulars	Category	As at 31 March 2020		As at 31 March 2019	
		Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial Assets</b>					
Financial Assets at amortised cost:					
Trade Receivables	Level-2	5,564.59	5,564.59	4,783.05	4,783.05
Cash and Cash Equivalents	Level-2	4.20	4.20	5.19	5.19
Other Balances with Banks	Level-2	10.84	10.84	280.43	280.43
Other Financial Assets	Level-2	15.00	15.00	23.27	23.27

₹ in Lakhs

Particulars	Category	As at 31 March 2020		As at 31 March 2019	
		Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial Liabilities</b>					
Financial Liabilities at amortised cost:					
Borrowings	Level-2	53,421.68	53,421.68	59,629.40	59,629.40
Lease liability	Level-2	6.10	6.10	-	-
Trade Payables	Level-2	2,045.85	2,045.85	1,594.93	1,594.93
Other Financial Liabilities	Level-2	452.88	452.88	600.12	600.12



**38 Contingent liabilities**

Claims against the Company from vendors not acknowledged as debts. ₹ 88 lakhs. (March 31, 2019: ₹ 175 lakhs).

**39 Corporate social responsibility**

During the year, as per the Companies Act, 2013, Gross amount required to be spent by the Company during the year is ₹ Nil (31 March, 2019: ₹ Nil).

**40 Operating leases**

The company has entered into certain operating lease agreements and an amount of ₹ 9.80 (2018-19: ₹ 36.84 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.

Refer Note 7 for the changes in the carrying value of right of use assets for the year ended March 31, 2020.



a. The following is the movement in lease liabilities during the year ended March 31, 2020:

Particulars	Amount (₹ in lakh)
Recognised on account of adoption of Ind AS 116 as on April 01, 2019	22.47
Additions during the year	-
Finance cost accrued during the year	1.25
Payment of lease liabilities	17.62
Balance as on March 31, 2020	6.10

b. Amounts recognised in the Statement of Profit and Loss

Particulars	For the year ended March 31, 2020 Amount (₹ in lakh)
Depreciation charge of right of use assets	28.94
Interest expense (included in finance costs)	1.25
<b>Total</b>	<b>30.19</b>

Total cash outflow for leases for the year ended March 31, 2020 was ₹ 17.62.

#### 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."

For Price Waterhouse & Co Chartered Accountants LLP For and on behalf of the Board of Directors  
Firm Registration Number: 304026E / E300009  
Chartered Accountants



**Dhiraj Kumar**  
Partner  
Membership Number: 060466



**Sumitra Saha**  
Managing Director  
DIN: 08742250



**B D Nanda**  
Director  
DIN: 07531186



**Amit Bhartia**  
Chief Financial Officer



**Jyoti Srivastava**  
Company Secretary

Place: Hyderabad  
Date: 20 May 2020

Place: Bhubaneswar  
Date: 20 May 2020