





# Corporate Information

## BOARD OF DIRECTORS

**Mr. Avneesh Gupta**  
Chairman

**Mr. VSN Murty**  
Director

**Mr. Bibhu Dutta Nanda**  
Director

**Mr. Roopendra Narayan Roy**  
Independent Director

**Ms. Ramya Hariharan**  
Independent Director

**Mr. Sharad Kumar**  
Managing Director  
[Upto 30<sup>th</sup> April 2020]

**Mr. Sumitra Saha**  
Managing Director  
[W.e.f. 15<sup>th</sup> May 2020]

## CHIEF FINANCIAL OFFICER

**Mr. Rajesh Singh**  
[Upto 14<sup>th</sup> January 2020]

**Mr. Amit Bhartia**  
[W.e.f. 15<sup>th</sup> May 2020]

## COMPANY SECRETARY

**Ms. Jyoti Srivastva**

## FINANCIAL INSTITUTIONS/BANKERS

HDFC Bank Limited  
The Kotak Mahindra Bank Limited  
The Federal Bank Limited  
Axis Bank Limited  
The Karur Vysya Bank Limited [upto 30<sup>th</sup> Oct 2019]

## CIN

U40109TG2006PTC050759

## REGISTERED OFFICE

Golden Edifice, 1<sup>st</sup> Floor, Opp: Visweswarayya Statue,  
Khairatabad Circle, Hyderabad – 500004, Telangana

## CORPORATE OFFICE

IPICOL House (Main Building), 4th Floor,  
Janpath, Bhubaneswar-751022, Odisha

## PLANT

Anantapur, PO – Dhurusia, Athagarh District, Cuttack,  
Odisha

## STATUTORY AUDITOR

Price Waterhouse & Co Chartered Accountants LLP,  
Kolkata

## SECRETARIAL AUDITOR

Aditi Jhunjunwala, Practising Company Secretary

## INTERNAL AUDITORS

Tata Steel Corporate Audit Team

## REGISTRAR AND SHARE TRANSFER AGENT

Karvy Computershare Private Limited

### NOTICE

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Members of Bhubaneswar Power Private Limited (CIN: U40109TG2006PTC050759) will be held at shorter notice on 28<sup>th</sup> day of July 2020 at 5:00 P.M. IST through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:

#### **ORDINARY BUSINESS:**

**1. ITEM NO.1 – ADOPTION OF ACCOUNTS:**

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31 March, 2020, together with the Reports of the Board of Directors and the Auditors thereon.

**2. ITEM NO.2 – RE-APPOINTMENT OF A DIRECTOR:**

To appoint a Director in place of Mr. Avneesh Gupta (DIN 07581149), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, seeks re-appointment.

#### **SPECIAL BUSINESS:**

##### **ITEM NO. 3:**

##### **Appointment of Mr. Sumitra Saha (DIN: 08742250) as a Director of the Company:**

**To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:**

**RESOLVED THAT** pursuant to provisions of Section 160 of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and Articles of Association of the Company, Mr. Sumitra Saha (DIN: 08742250), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 15<sup>th</sup> May 2020 and holds office until ensuing Annual General Meeting in terms of Section 161 of the Companies Act, be and is hereby appointed as a Director of the Company.”

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution.

##### **ITEM NO.4:**

##### **Appointment of Mr. Sumitra Saha (DIN: 08742250) as an Executive Managing Director and the Whole Time Key Managerial Personnel:**

**To consider and if thought fit to pass with or without modification, the following resolution as a Special Resolution:**

**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 Schedule V and any other applicable provisions of the Companies Act, 2013 read with rules made thereunder (including any statutory modification or re-enactment thereof) and subject to all other approval if required, the approval of the members be & is hereby accorded to the appointment of Mr. Sumitra Saha (DIN: 08742250) as the Managing Director and the Whole Time Key Managerial Personnel of the Company

for a term of 3 years with effect from 15<sup>th</sup> May 2020 at a remuneration fixed by the Board on the recommendation of the Nomination & Remuneration Committee and on such terms and conditions mutually agreed upon by the Board and Mr. Saha.

**RESOLVED FURTHER THAT**, where, in any financial year during the currency of the tenure of Mr. Saha, the Company has no profits or its profits are inadequate, the Company will pay remuneration as per Schedule V of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to alter the terms & conditions of the appointment and/or remuneration as fixed by the Board, subject to the same not exceeding the limit as specified under section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and upon the recommendation of the Nomination & Remuneration Committee of the Board.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution.

**By Order of the Board  
For Bhubaneswar Power Private Limited**

Place: Bhubaneswar  
Date: 20 May 2020

Sd/-  
**Jyoti Srivastva**  
Company Secretary  
Membership No. ACS 40017

**Registered Office:**  
Golden Edifice, 1st Floor,  
Opp: Visweswarayya Statue,  
Khairatabad Circle,  
Hyderabad – 500 004  
Telangana

**NOTES:**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Corporate Members are required to send to the Company a certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the AGM.
4. This meeting is being called at a shorter Notice than the statutory required minimum of 21 clear days. Pursuant to the provisions of Section 101 of the Companies Act, 2013, a general meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by not less than ninety-five percent of the members entitled to vote at such meeting.
5. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 read with Rules made thereunder would be available for electronic inspection by the Members during the AGM.
6. In terms of the provisions of section 152 (6) of the Companies Act, 2013, Mr. Avneesh Gupta is liable to retire by rotation at the ensuing AGM and being eligible, seeks re-appointment. On being re-appointed as Director, Mr. Gupta will continue to be the Chairman of the Board of Directors of the Company.
7. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

Place: Bhubaneswar  
Date: 20 May 2020

**Registered Office:**  
Golden Edifice, 1st Floor,  
Opp: Visweswarayya Statue,  
Khairatabad Circle,  
Hyderabad – 500 004  
Telangana

**By Order of the Board  
For Bhubaneswar Power Private Limited**

Sd/-  
**Jyoti Srivastva**  
Company Secretary  
Membership No. ACS 40017

**EXPLANATORY STATEMENT U/S 102(1) OF THE COMPANIES ACT, 2013**
Item no. 3 and 4

As per the requirement of sections 196, 197, 203 and Schedule V of the Companies Act, 2013 read with the prescribed rules of the Companies Rules, 2014, the Board has upon the recommendation of the Nomination & Remuneration Committee appointed Mr. Sumitra Saha (DIN: 08742250) as a Managing Director and Whole Time Key Managerial Personnel at 66<sup>th</sup> Board Meeting held on the 15<sup>th</sup> day of May 2020 since the existing Managing Director resigned on 30<sup>th</sup> April 2020.

The Company has received (i) the consent in writing from Mr. Saha in form DIR-2 pursuant to the Rule 8 of the Companies (Appointment & Qualifications of Directors) Rules 2014; (ii) intimation in Form DIR-8 pursuant to the Rule 14 of the Companies (Appointment & Qualifications of Directors) Rules 2014 that he is not disqualified under section 164 sub-section (2) of the Companies Act, 2013.

Mr Saha shall follow the code of conduct of the company and perform the duties as prescribed by the Board of Directors from time to time subject to the provisions of section 166 of the Companies Act, 2013.

The terms and conditions regarding the appointment and remuneration are mentioned below:

- (i) Term: 3 years commencing from 15<sup>th</sup> May 2020
- (ii) Basic salary: As provided in the resolution
- (iii) Allowance & Perquisites: As provided in the resolution

He does not hold directorships in other companies. He does not hold any share in the Company and is not related to any other Director of the Company.

**The statement containing information required to be furnished under Section II of Part II of Schedule V to the Companies Act, 2013 is given below:**

I	GENERAL INFORMATION			
	(1) Name of the Industry	Power		
	(2) Date of commencement of commercial operations	June 01, 2016		
	(3) In case of new companies, expected date of commencement activities as per project approved by financial institutions appearing in the prospectus	Not Applicable		
	(4) Financial performance based on given indicators (Rs.in crore)	<b>Description</b>	<b>2019-20 (Rs. Lakhs)</b>	<b>2018-19 (Rs. Lakhs)</b>
		Total Income	5 1,005.90	54,128.41
		Profit before Tax	2,756.44	4 ,320.63
		Profit after tax (Includes Rs 3827.88 Lakhs as reversal of Deferred Tax Expense)	6,221.88	3 ,884.60
	(5) Export performance and net foreign exchange	Nil		
	(6) Foreign investments or collaborations, if any	Nil		

<b>II</b>	<b>Information about the Appointee</b>	
	(1) Background details	<p>Mr Saha has about 35 years of experience in managing organization operations by setting priorities, directing and executing various Power / Energy sector &amp; other Projects. Adept in handling Project Management, Engineering Management, Contract Management, Commercial Operations, and Relationship Management. Domain expertise lies in Power, Oil &amp; Gas, Steel Projects etc.</p> <p>He has been associated with The Tata Power Company Limited for the last 12 years and last worked as Chief of Projects and was responsible for successful completion / overall project management / execution of various Power Projects (Thermal / Wind / Solar). He dealt with various key operations of the Company and made valuable contributions.</p>
	(2) Past remuneration	Not applicable, since this being his first term of appointment as the Managing Director.
	(3) Recognition or awards	Nil
	(4) Job profile and suitability	<p>The MD devotes his whole time and attention to the business of the company and carries out such duties as may be entrusted to him by the Board of Directors from time to time and exercises such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interest of the company. Currently, as a Managing Director, he is looking after the overall day to day affairs of the company.</p>
		<p><b>Suitability:</b></p> <p>Mr. Sumitra Saha is considered to be an expert in Power Sector and the Board strongly feels that with his expertise and experience, he would be in a position to steer the Company to achieve the long term goals of the Company in the best interest of all the stakeholders.</p>
	(5) Remuneration proposed	As detailed in the resolution
	(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriate, the relevant details would be with reference to the country of his origin)	The remuneration being proposed to Mr. Sumitra Saha is on par with the remuneration prevailing in the companies of similar size in the power industry and in the event of loss or inadequacy of profit in any financial year during his tenure, the same would be restricted to the ceiling prescribed under Schedule V of the Companies Act, 2013.
	(7) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any	Apart from being the Managing Director of the Company, he does not have any other pecuniary relationship with the company.
<b>III</b>	<b>Other Information</b>	
	(1) Reasons for loss or inadequate profits	The Company is passing a Special Resolution pursuant to the proviso to the sub-section (1) of Section 197 of the Companies Act, 2013 and as a matter of abundant precaution, as the



	(2) Steps taken or proposed to be taken for improvement	profitability of the Company may be adversely impacted in future due to business environment during the period for which remuneration is payable to Mr. Saha i.e. till May 14, 2023.  In the month of March, 2018, the Company had entered into a Long Term Power Purchase Agreement for sale of its entire generated capacity of power.
	(3) Expected increase in productivity and profits	As the entire power generated by the Company is being used by the Captive Users, which are the Promoters of the Company, the Company is expected to utilize its power plant to its fullest capacity and this in turn will increase the profitability of the Company.
<b>IV</b>	<b>Additional information as required under Secretarial Standard-2 notified under Section 118 (10) of the Companies Act, 2013</b>	
	(1) Age	56 years
	(2) Qualification	B.E. (Mechanical) from IEST, Shibpur (Bengal Engineering College, Shibpur, University of Calcutta) in 1985.
	(3) Experience	More than 35 years
	(4) Date of first appointment on the Board	May 15, 2020
	(5) Shareholding in the company	Nil
	(6) Relationship with other Directors	Nil
	(7) Number of meetings of the Board attended during the year	During the FY 19-20 he was not on the Board. However, after his appointment (including the Board Meeting in which he was appointed), two Board Meetings were held and he attended both the meetings.
	(8) Other Directorships	Nil
	(9) Membership/Chairmanship of Committees of other Boards	Nil

As the Resolution is for the appointment of Mr. Sumitra Saha as Managing Director and payment of remuneration to him, to that extent, he may be deemed to be interested in the resolution.

None of the other Directors or Key Managerial Personnel (KMP) or their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution.

The Board of Directors in the interest of the Company recommended the resolution for the approval of the Members.

Place: Bhubaneswar  
Date: 20 May 2020

**By Order of the Board  
For Bhubaneswar Power Private Limited**

**Registered Office:**  
Golden Edifice, 1st Floor,  
Opp: Visweswarayya Statue,  
Khairatabad Circle, Hyderabad – 500 004

Sd/-  
**Jyoti Srivastva**  
Company Secretary  
Membership No. ACS 40017

**DIRECTORS' REPORT**

Dear Members,

The Directors have pleasure in submitting their 14<sup>th</sup> Report on the business operations of your Company together with the Audited Financial Statements of your Company for the year ended 31 March 2020:

**1. Financial Performance (Highlights)**

The financial performance of the Company for the year ended 31 March 2020 is summarized below:

PARTICULARS	(₹ lakh)	
	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
<b>I. REVENUE</b>	<b>51,005.90</b>	<b>54,128.41</b>
<b>II. EXPENDITURE</b>		
Fuel Consumed	28,009.97	26,732.83
Electricity Duty	4894.03	4,799.76
Employee Benefits Expense	433.68	429.31
Finance Costs	4,942.44	8,678.39
Depreciation and Amortization Expense	5,062.01	4,992.44
Other Expenses	4,907.32	4,175.05
<b>TOTAL EXPENSES</b>	<b>48,249.46</b>	<b>49,807.78</b>
<b>III. PROFIT/(LOSS) BEFORE TAXATION</b>	<b>2,756.44</b>	<b>4,320.63</b>
Current Tax	-	362.44
MAT Credit (Entitlement) / Reversal	362.44	(362.44)
Provision for Taxation – Deferred Tax	(3,827.88)	436.03
<b>IV. PROFIT/(LOSS) AFTER TAXATION</b>	<b>6,221.88</b>	<b>3,884.60</b>
<b>V. OTHER COMPREHENSIVE INCOME</b>	<b>(2.09)</b>	<b>3.28</b>
<b>VI. TOTAL COMPREHENSIVE PROFIT</b>	<b>6,219.79</b>	<b>3,887.88</b>

During the financial year 2019-20, the Company had generated profit before tax (PBT) of Rs. 2,756.44 Lakhs against the PBT of financial year 2018-19 of Rs. 4,320.63 Lakhs and Profit for the year after tax (PAT) of Rs. 6,221.88 Lakhs against the PAT of financial year 2018-19 of Rs. 3,884.60. PAT was higher at Rs 6221.88 Lakhs mainly due to the reversal of Deferred Tax Expense of Rs 3827.88 Lakhs on account of changes in Income Tax laws.

**2. Status of Company's Affairs and Future Outlook**

The Company has signed a revised Power Purchase Agreement (PPA) with Tata Steel Limited and T S Alloys Limited with effect from 1<sup>st</sup> April 2018 for sale of full capacity of the plant. Post this contract, the Company focused on reducing cost and thereby ensuring benefits to the customers in supply of electricity at competitive rates.

**3. Change in the nature of business**

During the year under review, your Company continues to be in the business of Thermal Power generation and hence there is no change in the nature of business of the Company.

**4. Dividend**

The Board of Directors of your Company has decided not to recommend any Dividend for the year under review.

**5. Transfer to Reserves**

No transfer to reserves has been made during the year under review.

## 6. Change in the Share Capital

There is no change in the share capital of the Company. The Company continues to be the subsidiary of Tata Steel Limited.

The shareholding detail of the Company is presented below:

Name of the Shareholders	Holding (No. of shares)	% of holding
Tata Steel Limited	23,69,86,703	93.58
Tata Steel Mining Limited (Formerly known as T S Alloys Limited)	1,62,64,484	6.42
<b>Total</b>	<b>25,32,51,187</b>	<b>100.00</b>

## 7. Directors and Key Managerial Personnel

### • Appointments

No Director or Key Managerial Personnel was appointed during the year under review. Mr Sumitra Saha and Mr Amit Bhartia have been appointed as the Managing Director and Chief Financial Officer of the Company w.e.f. 15<sup>th</sup> May 2020.

### • Re-appointments

As per the provisions of the Companies Act, 2013, Mr. Avneesh Gupta will retire at the ensuing AGM and being eligible, seeks re-appointment.

### • Cessation

During the year under review, Mr. Rajesh Singh has resigned from the post of Chief Financial Officer with effect from 14<sup>th</sup> January 2020. However, as per the order received from the parent Company i.e. Tata Steel Limited, Mr. Rajesh Singh continued to extend his support to BPPL during the financial year 19-20 and continued the same till further order of TSL.

Mr Sharad Kumar resigned as the Managing Director of the Company w.e.f. 1<sup>st</sup> May 2020.

The Board of Directors placed on record their appreciation towards the contributions made by them during their tenure in the Company.

All the Directors have confirmed that they are not disqualified from being appointed as Directors in terms of Section 164(2) of the Companies Act, 2013.

Other than the above, there is no change in the composition of the Board of Directors of the Company and Key Managerial Personnel during the reporting period.

Mr Sumitra Saha was appointed as Managing Director and Mr. Amit Bhartia was appointed as the Chief Financial Officer of the Company w.e.f. 15<sup>th</sup> May 2020.

Pursuant to Section 203 of the Companies Act, 2013, as on date the following are the Whole time Key Managerial Personnel of the Company:

- i. Mr Sumitra Saha, Managing Director
- ii. Mr Amit Bhartia, Chief Financial Officer
- iii. Ms Jyoti Srivastva, Company Secretary

## 8. Statement of declaration given by Independent Directors

The Company has received the necessary declaration from each Independent Directors in accordance with Section 149(7) of the Companies Act, 2013 that he/she meets the criteria of independence as laid out in Section 149(6) of the Companies Act, 2013.

## 9. Board of Directors

As on the closure of the financial year i.e. on 31<sup>st</sup> March 2020, the Board consists of six Directors.

### i. Composition and Designation of Directors:

The details of each Member of the Board along with the date of appointment to the Board of the Company and Director Identification Number (DIN) are provided below:

Sr No.	Name of the Director	Designation/Position	Date of Appointment	DIN
1.	Mr. Avneesh Gupta	Chairman	01 <sup>st</sup> February 2018	07581149
2.	Mr. VSN Murty	Director	06 <sup>th</sup> August 2008	00092348
3.	Mr. Bibhu Dutta Nanda	Director	01 <sup>st</sup> February 2018	07531186
4.	Mr. Roopendra Narayan Roy	Independent Director	01 <sup>st</sup> February 2018	00152621
5.	Ms. Ramya Hariharan	Independent Director	01 <sup>st</sup> February 2018	06928511
6.	Mr. Sharad Kumar	Managing Director	01 <sup>st</sup> February 2018	06561321

### ii. Meeting of Board and attendance of Directors

The notice and agenda for the Board Meetings are circulated well in advance to the Board Members. The agenda for the Board Meeting includes applicable matters as per the Companies Act and includes detailed notes on the items to be discussed at the meeting to enable the Directors to take informed decisions on behalf of the esteemed Shareholders.

In case of special and urgent business needs, the Board's approval is taken by passing resolutions by circulation, as permitted by law. During the year under review, three (3) resolutions were passed by the Board by way of circular resolution.

Your Board met four (4) times during the financial year 2019 – 20 on (1) April 11, 2019; (2) July 17, 2019; (3) October 16, 2019; and (4) January 09, 2020 and following were the details of attendance of the Directors:

Name of the Director	Attendance at 13 <sup>th</sup> AGM	Details of attendance at Board Meetings held on			
		11 April 2019	17 July 2019	16 Oct 2019	09 Jan 2020
Mr. Avneesh Gupta	Yes	Yes	Yes	Yes	Yes
Mr. VSN Murty	Yes	Yes	Yes	Yes	Yes
Mr. Bibhu Dutta Nanda	Yes	Yes	Yes	Yes	Yes
Mr. Roopendra Narayan Roy	No	No	No	Yes	Yes
Ms. Ramya Hariharan	No	Yes	No	Yes	No
Mr. Sharad Kumar	Yes	Yes	Yes	Yes	Yes

The necessary quorum was present for all the Board Meetings and the 13<sup>th</sup> Annual General Meeting.

## 10. Board Committees

Your Board has 4 (four) Committees. Each Committee is constituted with an optimum combination of Independent and Non-Independent Directors as prescribed under the Companies Act 2013. Each Committee is constituted with specific terms of reference to focus on pre-defined matters. The Company Secretary acts as Secretary to all Committees. The Chairman of each Committee places the recommendation(s) of their respective Committees before the Board. Minutes of all Committee Meetings are placed before the Board for their review and noting.

The Board has constituted the following committees:

1. Audit Committee;
2. Nomination & Remuneration Committee;
3. CSR and Operational Review Committee;
4. Share Issue and Allotment Committee.

### (i) Audit Committee:

The Audit Committee was initially constituted as per the Agreement entered between Power Finance Corporation Limited, Rural Electrification Corporation Limited, the Company, and the Promoters of the Company. Post-acquisition by Tata Steel

Limited, the Company has become a deemed public company w.e.f. 01<sup>st</sup> February 2018 and the Audit Committee of the Board is constituted in compliance with the provisions of Section 177 of the Act.

The Audit Committee monitors and supervises the Management's financial reporting process, to ensure accurate and timely disclosures with highest levels of transparency, integrity and quality of financial reporting. Committee members are financially literate and have significant exposure in areas of finance, taxation and audit. The Committee also seeks appropriate clarification(s) from Statutory Auditors and the Management to help the Committee's decision making process, as and when required. The Internal Auditor reports to the Audit Committee.

The role and description of terms of reference to the Audit Committee is as per the constitution of the Committee which took place in the Board Meeting held on 01<sup>st</sup> February 2018 and as per the provisions of the Companies Act 2013.

During the year under review, there were 4 (four) meetings of the Audit Committee held on (1) April 11, 2019; (2) July 15, 2019; (3) October 16, 2019; and (4) January 08, 2020. The necessary quorum was present for all the Audit Committee Meetings.

The composition of the Audit Committee and attendance by the Members is as follows:

Name of the Member	Details of attendance at Audit Committee Meetings held on			
	11 April 2019	15 July 2019	16 Oct 2019	08 Jan 2020
Mr. VSN Murty, Chairman	Yes	Yes	Yes	Yes
Mr. Roopendra Narayan Roy, Member	No	No	Yes	Yes
Ms. Ramya Hariharan, Member	Yes	Yes	Yes	No

In case of special and urgent business needs, the Audit Committee's approval is taken by passing resolutions by circulation, as permitted by law.

The Board accepted all recommendations made by the Audit Committee.

**(ii) Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee was constituted in accordance with the requirements of the Companies Act, 2013 since the Company has become a deemed public company w.e.f. 01<sup>st</sup> February 2018. The role and description of terms of reference to the Nomination and Remuneration Committee is as per the constitution of the Committee and as per the provisions of the Companies Act 2013.

The Nomination and Remuneration Committee met once during the financial year 2019-20 on 11<sup>th</sup> April 2019.

The necessary quorum was present for all the Nomination and Remuneration Committee Meetings.

The composition of the Nomination and Remuneration Committee and attendance by the Members is as follows:

Name of the Member	Details of attendance at Nomination and Remuneration Committee Meetings held on	
	11 April 2019	
Mr. Roopendra Narayan Roy, Chairman	No	
Ms. Ramya Hariharan, Member	Yes	
Mr. Avneesh Gupta, Member	Yes	

In case of special and urgent business needs, the Nomination and remuneration Committee's approval is taken by passing resolutions by circulation, as permitted by law.

**Nomination and Remuneration Policy**

The Board of Directors of the Company has, on the recommendation of the Nomination and Remuneration Committee, approved a Nomination and Remuneration Policy of the Company which, inter alia, covers Policy on appointment and removal of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP); remuneration for Directors, KMP and other employees and the process and criteria for annual performance evaluation of the Board, its Committees and Directors.

Payment of remuneration to the Executive/Whole-time Directors of the Company is governed by the terms and conditions of their appointment as recommended by the Nomination and Remuneration Committee and approved by the Board subject to the approval of the Shareholders.

Non-Executive/Independent Directors of the Company receive remuneration by way of fees for attending meetings of the Board or Committee thereof as approved by the Board from time to time within the prescribed limits under the Companies Act, 2013. Non-Executive Directors may also be paid commission as approved by the shareholders subject to a limit of 1% of the net profits of the Company computed under the applicable provisions of the Companies Act, 2013.

The Policy is available on the website of the Company [www.bhubaneshwarpower.com](http://www.bhubaneshwarpower.com)

**(iii) CSR and Operational Review Committee:**

Your Company doesn't fall under the purview of section 135 of the Companies Act 2013 for spending on CSR activities. However, the Ministry of Environment and Forest while granting Project Approval to the Company has stipulated that the Company should carry out certain CSR activities. Accordingly, the Company has defined its CSR activity and the same is being implemented by it under the supervision and guidance of CSR and Operational Review Committee of the Board of Directors of the Company.

The following are the details regarding its constitution:

Name of the Director	Designation
Mr. Avneesh Gupta	Chairman
Ms. Ramya Hariharan	Member
Mr. Sharad Kumar	Member
Mr. B D Nanda	Member

The role and description of terms of reference of this Committee is as per the constitution of the Committee and as per the CSR policy of the Company.

No Committee meeting was held during the financial year 2019-20.

**(iv) Shares Issue and Allotment Committee:**

The Share Issue and Allotment Committee is not a permanent Committee of the Board. The Board constitutes this Committee wherever there is a need. During the period under report, the Committee was not required to be constituted. No Committee meeting was held during the financial year 2019-20.

## 11. Performance Evaluation

The Nomination and Remuneration Committee and the Board of Directors of the Company have laid down the process and criteria for annual performance evaluation of the Board, its Committees and individual Directors. During the year, pursuant to provisions of Section 134, Section 149 read with Code of Independent Directors (Schedule IV) and Section 178 of the Companies Act, 2013, the performance evaluation of the Board, its Committees and individual directors was done through a combination of the Nomination and Remuneration Committee, the Board and a separate meeting of Independent Directors.

Annual Performance Evaluation Forms were provided to the Directors for participating in the performance evaluation process, which contained a structured questionnaire for seeking feedback from the directors on certain predefined attributes applicable to them, including some specific ones for the Independent Directors.

In terms of the recently introduced regulatory requirements providing for establishment of an on-line database of Independent Directors by Indian Institute of Corporate Affairs, every Independent Director shall pass an online proficiency self-assessment test conducted by the Institute. Mr Roopendra Narayan Roy and Ms Ramya Hariharan have passed the proficiency self-assessment test. The Board is of the opinion that Mr. Roopendra Narayan Roy and Ms. Ramya Hariharan, Independent Directors possesses requisite qualification, experience, expertise and holds high standards of integrity.

As per Para VII (1) of Schedule IV to the Companies Act 2013, Independent Directors (IDs) are required to hold at least one meeting without the attendance of Non-independent directors and members of management. However, in order to support and enable Companies in India to focus on taking necessary measures to address the COVID-19 threat and to reduce their compliance burden and other risks, the MCA has inter-alia directed that for the financial year 2019-20, if the IDs of a company have not been able to hold such a meeting, the same shall not be viewed as a violation. Hence, although the meeting was scheduled to be held, the same was cancelled in view of the current situation.

No separate meeting of IDs was held during the year under review.

## **12. Details of Subsidiaries/Joint Ventures/Associate Companies**

Your Company has no subsidiaries/joint ventures/associate companies.

## **13. Statutory Auditors**

M/s. Price Waterhouse & Co Chartered Accountants LLP, Chartered Accountants, Kolkata, bearing Firm Registration No. 304026E/E-300009 was appointed as the Statutory Auditors at the 11<sup>th</sup> Annual General Meeting of the Company for a period of 5 years subject to ratification of its appointment at each Annual General Meeting.

M/s. Price Waterhouse & Co Chartered Accountants LLP has audited the book of accounts of the Company for the Financial Year ended 31<sup>st</sup> March 2020 and has issued the Auditors' Report thereon.

In terms of the provisions relating to statutory auditors forming part of the Companies Amendment Act, 2017, notified on 07<sup>th</sup> May 2018, ratification of appointment of Statutory Auditors at every AGM is no more a legal requirement. Accordingly, the Notice convening the ensuing AGM does not carry any resolution on ratification of appointment of Statutory Auditors.

## **14. Secretarial Auditor**

The provisions of section 204 of the Companies Act, 2013 became applicable to the Company since it has become a deemed public company from 01<sup>st</sup> February 2018 and the paid-up share capital of the Company is more than Rs. 50 crores. As per the provisions of section 204 of the Companies Act, 2013, the Company is required to annex with its Board's report, a Secretarial Audit Report given by a Company Secretary in practice, in the prescribed form.

The Board appointed Ms. Aditi Jhunjhunwala, Practising Company Secretary, as Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial Year 2019-20 and the secretarial audit report in prescribed form MR 3 is annexed to this report.

## **15. Internal Auditor**

The Company's internal control systems & policies are commensurate with the size and nature of operations to provide assurance that all assets are safeguarded, transactions are authorised, recorded and reported properly following all applicable statutes, general accepted accounting principles, Tata Code of Conduct and other corporate policies.

The Company has appointed the Tata Steel Limited Corporate Audit Team as the Internal Auditors of the Company for the financial year 2019-20.

The Internal Audit team monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies and places its report to the Audit Committee of the Company. The Audit Committee reviews the reports submitted by the Internal Auditors in its meeting.

## **16. Explanations or comments by the board on every qualification, reservation or adverse remark or disclaimer made**

There are no qualifications in the Auditors' Report or Secretarial Auditors' Report for or which any explanations need to be offered by the Board of Directors.

### **17. Reporting of Fraud**

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Act.

### **18. Vigil Mechanism**

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company has a Vigil Mechanism that provides a formal channel for all its Directors, employees and vendors to approach the Ethics Counselor/Chairman of the Audit Committee and make protective disclosures about the unethical behaviour, actual or suspected fraud or violation of the Tata Code of Conduct (“TCOC”). In order to adhere to the highest of the ethical standard, the vigil Mechanism includes policies viz. the Whistle Blower Policy for Directors & Employees and the Whistle Blower Protection Policy for Vendors.

The Policy is available on the website of the Company [www.bhubaneshwarpower.com](http://www.bhubaneshwarpower.com)

### **19. Risk Management Policy**

The Company has mapped key risk areas which may affect business and operational objectives of your Company. These risks are periodically revisited against their respective mitigation plans. The Company has a separate Risk Management Committee chaired by the Managing Director and has Department Heads as the Members of the Committee. The Committee meets at periodic intervals and monitors, evaluates and strengthens the effectiveness of risk management framework of the Company.

The Company has developed Risk Management Policy with the objective of identifying and documenting the various possible risks associated with the business, their possible “Trigger Points” and probability of their happening, assessment of the likely implications / impact of each of these risks and mitigation strategy for each risk. The Board of Directors opine that with the mitigation plan in place against each risk identified in the Policy, even in the unlikely event of the risk materializing the same would not threaten the existence of the Company.

### **20. Extract of the Annual Return**

The extract of the Annual Return pursuant to Section 92 (3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is annexed to the Directors’ Report.

### **21. Material changes and commitments**

There have been no material changes and commitments, which affect the financial position of the company which have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

### **22. Details of significant and material orders passed by the regulators / courts / tribunals impacting the going concern status and the company’s operations in future**

During the period under review, there are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and company’s operations in future.

### **23. Statement in respect of adequacy of Internal Financial Controls with reference to the financial statements**

The Board of Directors of your Company is responsible for ensuring that Internal Financial Controls (IFC) are laid down in the Company and that such controls are adequate and operate effectively. The Company’s IFC framework is commensurate with its size, scale and complexity of operations. The framework has been designed to provide reasonable assurance with respect to recording and providing reliable financial and operational information, complying with applicable laws, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliances with corporate policies.

The Internal Auditor conducts regular audits in various functional areas as per an audit plan approved by the Audit Committee. Audit planning and executions are oriented towards assessing the state of internal controls, making them stronger and addressing the risks in various functional areas. The internal auditor reports to the Audit Committee its



findings, observations and rating of internal controls status for each area reviewed. Audit Committee meets periodically to review audit issues and ensures follow up on implementation of corrective actions.

#### **24. Deposit**

During the year, the Company has not accepted any public deposits under the Companies Act, 2013.

#### **25. Particulars of loans, guarantees or investments under section 186 of the Companies Act, 2013**

During the year under review, no such transactions relating to loans, guarantees or investments falling under Section 186 of the Companies Act, 2013 were entered by the Company.

#### **26. Details of contracts as per section 188 of the Companies Act, 2013**

All related party transactions entered during the year were in ordinary course of business and on arm's length basis and the same have been disclosed under Note 34 of the Notes to the Financial Statements. No material related party transactions arising from contracts/arrangements with related parties referred to the Section 188(1) of the Companies Act, 2013 were entered during the year by the Company. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

#### **27. Disclosures under sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act 2013**

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. An Internal Complaint Committee is in place to redress complaints received regarding sexual harassment.

#### **28. Management discussion**

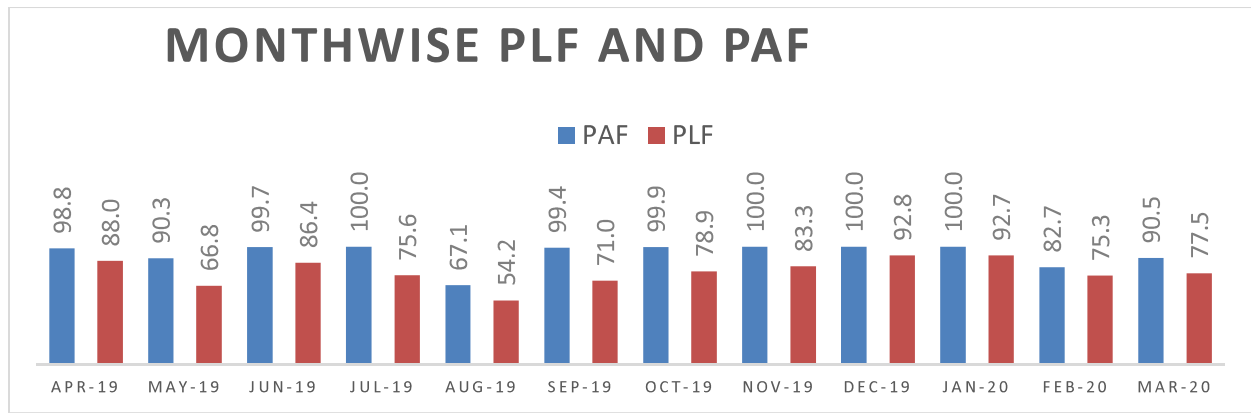
**Operations:** The Company generates electricity through thermal power station for which it sources steam coal from Mahanadi Coal Fields (MCL), open market and imported coal. Consistent coal availability is a major concern for the Company in operating the thermal power station. The Company has a Fuel Supply Agreement (FSA) with MCL for supply of steam coal, however MCL is supplying approx. 50% of FSA quantity only. Therefore, the shortfall of coal supplies from MCL (FSA Contract) is being bridged by sourcing coal from open market, imported coal and MCL E-auctions.

Plant Availability Factor (PAF) for the financial year 19-20 was 94.0% (FY 18-19: 94.44%) and a Plant Load Factor (PLF) for the financial year 19-20 was 78.5% (FY 18-19: 78.13%).

In the month of May-2019, the extremely severe cyclonic storm FANI has slammed into India's eastern coastline which adversely affected the operation of the plant during that particular quarter. FANI caused heavy damages to the transmission lines which badly hampered the plant operation. Both Units were shut for around 2 days and even after resuming operation, the Plant was operating on a very low load due to restrictions from Grid.

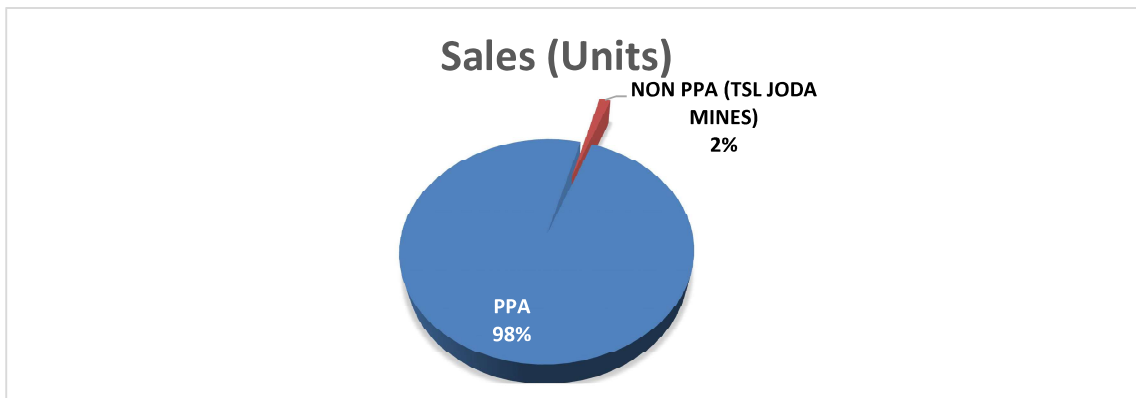
In the month of March-2020, we have seen an unprecedented global breakout of the COVID-19 pandemic which developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. The global spread of COVID-19, i.e. coronavirus led to a humanitarian crisis, lock-downs and significant economic fallout. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimizing disruption to services for all our customers. Keeping the mind the well-being of our employees, 'work from home' model was adopted for the employees to work remotely and securely. The plant was operated with reduced manpower.

Due to COVID-19 and as per guidelines of Government one of our customers- Tata Steel Mining Limited (Formerly known as TS Alloys Limited) stopped their Plant and another customer- Tata Steel Limited (TSL) Kalinganagar reduced their demand which hampered the Plant Generation. Ash evacuation was a major concern because of all brick plants, cement plants, NH construction and empty quarry filling were stopped. Following is the graphical presentation of month-wise PLF and the PAF of the Company for the FY 2019-20:



During the year under review, the Company had produced 931.1 million units of electricity by consuming 8.47 lakhs tons of coal and 821.9 million units of electricity had been sold.

Following is the presentation depicting the sale through PPA and Non PPA during FY 2019-20:



**Safety:** In the Company, safety of workman and plant operations is given the highest priority. The Company works towards achieving benchmarking parameters through continuous adherence to best safety standard followed across Industry. The best safety practices adhered include adoption of advanced technology, creation of better workplace ergonomics, effective communication/ awareness through audio-visual modes, provision of advanced & better quality personal protections etc.

The Company has received Kalinga Safety Excellence Award (Bronze) at Odisha State Safety Conclave 2019 for displaying excellence in implementation safety management system.

During the financial year 19-20, there was an unfortunate fatal accident to a coal truck driver (deployed by the coal transporter) who fell from the truck top while carrying out tarpaulin uncovering activity. Following the accident a highly reliable engineering control in terms of fall protection bays comprising of adequate platforms structure and due fall protection have been provided to carry out such job and also been horizontally deployed at other locations where similar activities are being carried out

In the month of March, 2020, as COVID-19 spread rapidly, both in terms of number of cases and the affected countries, the World Health Organization (“WHO”) characterized COVID-19 as a pandemic. As a Safety measure to this pandemic, BPPL took steps for ensuring that our offices are safe and hygienic workplaces are provided to our employees. During the nation lock-down phase, BPPL enabled the employees to work from home and operated with reduced man power.

Besides above, BPPL had constant communication on building employee awareness, limited working from office premises, proper sanitization, appropriate social distancing etc. to prevent the spread of the novel virus COVID 19.

**Environment:** In order to address the environmental degradation, the Company is undertaking several measures to mitigate environmental risks. In order to bring efficiency in waste management, water and energy conservation, stack and fugitive emission, along with reduction in noise pollution, the Company has adopted modern technology in its Plant operation.

**Ash utilization:** Fly ash utilization since Commercial Operation Date (COD) in 1st year (FY 16-17) of Plant operation is 46.3% (Generation-290569 Tons & Utilization-134433 Tons), 56.37 % during 2nd year i.e. FY 17-18 (Generation-355707 Tons & Utilization-200508 Tons), 119.3% during 3rd year i.e. FY 18-19 (Generation-334040.5 Tons & Utilization 398676 Tons) and 102% during 4th year i.e. FY 2019-20 (Generation 365934 Tons & Utilization 373219 Tons). Company has made MoU with Cement Plants of M/s. JK Laxmi Cement Ltd. & M/s. Shree Cement Ltd. for more ash utilization and uptake already started. BPPL has obtained permission from M/s. Gayatri Projects Ltd. (Contractor from NHAI) to utilize Fly ash in NH-55 for road embankment and the activity is in progress. BPPL also granted CTO from OSPCB for reclamation of abandoned laterite quarry with fly ash at Sauria over an area of Ac. 10.0.

**Environmental Compliance:** The Company is operating its Power Plant with valid Environmental Clearance, Consent to Operate (CTO), Authorization for handling, storage and transportation of Hazardous waste etc. as per requirement of the concerned statutes under various Environmental Acts.

**Greenbelt Development:** Developed greenbelt is being maintained by engaging horticultural professional for better survival rate (> 85%).

**Railway Siding project:**

The Company received approval from East Coast Railway to construct a Railway Siding. Initial stage of this project requires acquisition of land from private owners, Government and Railways.

Status of the Land Acquisition for Railway Siding is shown below:

Sl. No.	Land Acquired through	Total Area required	Acquired/ Purchased	Balance to be Acquired/ Purchased
1	Direct Purchase under Section 73 (c) of the Orissa Land Reforms Act, 1960	20.090	12.790	7.300
2	Private Land under Land Acquisition	7.255	5.220	2.035
3	Fresh Private Land under Land Acquisition	3.390	-	3.390
4	Government Land Lease from IDCO.	1.629	-	1.629
	<b>Total</b>	<b>32.364</b>	<b>18.010</b>	<b>14.354</b>

From the balance land of Ac.14.354 to be acquired, Ac.1.629 is Government Land which shall be leased by IDCO. Negotiation with the private land owners are under process. Apart from the above Ac.32.364, the land owned by Railways required for the Company take-off arrangement shall be licensed by ECoR.

The Company has also been granted the amendment to the Environment Clearance from the Ministry of Environment, Forest and Climate Change (MoEF & CC) on June 15, 2018, for increase in land requirement from Ac.80 to Ac.160 due to implementation of Private railway siding and developing an additional greenbelt as per the clause of National Board for Wildlife (NBWL) clearance.

The Management is negotiating with the private land owner on the purchase price of the lands. Acquisition of Fresh Private Land under Land Acquisition and Government Land Lease from IDCO is under process at the Government level.

**29. Particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo**

**(a) Conservation of Energy:**

- i) The steps taken or impact on conservation of energy: The Company is continuously monitoring the consumption of energy.
- ii) The steps taken by the company for utilizing alternate sources of energy: The Board of the Company has sanctioned for installation 2 KW On Grid Solar Power Panel on the roof top of the Rest Shed inside the plant premises of the Company situated at Dhurusia, Tahsil-Athagarh, Dist: Cuttack-754027, Odisha.

iii) The capital investment on energy conservation equipment: NIL

**(b) Technology absorption:**

- (i) The efforts made towards technology absorption: The Company has been adopting the eco-friendly Circulating Fluidised Bed Combustion (CFBC) technology for Steam Generation.
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution: Not applicable
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- NIL
- (iv) The expenditure incurred on Research and Development: No Research and Development has been carried out.

**(c) Foreign exchange earnings and outgo:**

- (i) Foreign Exchange earned during the year - NIL
- (ii) Foreign Exchange outflow during the year - NIL

**Payment of Principal & Interest to Lenders**

**Security Terms:** Fresh term loan of Rs. 612.58 crores was availed from HDFC Bank Limited, The Kotak Mahindra Bank Limited and The Federal Bank Limited w.e.f. 13<sup>th</sup> September 2018. The term loans are secured by:

- a. a first ranking Security Interest on all the moveable fixed assets (both tangible and intangible) of the Borrower, including any movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future;
- b. a first ranking Security Interest over all the immovable fixed assets of the Borrower (save and except the railway sliding);
- c. a second ranking Security Interest on all of the existing and future inventory, receivables and other current assets of the Borrower.

**Payment Terms:** Repayment of the principal amounts of the loans shall be made in 41 quarterly instalments beginning from 13<sup>th</sup> September 2018. The Term Loan from HDFC Bank Limited, The Kotak Mahindra Bank Limited and The Federal Bank Limited carried interest rate of 8.90% p.a. which was revised to 8.75% p.a. in September 2019 (1 year MCRL rate to be re-visited every year).

**30. Secretarial Standards**

The Company has in place proper systems to ensure compliance with the provisions of the applicable Secretarial Standards issued by The Institute of Company Secretaries of India and such systems are adequate and operating effectively.

**31. Directors' responsibility statement as required under section 134(3)(c) of the Companies Act, 2013**

Pursuant to the requirement under Section 134 (3) (c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, the Directors confirm that:

- a. in the preparation of the Annual Accounts for the year ended 31<sup>st</sup> March 2020, the applicable Accounting Standards have been followed along with proper explanations in case of material departures;
- b. the selected accounting policies were applied consistently, and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year on 31<sup>st</sup> March 2020 and of Profit and Loss Account of the Company for that period;

- c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts for the period ended 31<sup>st</sup> March 2020 have been prepared on a 'going concern' basis; and
- e. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 32. Acknowledgments

The Directors thank all its Stakeholders, i.e. members, customers, vendors, investors, business associates and bankers, for their continuous support. The Directors also express their deep sense of gratitude towards various Governments and regulatory authorities for their continued support and look forward to their guidance in the future. The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic. The Directors appreciate and value the contribution made by Senior Leadership team and employees at all levels across the organization. The resilience to meet and successfully overcome several challenges was possible due to their hard work, solidarity, co-operation and support.

By order of the Board of Directors  
For Bhubaneswar Power Private Limited

Sd/-

**Avneesh Gupta**  
**Chairman**  
DIN: 07581149

Place: Jamshedpur  
Date:

**MGT-9  
EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on 31<sup>st</sup> March 2020**

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

<b>I. REGISTRATION AND OTHER DETAILS</b>	
i) CIN	: U40109TG2006PTC050759
ii) Registration Date	: 31/07/2006
iii) Name of the Company	: Bhubaneswar Power Private Limited
iv) Category / Sub-Category of the Company	: Private Limited Company having share capital
v) Address of the Registered Office and contact details	: Golden Edifice, 1 <sup>st</sup> Floor, Opp. Visweswarayya Circle, Khairatabad, Hyderabad – 500 004, Telangana., Tel No.: 040 – 6657 2222
vi) Whether listed Company Yes / No	: No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	: Karvy Computershare Private Limited, Karvy Selenium Tower – B, Plot No.31 & 32, Financial District Gachibowli, Hyderabad-32., Phone No.: 040 – 6716 1615

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

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

Sl.No	Name and Description of main products / services	NIC NPCS code of the Product/ Service	% to total turnover of the Company
1	Coal based Thermal Power Plants & Equipment	99532622	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sl.No	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Tata Steel Limited Bombay House, 24 Homi Mody Street, Fort, Mumbai, Maharashtra, 400 001	L27100MH1907PLC000260	Holding	93.58	2(46)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):**

**(a) Category-Wise Shareholding:**

Category of Shareholders	No. of Shares held at the beginning of the year on 01.04.2019				No. of Shares held at the end of the year on 31.03.2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	230,251,187	-	230,251,187	100	253,251,187	-	253,251,187	100	NIL
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>230,251,187</b>	<b>-</b>	<b>230,251,187</b>	<b>100</b>	<b>253,251,187</b>	<b>-</b>	<b>253,251,187</b>	<b>100</b>	<b>NIL</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	230,251,187	-	230,251,187	100	253,251,187	-	253,251,187	100	NIL
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>230,251,187</b>	<b>-</b>	<b>230,251,187</b>	<b>100</b>	<b>253,251,187</b>	<b>-</b>	<b>253,251,187</b>	<b>100</b>	<b>NIL</b>

**(b) Shareholding of Promoters**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year on 01.04.2019			Shareholding at the end of the year on 31.03.2020			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Tata Steel Limited	236,986,703	93.58	-	236,986,703	93.58	-	-
2.	Tata Steel Mining Limited (Formerly known as T S Alloys Limited)	16,264,484	6.42	-	16,264,484	6.42	-	-
	<b>Total</b>	<b>253,251,187</b>	<b>100.00</b>	<b>-</b>	<b>253,251,187</b>	<b>100.00</b>	<b>-</b>	<b>-</b>

**(c) Change in Promoters' Shareholding (please specify, if there is no change): No change during the financial year 2019-2020**

Sl. No.	Name of the shareholder	Shareholding at the beginning (01.04.2019)/end (31.03.2020) of the year		Cumulative Shareholding during the year (01.04.2019-31.03.2020)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>Tata Steel Limited</b>				
	At the beginning of the year	236,986,703	93.58		
	Date wise Increase/Decrease in Promoters Shareholding during the year along with reason for increase/decrease	NIL			
	At the end of the year			236,986,703	93.58
3.	<b>Tata Steel Mining Limited (Formerly known as TS Alloys Limited)</b>	16,264,484	6.42		
	At the beginning of the year				
	Date wise Increase/Decrease in Promoters Shareholding during the year along with reason for increase/decrease	NIL			
	At the end of the year			16,264,484	6.42

**(d) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): NIL**

Sl. No.	Name of shareholders	Shareholding at the beginning (01.04.2019)/end (31.03.2020) of the year		Cumulative Shareholding during the year (01.04.2019-31.03.2020)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	-	-	-	-
2.	Date wise Increase/Decrease in Shareholding during the year alongwith reason for increase/decrease	-	-	-	-
3.	At the end of the year (or on the date of separation, if separated during the year)	-	-	-	-

**(e) Shareholding of Directors and Key Managerial Personnel: NIL**

Sl. No.	Name of Directors and KMP	Shareholding at the beginning (01.04.2019)/end (31.03.2020) of the year		Cumulative Shareholding during the year (01.04.2019-31.03.2020)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	-	-	-	-
2.	Date wise Increase/Decrease in Shareholding during the year alongwith reason for increase/decrease	-	-	-	-
3.	At the end of the year	-	-	-	-

**V. INDEBTEDNESS:**

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	<b>Amount (Rs.)</b>			
Principal Amount				
• Term Loan	5,65,26,11,600			5,65,26,11,600
• Working Capital	31,03,27,545			31,03,27,545
ii) Interest due but not paid				



iii) Interest accrued but not due			
<b>Total (i+ii+iii)</b>	5,96,29,39,145		5,96,29,39,145
<b>Change in Indebtedness during the financial year</b>			
i) Addition			
ii) Reduction	62,07,71,676		62,07,71,676
<b>Total (i+ii)</b>	62,07,71,676		62,07,71,676
<b>Net Change Indebtedness at the end of the financial year</b>			
Principal Amount			
• Term Loan	5,05,79,26,735		5,05,79,26,735
• Working Capital	28,42,40,734		28,42,40,734
ii) Interest due but not paid			
iii) Interest accrued but not due			
<b>Total (i+ii+iii)</b>	5,34,21,67,469		5,34,21,67,469

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. no.	Particulars of Remuneration	₹ (lakh)	
		Sharad Kumar (MD)*	Total amount (Rs.)
1.	Gross salary	NIL	NIL
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit - others, specify...		
5.	Others, please specify		
	Total (A)		
	Ceiling as per the Act		

\* Deputed by Tata Steel Limited with effect from 01<sup>st</sup> February 2018. The remuneration is paid by Tata Steel Limited and the same is reimbursed by the Company to Tata Steel Limited as Deputation Charge. He resigned w.e.f. 1<sup>st</sup> May 2020.

**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	₹ (Lakh)			
		Name of Directors			Total
		VSN Murty	Roopendra Narayan Roy	Ramya Hariharan	Total
1.	Independent Directors • Fee for attending board / committee meetings • Commission Others, please specify	-	0.40	0.60	
	Total (1)	-	0.40	0.60	<b>1.00</b>
2.	Other Non-Executive Directors • Fee for attending board / committee meetings	0.80	-	-	

• Commission Others-Consultancy Charges				
Total (2)	0.80	-	-	<b>0.80</b>
Total (B)=(1+2)	0.80	0.40	0.60	<b>1.80</b>
Overall Ceiling as per the Act	Rs. 1 Lakh per meeting of the Board or committee thereof			

**C. Remuneration to the Key Managerial Personnel:**

S. No	Particulars of Remuneration	Chief Financial Officer Mr Rajesh Singh*	Company Secretary Ms. Jyoti Srivastva	Total Amount (Rs.)
	Gross salary	NIL		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		8,70,552.00	8,70,552.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-	-
2	Stock Option		-	-
3	Sweat Equity		-	-
4	Commission		-	-
	- as % of profit			
	- others, specify...			
5	Others, please specify		-	-
	<b>Total (c)</b>	8,70,552.00	8,70,552.00	

\* Deputed by Tata Steel Limited with effect from 01<sup>st</sup> February 2018. The remuneration is paid by Tata Steel Limited and the same is reimbursed by the Company to Tata Steel Limited as Deputation Charge. He resigned w.e.f. 14<sup>th</sup> January 2020.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
NIL					

**SECRETARIAL AUDIT REPORT****FORM NO. MR-3**

FOR THE PERIOD FROM APRIL 1, 2019 TO MARCH 31, 2020 ('AUDIT PERIOD')

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

To,  
The Members,  
Bhubaneswar Power Private Limited  
Hyderabad

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bhubaneswar Power Private Limited (hereinafter referred to as the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the statutory compliances and expressing my opinion thereon, if any. This report is subject to limitations in view of the consequences arising due to outbreak of Covid-19.

Based on my electronic verification of the Company's minute books and returns filed and other records maintained and provided by the Company on sample basis or otherwise and also the information provided by the officers of the Company during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the Audit Period, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records including internal audit report and compliance certificate maintained and as made available over email by the Company, for the Audit Period according to the provisions of:

1. The Companies Act, 2013 ("the Act") and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder- The same was not applicable during the Audit Period;
3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings: The same was not applicable during the Audit Period;
5. Secretarial Standards 1 and 2 as issued by the Institute of Company Secretaries of India.

The laws specifically applicable to the industry to which the Company belongs, as identified by the management are:

1. The Factories Act, 1948 and Odisha Factories Rules, 1950;
2. The Contract Labour (R & A) Act, 1970 and Odisha Contract Labour Rules (R & A), 1975
3. Employees Provident Fund & Miscellaneous Provisions Act, 1952
4. The Minimum Wages Act, 1948 & Odisha Rules, 1954;
5. Water (Prevention and Control of Pollution) Act, 1974;
6. Payment of Wages Act, 1936 & Odisha Rules, 1936;
7. Workmen Compensation Act, 1923 & Rules, 1924 & Odisha Workmen Compensation Rules, 1923

8. Employees State Insurance Act, 1948 and Rules thereto;
9. Odisha Shops and Commercial Establishment Act & Rules, 1958;
10. Food Safety and Standards Act, 2006;
11. Goods and Services Tax Act, 2016;
12. The Indian Boilers Act, 1923;
13. The Legal Metrology Act, 2009;
14. The Income Tax Act, 1961.

I report that, the Managing Director, Chief Financial Officer (CFO) and the Company Secretary of the Company provide a certificate of statutory compliances on a quarterly basis wherein the said officers confirm about compliance of the laws applicable to the Company, both general and specific. Accordingly, as per the management, there have been no fines or penalties or show cause received under the above stated specific laws. However, the following are to be noted:

- a. The CFO being a key managerial personnel has resigned w.e.f. close of business hours of 14<sup>th</sup> January 2020 during the Audit Period and the vacancy was filled only after the year ended March 31, 2020;
- b. The Board of Directors have after perusal of detailed note and estimates obtained, given an approval for construction of fire station and first aid centre at the plant at their meeting on 11.04.2019 under the Factories Act, 1948;
- c. The construction of the internal road to the plant was completed during the Audit Period under the Factories Act, 1948;
- d. The Company has during the Audit Period considered making of payment of Cess under the Building & Construction Workers Welfares Cess Act, 1966.
- e. There are litigation cases filed against the Company which the Company is contesting as *malafide* as per the documents and explanations provided by the officer of the Company.

**Management Responsibility:**

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on the secretarial records based on my audit;
2. I have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion;
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company;
4. I have not carried out the physical verification of any records due to prevailing pandemic Covid-19 in the Country and have relied on the records as made available by the Company through digital mode. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc;
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis;

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

***Observations***

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above subject to the following observations:

**Recommendations as a matter of best practice**

*In the course of my audit, I have made certain recommendations for good corporate practices and to ensure compliance of applicable laws, and the same is separately given to the management for necessary consideration and implementation by the Company.*

**I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors.

Adequate notice is given to all directors to schedule the Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance as also at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Resolutions have been approved by majority while there were no dissenting views of the members. However, views of the Board members, if any, on any agenda item are recorded as part of the minutes.

**I further report that** based on the compliance mechanism established by the Company and on the basis of compliance certificate issued by the Managing Director, Chief Financial Officer and the Company Secretary and taken on record by the Board of Directors at their meeting(s), I am of the opinion that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the Audit Period, the Company has not incurred any specific event/ action that can have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Place: Kolkata

Sd/-

Date: 10.07.2020

Aditi Jhunjhunwala  
Practising Company Secretary  
Membership No: 26988  
C.P. No.: 20346  
UDIN: A026988B000434549

## **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.

### **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

Sd/-  
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.

### **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.

### **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 control 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

Sd/-  
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 Bhubaneswar 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.
- 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

Sd/-  
Dhiraj Kumar  
Partner  
Membership Number: 060466  
UDIN: 20060466AAAAAY4026

Place: Hyderabad  
Date: May 20, 2020

## 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

**For and on behalf of the Board of Directors**

Sd/-

**Dhiraj Kumar**

Partner

Membership Number: 060466

Sd/-

**Sumitra Saha**

Managing Director

DIN: 08742250

Sd/-

**B D Nanda**

Director

DIN: 07531186

Sd/-

**Amit Bhartia**

Chief Financial Officer

Sd/-

**Jyoti Srivastva**

Company Secretary

Place : Hyderabad

Date : 20 May 2020

Place : Bhubaneswar

Date : 20 May 2020

**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

Sd/-

**Dhiraj Kumar**

Partner

Membership Number: 060466

**For and on behalf of the Board of Directors**

Sd/-

**Sumitra Saha**

Managing Director

DIN: 08742250

Sd/-

**B D Nanda**

Director

DIN: 07531186

Sd/-

**Amit Bhartia**

Chief Financial Officer

Sd/-

**Jyoti Srivastva**

Company Secretary

Place : Hyderabad

Date : 20 May 2020

Place : Bhubaneswar

Date : 20 May 2020

**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</b> (A)	<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</b> (C)	<b>(11,166.53)</b>	<b>(13,593.86)</b>
<b>Net Decrease in Cash and Cash Equivalents</b> (D) = (A+B+C)	<b>(0.99)</b>	<b>(111.37)</b>
<b>Opening Cash and Cash Equivalents</b> (E)	<b>5.19</b>	<b>116.56</b>
<b>Closing Cash and Cash Equivalents</b> (F) = (D)+(E)	<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

Sd/-  
**Dhiraj Kumar**  
Partner  
Membership Number: 060466

**For and on behalf of the Board of Directors**

Sd/-  
**Sumitra Saha**  
Managing Director  
DIN: 08742250

Sd/-  
**B D Nanda**  
Director  
DIN: 07531186

Sd/-  
**Amit Bhartia**  
Chief Financial Officer

Sd/-  
**Jyoti Srivastva**  
Company Secretary

Place : Hyderabad  
Date : 20 May 2020

Place : Bhubaneswar  
Date : 20 May 2020



## Notes forming part of the Financial Statements

### 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.



## Notes forming part of the Financial Statements

### Note 4. Property, Plant and Equipment

₹ in Lakhs

Particulars	Freehold Land	Buildings	Plant & Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total
<b><u>Cost or Deemed Cost</u></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><u>Accumulated Depreciation</u></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.

## 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	460.68	159.16
<b>Total</b>	<b>460.68</b>	<b>159.16</b>

### Note 6. Intangible Assets

₹ in Lakhs

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

₹ in Lakhs

Particulars	Software & Licenses
<b><u>Cost or Deemed Cost</u></b>	
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>
<b><u>Accumulated Depreciation</u></b>	
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].

## 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 (IPICOL)	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>	<b>4.68</b>	<b>14.89</b>	<b>2.90</b>	<b>328.65</b>	<b>351.12</b>
<b><u>Accumulated Depreciation/Amortisation</u></b>					
Balance as at 1 April, 2019	-	-	-	-	-
Depreciation/Amortisation Expense	-	-	-	-	-
<b>Balance as at 01 April, 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation/Amortisation Expense	3.75	12.77	0.04	12.38	28.94
<b>Balance as at 31 March, 2020</b>	<b>3.75</b>	<b>12.77</b>	<b>0.04</b>	<b>12.38</b>	<b>28.94</b>
<b>Carrying amount as at 31 March, 2020</b>	<b>0.93</b>	<b>2.12</b>	<b>2.86</b>	<b>316.28</b>	<b>322.19</b>

## 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.

## Notes forming part of the Financial Statements

₹ in Lakhs

### Note 12. Cash and Cash Equivalents

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".

₹ in Lakhs

### Note 13. Other Balances with Banks

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>

₹ in Lakhs

### Note 14. Other Financial Assets

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>

₹ in Lakhs

### Note 15. Other Current Assets

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>

## 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
<b>(a) Authorised</b> Equity Shares of ₹ 10 each	25,70,00,000	25,700.00	25,70,00,000	25,700.00
<b>(b) Issued, subscribed and fully paid-up</b> 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>

## 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

₹ in Lakhs

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 *
<b>Term Loans - Secured (at amortised cost)</b>				
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	
	31 March, 2020	31 March, 2019
Employee Benefits	14.21	18.69
<b>Total</b>	<b>14.21</b>	<b>18.69</b>
Non-Current	13.30	17.43
Current	0.91	1.26
<b>Total</b>	<b>14.21</b>	<b>18.69</b>

## Notes forming part of the Financial Statements

### Note 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
<b>Opening balance</b>	<b>3,682.97</b>	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.



## 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>		
<b>From Banks:</b>		
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>

## 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>

## 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	36.84
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>

**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**

Reconciliation of opening and closing balances of obligation	For the year ended	
	31 March 2020 (` in lakh)	31 March 2019 (` in lakh)
<b>Opening defined benefit obligation</b>	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>

Change in Plan Assets (Reconciliation of opening & closing balances)	For the year ended	
	31 March 2020 (` in lakh)	31 March 2019 (` in lakh)
<b>Opening fair value of plan assets</b>	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>	<b>11.71</b>

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:

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

**34.2 Transactions during the Year:**

` in Lakhs

Particulars	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:**

` in Lakhs

Particulars	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
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**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.

in Lakhs

Particulars	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.

**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)
-------------	-----------------------



<b>Recognised on account of adoption of Ind AS 116 as on April 01, 2019</b>	22.47
Additions during the year	-
Finance cost accrued during the year	1.25
Payment of lease liabilities	17.62
<b>Balance as on March 31, 2020</b>	6.10

**b. Amounts recognised in the Statement of Profit and Loss**

<b>Particulars</b>	<b>For the year ended March 31, 2020 Amount (` in lakh)</b>
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**  
Firm Registration Number: 304026E / E300009  
Chartered Accountants

**For and on behalf of the Board of Directors**

Sd/-  
**Dhiraj Kumar**  
Partner  
Membership Number: 060466

Sd/-  
**Sumitra Saha**  
Managing Director  
DIN: 08742250

Sd/-  
**B D Nanda**  
Director  
DIN: 07531186

Sd/-  
**Amit Bhartia**  
Chief Financial Officer

Sd/-  
**Jyoti Srivastava**  
Company Secretary

Place: Hyderabad  
Date: 20 May 2020

Place: Bhubaneswar  
Date: 20 May 2020