

TALWANDI SABO POWER LIMITED

Annual Report 2020-21



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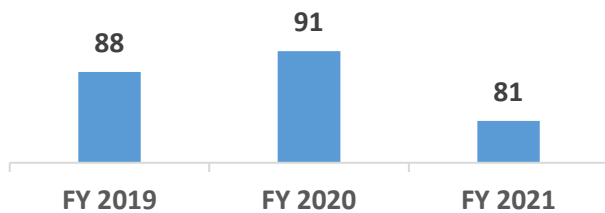


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OPERATIONAL PERFORMANCE 2020-21

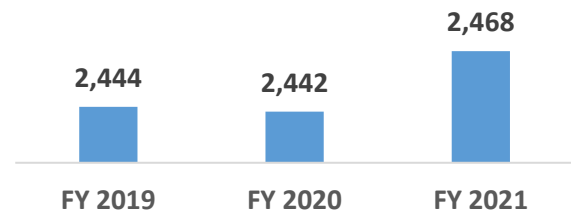
PLANT TECHNICAL AVAILABILITY (%)



Description: Yearly availability chart

Commentary: FY 2021 closed on lower availability of 81% due to combined effect of coal stock out due to Kisan Aandolan and Unit 3 availability issues.

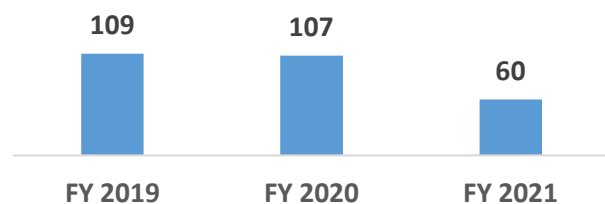
NET STATION HEAT RATE (Kcal/Kwh)



Description: Yearly Net Station Heat Rate

Commentary: Net Station heat rate is measure of energy required to export 1 unit of power. FY 2021 NSHR closed on a bit higher NSHR of 2468 due to multiple start up shutdown due to large variation in demand and associated auxiliary power and coal required for start-up of units.

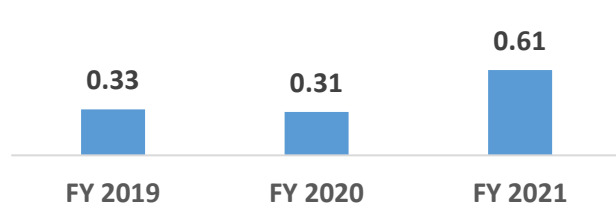
FLY ASH UTILIZATION (%)



Description: Utilization of ash generated during operations

Commentary: Due to Covid-19 induced travel restrictions and lower cement demand, ash utilization reduced from previous 107% to 60%. Utilization picked up in Q3 and Q4 due to easing restrictions.

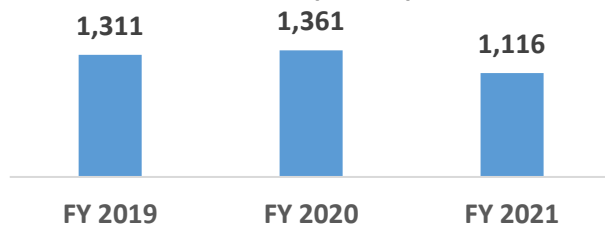
SPECIFIC OIL CONSUMPTION (ml/Kwh)



Description: Oil required for start up and shutdown of units

Commentary: Oil consumption increased due to frequent start up and shutdown owing to variation in state load in Q1 and Q3 and also due to increase in cold start-ups requiring more oil.

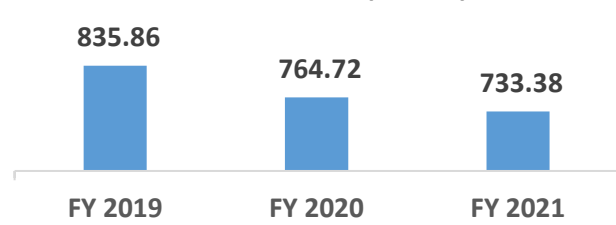
EBITDA (₹ in Cr)



Description: Earnings before Interest, Depreciation & Tax

Commentary: Lower EBITDA due to reduction in capacity charges per kwh as per PPA & higher power fuel cost on account of net station heat rate.

FINANCE COST (₹ in Cr)



Description: Finance Cost (Cost of Debt)

Commentary: Reduction in finance cost on account of repayment of borrowings via cash generated from business & recovery from debtors.

TSPL'S VISION & MISSION

Vision:

To become the best performing & the most competitive power plant in India with world-class sustainability practices aided by technology, innovation and strong governance framework with aim to partnering in progress of the Nation.

Mission:

To power India's growth by sustainable technologies that efficiently utilize energy resources embracing Vedanta's core values.

TSPL'S CORE VALUES





Mr. Agnivesh Agarwal
Chairman

Mr. Agnivesh Agarwal, aged 44 years, joined Talwandi Sabo Power Limited as Director and Chairperson of the Company on April 27, 2019. He has more than a decade of rich experience in the corporate sector with a strong knowledge of business operations and in-depth experience in managing projects. Mr. Agarwal holds a bachelor's degree in business administration from University of Mumbai.

Mr. Vikas Sharma
CEO & Whole-time Director

He was appointed as CEO of TSPL in July 2019, and as WTD designated as CEO effective from Oct 2019. He joined Vedanta Group as location head of Chanderiya Smelter of HZL in 2012. During his tenure at Vedanta he played integral role in the growth of the Company and made significant contribution in safety, productivity and people development. He holds Bachelor's Degree with Honors in Mechanical Engineering from Engineering College Kota, University of Rajasthan and MBA in Marketing from Sikkim Manipal University, Gangtok, India.



Ms. Pooja Somani
Non-Executive Director

Ms. Pooja Somani, aged 38 years, has been on the Board of Talwandi Sabo Power Limited as Non-Executive Director since March 31, 2015. Ms. Somani joined Vedanta Group in October, 2004 and since then held a variety of financial appointments in the areas of Treasury, business development, mergers & acquisitions, corporate finance, audit & accounting and corporate strategy. Ms. Somani is a fellow Member of the Institute of Chartered Accountants of India and Institute of Company Secretaries of India.





Mr. R Kannan
Non-Executive Independent Director

Mr. R Kannan brings with him over 30 years of rich experience in the areas of banking, corporate finance, capital markets and corporate advisory. He has been member of High Power Committees, appointed by the Government of India and Securities and Exchange Board of India. Mr. Kannan is a Post Graduate in Mathematics from Madras University, PGDMS from Bombay University and Certified Associate of Indian Institute of Bankers with Industrial Finance.



Mr. Baldev Krishan Sharma
Non-Executive Independent Director

Mr. B. K. Sharma has more than 40 years' of experience in diverse sectors like Telecom Cables, Power cables, H.T. Insulators, Steel & steel Wires, Paper, Mining & Metals, and Project Management. Mr. Sharma was associated with Vedanta Group for more than 15 years and worked in Leadership/Business Head roles in the Group companies in India and abroad. Mr. Sharma is Science Graduate and Masters in Business Management.



Mr. Mahendra Singh Mehta
Non-Executive Independent Director

Mr. Mehta has over 38 years of experience in operations, strategy and business turnaround in multiple sectors spanning across steel, non-ferrous metals, mining, power generation and distribution, infrastructure and cement. He was CEO and member of the Board of Vedanta Resources Ltd. between 2008 and 2014. He was instrumental in driving several transformational initiatives during his tenure at Vedanta Group which started in 2000. He has a mechanical engineering degree and an MBA from IIM, Ahmedabad.



The detailed profiles of the Board members can be viewed on the website of the Company at <https://www.tsplindia.co>

CORPORATE INFORMATION

 REGISTERED OFFICE

Talwandi Sabo Power Limited
Village Banawala, Mansa- Talwandi Sabo Road
Mansa, Punjab – 151302, India
 CIN: L40101PB2007PLC031035
 Tel: +91-165-924-8000
 Fax: +91-165-8083
 Email: tspl.secretarial@vedanta.co.in
 Website: www.tsplindia.co

 AUDITORS**Statutory Auditors**

M/s S. R. Batliboi & Co. LLP

Internal Auditors

M/s PwC Services LLP

Secretarial Auditors

M/s Chandrasekaran Associates

Cost Auditors

M/s K G Goyal & Company

 KEY MANAGERIAL PERSONNEL**Chief Executive Officer & Whole-time Director**

Mr. Vikas Sharma

Chief Financial Officer⁽¹⁾

Mr. Swapnesh Bansal

Company Secretary & Compliance Officer⁽²⁾

Ms. Dashmeet Rana

(1) Appointed effective May 19, 2020 in place of Mr. Sandeep Modi

(2) Appointed effective January 22, 2021 in place of Ms. Mansi Bhutani

 DEBENTURE TRUSTEE**Vistra ITCL (India) Limited**

Formerly known as IL&FS Trust Company Limited

CHAIRMAN'S STATEMENT

Dear Members,

It gives me immense pleasure to share my thoughts with you as your Company's Chairman. We have constantly challenged ourselves to deliver more and set new benchmarks for ourselves.

With great pride I say that your Company has always been on a constant path of expansion and growth with best-in-class safety, technology, and cost efficiency.

In the unprecedented times of COVID - 19 pandemic, your Company has been a front runner in doing its bit to help save lives, livelihoods and in every possible way contribute in combating the virus. Your Company's employees and Business Partners have persistently worked in the communities in the plant periphery villages and would like to thank everyone for their constant commitment, effort, and support.



As we all have seen, this year was challenging, which tested our organisational spirit amidst a turbulent macro environment. However, at the end of it, your Company has emerged stronger, paving pathways for enhanced future growth.

On each aspect, we are proud of what we have achieved in FY 2021.

Performance during the year

- ❖ Positive order from Supreme Court in Coal GCV Matter realization of ₹ 375 Cr in Mar' 21 and ₹ 60 crs in Apr' 21
- ❖ VSAP score of 74 with group best score of 75 in WAH module
- ❖ Positive order from APTEL in FGD cost pass through case
- ❖ Plant Availability: 81%
- ❖ Plant operation with zero import coal (First time since station commissioning)
- ❖ Lowest ever cost of coal: ₹ 1.46/GCV
- ❖ Best ever APC of 7.19% for the year

However certain events resulted in deviation from expected results

- ❖ 1 fatal injury in Ash Handling Plant
- ❖ FM notice received from PSPCL for April and May owing to reduced power demand during COVID-19
- ❖ Ash utilization of 60% due to Covid-19 related demand disruption

Touching lives of people

As an organisation we aim to secure our social licence to operate by assessing the maturity of our business in the context and driving community development activities across multiple spheres. The Company has undertaken various initiatives with major focus on rural infra development, safe drinking water, health services and education and wellbeing of children. During the FY 2021, TSPL spent ₹ 2.82 Cr on social initiatives which have touched the lives of ~35,000 beneficiaries across 26 villages with initiatives being taken for COVID-19 prevention and relief measures.

Health, Safety and Environment

Our HSE and sustainability approach is strongly led by the need to address the expectations of our stakeholders at large, while delivering strong business performance. We ensure the safety of our workforce and TSPL has made

significant progress towards safety culture improvement by engaging with all level of employees and contract partners and implemented safety performance standards & Housekeeping drive, imparting safety training by external agency and internal training. Occupational health and safety are non-negotiable factors for the Company, and we are determined to achieve absolute 'Zero Harm' in our operations. We operate as a responsible corporate citizen, focusing on achieving 'zero harm, zero discharge and zero wastage', and thus minimising our adverse environmental impact.

Recognitions to the Company

The Company has bagged various awards and accolades during the year for its initiatives in the areas of corporate governance, safety, water conservation, energy conservation, environmental performance, HR practices etc.

In our constant endeavour to ensure utmost standards of governance, I am pleased to inform that we were awarded at 20th Edition of the ICSI National Awards for Excellence in Corporate Governance 2020 as the "Best governed Company" and "Governance Professional of the year".

Changes in Leadership

The Board of Directors welcomed Mr. R Kannan and Mr. Baldev Kumar Sharma as Independent Directors in place of Mr. Gurminder Singh Kang and Ms. Mala Tadarwal, whose term had expired during FY 2021. Pursuant to resignation of Mr. SK Roongta, the Board also welcomed Mr. MS Mehta as an Independent Director. Mr. Sharma, Mr. Kannan and Mr. Mehta bring with them various years of rich and diverse experience. We also welcomed Mr. Swapnesh Bansal as the Chief Financial Officer of the Company in place of Mr. Sandeep Modi who, owing to other assignments within the group, desired to step down. We place on record our deep appreciation to Mr. Gurminder Singh Kang, Ms. Mala Tadarwal, Mr. SK Roongta and Mr. Sandeep Modi, for the contributions made during their association with the Company.

FY 2022 and beyond

In every aspect of our business, I envision a Company inspired and focused on the opportunities ahead of us and I truly believe that the after COVID, the world will bring greater opportunities for India to obtain a better place at a global level. We will continue to drive up efficiencies and in particular focus on creating a safe culture to match world-class standards.

On behalf of the Board and the entire leadership team, I solicit your continued cooperation for all our present and future endeavours.

Best Wishes,

Agnivesh Agarwal
Chairman

CEO'S MESSAGE

Dear Members,

I am writing to you in these unprecedented times when the whole Country is in second wave of Covid-19 pandemic and people, at large, are experiencing challenges at humungous scale. It is time for helping each other, exercising care of self and loved ones and to give back to the society in every way possible.

TSPL is following the State and Central government directives to keep its employees, business partners and communities safe and healthy. We are also partnering with the Government Authorities and the business partners to ensure inoculation of all of our employees, their families and business partners employees at site. This is being done to ensure our facility is ready to supply power 24*7, to cater to essential services like hospitals etc. I would also like to appreciate the support provided by district administration in this initiative.



Year 2020-21 was a challenging year for TSPL as pandemic brought with it many uncertainties. But we managed to close the year on a decent note:

- ❖ Positive order from Supreme Court in Coal GCV Matter realization of 375 Cr in Mar' 21 and 60 crs in Apr' 21
- ❖ Project cost pass through obtained in FGD case
- ❖ Plant Technical Availability of 81%
- ❖ EBITDA of ₹ 1116 Crore
- ❖ Fly Ash Sales Realization of ₹23 Cr
- ❖ Lowest ever Auxiliary Power Consumption of 7.19%
- ❖ Specific Oil Consumption of 0.61 ml/kwh

TSPL won 10 awards during FY2021. Awards were received in the areas of Corporate Governance, Safety, People Practices, Environmental Management & Ash Utilization etc. It would be pertinent to mention that TSPL has been appreciated by the ICSI for robust Corporate Governance process (unlisted segment- medium category) and our CS Ms. Mansi Bhutani was conferred with "Governance Professional of the Year" Award. Such awards not only burnish our governance credentials at the highest forum, but also showcases our talent management and type of work exposure we provide as a part of talent management process. Further, we closed Q4 with lowest ever NSHR of 2426 Kcal/kwh and FY21 with lowest ever APC of 7.19%. The team brainstormed on many initiatives for reducing APC and executed many projects to reduce APC considerably and we shall continue to exhibit high performance on this account.

Our O&M Business Partner, M/s STEAG Energy Services (India) Pvt Ltd. – delivered good performance with its best-in-class industry practices and we are looking forward to a new association with KPS to help us improve the performance further.

We had an unfortunate fatal incident at site in September 2020. We deliberated it in detail, arrived at the root-causes and the learning from the incident and implemented the same at site. The learning from the incident has also been shared with other companies in the Group.

This year, COVID-19 also disrupted the business for TSPL in more than one ways. First of all, we got FM notice from PSPCL for the month of April and May 2020. PSPCL refused to pay capacity charges for the period owing to COVID-19 demand disruption. We are taking all necessary steps to ensure we get our due from PSPCL for which we have taken legal route too.

Secondly, due to national lockdown and restrictions on vehicle movement during first corona wave, offtake by cement companies was low, road construction was put to halt, which resulted into lower lifting of our ash in Q1-Q3 period.

We continue to show our efforts to become partner of choice for our communities and so have spent approx. ₹ 286 Lakhs on Social Programmes. Our efforts in the areas of Healthcare, Livelihood, Rural Infrastructure Development, Sports etc. have touched the lives of people who live around our site and we will continue to enhance this further through various CSR programmes in future.

We are supporting our surrounding communities on COVID-19 pandemic, through PPE's disbursement, dry ration, sanitization drives, refreshments to Police personnel etc. We are in constant touch with the District Administration and will do everything under our control to protect our neighbouring communities.

Future Outlook

We have a very bright, young & talented workforce at TSPL, which will help us achieve better performance owing to its relentless efforts and winning attitude. Next year, we are looking at bringing in another partner to make our maintenance practices world class. This year, we are focused on sustaining Operational Excellence with focus on Safety, Health and Environment Performance.

Your Company will continue to operate under the highest standards of Corporate Governance and with continued focus on digitalisation of processes, which will go a long way in improving the overall performance of our Business.

I would like to extend my gratitude to all the Board of Directors, Employees, our Business Partners, our Customers, Stakeholders, Bankers, Central and State Governments for their continuous support and I look forward to a sustainable growth journey ahead.

Best Regards

Vikas Sharma
TSPL CEO & WTD

Corporate Social Responsibility Initiatives

Introduction

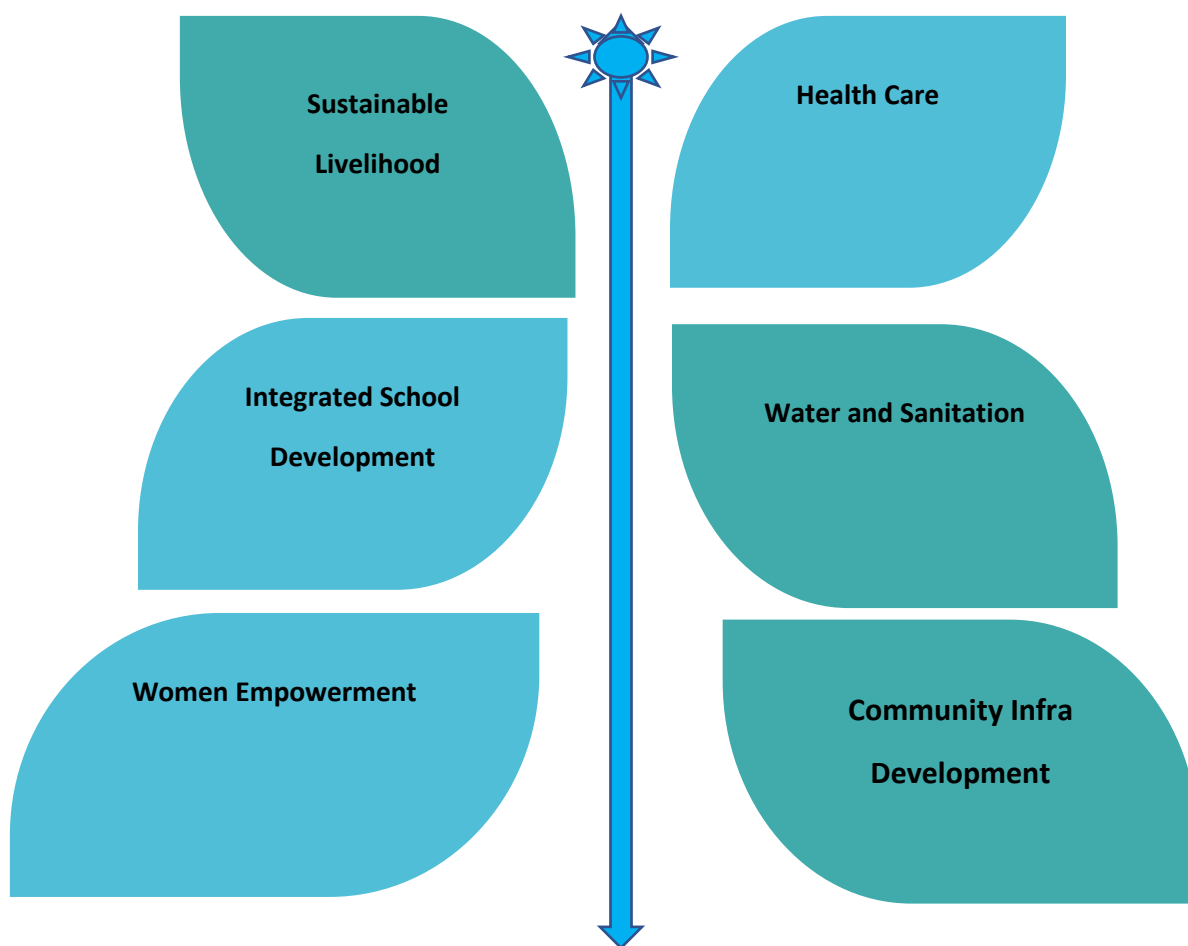
The entire world has been facing challenging situation posed due to outbreak of covid 19 pandemic. In this pandemic time TSPL being a socially responsible organization have secured its commitment towards community and have taken up challenges to stand alongside community. We continued with our endeavours to transform lives through structured CSR interventions and creating maximum value for all our stakeholders.

At TSPL, giving back to the communities is a crucial part of the Company’s long-term business strategy. The Company’s community initiatives are directed to aid social-economic development of the communities around the plant and holistic development of the area in alignment with the sustainability development goals. In the reporting year multiple initiatives were implemented with major thrust areas around health, drinking water and sanitation, sports, livelihood and community development aligned to UN Sustainable Development Goals and CSR mandate of Companies Act, 2013.

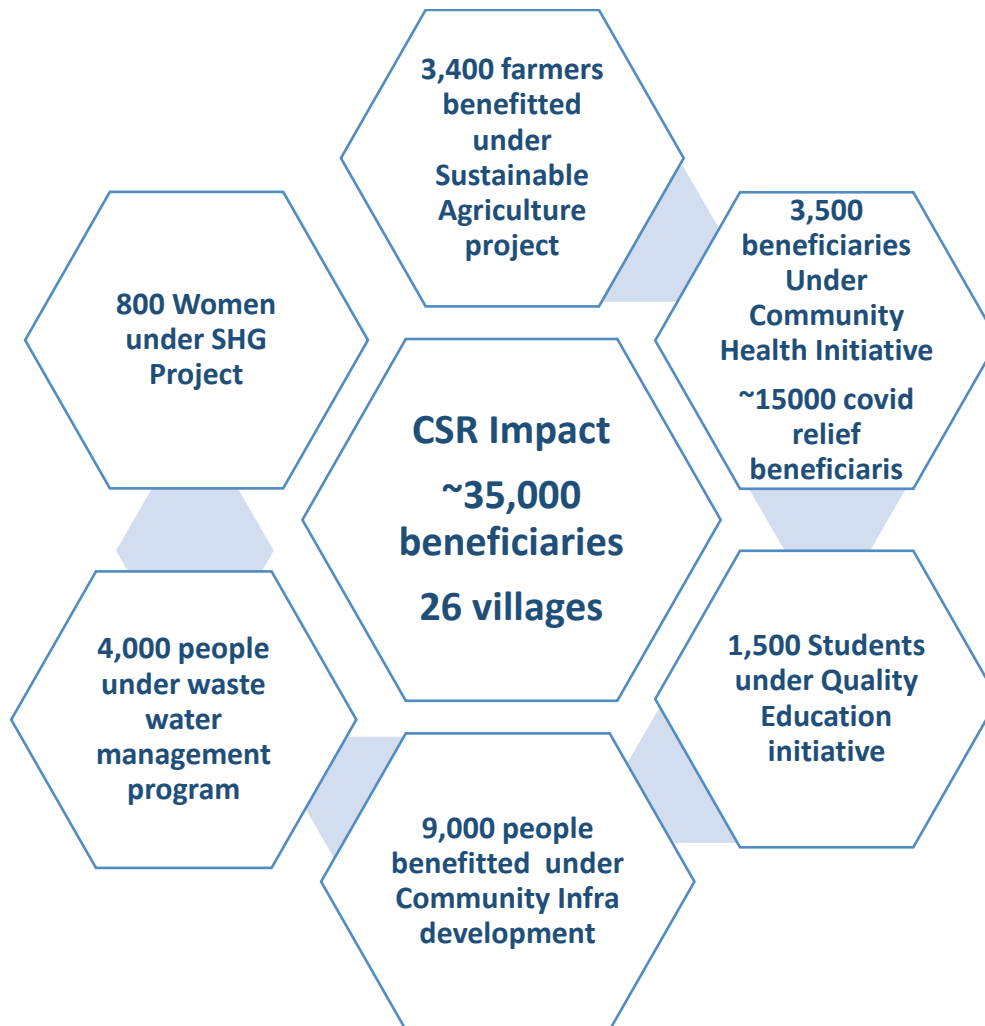
TSPL’s social initiatives have impacted lives of more than 35,000 population across 26 villages in FY 2020-21.



KEY THEMATIC AREA



Glimpse of CSR Impact



Brief Highlights of CSR Intervention

 **Agriculture and Animal Husbandry**

Punjab is mainly an agrarian economy where majority of its people are largely dependent on agriculture for their livelihood. Keeping in mind the need and requirement of the people TSPL has taken up farm-based livelihood initiative ‘Navi Disha’ to boost farmers’ income and ensuring sustainable food production through promotion of sustainable agricultural practices in concurrence with the target 2.3 and 2.4 of SDG Goal. The project aims towards supporting 1100 farmers through a series of sessions and interventions based on integrated pest management, soil testing, water testing, seed treatment, organic farming, seed treatment, optimal spacing between rows, using bio pesticides, optimum utilization of chemical fertilizers and manures, residual crop straw management, tillage practices, mulching, organic farming and system crop intensification. Besides several Farm field classes, exposure visits, demonstration farms, expert interactions were also organized . In addition to agriculture support Animal Health check-up camps were also organised in the villages. Close to 400 cattle were treated under this initiative. More than 3,400 farmers benefitted under this project.



+ Healthcare

The health programmes of TSPL address primary healthcare issues around affordability and accessibility of basic and quality healthcare. In line with SDG 3, the health initiative of TSPL enables strengthening of government health system by means of supporting a rural primary health centre. The supported health centre enabled communities' avail specialized services. The specialised OPDs and clinical laboratory offered health services to more than 1300 patients at an approachable location from a team of qualified healthcare professionals.

In addition to this to provide doorstep health care services TSPL has initiated the specialized and general health camp in 6 villages reaching out to more than 5000 population. More than 35 health camps have been organized under this initiative benefiting more than 700 OPDs.



COVID 19 Initiatives for the Community

During the COVID -19 pandemic situation it becomes more pertinent to show our unity and support to each other. Several relief measures were undertaken by TSPL to support the communities and stakeholders during complete lockdown.



Covid relief highlights:

- ❖ Grocery and hygiene kit support to needy families and farmers
- ❖ Supported Takht shri Damdama Sahib with 3000 kgs of ration for community kitchen service
- ❖ Sensitizing the people about preventive measures for COVID -19
- ❖ Disinfection activity at the peripheral villages, police check post, primary health centre etc.
- ❖ Support to Police personnel on Covid duty with essential services and regular medical checkups



Drinking water and sanitation

Access to clean and safe drinking water is very crucial for the lives. In alignment with SDG -6 (Clean water and sanitation for all) TSPL has been working towards securing adequate and equitable access to safe and affordable drinking water for the rural communities. Following activities has been taken up in this regard –

❖ Community RO

To provide the access to safe drinking water TSPL has installed 1000 LPH Community RO (Reverse osmosis) in Raipur village. Through this RO system more than 1000 people will be benefited

❖ Wastewater management Project

During monsoon season the wastewater from the pond backflows into the village streets , homes and road alongside which causes difficulty in movement of people in the road and damages of public and private property. To plug this menace TSPL in partnership with Gram Panchayat has initiated the wastewater management project in 3 villages namely Banwali, Perron and Raipur.



The activity includes laying close to 2000 metre, 1000 metre and 2000 metre water pipeline respectively in 3 villages. The pipelines were linked to irrigation channels from where the farmers shall draw water for irrigation purposes on periodical intervals. This will reduce dependence on fresh water to a certain extent by helping irrigate the fields located remotely and ensure lower levels of water are maintained in the wastewater ponds inside the village specially during the monsoons.

More than 3000 population from these 3 villages will be benefitted under this initiative.



Community Infrastructure Development

Rural Infrastructure development contributes towards rural economic growth and improving living standards of the communities. TSPL has undertaken several rural infrastructure development activities in consultation with the communities. TSPL implemented various community development project for benefit of the larger community harmonizing with SDGs 6, 9, 11 reaching out to nearly 4,500 persons. Cognisant of the need for community development the company aided development of basic infrastructure in its operational villages such as-

❖ Community park

Public spaces provide ample opportunities for people to assimilate and come together as a society. To provide aesthetic and recreational opportunities to the people community park was developed in Talwandi Aklia Village

❖ Installation of Concrete Benches

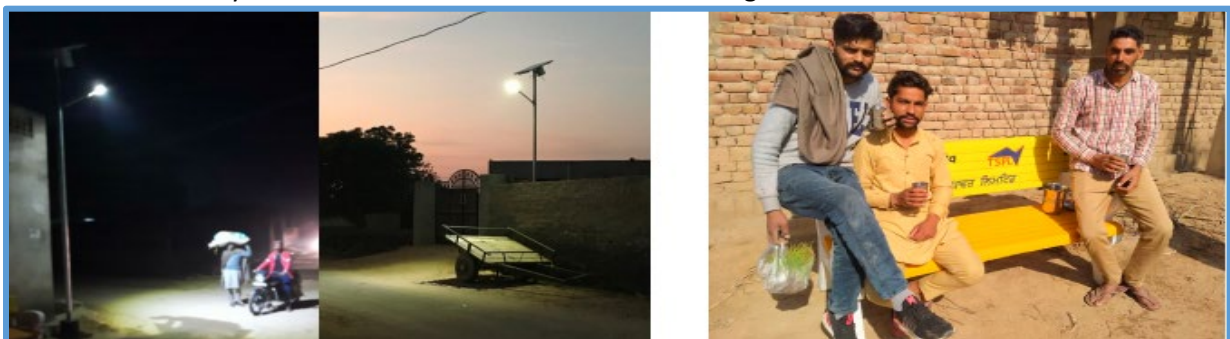
To provide the seating arrangement for general public and elderly people of the community TSPL has installed more than 400 concrete benches in peripheral villages.

❖ Installation of Solar Street Light

Keeping in mind the safety of pedestrians, riders, drivers and the general public 25 solar streetlights were installed in Talwandi Aklia village.

❖ Renovation of Village Crematorium

The villagers were facing the difficulty due to poor condition of existing crematorium in terms of infrastructure facility. Taking into consideration the needs of the community TSPL extended its support in partnership with respective Gram Panchayat for renovation of crematorium in 2 villages.





Women Empowerment Project

Role of women in society’s development is highly crucial. Our society needs women to be more numerous in entrepreneurial areas. Self Help Groups(SHG) play a pivotal role in making the women self-reliant in the society.

With an aim to engage with SHG women members, (especially women from families that are landless, marginal and small farmers) through ongoing savings, credit and income generation activities by developing linkages with banks and government agencies as well as markets, strengthen the economic situation of female members and creating social capital TSPL has initiated SHG project in association with Ambuja Cement Foundation at 7 villages in FY 2020-21 covering more than 500 rural women under the domain of Women empowerment. More than 800 people benefitted under this program.





Integrated School Development Program

Education is one of the key pillars of Sustainable Development. A well-structured classroom is one of the most important factors of students learning. TSPL being a socially responsible organization has been extending various support to the educational institution in its periphery for the holistic development of the students under Integrated School Development program.

TSPL extended its support the school in terms of setting up of Science lab, computer lab, kindergarten and library, construction of new classrooms wherein more than 1500 students will be benefitted.



Employee Volunteering Program

TSPL encourages employee volunteering through CSR interventions. These opportunities help in establishing greater community connect bridging the corporate community gap, while contributing towards societal well-being. Employees contribute their time, skills and other resources for community welfare thereby gaining deeper understanding of the community ecosystem. Employee volunteerism strengthens the stakeholder relationship thereby endorsing the company brand values of Care and Respect.



In FY 2020-21 TSPL clocked close to 320 volunteering hours and a financial contribution of ~1.48L. The volunteering activities included career counselling sessions for children from sr. secondary govt. school and supporting them with stationery items, celebrating cultural festivities with the local communities, spending time at farm to learn about agriculture direct from the farmer, and contributing time and resources towards Covid 19 relief work helping those in need etc.





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Few Glimpses of Lohri Celebration





Awards & Accolades for CSR initiatives

TSPL wins Apex India CSR Award

TSPL won the Apex India Foundation CSR award in Gold category for changing Contours of Rural Punjab

Certificate

This is to certify that
Talwandi Sabo Power Ltd.
has been declared
WINNER
for outstanding achievements in
Promotion of Sustainable Agriculture Category

Mrs. REMA
General Secretary

NEW DELHI (INDIA)
www.greentechevents.com
www.greentech.org

1st October 2020
New Delhi (India)

TSPL BAGS CSR AWARD

TSPL's CSR initiative in promoting Sustainable Agricultural practices among 1400 farmers in 26 villages around plant vicinity recognized by Greentech Foundation in the 7th CSR India Award 2020



Media Coverage

टाईमपीएल ने जिंजिआ अपेक्स सीआईआर गोल्ड अवार्ड

15 मार्च, 2021

टाईमपीएल ने जिंजिआ अपेक्स सीआईआर गोल्ड अवार्ड जीता। यह अवार्ड टाईमपीएल के सामूहिक विकास प्रकल्पों के लिए है, जो ग्रामीण समुदायों को बेहतर जीवन प्रदान करते हैं।

टीआईएसपीएल उलवंडी गांवों में अपेक्स इंडीआ सीआईआर अवैकसिलेंस गोल्ड पुरस्कार जिंजिआ

15 मार्च, 2021

टीआईएसपीएल ने उलवंडी गांवों में अपेक्स इंडीआ सीआईआर अवैकसिलेंस गोल्ड पुरस्कार जीता। यह अवार्ड टाईमपीएल के सामूहिक विकास प्रकल्पों के लिए है, जो ग्रामीण समुदायों को बेहतर जीवन प्रदान करते हैं।

टाईमपीएल ने जिंजिआ अपेक्स सीआईआर गोल्ड अवार्ड

15 मार्च, 2021

टाईमपीएल ने जिंजिआ अपेक्स सीआईआर गोल्ड अवार्ड जीता। यह अवार्ड टाईमपीएल के सामूहिक विकास प्रकल्पों के लिए है, जो ग्रामीण समुदायों को बेहतर जीवन प्रदान करते हैं।

देराचंद्रा के टीआईएसपीएल ने मनायी सरकारी स्कूलों के बच्चों का नाल लेंडजी

15 मार्च, 2021

देराचंद्रा के टीआईएसपीएल ने मनायी सरकारी स्कूलों के बच्चों का नाल लेंडजी। यह कार्यक्रम बच्चों को नाल लेंडजी के उपयोग के बारे में शिक्षित करने के लिए है।

देराचंद्रा में टीआईएसपीएल ने मनायी सरकारी स्कूलों के बच्चों का नाल लेंडजी

15 मार्च, 2021

देराचंद्रा में टीआईएसपीएल ने मनायी सरकारी स्कूलों के बच्चों का नाल लेंडजी। यह कार्यक्रम बच्चों को नाल लेंडजी के उपयोग के बारे में शिक्षित करने के लिए है।

टीएसपीएल ने विद्यार्थियों के साथ मनाई लोहड़ी

15 मार्च, 2021

टीएसपीएल ने विद्यार्थियों के साथ मनाई लोहड़ी। यह कार्यक्रम विद्यार्थियों को लोहड़ी के महत्व के बारे में शिक्षित करने के लिए है।

करने के अपने अनुभवों को साझा खन्ना एमडी मैडिसन आयुर्वेदिक सोलो ट्रेक्टर शिल्पा मित्तल ने कश्मीर जिसमें आल इंडिया इंस्टीच्यूट आफ

टी.एस.पी.एल. में मनाया अंतर्राष्ट्रीय महिला दिवस

● महिला सरपंच, स्कूल प्रिंसिपल, एडवोकेट, पुलिस एवं कांस्टेबल जगत की महिलाएं आई एक साथ एक गंच पर

बठिंडा, 9 मार्च (श्रीवास्तव) : अंतर्राष्ट्रीय महिला दिवस पर टीएसपीएल ने गांव की महिला सरपंच एवं समुदाय की प्रतिभाशाली महिलाओं को सम्मानित करने के लिए एक विशेष कार्यक्रम का आयोजन किया। यह कार्यक्रम गत सप्ताह छह गांव में चल रहे महिला दिवस कार्यक्रम में भाग लेने वाले सभी महिलाओं के सम्मान में आयोजित किया गया था। अंतर्राष्ट्रीय महिला दिवस पूरे विश्व में बहुत हर्षोल्लास एवं उत्साह के साथ मनाया जाता है। टीएसपीएल ने इस वर्ष महिला दिवस



कार्यक्रम दौरान प्रतिभागियों को सम्मानित करते हुए।

महिला सरपंच और समुदाय की प्रतिभाशाली महिलाओं के साथ मनाया जिन्होंने अपने सांस्कृतिक कार्यक्रम से दर्शकों को मंत्रमुग्ध कर दिया। मंच पर एक साथ उपस्थित शिक्षा, कानून, पुलिस और कॉर्पोरेट जगत की महिलाओं ने अपने विचार साझा किए और गांव की प्रतिभाशाली महिलाओं को आगे बढ़ने के लिए प्रहोत्साहित किया।

एडवोकेट डिल्लों और एडवोकेट चहल ने महिलाओं को संबोधित करते हुए उनकी कार्य-स्थल और अन्य अधिकारों से अवगत कराया साथ ही सब इंस्पेक्टर, रेणु प्रोचा ने महिलाओं को अपने घरों से बाहर निकलने और उनके लिए खुद को सफल बनाने के लिए प्रोत्साहित किया।

किया। उन्होंने संकट में महिलाओं के लिए उपलब्ध पुलिस हेल्पलाइन की जानकारी दी और उन्हें वास्तविक सशक्तिकरण के लिए एक दूसरे का समर्थन करने के लिए प्रोत्साहित किया।

समारोह की मुख्य अतिथि रूपिंदर कौर, प्रिंसिपल पुलिस पब्लिक स्कूल ने महिलाओं के प्रदर्शन से अभिभूत हो, कहा, इस विशेष दिन में इस कार्यक्रम का हिस्सा बनना वास्तव में एक सम्मान की बात है। महिलाओं द्वारा सांस्कृतिक कार्यक्रम और प्रदर्शन से उत्साहित, टीएसपीएल के चीफ कमर्शियल अफसर ने सभा को संबोधित करते हुए कहा, यह कार्यक्रम इस बात का प्रतीक है कि महिलाएं हर क्षेत्र में बराबरी के साथ आगे बढ़ रही हैं और समाज निर्माण में अपना योगदान दे रही हैं।

विदेश भेजने के नाम पर महिला दिवस पर गांव की महिला सरपंच

Wed, 10 March 2021
epaper.dainiksaveratimes.org/c/58984285



EMPLOYEE ENGAGEMENTS

Virtual CEO Townhall



CEO Townhall for reinforcement of core values of Ethics & Compliance



Full Day Outbound Training



Self Defence Training



Flexi-Marathon



AWARDS & RECOGNITION

CII National HR Excellence Award 2020-21 for Strong Commitment to HR Excellence

TSPL acknowledged for Significant Achievement in HR Excellence at 11th CII National HR Excellence Award 2020-21

CII has ranked TSPL in the **501-600 Band** acknowledging **“Significant Achievement in HR Excellence”**.



TSPL has outperformed last year's band.

Greentech CSR Award for outstanding achievements in Promotion of Sustainable Agriculture Category

TSPL conferred with Greentech Safety & Environment Awards 2020



TSPL is elated to be the proud winners of “Greentech Safety Award” under **Industry Sector Safety Excellence** category and “Greentech Environment Award” under **Environment Protection** category. The awards are a testimony to TSPL’s outstanding HSE initiatives. The team is exhilarated with this achievement and highly motivated to take TSPL to greater heights.



HR team won FAME HR Excellence Awards in “Best HR Practices” and “Best HR Response Towards Pandemic 2020”

TSPL HR teams bags 2 Awards

Kudos to HR team for winning FAME HR Excellence awards in "Best HR Practices" & "Best HR Response Towards Pandemic 2020" categories

FOUNDATION FOR ACCELERATED MASS EMPOWERMENT

Certificate Of Excellence

TALWANDI SABO POWER LIMITED VEDANTA LIMITED
Mansa, Punjab
has been declared winner of
FAME EXCELLENCE AWARD™ 2020
PLATINUM AWARD
Towards Excellence in Best HR Practices

2020

D. D. Sharma
Chairman

FOUNDATION FOR ACCELERATED MASS EMPOWERMENT

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TALWANDI SABO POWER LIMITED VEDANTA LIMITED
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FAME EXCELLENCE AWARD™ 2020
PLATINUM AWARD
Towards Excellence in Best HR Response
Towards Pandemic 2020

2020

D. D. Sharma
Chairman

Won award at 20th Edition of the ICSI National Awards for Excellence in Corporate Governance 2020 as the “Best governed Company” and “Governance Professional of the year”

TSPL sweeps awards at the 20th Edition of the ICSI National Awards for Excellence in Corporate Governance 2020

(Organized by The Institute of Company Secretaries of India)



TSPL: 'Best Governed Company'
(Unlisted Segment: Medium Category)




'Governance Professional of the Year'
TSPL Company Secretary CS Mansi Bhutani

The panel comprised eminent juries headed by the Hon'ble Justice Shri. A. K. Sikri, Former Judge, Supreme Court of India, and International Judge, Singapore International Commercial Court.

Chairman recognition for COVID heroes from TSPL and its business partners




Bagged Runner Up Title for Chairman Sustainability Award



TSPL conferred the Runners-up title for the Chairman Sustainability Award H1-FY'21

TSPL was conferred the runners up title for the coveted Chairman’s Sustainability Award H1 FY21! Declaring TSPL as a ‘Trophy Asset’ during the SBU engagement, Vice Chairman encouraged the unit to strive for Chairman’s Sustainability Award. Fuelled with passion and commitment to excellence, TSPL applied for the award excelling in ESG, CEO led Community Connect, Safety reporting, Risk Mitigation, COVID Initiatives and Employee volunteering. Vikas Sharma, CEO & WTD expressed his gratitude for the recognition and pledged to work hard to win the forthcoming Chairman’s Award.



BOARD'S REPORT

Dear Members,

The Board of Directors of Talwandi Sabo Power Limited Company (hereinafter called as the 'Company' or TSPL) hereby present the Board's Report outlining governance and business performance of the Company together with the audited financial statements for the financial year ended March 31, 2021.

Company Overview

TSPL was incorporated as a Special Purpose Vehicle by Punjab State Power Corporation Limited (PSPCL) [formerly known as Punjab State Electricity Board fMW thermal power plant on build, own and operate (BOO) basis at Village Banawala, Mansa-Talwandi Sabo, Punjab, India. TSPL became a wholly owned subsidiary of Vedanta Limited which was selected as the developer of the project based on the Tariff Based Competitive Bidding Process for supply of 100% power to PSPCL for 25 years as per the Power Purchase Agreement.

Company Performance

Performance during the year was affected to plant not being in operation twice. Due to lockdown in quarter 1 and due to non-availability of Coal caused by Farmer's protest in Punjab in quarter 3. However, the Company continued to perform strongly and achieved an EBITDA of ₹ 1116 Crore (₹ 1361 Crore in Previous Year).

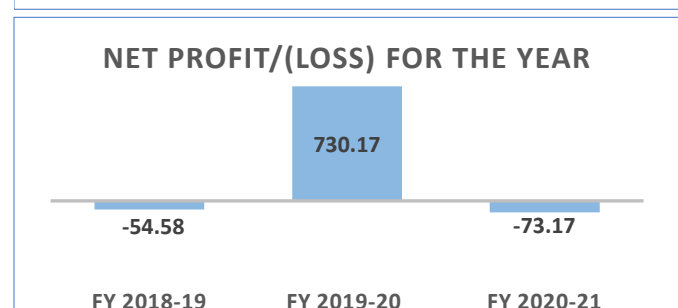
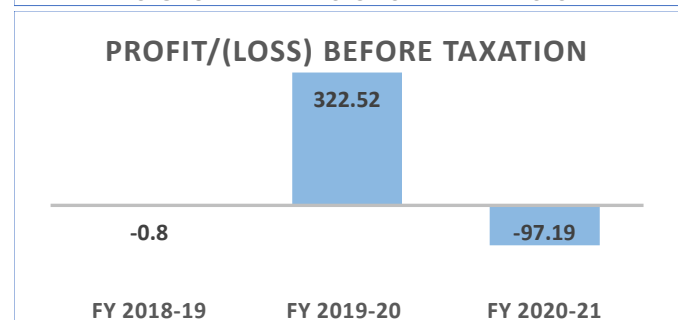
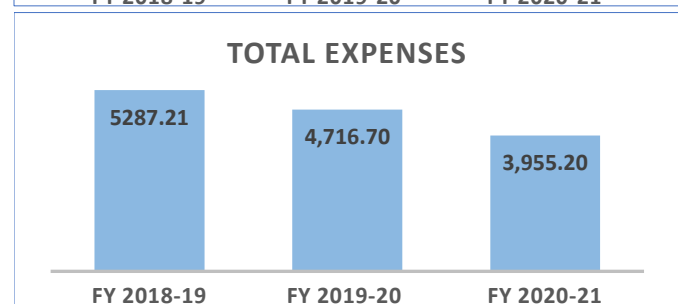
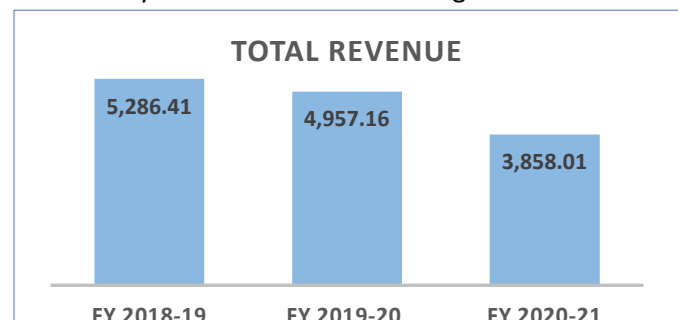
Other Performance Highlights:

- ❖ Availability for the year at 81%
- ❖ Realised old outstanding of Rs 375 Crore from PSPCL in the GCV Case
- ❖ Secured Tie-up for PFC Loan of Rs.5,000 Crore.
- ❖ Overall Borrowings decreased by Rs 334 crore.
- ❖ Initiated coal procurement through LC
- ❖ Initiated sale of Conditioned Fly Ash through Railways

The summarised result for the year is given below:

Heads	FY	FY
	2020-21	2019-20
Total Revenue	3858.01	4957.16
Total Expenses	3,955.20	4,716.70
Profit / (Loss) Before Tax	(97.19)	322.52
Net Profit / (Loss) for the Year	(73.17)	730.17
Earnings Per Share	(0.23)	2.28

The three-year trend for the same is given below:



Reserves and Surplus

The net movement in the major reserves of company for the financial year 2020-21 and 2019-20 are provided below:

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Surplus/ Deficit in statement of Profit & Loss		
Balance at the beginning of the year	78.98	(650.80)
Add: Profit and (Loss) for the year	(71.17)	730.17
Less: Transfer to Debenture Redemption Reserve		
Other Comprehensive Income	0.31	(0.39)
Closing Balance	6.11	78.98

Material Changes and Commitments, if any, affecting the financial position of the Company

No material changes in the financials or commitments during the year ended 31st March 2021.

Deposits

As on March 31, 2021, the Company has not accepted any deposits from the public under the ambit of section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

Dividend

The Board of Directors of the Company have not recommended any dividend on equity shares of the Company during the financial year 2020-21.

Loans, Guarantees, Securities and Investments

The Company, being an infrastructure company, is exempt from the provisions applicable to loans, guarantees and securities under section 186 of Companies Act, 2013.

Detail of investments are provided in schedules/ notes to the financial statements under Note 9 and 10.

Foreign Exchange – Earnings and Outgo

During the financial year 2020-21, Foreign exchange payments (Outgo) was ₹ 31.29 Cr and Foreign exchange earnings was Nil.

Subsidiary/ Joint Venture/ Associate Companies

The Company does not have any subsidiaries, joint ventures, or associate companies.

Share Capital

The authorized share capital of the Company is ₹ 40,00,00,00,000 (Four Thousand Crore Only) divided into 4,00,00,00,000 (Four hundred Crore) number of equity shares of ₹ 10/- (Rupees Ten) each and paid up share capital of ₹ 32,06,60,96,920 divided into 3,20,66,09,692 number of equity shares of ₹ 10/- (Rupee Ten) each.

Secretarial Standards

Pursuant to Section 118 of Companies Act, 2013, the Company has complied with the applicable provisions of Secretarial Standards issued by the Institute of Company Secretaries of India.

Related Party Transactions

The Company has in place a policy on related party transactions in line with Companies Act, 2013.

During the financial year, all transactions entered into by the Company with the related parties were in the ordinary course of business and on an arm's length basis and were in compliance with the provisions of Companies Act.

All Related Party Transactions were subject to independent review by a reputed accounting firm to establish compliance with the requirements of Related Party Transactions under the Companies Act, 2013.

Credit Rating and Borrowings

The Company is rated for Long term Loans and Short-term banking facilities by CRISIL and India Ratings and Research Private Ltd.

During the year, CRISIL changed the credit rating suffix of Non-Convertible Debentures (NCD) and long-term banking facilities from "CRISIL AA(CE)/Stable" to CRISIL "AA (CE)/(Negative)" on April 03, 2020 and then from CRISIL AA(CE)/Negative to CRISIL AA-(CE)/Stable on October 29, 2020.

India Rating revised its rating of NCD at from "AA(CE)/(Negative)" to IND "AA(CE)/(Negative)" on June 17, 2020.

The outlook is based on rating outlook on Vedanta's debt instruments and bank facilities.

During the year, the Company also repaid Inter Corporate Loans to the extent of ₹ 1,440 Crores. Also, NCD's amounting to ₹ 650 Crores were repaid during the year. The NCDs of ₹ 2,000 Crores are maturing the FY 2021-22 and the company remains adequately funded to repay the same. All long-term borrowings and NCD's are secured by corporate guarantee of Vedanta Ltd.

Risk Management framework

A standardized Risk Management Process and System is in place across the Vedanta Group. In line with that, the Board of Directors of the Company has also adopted risk management policy for:

- ❖ Evaluation of internal financial controls and risk management systems;
- ❖ Enhancing the risk culture through embedding a consistent and a consistent structure for review and monitoring of treatment actions;
- ❖ Ensuring that the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- ❖ Identification of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company.

As a part of governance philosophy, the Risk Management Committee is formed to frame, implement and monitor the risk management plan for the Company. There is continuous monitoring to ensure

that all risks are identified and immediate Mitigation plans are evaluated. The Audit Committee has additional oversight in financial risks and controls.

Internal Financial Controls

- ❖ As per the provisions of Section 134(5)(e) of the Companies Act, 2013, the Directors have an overall responsibility for ensuring that the Company has implemented robust systems/ framework of internal financial controls to provide them with reasonable assurance regarding the adequacy and operating effectiveness of controls with regards to reporting, operational and compliance risks. To enable the Directors to meet these responsibilities, the Board has devised systems/ frameworks which are operating within the Company.
- ❖ In line with best practice, the Board regularly reviews the internal control system to ensure that it remains effective and fit for purpose. Where weaknesses are identified as a result of the reviews, new procedures are put in place to strengthen controls and these are in turn reviewed at regular intervals. The systems / frameworks include proper delegation of authority, operating philosophies, policies and procedures, effective IT systems aligned to business requirements, internal audit framework, ethics framework, risk management framework and adequate segregation of duties to ensure an acceptable level of risk.
- ❖ Management incorporates controls into financial reporting activities by establishing clear accounting policies and developing and implementing accounting procedures.
- ❖ The Company has also adopted SAP GRC (Governance, Risk and Compliance) framework to further strengthen the internal control and segregation of duties/ access. The Company also follows a half yearly process of management certification through the Control Self- Assessment framework including on financial controls / exposures. The Company has documented Standard Operating Procedures (SOPs) for its key processes like procurement, project / expansion management capex, human resources, sales and marketing, finance, treasury, compliance, safety,

health and environment (SHE) and manufacturing etc.

Details of Significant and Material Orders passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future

Details are provided in Note 2 and 3 to the financial statements of the company for the year ended March 31, 2021.

Human Resources

Human Resources plays a key role in success of business by professionally managing all business processes. We are young, energetic, and vibrant team with the average age of 33. High performance culture of work force and job diversity is also capitalized. Safety and health requirements of employees and contract manpower are strictly followed.

The HR philosophy ensures, a philosophy of meritocracy; commitment to ensuring that all our workplaces are free from all forms of discrimination or any kind of harassment; complying with all applicable laws of the area where our operations exist; meeting all our responsibilities and HR obligations, as both a direct and indirect employer, and ensuring human rights are not violated; having effective internal systems and processes in place for talent management and engagement; creating a high performance culture – recognizing and rewarding in a fair and equitable manner; striving to drive and achieve industry best practices in our social stewardship; engaging with employees to encourage feedback and address concerns.

HR MISSION

To strengthen our brand equity as a preferred employer, we shall work towards the following on an ongoing basis:

- ❖ Align HR processes with global benchmarks.
- ❖ Be a strategic business partner.
- ❖ Promote gender diversity & women empowerment.

- ❖ Build competencies & provide opportunities for growth.
- ❖ Foster collaboration, creativity, innovation & entrepreneurship.
- ❖ Be a responsible corporate citizen.

OUR HR PRIORITIES

Organizational growth:

Our approach is focused on ensuring that we have the right person in the right role, along with clear succession planning, with a focus on critical positions. Learning culture is promoted to encourage and support continuous employee learning, critical thinking, and risk taking with new ideas.

Talent development and management:

Our company emphasizes on talent nurturing, retention and engaging in a constructive relationship with employees with focus on creating high-performance sustainable Organization that meets its strategic and operational goals and objectives. ACT-UP (Accelerated Competency Tracking & Up-gradation Process) is conducted in order to identify the fast trackers or high potential in the Organization. Potential of the employees participating in the ACT-UP process is assessed by a reputed third party. The employees who are identified as the High potential at the end of the process are declared as STAR of the business. V-Build is a leadership development program with an aim to identify 5% of the employees through various structured processes like CEO workshop, ACT-UP, Internal Job Postings released within the business level and specific workshops done at the business level anchored by the Business CEO. V-Reach is a transformational Graduate Talent Development initiative to identify the high potential talents among the 5000+ Graduate hires across the Vedanta Group and provide them a fast-track value adding career path. V-Aspire is a structured developmental initiative launched recently specifically for the ICWA employees in Finance.

Employee Engagement:

We at TSPL always believe that it is the degree to which an employee is emotionally bonded to his Organization

and passionate about his work that really matters. We constantly strive to provide an engaging work environment, with a spirit of common purpose. Across our operations, employees participate in a wide variety of activities to create a sense of shared ownership and participation. This ranges from the formal trainings, chairman's workshops, CEO's town hall meetings to broader cultural, sporting, social and leisure activities for employees and their families.

Diversity:

Diversity remains a strong focus. We provide equal opportunities to all our employees, irrespective of race, nationality, religion, gender or age. We are pleased with our progress on gender diversity and women now represent 21% of our total workforce.

Empowerment of Women Professionals:

To induce a friendly work environment for women, "We Council" is in place. At TSPL, we have Internal Complaints Committee that takes care of timely redressal. In order to encourage Work life balance and Employee Delight we have invested and created superior quality world class infrastructure like Gym, Badminton Court, Hostel, Cafeteria etc.

Women's Day, New Year Celebration, Teej, Ganesh Chaturthi, Diwali, Christmas, Lohri and other Cultural and Festive extravaganza are some of the key features aimed at promoting cultural diversity at the workplace.

Prevention of Sexual Harassment at Workplace

The Company has zero tolerance for sexual harassment at 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 for prevention and redressal of complaints of sexual harassment at workplace.

The Company is an equal opportunity employer and believes in providing opportunity and key positions to women professionals. The Group has endeavoured to

encourage women professionals by creating proper policies to tackle issues relating to safe and proper working conditions and create and maintain a healthy and conducive work environment that is free from discrimination. This includes discrimination on any basis, including gender, as well as any form of sexual harassment.

In compliance with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder, the company has constituted an Internal Complaint Committee (ICC) to consider and address sexual harassment complaints in an effective manner.

During the financial year ended on March 31, 2021, the Company received nil complaints.

Technology and Digitalization

The digital revolution is cascading across industries. Traditional business models are being disrupted with digital and software-based business models. By changing processes from analog to digital, geographical boundaries of the organization are expanded which further reinvent the processes, improve the quality and promote consistency. The Company strive towards continuous improvement and optimization of business processes.

In TSPL we have successfully implemented few business process automations during FY 2020-21:

Automation of Gate pass Generation for indirect workforce

This portal has significantly reduced the turnaround time in the gate pass approval process, reduced usage of paper and helped in hassle free gate pass generation.

E-Separation Portal

This has significantly cut down on the time required and made the end-to-end exit process simpler.

Mobile & Web Portal based Entry Exit Gate Pass System

The application can be used to create an Entry/Exit gate pass for all categories of employees including business partner & Sub-business partner employees for

In & Out, Out Only and In Only movements during the office hours.

Advance Pattern Recognition Based Predictive System

This is used for early identification of anomalies using historical data with a vision to convert potential forced outage of equipment to planned maintenance.

Weighbridge Automation through RFID System

This enables auto weighing of vehicles reporting at weighbridge, leads to TAT reduction and eliminates manual intervention of the manpower.

Auto Tracking of Outside Pond Ash Vehicles GPS System by using "Geo Fencing Technology"

We have geo fenced the end locations where transporters are disposing the pond ash taken from plant. This system is generating daily MIS of the challan created Vs actual unloading. If the vehicle reaches the challan location, GPS will highlight the "HIT" target else system will highlight "MISS". This will enable us robust monitoring of the outside pond ash disposal work.

Implementation of E-invoicing

Earlier, businesses generated invoices through internal software, and the details of these invoices were then uploaded manually in the GST return. With the proposed electronic invoicing system by the government, TSPL implemented the e-invoicing facility within the stipulated timelines wherein an identification number will be issued against every invoice by the Invoice Registration Portal (IRP).

Operations and Maintenance

Despite challenges like Covid-19 and Coal shortage due to Rail Blockage 20-21 turned out to be a strong year in terms of technical availability of TSPL.

With Change in coal regime from imported to 100% domestic in line with the vision of Atam Nirbhar Bharat and Chairman vision, Technical Availability of TSPL has remained 90%.

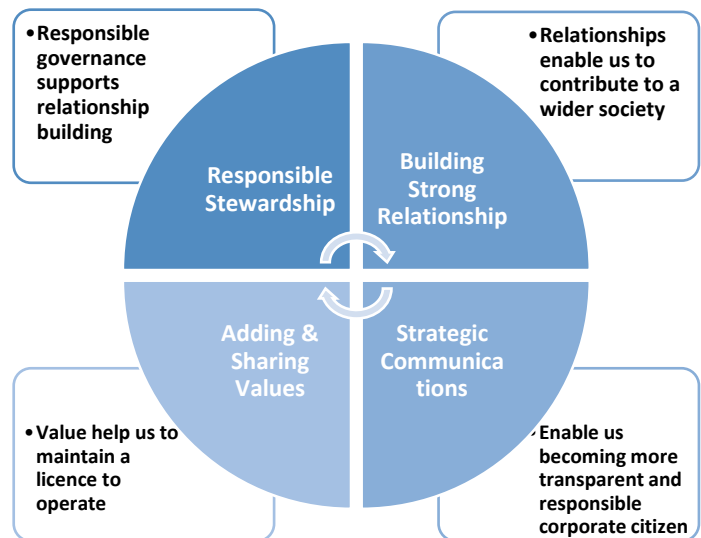
A strong focus on asset integrity, use of digital tools like advance pattern recognition and continuous improvement in O&M practices through innovation and automation has ensured zero loss of capacity charges.

A paradigm shift towards elimination of hazards and better engineering control is being driven with full passion and enthusiasm. All this has made TSPL one of the safest places to work.

Sustainability

The Company is committed to the principles of sustainable development, protecting human life, health and environment, ensuring social well-being and adding values to the Communities. The Company believes in integrating its business with the social fabric of the society that it operates in and is a firm supporter of the triple bottom line concept – Planet, People & Profit.

TSPL continue to create value for all our stakeholders, to connect better and communicate Vedanta's social responsibility to all our stakeholders, the Company has four pillars in our sustainability model, which also comprises of the following:



The four pillars reflect our commitment to complete transparency and emphasizes our principles of community dialogue and mutual respect, including free prior informed consent to access natural resources.

During the FY2020-21, TSPL has continued the implementation of Vedanta Sustainability Framework including safety performance standards. TSPL continued with all sustainability policies as in the financial year 2020-21. Company is using the Vedanta Sustainability Assurance Programme (VSAP) to ensure framework compliance, including a programme of audits. We now have a platform that measures and reports on the performance of Sustainable Development processes across the Vedanta group. Company has focused and working on zero harm, zero waste and zero discharge.

The businesses' performance on sustainability aspects in the FY 20-21:

- ❖ One fatal incident & Five Loss Time Injury as per Vedanta Management Standard MS11
- ❖ LTIFR of FY21 is 1.12 & in FY20 it was 1.508
- ❖ TRIFR of FY21 is 1.80 & in FY20 it was 1.72
- ❖ Near miss incident reporting in FY21 is 983no's and in FY20 it was 485no's
- ❖ Saving of 2.3 lacs m3 of water and 166029 GJ of energy
- ❖ Generation of 11246 units from 30 Kwp Solar Rooftop panel
- ❖ Reduction in carbon footprint of 16,64,472 MT of CO2

Further as per the community need based assessment, all our operations are making a valuable contribution to the social and economic development of the communities in which we operate.

The Company has renewed its certification in following category during FY 2020-21:

- ❖ Occupational Health and Safety Management System standard: ISO 45001:2018
- ❖ Quality Management System standard: ISO 9001:2015
- ❖ Environmental Management System standard: ISO 14001:2015
- ❖ Energy Management System Standard: ISO 50001:2018
- ❖ Road Traffic Safety Management Standard: ISO 39001:2012

Health, Safety & Environment

The Company is committed to ensure that the health and safety of all its Stakeholders and preservation of environment is of paramount importance and takes precedence in all its business decisions. The health and safety of its stakeholders who may be impacted by its operations is its prime concern and in pursuit of this belief and commitment.

TSPL focused on culture of care by visible felt leadership with management at plants spending more time on the shopfloor to pre-empt and address safety issues, CEO Safety Townhall, TSPL safety summit, Weekly safety stand downs, Mass Toolbox drive, Leadership tour, Visual display of safety messages.

TSPL has focused on elimination of hazard and improved safety by the infrastructure development such as erection of permanent platform to avoid work at height, full length machine guarding 4km full length machine guarding, 2.5km pedestrian pathway.

In TSPL Safety is being driving by Line function by VSAP Single point accountability, VSAP Champion, participation in Incident investigation, active participation in risk assessment, providing safety training, participation in safety campaigns, programs and PPE Compliance.

In FY 2021 Safety innovation is initiated and team has successfully eliminated hazards such as line of fire prevention in Drowning hazard prevention, Electrical Arc flash hazard, Rail Safety, elimination of work at height hazard, use of suspension trauma strip, Video SOP, automation and logic modification.

In FY 2021 TSPL conducted various campaign for improving safety culture such as Right to Refuse, Safety Booster Campaign, Boots on the ground & Monthly Safety Theme Campaign for the engagement and participation of business partner employee in safety.

In FY21 TSPL paid focus attention on training of employees and business partner employee by engaging

external training and internal training. In FY 2021 about 51,202 manhours training was imparted.

In FY21 with the advent of Covid-19 pandemic TSPL has provided all suitable measures to control Covid-19 spread. TSPL has facilitated 100% manpower for Covid - 19 testing at its premises. The Company has provided necessary arrangements for the employees detected positive with Covid-19. Organisation provided medical support to its employee and business partner employee for the recovery from Covid-19. The Company has supported nearby villages by mass sanitation, food supply, Covid-19 Kit distribution etc. TSPL has created many changes in its working for business continuity during the pandemic, few of the implementation are as availability of back up control room, virtual meetings, limiting external visits, Covid-19 negative test report mandate for every new gate pass or person return after long leave etc.

TSPL has made significant progress towards safety culture improvement by engaging all level of employees and contract partners and implemented safety performance standards & Housekeeping drive, imparting safety training by external agency and internal training.

TSPL has zero liquid discharge system, equipped with Hybrid ESPs to control emission, HSCD system for Ash handling & disposal and state of art Dust extraction/suppression.

Zero Waste:

❖ TSPL has taken various initiatives for fly ash utilization such as cement, brick manufacturing & road construction projects etc. Further, to promote fly ash utilization in the vicinity of the plant and to reduce the transportation of ash, TSPL has provided facilities to Bricks manufacturing plants to set up small fly ash-based brick manufacturing plant within the premises of the plant. By this, TSPL has achieved 100% utilization of fly ash generation for consecutive years of FY.18-19 & 19-20. In FY21 TSPL has achieved 60% Utilisation of fly ash generation & TSPL taken various initiative to

achieve 100% fly ash utilisation by evacuation of accumulated Pond ash through Rail mode for Cement Industries and Utilisation of accumulated Pond ash in Road Projects.

Zero discharge:

- ❖ TSPL is maintaining zero liquid discharge through recycling and reuse of treated wastewater. During the FY2020-21, about 18.5% water recycled of water consumed.
- ❖ Installed Reedbed technology i.e. natural eco-friendly sewage treatment plant to treat the sewage. This system reduces carbon footprint also.

Zero Harm:

- ❖ Though the start-up emissions are common problem for all thermal power plants, TSPL has taken various measures and reduced the start-up emissions period. Year-wise reduction trend as below.
- ❖ To further reduce the particulate matter emissions, modernization i.e. replacement of wire type emitting electrodes by spring type electrodes, modification for uniform gas distribution etc. has been done in Unit#3.

Sustainability:

- ❖ Various projects taken and saved 1.66 lakhs GJ of energy (FY21) and 2.3 lakhs m3 of water FY21 – success full installation and commissioning of MV VFD Drivers in CEP Pump of Unit#01 & Unit#03, Operation Management for energy consumption reduction such as PA fan air to Mill Seal air by reducing loading of Mill Seal Air fan power consumption, Turbine two valve operation in part load generation, HP pump stoppage during part load operation...etc.

Green Belt:

- ❖ TSPL has developed and maintain green belt by planting more than 4.6 lakhs saplings in 701.52 acres, TSPL planted more than 22 varieties of plant species and maintaining the green belt by dedicated maintenance activities for the for this green belt. In FY 21 TSPL plant 11,343 number of saplings of 4 species & Initiative Drip irrigation system for plantation in Prakash van.

Biodiversity - Care for our Environment

The Company addresses various aspects of resource conservation, energy efficiency, carbon footprint, biodiversity and green buildings. We are conscious that biodiversity is a complex phenomenon that needs to be identified, understood and valued from a biological and societal (i.e. in terms of ecosystem services) perspective.

We believe that our performance on biodiversity conservation will create long term value for our business. TSPL strives to:

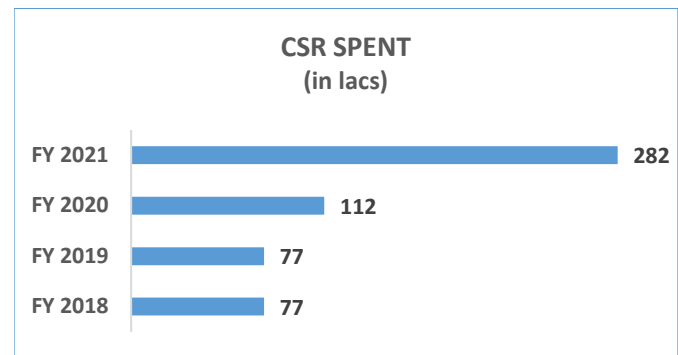
- ❖ Prevent, minimise and mitigate biodiversity risks throughout our business. The Company will manage and use land in a manner that allows biodiversity conservation needs to be integrated with business needs through the project lifecycle, including decommissioning, closure and rehabilitation.
- ❖ Comply with and exceed where possible the local, regional and national legislative requirements on land management and biodiversity conservation where applicable.
- ❖ Identify and assess biodiversity status and value before the start of a new project and monitor impacts over the project lifecycle.
- ❖ Work towards the conservation of threatened/ rare and endemic species and high priority conservation areas and support local and national initiatives. The Company commits to providing information and raise awareness among our employees and other stakeholders to enhance knowledge and understanding of biodiversity and conservation issues where applicable.

Corporate Social Responsibility

A detailed section on CSR forms part of the earlier section of this Annual Report.

Pursuant to the provisions of Section 135 of the Companies Act 2013, the Company has CSR policy in place and available on Company's website at [CSR Policy](#). In the given period, the Company spent ₹ 282 lacs on CSR activities (including unspent on CSR on-going projects) details of which are covered in Annual Report on

Corporate Social Responsibility Activities and forms part of this report as **Annexure - 1**.



Energy Conservation and Technology Absorption

The information on conservation of Energy and Technology Absorption as stipulated under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 is attached as **Annexure – 2**.

Employee Information and related disclosures/particulars of Employees

The statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("Rules") is appended as **Annexure - 3** to the Report.

The information, as per Rule 5(2) of the Rules, forms part of this Report. However, as per provision of Section 136 of the Act and Rule 5(2), the Report and the Financial Statements are being sent to the Members of the Company excluding the statement of particulars of employees under Rule 5(2) of the Rules. The statement shall be available for inspection at the Company's Registered Office and any Member interested in obtaining a copy of the said statement may write to the Company Secretary.

Board of Directors and Key Managerial Personnel

As on March 31, 2021, following are the Board of Directors of the Company:

S. No.	Name of Director	Designation
1	Mr. Agnivesh Agarwal	Non-Executive Director – Chairman
2	Mr. Vikas Sharma	Whole-time Director
3	Mr. Baldev Krishan Sharma	Non-Executive Independent Director
4	Mr. R Kannan	Non-Executive Independent Director
5	Mr. Mahendra Singh Mehta	Non-Executive Independent Director
6	Ms. Pooja Somani	Non-Executive Director

As on March 31, 2021, following are the Key Managerial Personnel (KMPs) of the Company:

S. No.	Name of Director	Designation
1	Mr. Vikas Sharma	Chief Executive Officer & Whole-time Director
2	Mr. Swapnesh Bansal	Chief Financial Officer
3	Ms. Dashmeet Rana	Company Secretary & Compliance Officer

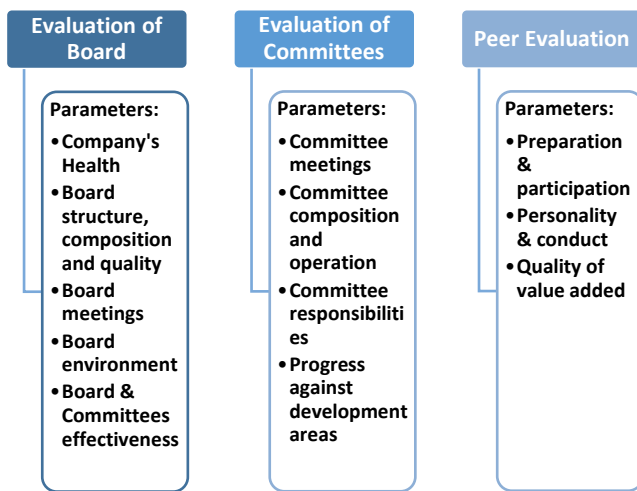
Following were the changes in the position of Directors and Key Managerial Personnel (KMPs) of the Company during the financial year 2020-21:

- ❖ Mr. Sandeep Modi resigned from the position of Chief Financial Officer w.e.f. close of business hours on May 18, 2020 and in his place Mr. Swapnesh Bansal was appointed effective from May 19, 2020;
- ❖ The tenure of Mr. Gurminder Singh Kang and Ms. Mala Todarwal as Non-Executive Independent Directors completed on June 30, 2020.
- ❖ Mr. Baldev Krishan Sharma and Mr. R Kannan were appointed as Non-Executive Independent Directors for a 1st term of 2 years effective July 1, 2020 till June 30, 2022;
- ❖ Ms. Mansi Bhutani resigned from the position of Company Secretary & Compliance Office w.e.f. close of business hours on January 21, 2021 and in her place Ms. Dashmeet Rana was appointed effective from January 22, 2021;
- ❖ Mr. Sushil Kumar Roongta resigned from the position of Non-Executive Director effective from March 6, 2021;
- ❖ Mr. Mahendra Singh Mehta was appointed as Independent Director effective from March 30, 2021.

Annual Performance Evaluation of Board as a Whole, its Committees and Individual Directors

A robust evaluation framework has been laid down by the Nomination & Remuneration Committee of the Company for annually evaluating the performance of Board as a whole, its Committees and individual directors.

For FY 2020-21 the evaluation was carried out online through structured questionnaires.



Responses were analysed and results were discussed in the Nomination & Remuneration Committee and in the Board meeting held on April 22, 2021. Board discussed the performance evaluation reports and took note of the suggestions/ inputs of the Independent Directors.

Overall evaluation of all the Directors, Board as a whole and its Committees have remained satisfactory during the financial year 2020-21.

Company's policy on Director's appointment and remuneration

In terms of the provisions of Section 178 (3) of the Companies Act, 2013, the Nomination & Remuneration Committee (NRC) is responsible for formulating the criteria for determining qualification, positive attributes and independence of a Director. NRC is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.

Inline with the above requirement, the Board has adopted the Nomination and Remuneration Policy on Board Diversity and Director Attributes, which is displayed on the website of the Company under the link: [NRC Policy](#)

Listing fees

As on March 31, 2021, Non-Convertible Debenture amounting to ₹ 2,000 Crore (Rupees Two Thousand Crore Only) are listed on the National Stock Exchange and pursuant to the Listing Agreement, the Company confirms that it has paid the annual listing fees for the year 2020-21 to the Stock Exchange.

Audit Reports and Auditors

Audit Reports

- ❖ The Auditors' report is enclosed with the financial statements in this Annual Report.
- ❖ The Secretarial Auditors' Report for FY 2020-21 in form MR-3 is enclosed as **Annexure - 4** to this Board's Report.

Statutory Auditors

M/s. S. R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No: 301003E) were appointed as Statutory Auditors of the Company at its 9th AGM held on June 22, 2016 for a term of five consecutive years i.e. until the conclusion of 14th AGM.

The report of the Statutory Auditors along with notes to Schedules is enclosed to this Report. The observations made in their report read with notes to accounts are self-explanatory and therefore, do not call for any further comments or explanation under Section 134 (3)(f) of the Act.

Further to it, under clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, no fraud was reported by the Auditor under sub-section (12) of Section 143 in the FY 2020-21.

The Company has also received a certificate that they are not disqualified and continue to remain eligible to act as the auditors of the Company.

The auditors have also furnished a declaration confirming their independence to the Company. The Audit Committee reviews the independence and objectivity of the auditors and the effectiveness of the audit process.

Cost Auditor

In terms with Section 148 of the Companies Act, 2013 read with rules made thereunder, the Company is required to have the audit of cost records relating to electricity generation for the financial year 2020-21 conducted by a Cost Accountant in practice.

The Board, on recommendation of Audit Committee, has appointed M/s K G Goyal & Co., Practicing Cost Accountants (Firm Registration No. 000017) as the Cost Auditor of the Company for the financial year 2020-21 at a remuneration approved by Board and ratified by Members of the Company at the 13th AGM.

The Company had received a certificate confirming their eligibility and consent to act as the Cost Auditors.

The cost accounts and records of the Company are duly prepared and maintained by the company as required under Section 148(1) of the Act and rules made thereunder pertaining to cost audit.

Secretarial Auditor

In accordance with the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had re-appointed M/s. Chandrasekaran Associates, Practicing Company Secretaries (Firm Registration No. – 002500) as the Secretarial Auditors of the Company to undertake the Company's Secretarial Audit for the financial year 2020-21.

The Company had received a certificate confirming their eligibility and consent to act as the Secretarial Auditors. The Secretarial Audit Report for the financial year 2020-21 forms part of the Board Report as **Annexure – 4** and confirms that the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines and that there were no deviations or non-compliances.

Annual Return

Pursuant to Section 92 of the Companies Act, 2013 read with Rule 12 of The Companies (Management and Administration) Rules, 2014 and Section 134 (3) (a), the copy of Annual Return can be accessed on the website of the Company at <https://www.tsplindia.co>.

Compliance Management Framework

With the effective implementation of the automated compliance management tool “e-nForce Plus”, the Company has remained committed to its compliance obligations. TSPL has a robust compliance framework which involves self-reporting by the process owners of respective departments on monthly/quarterly/half-yearly/annual basis. The internal compliance team/ third party verify the compliance status submitted by the process owners and observations are corrected in a time bound manner by taking mitigative/remedial measures by the respective departments. In furtherance to the same, regular audits by Internal Audit team and Third Party Audit team are conducted by TSPL to identify the gaps and take corrective measures to strengthen compliance mechanism. All the non-compliances along with the action plan are presented to the Board on a quarterly basis. Code of Conduct, which forms an essential wing of the compliance management framework, has been ensured through continuous sessions of awareness and knowledge sharing to the stakeholders of the organization.

Awareness Sessions/Workshop on Compliances and Ethics

The commitment to Ethics and Compliance is core to the Vedanta Group philosophy and is an integral part of all the processes. The responsibility of employees in demonstrating ethical and professional behaviour is reinforced by the awareness sessions being conducted on a regular basis. While awareness sessions on compliance cover various aspects of Electricity Laws, Industrial Laws, Labour Laws and other rules and regulations applicable to the company, the awareness sessions on Ethics & Governance cover the internal

policies, procedures and reporting mechanism to ensure **"Zero Tolerance"** and sensitize the employees to uphold uncompromising Business Ethics at the Company.

Corporate Governance

The Company ensures maintenance of highest standards of Corporate Governance and adherence to the Corporate Governance requirements set out in the Companies Act, 2013.

The Report on Corporate Governance detailing the following is attached and forms part of Statutory Report, marked as Report on Corporate Governance:

- ❖ Company Philosophy on Corporate Governance
- ❖ Meeting of Board of Directors and attendance of directors at the meetings held during financial year 2020-21
- ❖ Meeting of Committees of Board of Directors and attendance of members of Committee held during the financial year 2020-21
- ❖ Composition of Committees of Board
- ❖ General Body Meetings and Special Resolutions passed thereat
- ❖ Disclosures
- ❖ Means of Communication
- ❖ General Shareholders Information

Directors' Responsibility Statement

Pursuant to Section 134 of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- ❖ in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from the same;
- ❖ they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year, i.e., March 31, 2021 and of the profit and loss of the Company for that period;

- ❖ they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- ❖ they have prepared the annual accounts on a going concern basis;
- ❖ they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- ❖ they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Declaration by Independent Directors

All Independent Directors of the Company have submitted the requisite declarations confirming that they continue to meet the criteria of independence as provided under section 149 (6) of the Companies Act, 2013 and are in compliance with the Code for Independent Directors as specified under Schedule IV of the Act.

The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct.

In the opinion of the Board, Mr. R Kannan, Mr. BK Sharma and Mr. MS Mehta exhibited rich veracity and diverse experience in the various areas. Based on their multidisciplinary stints and experience, your Board believes that their induction continues to nurture the Board in broadening its overall efficiency and expertise.

Acknowledgement

The board of directors wishes to place on record their deep appreciation to the Central Government, State Government, various ministries, Central and State Electricity Regulatory Authorities, Municipal Corporation of Punjab, other regulatory authorities and communities in the areas of operation for their continued support and assistance extended.

The Board also extends its appreciation to employees at all levels for their continuing support, unstinting efforts and commitment towards the company in ensuring the performance of the company both financially as well as operationally.

The Directors would also like to thank our Stakeholders, Customers, Business Partners, Vendors, Bankers, Financial Institutions, Academic Institutions, Investors and others associated with the Company.

**For and on behalf of Board of Directors
Talwandi Sabo Power Limited**

Agnivesh Agarwal
Chairman
DIN: 00038950

Vikas Sharma
Whole-time Director
DIN: 00761202

Place: Dubai, UAE
Date: April 22, 2021

Place: Mansa
Date: April 22, 2021

REPORT ON CSR ACTIVITIES

ANNEXURE - 1

1. Brief outline on CSR Policy of the Company

The Corporate Social Responsibility (CSR) Policy was initially adopted by the Board of Directors on October 24, 2017 detailing the CSR activities of the Company. The Policy is available for public on the Company's website <https://www.tsplindia.co>. The focus areas are identified as- Health, Education, Livelihood, Women Empowerment and Rural Development. The Company's CSR policy and initiatives delineate the vision, mission, thrust areas and key requirements aligned with the Schedule VII of Section 135 of the Companies Act, 2013.

2. Composition of CSR Committee

S. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Baldev Krishan Sharma ⁽¹⁾	Chairperson of Committee, Independent Director	2 ⁽³⁾ (Entitled to attend: 1)	1
2	Mr. R Kannan ⁽²⁾	Member of Committee, Independent Director	2 ⁽³⁾ (Entitled to attend: 1)	1
3	Ms. Pooja Somani	Member of Committee, Non-Executive Director	2	1

1. Mr. Baldev Krishan Sharma was appointed as Chairperson of Corporate Social Responsibility Committee effective July 1, 2020.

2. Mr. R Kannan was appointed as Member of Corporate Social Responsibility Committee effective July 1, 2020.

3. The term of Ms. Mala Todarwal and Mr. Gurminder Singh Kang expired on June 30, 2020 hence, effective July 1, 2020 they ceased to be member and chairperson of the CSR Committee respectively. Both had attended 1 CSR Committee meeting which they were entitled to attend during FY 2020-21.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company

As provided in Section 1 above.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Not Applicable

6. Average net profit of the company as per section 135(5)

₹ 141 Crores

7. CSR Requirement

(a) Two percent of average net profit of the company as per section 135(5)

₹ 282 lacs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

Nil

(c) Amount required to be set off for the financial year, if any

Nil

(d) Total CSR obligation for the financial year (7a+7b- 7c)

₹ 282 lacs

8. CSR Spent or Unspent

(a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹ lacs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6) (ongoing project amount)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
116.78* (8b)	151.13 (8c)	Transferred within 30 days from end of FY 2021	NA	NA	NA

**this is excluding administrative overheads covered in point 8 (d) below*

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
S.No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹ lacs)	Amount spent in the current financial Year (in ₹ lacs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ lacs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	Clinical Health Services	(i)	Yes	Punjab	Mansa	Apr'20-Mar'21	40	23.99	3.62	No	Ivy Hospital	-
2.	COVID19 Relief	(xii)	Yes	Punjab	Mansa	Mar'20 - May'20	5	7.52	-	Yes	-	-
3.	Park Construction	(x)	Yes	Punjab	Mansa	Feb'21 - Jul'21	12	-	11.20	Yes	Civil vendors	-
4.	Road	(x)	Yes	Punjab	Mansa	Apr'20-Mar'21	20	20.80	1.93	Yes	Civil vendors	-
5.	Benches	(x)	Yes	Punjab	Mansa		8	-	10.53	Yes	Civil vendors	-
6.	Crematorium - Chehlanwali	(x)	Yes	Punjab	Mansa	Mar'21-Jun'21	6	-	7.78	Yes	Civil vendors	-
7.	Waste-water Management - Banawala	(iv)	Yes	Punjab	Mansa	Feb'21-May'21	30	3.94	26.26	Yes	Civil vendors	-
8.	Waste-water Management - Perron	(iv)	Yes	Punjab	Mansa	Feb'21-May'21	10	6.87	2.80	Yes	Civil vendors	-
9.	Waste-water Management - Raipur	(iv)	Yes	Punjab	Mansa	Mar'21-Jun'21	40	-	42.02	Yes	Civil vendors	-
10.	Sanitation Facility - toilet construction	(i)	Yes	Punjab	Mansa	Feb'21-Apr'21	3.50	-	3.83	Yes	Civil vendors	-
11.	Safe Drinking Water - Kamalu School	(i)	Yes	Punjab	Mansa	Mar'21-Apr'21	3	-	3.15	Yes	Civil vendors	-
12.	Safe Drinking Water - Raipur community RO	(i)	Yes	Punjab	Mansa	Jul'20-Apr'21	14	5.94	7.01	Yes	Civil vendors	-

Report on CSR Activities

13.	School Expansion Project - Integrated School Development	(ii)	Yes	Punjab	Mansa	Mar'21-Jul'21	31	-	31	Yes	Civil vendors	-
14.	School upgradation Project - Integrated School Development	(ii)	Yes	Punjab	Mansa	Mar'21-Jul'21	12	9.47	0	Yes	Civil vendors	-
TOTAL							234.50	78.53	151.13			

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
S. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Location (Yes/No)	Location of the project		Amount spent for the project (in ₹ lacs)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration number
1.	Sustainable Agriculture Promotion Project	(ii)	Yes	Punjab	Mansa	20.17	No	The Nabha Foundation	CSR00000802
2.	Promotion of Self-Help Groups	(iii)	Yes	Punjab	Mansa	5.82	No	Ambuja Cement Foundation	CSR00006913
3.	Behniwal Crematorium	(x)	Yes	Punjab	Mansa	6.95	Yes	Civil vendors	-
4.	Installation of Benches	(x)	Yes	Punjab	Mansa	2.05	Yes	Civil vendors	-
5.	Solar Lights installation - Rural Development	(x)	Yes	Punjab	Mansa	2.55	Yes	Civil vendors	-
6.	Supporting rural sports and cultural programs	(vii)	Yes	Punjab	Mansa	0.71	Yes	Civil vendors	-
TOTAL						38.25			

(d) Amount spent in Administrative Overheads

₹ 14.10 lacs

(e) Amount spent on Impact Assessment, if applicable

Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)

₹ 282 lacs

(g) Excess amount for set off, if any

Nil

9. Details of CSR amount for the preceding three financial years:

(a) Details of Unspent CSR amount for the preceding three financial years:

Not Applicable

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Not Applicable

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

Nil

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)

The Company has met the requirement as specified under Section 135 of the Companies Act read with rules (as amended) made thereunder.

For and on behalf of Board of Directors

Talwandi Sabo Power Limited

Mr. Baldev Kishan Sharma
Chairperson – CSR Committee
Independent Director
DIN: 02332983

Date: April 22, 2021
 Place: Faridabad

Mr. Vikas Sharma
CEO & Whole-time Director
DIN: 00761202

Date: April 22, 2021
 Place: Mansa

ENERGY CONSERVATION AND TECHNOLOGY ABSORPTION

Annexure -2

Conservation of Energy

Conservation of natural resources continues to be the key focus area of your Company. Some of the important steps taken in this direction are as follows:

The steps taken or impact on conservation of energy:

- ❖ Energy management committee comprising of 40 trained & experienced Energy Champions from each area.
- ❖ Your company has continued certification for Energy management system as per guidelines of EnMS 50001-2018 from BSI India
- ❖ Energy savings of more than 166029 GJ achieved till in FY'21 through various OPEX & CAPEX projects.
- ❖ Identified 22 nos of energy savings projects out of which 64% are completed, 36 % are under progress.
- ❖ Fly ash utilization continues to be key priority area for the company. Fly Ash Utilization of 60% achieved in FY'21 thereby reducing auxiliary power consumption and generating revenue for the company. Less utilization was on account of COVID-19 restrictions and reduced demand in northern India due to COVID-19 and demand disruptions from Farmer's agitation.
- ❖ Completed 2 major projects of Variable frequency drive in CEP's and installation of boiler drain pump to reduce APC and start up oil consumption respectively.
- ❖ Elimination of HFO from TSPL site and unit start up by LDO only. This has reduced the start up time and difficulties associated with HFO handling and HFO firing.
- ❖ Bottom ash impeller trimming completed in all 3 units for rationalization of Bottom ash water cycle and reduce water wastage as well as APC.
- ❖ VFD installation in Fire fighting system to reduce APC and water leakages.

The steps taken by the Company for utilizing alternate sources of energy:

30 Kwp solar roof top panel made operational in July'17. 11246 units of clean energy generated so far in FY'21. The company is deliberating on usage of excess land bank available with it for usage of renewable energy. The idea is still in its nascent stage and all pros and cons of it are being evaluated.

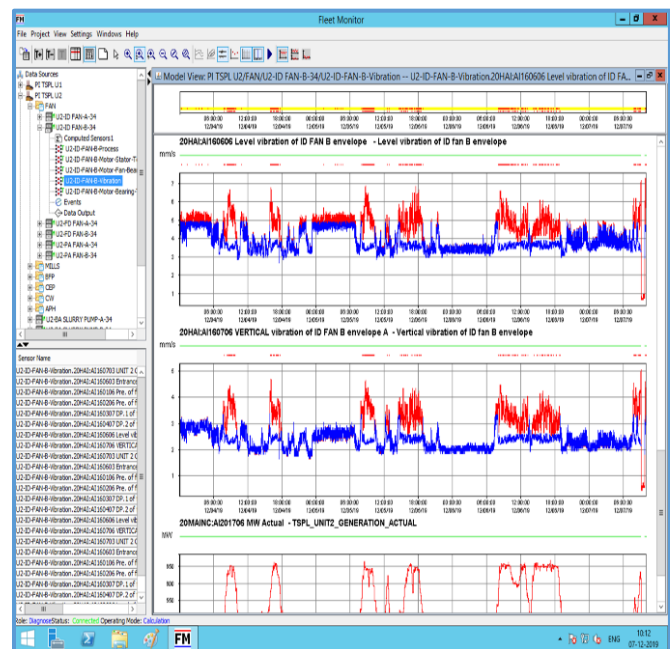
The capital investment on energy conservation equipment (in rupees):

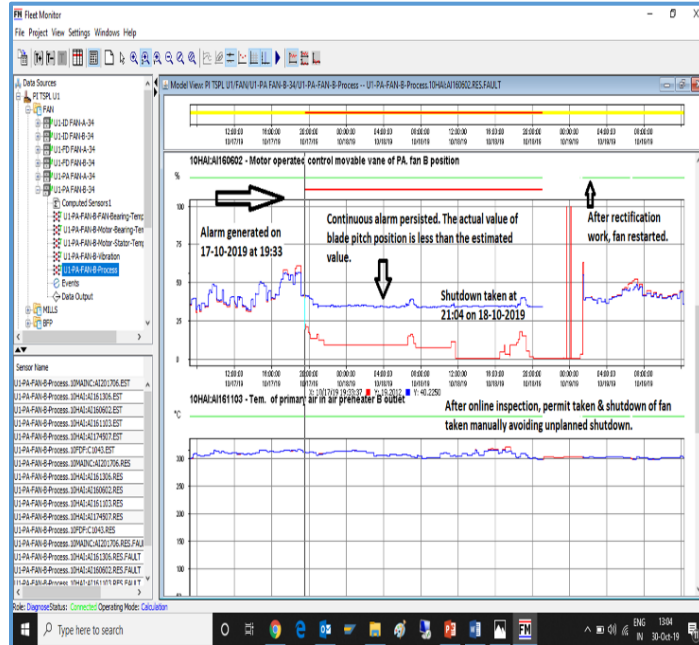
- ❖ Installation of Variable frequency drive (VFD) in CEP Pumps in 2 unit – 266 Lacs
- ❖ Boiler drain pump installation in unit 3- 39 Lacs
- ❖ Fire fighting system installation (above ground)- 8.5 Lacs

Technology absorption

Efforts in brief made towards technology absorption, adaptation, and innovation:

- ❖ Our advance pattern recognition system is working well and helping us in averting the premature failure of equipment.





❖ Solar trolley for inspection of rail tracks saving diesel consumption:



❖ Automation & Digitization-Intelligent Remote Racking Device for 11kV breakers :

For avoiding manual breaker rack in rack out we have provided robotic equipment to prevent personnel from line of fire



Energy Conservation & Technology Absorption

- ❖ Automation & Digitisation 400 KV Switchyard for Reliability Improvement and for compliance with grid code. We also executed innovative work of integrating SCADA system with ABT meter.
- ❖ We also developed inhouse capability for Generator excitor system control card for reconfiguration eliminating need for external help.
- ❖ Power segregation of TDBFP power supply by inhouse designing and installation.
- ❖ Implementation of WMS (Worker Management System)
- ❖ Implementation of E -Separation portal
- ❖ Extensive usage of online meeting tools to avoid travel wherever necessary.
- ❖ Onboarding of BCG for helping us finding gaps in our digitalization journey and finalize impactful initiatives

Any benefit(s) derived like product improvement, cost reduction, product development, import substitution:

Your company is already in discussions with CIL for imported coal substitution for savings of precious foreign exchange. Cost reduction initiatives include:

- ❖ Coal cost reduction has been achieved as per below table by zero import of coal and improved GCV coal procurement from NCL/ECL/CCL at competitive cost

1.56	Coal Cost (Rs/GCV ARB)	Rs/GCV	1.46
1.50	- ROM (MCL)	Rs/GCV	1.46
	#Import Substitution	Rs/GCV	1.50
1.65	- Washery	Rs/GCV	1.78
1.64	- Import	Rs/GCV	-

- ❖ Improved end to end O&M contract to KEPCO KPS focusing on cost reduction and improved performance.
- ❖ Reduction in ash disposal cost through focused negotiations with vendors and assured quantity
- ❖ Working on ARC for spares to improve efficiency, ensure better planning and faster execution.
- ❖ Sale of conditioned fly ash (CFA) to cement companies.

In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), the following information may be furnished:

N.A.

The expenditure incurred on Research and Development:

N.A

DISCLOSURE UNDER RULE 5

ANNEXURE -3

Disclosure in Board's report as per provisions of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Requirement	Name of Director Category	Ratio
Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year	Mr. Vikas Sharma <i>Whole time Director</i>	17.19
Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Mr. Vikas Sharma <i>Whole-time Director & Chief Executive Officer</i>	Nil
	Mr. Swapnesh Bansal <i>Chief Financial Officer¹</i>	10%
	Mr. Sandeep Modi <i>Chief Financial Officer¹</i>	Nil
	Ms. Mansi Bhutani <i>Company Secretary & Compliance Officer²</i>	Nil
	Ms. Dashmeet Rana <i>Company Secretary & Compliance Officer²</i>	Nil
Percentage increase in the median remuneration of employees in the financial year	Percentage increase in remuneration of employee was increased by 4.62%	
Number of permanent employees on the rolls of company		62
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration		Nil
Affirmation that the remuneration is as per the remuneration policy of the Company		Yes

1. Mr. Sandeep Modi, Chief Financial Officer resigned from the close of business hours on May 18, 2020 and Mr. Swapnesh Bansal was appointed as the Chief Financial Officer effective May 19, 2020
2. Ms. Mansi Bhutani, Company Secretary resigned from close of business hours on January 21, 2021 and Ms. Dashmeet Rana was appointed as the Company Secretary effective January 22, 2021

SECRETARIAL AUDIT REPORT

ANNEXURE - 4

For the financial year ended March 31, 2021

To,
The Members,
Talwandi Sabo Power Limited
Village Banawala,
Mansa - Talwandi Sabo Road,
Mansa, Punjab- 151302

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by Talwandi Sabo Power Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the "Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; Not Applicable
- (iv) 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;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; Not Applicable
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; Not Applicable
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; Not Applicable
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; Not Applicable
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; Not Applicable
- (vi) The Management has identified and confirmed the following laws as being specifically applicable to the Company:
- 1) Electricity Act, 2003 and rules and regulations made thereunder;
 - 2) Indian Boilers Act, 1923 and rules and regulations made thereunder;

We have also examined compliance with the applicable clauses/ Regulations of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

The remuneration paid / accrued by the Company to its whole-time director & CEO for the year ended March 31, 2021 is in excess of the limits specified in section 197 of Companies Act, 2013 read with Schedule V thereto as the Company does not have adequate profits in terms of section 198 of the Act. The Company has represented to us that it is in the process of complying with the prescribed statutory requirements to regularize such excess payments, including seeking approval of shareholders, as necessary.

We 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. The changes, if any, in the composition of the Board of Directors that took place during the period under

review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board/ Committee Meetings. Agenda and detailed notes on agenda were sent atleast seven days in advance except in case where meetings were convened at shorter notice. 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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report 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.

We further report that during the audit period, following specific events / actions took place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc:

- (i) The Members of the company at have increased the overall borrowing limits of the company from Rs. 10,000 Crore to Rs. 12,500 Crore.

**For Chandrasekaran Associates
Company Secretaries**

Shashikant Tiwari

Partner

Membership No. A28994

Certificate of Practice No. 13050

UDIN: A028994C000105356

Date: April 16, 2021

Place: Delhi

Notes:

- (i) This report is to be read with our letter of even date which is annexed as Annexure-A to this report and forms an integral part of this report.

- (ii) Due to restricted movement amid COVID-19 pandemic, we conducted the secretarial audit by examining the Secretarial Records including Minutes,

Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are the true and correct. This Report is limited to the Statutory Compliances on laws / regulations / guidelines listed in our report of which, the due date has been ended/expired on or before March 31, 2021 pertaining to Financial Year 2020-21.

Annexure-A to Secretarial Audit report

To,
The Members,
Talwandi Sabo Power Limited
Village Banawala,
Mansa - Talwandi Sabo Road,
Mansa, Punjab- 151302

1. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Whenever required, we have obtained the Management representation about the compliance of laws, rules and regulations 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. Our examination was limited to the verification of procedures on random 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.

For Chandrasekaran Associates
Company Secretaries

Shashikant Tiwari
Partner
Membership No. A28994
Certificate of Practice No. 13050
UDIN: A028994C000105356

Date: April 16, 2021

Place: Delhi

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PHILOSOPHY

Talwandi Sabo Power Limited follows the highest standards of Corporate Governance by adopting the governance best practices. Our corporate governance is a reflection of our value system encompassing our culture, policies, and relationships with our stakeholders at large. To ensure continuously ensure utmost trust and confidence of our stakeholders in us, transparency, accountability, excellence and safety form a vital part of our operations and practices.

Compliance with best practices

The Company has been a front runner in complying with best practices in corporate governance. During the financial year, the Company was bestowed with the **'Best Governed Company' Award** by the Institute of Company Secretaries of India and the Company Secretary was also awarded as the **'Governance Professional of the Year'**.

Corporate Governance Principles



Through effective corporate governance, your Board seeks to embed and sustain a culture that will enable TSPL to fulfil its purpose and achieve its long-term strategic objectives, by building durable partnerships and upholding its core values of safety, teamwork, excellence, respect and integrity.

BOARD OF DIRECTORS

The Board holds a fiduciary position, empowered to ensure that all the actions and decisions are aligned with the best interests of its stakeholders at large. It exercises independent judgement and plays a pivotal role in overseeing the management, governance, performance, long-term success of business as a whole and protecting the long-term interests of all the stakeholders.

To discharge its obligations effectively, the Board has constituted various board committees. Each of the committees has a clearly laid down charter and is entrusted with discharging its duties, roles and responsibilities. Further, the details pertaining to each of the committees have been provided in subsequent section of this report.

To ensure utmost governance maintain its functions of governance and management, our Board consists of an appropriate mix of executive, non-executive and independent directors.

The Detailed profile of the Directors is given in the earlier section of this Annual Report and can also be viewed on the website at www.tsplindia.co.

Composition of Board and Diversity

The Board believes that it is essential to have an appropriate balance between Executive, Non-Executive and Independent Directors to promote shareholder interests and govern the Company effectively. Hence, the Company maintains an optimum combination of Directors in compliance with the Companies Act, 2013 ('Act'). As on March 31, 2021, the Board comprise of six

Meeting of the Board and its Committees

Schedule of meetings and agenda matters

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy in addition to the statutory and other matters. The Board and Committee meetings are pre-scheduled and an annual calendar of the meetings is circulated to the Directors well in advance to facilitate planning of their schedule and to ensure meaningful participation in the meetings. However, in case of business exigencies/urgencies resolutions are passed through circulation or additional meetings are conducted. The Audit Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee Meetings are mostly held on the same dates as Board Meetings. To ensure an immediate update to the Board, the Chairman of the respective committees briefs the Board about the proceedings of the respective committee meetings.

Schedule of meetings and agenda matters

The detailed agenda papers along with the supporting annexures for the meetings are provided within statutory timelines. In special and exceptional circumstances, additional or supplementary agenda item(s) are permitted to be taken up as 'any other item'. However, to address urgent issues, resolutions are passed by way of circulation in line with the provisions of Section 175 of the Companies Act, 2013.

Information presented at meetings

The Board business generally includes consideration of important events including:

- ❖ quarterly and annual result announcements;
- ❖ oversight of the performance of the business;
- ❖ development and approval of overall business strategy;
- ❖ review of the functioning of the Committees and

Directors which includes a Chairman (Non-Executive), One Whole-time Director, Three Independent Directors and One Non-Executive Woman Director. None of the Directors are related to each other or are the promoters of the Company.

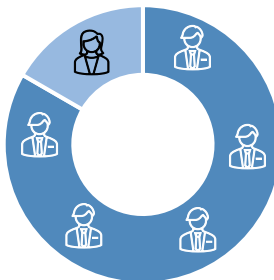
Board Composition

- Non-Executive Chairperson
- Whole-time Directors
- Independent Directors
- Non-Executive Directors



Gender Diversity

- Male
- Female



An effective board comprises of a diverse group of individuals who possess a variety of complementary skills and a range of experiences and our Board has the correct mix of members to provide effective oversight and insightful strategic guidance. The Nomination and Remuneration Committee and the Board reviews the Board's composition to recognise the skills required for the Company both in the near term and into the future. Together with these unique perspectives and wide variety of experiences we make our business stronger, enhancing our ability to innovate and respond to the challenges faced by the Company. Our Board represents a tapestry of complementary skills, attributes, perspectives and includes individuals with financial experience and a diverse background.

- ❖ other strategic, transactional and governance matters as required under the Companies Act, 2013, and other applicable laws.

Conduct and recording of meeting

- ❖ Facility of video conferencing/telepresence is provided to the Board members and invitees at various locations across the globe.
- ❖ All the meetings conducted through telepresence are recorded and stored as per statutory requirements. The Company Secretary records minutes of the meetings of each Board and Committees.

Post Meeting Summary / Follow Up

- ❖ Post conclusion of each of the Board/Committee meeting, the summary of the proceedings of meetings along with the action points, if any are circulated.
- ❖ Various decisions taken at Board/Committee meetings are promptly communicated to the concerned departments/divisions.
- ❖ Draft minutes and signed minutes are circulated to Board/Committee members within the timelines prescribed under Secretarial Standards.
















Meetings conducted during FY 2020-21

Following meetings were conducted during the year:

Meeting	April – June	July – September	October – December	January - March
Board	18-May-2020	27-Jul-2020	22-Oct-2020	21-Jan-2021
Audit Committee	18-May-2020	27-Jul-2020	22-Oct-2020	21-Jan-2021
Nomination & Remuneration Committee	18-May-2020	-	-	21-Jan-2021
Corporate Social Responsibility Committee	18-May-2020	-	22-Oct-2020	-

- ❖ *The Board approved 14 matters by passing resolution by circulation.*
- ❖ *The Audit Committee approved 1 matter by passing resolution by circulation.*
- ❖ *The Nomination & Remuneration Committee approved 3 matters by passing resolution by circulation.*
- ❖ *The Corporate Social Responsibility Committee approved 1 matter by passing resolution by circulation.*
- ❖ *The maximum interval between any two board meetings did not exceed 120 days, as prescribed in the Companies Act, 2013.*

Composition of Committees

Name of the Director	Board	Audit Committee	Nomination & Remuneration Committee	Corporate Social Responsibility Committee
Mr. Agnivesh Agarwal				
Mr. Baldev Krishan Sharma ⁽¹⁾				
Mr. R Kannan ⁽²⁾				
Mr. Mahendra Singh Mehta ⁽³⁾				
Mr. Vikas Sharma				
Ms. Pooja Somani				

 Chairperson   Member

1. Mr. Baldev Krishan Sharma was appointed on Board; Member of Audit Committee, Nomination & Remuneration Committee and Chairperson of Corporate Social Responsibility Committee effective July 1, 2020.
2. Mr. R Kannan was appointed on Board; Chairperson of Audit Committee, Nomination & Remuneration Committee and Member of Corporate Social Responsibility Committee effective July 1, 2020.
3. Mr. Mahendra Singh Mehta was appointed on Board and member of Nomination & Remuneration Committee effective March 30, 2021.

Attendance for Board & Committee Meetings held during FY 2020-21

Name of the Director	Whether attended AGM on July 23, 2020	Board (Attended / Entitled)	Audit Committee (Attended / Entitled)	Nomination & Remuneration Committee (Attended / Entitled)	Corporate Social Responsibility Committee (Attended / Entitled)
Mr. Agnivesh Agarwal	Yes	4/4	-	-	-
Mr. Baldev Krishan Sharma ⁽¹⁾	Yes	3/3	3/3	1/1	1/1
Mr. R Kannan ⁽¹⁾	Yes	3/3	3/3	1/1	1/1
Mr. Mahendra Singh Mehta ⁽²⁾	NA	NA	-	NA	-
Mr. Vikas Sharma	Yes	4/4	4/4	-	-
Ms. Pooja Somani	Yes	1/4	-	-	1/2
Mr. Sushil Kumar Roongta ⁽³⁾	Yes	4/4	-	2/2	-
Ms. Mala Tadarwal ⁽⁴⁾	NA	1/1	1/1	1/1	1/1
Mr. Gurminder Singh Kang ⁽⁴⁾	NA	1/1	1/1	1/1	1/1

1. Mr. Baldev Krishan Sharma and Mr. R Kannan were appointed as Independent Directors effective July 1, 2020
2. Mr. Mahendra Singh Mehta was appointed as Independent Director effective March 30, 2021
3. Mr. Sushil Kumar Roongta resigned from the post of Independent Director effective March 6, 2021
4. The term of Ms. Mala Tadarwal and Mr. Gurminder Singh Kang expired on June 30, 2020 hence, effective July 1, 2020 they ceased to be Independent Directors of the Company.

Selection/ Appointment Procedure

As per the Company's Nomination and Remuneration Policy, following steps are carried out for selection of new Board Members:

- ❖ The Nomination and Remuneration Committee (NRC) takes into consideration the knowledge, professional & functional expertise and background, industry orientation, diverse academic, professional or technical qualification and more before recommending a new member to the Board for their approval for appointment;
- ❖ In case of appointment of Independent Directors, the NRC additionally satisfies itself with regard to the independence of the Directors;
- ❖ In case of re-appointment, performance evaluation and engagement level is considered by the NRC and recommended to the Board for approval.

Code of Business Conduct and Ethics

The Company has in place a comprehensive Code of Conduct (COC) applicable to all Board Members, Senior Management and other employees of the Company. The COC provides guidance and support required for conducting the business in an ethical manner.

The declaration by whole-time director on code of business conduct and ethics of the Company is enclosed to this report.

Independent Directors

In compliance with the Section 149 (6) of the Companies Act, 2013, the Board consists of 3 (three) Independent Directors. The Company has issued letters of appointment to all Independent Directors that sets out the roles, functions, duties and responsibilities and performance evaluation process.

At the time of appointment and thereafter at the beginning of each financial year, the Independent Directors submit a self-declaration confirming their independence and that he/she meets the eligibility criteria. The declaration is also placed before the Board for information.

Separate Meeting of Independent Directors:

During FY 2020-21, one meeting of Independent Directors of the Company was held without the attendance of Non-Independent Directors and management of the Company on May 18, 2020 to discuss matters relating to performance of the Company, Committees of Board, Individual Directors, flow of information to the Board etc.

BOARD COMMITTEES

Audit Committee

The prime objective of the Audit Committee is to monitor and provide effective supervision of the financial reporting; the effectiveness of the system of risk management and robustness of internal financial controls and risk management framework, adequacy and effectiveness of the Company's legal, regulatory and ethical compliance & governance programmes, monitoring the qualifications, expertise, resources and independence of both the internal and external auditors; and assessing the auditors' performance and effectiveness each year.

Pursuant to Section 177 of the Companies Act, 2013 ('Act') states the Audit Committee acts in accordance with the Terms of Reference (TOR) as specified by the Board.

Terms of Reference

- ❖ Recommend the appointment, remuneration and term of appointment of Auditors of the Company;
- ❖ Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- ❖ Examination of the financial statement and auditor's report thereon;
- ❖ Approve or subsequently modify transactions of the Company with related parties;
- ❖ Scrutinize inter-corporate loans and investments;
- ❖ Undertake valuation of undertakings or assets of the Company, wherever it is necessary;

- ❖ Evaluate internal financial controls and risk management systems;
- ❖ Monitor the end use of funds and related matters;
- ❖ Discuss with the auditors periodically about internal control systems, the scope of audit including observations of the auditors;
- ❖ To issue certification under applicable laws and regulations applicable to the Company and / or its holding companies.

Powers of the Audit Committee

- ❖ Investigate any activity within its terms of reference
- ❖ Seek any information that it requires from any employee of the Company, and all employees are directed to cooperate with any request made by the Committee
- ❖ Obtain outside legal or other professional advice
- ❖ Secure attendance of outsiders with relevant expertise
- ❖ Access sufficient resources to carry out its duties

The Company has systems and procedures in place to ensure that the Audit Committee mandatorily reviews

- ❖ Management Discussion and Analysis of financial condition and results of operations;
- ❖ Statement of significant related party transactions (as defined by the Audit Committee) submitted by the management;
- ❖ Management letters/letters of internal control weaknesses issued by the statutory auditors;
- ❖ Internal audit reports relating to internal control weaknesses; and
- ❖ Appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

Composition and Meetings of Audit Committee

The composition of the Audit Committee meets the requirements of Section 177 of the Companies Act, 2013. The details of composition and meetings have been given in the earlier section of this report. All the members of the Audit Committee are financially literate.

The Company Secretary is the Secretary to the Committee. The CFO, CEO, MAS team and Statutory Auditors are the permanent invitees to the Audit Committee Meetings.

Nomination & Remuneration Committee

The Nomination & Remuneration Committee (NRC) is responsible for overseeing key processes through which it can make recommendations to the Board on the structure, size, composition and remuneration of the Board, Key Managerial Personnel (KMP) and Senior Management, ensure that the appropriate mix of skills, experience, diversity and independence is present on the Board and senior level for it to function effectively.

Terms of Reference

- ❖ Assist the Board in identifying, interviewing and recruiting candidates including criteria for the independence evaluation of the Board of Directors;
- ❖ Formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees;
- ❖ Annually evaluate and report to the Board on the performance and effectiveness of the Board to facilitate the directors fulfilling their responsibilities in a manner that serves the interests of members of the Company.
- ❖ Review, atleast once a year, the independence of the members of the Board of Directors;
- ❖ Obtain or perform an annual evaluation of the Committee's performance and make applicable recommendations;
- ❖ Review the framework and processes for motivating and rewarding performance at all levels of the Company and make appropriate proposals for Board approval;
- ❖ Recommend all forms of compensation to be granted to Directors, senior management and other employees of the company.

- ❖ To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable;
- ❖ Regularly review and make recommendations about changes to the charter of NRC

Composition and Meetings of Nomination & Remuneration Committee

The composition of NRC meets the requirements of Section 178 of the Companies Act, 2013. The details of composition and meetings have been given in the earlier section of this report.

The Company Secretary is the Secretary to the Committee. The CFO, CEO and other directors are the permanent invitees to the NRC Meetings.

Remuneration Policy for Directors

Nomination & Remuneration Policy has been framed and adopted by the NRC for determining and recommending the remuneration of the Directors, KMPs and Senior Management to the Board.

The Non-Executive Directors of the Company are paid remuneration by way of sitting fees and effective FY 2020-21 commission as well. The appointment letter covering the terms and conditions of appointment of Independent Directors is available on the Company's website at <https://www.tsplindia.co>.

No stock options were issued to the Non-Executive Independent Directors of the Company during the financial year 2020-21.

Corporate Social Responsibility Committee

Corporate Social Responsibility (CSR) Committee is formed to fulfil the social responsibility of the Company that positively impacts the society at large in an ethical and environment friendly manner and ensures the Company operates on a consistent and compliant basis.

As a responsible corporate citizen, we believe that those who reside in our operational areas are our partners and we seek to foster a mutually benefitting relationship with all our stakeholders. It is this integration of business and CSR which provides us the social licence to operate and ushers in a different developmental paradigm towards sustainable change in society. The role of CSR Committee is to formulate and monitor the CSR Policy of the Company along with recommending the CSR Budget.

Terms of Reference

- ❖ To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company in line with the provisions of Companies Act, 2013.
- ❖ Recommend the amount of expenditure to be incurred on the activities referred to in the Policy.
- ❖ Monitor the CSR Policy of the Company from time to time.
- ❖ To institute transparent monitoring mechanism for implementation of the Corporate Social Responsibility projects or programs or activities undertaken by the Company.
- ❖ To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.

Composition and Meetings of Corporate Social Responsibility Committee

The composition of the Corporate Social Responsibility (CSR) Committee meets the requirements of Section 135 of the Companies Act, 2013. The details of composition and meetings have been given in the earlier section of this report.

The Company Secretary is the Secretary to the Committee. The CFO, CEO and other directors are the permanent invitees to the Corporate Social Responsibility Committee Meetings.

Committee of Directors

To cater various day to day requirements and to facilitate seamless operations, the Company has formed a Committee known as Committee of Directors. The Committee meets as and when deem necessary to cater to the Company’s day to day requirements of the company.

The Committee comprise of one Whole-time Director and two Non-Executive Directors.

The Company Secretary is the Secretary to the Committee. The CFO, CEO are the permanent invitees to the Committee Meetings.

During the financial year 2020-21, the committee had no meetings.

GENERAL BODY MEETING

Details of last three Annual General Meetings

Year	AGM	Day, Date & Time	Venue	Special Resolutions passed
2019-20	13 th AGM	Friday, July 23, 2020, 12 PM	Through video conferencing	None
2018-19	12 th AGM	Friday, June 28, 2019, 12 PM	Village Banawala, Talwandi Sabo Road, Dist. Mansa, Punjab – 151302, India	<ul style="list-style-type: none"> ▪ Re-appointment of Mr. Chhavi Nath Singh as Manager of the Company
2017-18	11 th AGM	Friday, June 22, 2018, 11 AM	Village Banawala, Talwandi Sabo Road, Dist. Mansa, Punjab – 151302, India	<ul style="list-style-type: none"> ▪ Re-appointment of Mr. Chhavi Nath Singh as Manager of the Company ▪ To issue and allot secured, redeemable Non-convertible Debentures (NCDs) aggregating to Rs. 2500 Cr

Special Resolution by Postal Ballot

During the financial year 2020-21, no special resolution has been passed through the exercise of postal ballot.

Details of Extra – Ordinary General Meeting held during the financial year 2020-21

During the financial year 2020-21, following extra-ordinary general meeting of shareholders were conducted:

EGM	Day, Date & Time	Venue	Special Resolutions passed
9 th EGM	Sunday, May 17, 2020, 12 PM	Through video conferencing	<ul style="list-style-type: none"> ❖ To increase the borrowing powers of the company under section 180(1)(c) of Companies Act, 2013 ❖ To approve the creation of charge on movable and immovable properties of the company, both present and future
10 th EGM	Monday, June 1, 2020, 12 PM	Through video conferencing	<ul style="list-style-type: none"> ❖ Conversion of loan into equity in the event of default by the company in respect of loan to be availed by Power Finance Corporation Limited
11 th AGM	Monday, February 15, 2021, 12 PM	Through video conferencing	<ul style="list-style-type: none"> ❖ To consider and approve altered Articles of Association of the Company ❖ To consider payment of Commission to Independent / Non-Executive Directors of the Company

DISCLOSURES

The Board has received disclosures from senior management relating to material, financial and commercial transactions where they and/or their relatives have personal interest. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large.

- ❖ There was no non-compliance during the last three years by the Company on any matter related to Capital Market. There were no penalties imposed nor strictures passed on the Company by Stock Exchanges, Securities and Exchange Board of India (SEBI) or any statutory authority.
- ❖ The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for Employees and Directors to report concerns

about unethical behaviour, actual or suspected fraud or violation of the Company’s Code of Conduct or ethics policy. The said policy has been posted on the Company’s website: www.tsplindia.co.

- ❖ Company affirms that no personnel have been denied access to the Chairman of the Audit Committee.
- ❖ The Company follows Accounting Standards laid down by The Institute of Chartered Accountants of India in the preparation of its financial statements.

The Company follows all the mandatory requirements of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

S. No.	Particulars	Section / Chapter	Compliance Status Yes/No/N. A.	Compliance observed
1.	Board of Directors	Chapter XI, XII, XIII	Yes	<ul style="list-style-type: none"> ❖ Composition ❖ Meetings ❖ Review of Compliance Report ❖ Duties of Directors ❖ Disclosure of Interest ❖ Fees to Non-Executive / Independent Directors ❖ Risk assessment and management ❖ Performance evaluation of Independent Directors ❖ Related Party Transactions
2.	Annual General Meeting	Sec. 96 - 121	Yes	<ul style="list-style-type: none"> ❖ Notice alongwith Explanatory Statement ❖ Corporate Representative ❖ Transaction of Special Business and passing Special Resolution ❖ Recording of Minutes and Reporting of AGM ❖ Filing of Resolution & Agreements
3.	Audit Committee	Sec. 177	Yes	<ul style="list-style-type: none"> ❖ Composition ❖ Meetings ❖ Powers of the Committee ❖ Role of the Committee and review of information by the Committee
4.	Nomination and Remuneration Committee	Sec. 178	Yes	<ul style="list-style-type: none"> ❖ Composition ❖ Chairperson ❖ Role of the Committee

				❖ Performance Evaluation of Directors
5.	Corporate Social Responsibility Committee	Sec. 135	Yes	❖ Composition ❖ Chairperson ❖ Role of the Committee ❖ Approval and Reporting of CSR Budget and Activities
6.	Vigil Mechanism	Sec. 177	Yes	❖ Formulation of Vigil Mechanism ❖ Direct access to Chairperson of Audit Committee
7.	Related Party Transactions	Sec. 188	Yes	❖ Policy on Related Party Transactions and dealing with Related Party Transactions ❖ Approval including omnibus approval of Audit Committee ❖ Review of Related Party Transactions ❖ There were no material Related Party Transactions
8.	Obligations with respect to Independent Directors	Sec. 149 & 165	Yes	❖ Minimum no. of Directors ❖ Maximum directorships and tenure ❖ Meetings of Independent Directors ❖ Familiarisation of Independent Directors
9.	Obligations with respect to Directors and KMPs	Chapter XI & XIII	Yes	❖ Disclosure & Declaration by Directors & KMPs respectively ❖ Memberships / Chairmanships in Committees ❖ Affirmation on compliance of Code of Conduct by Directors, KMPs
10.	Other Corporate Governance Requirements		Yes	❖ Filing of Forms & Returns ❖ Maintenance of Registers & Records ❖ Intimations to Investors

MEANS OF COMMUNICATION

Financial Results

The half yearly financial results of the Company are intimated to the recognized Stock Exchanges, Debenture holders and Debenture Trustees of the Company.

Website

The Company's website <https://www.tsplindia.co> has a separate section of "Investor Relations" which contains all the information for the investors like financial results, policies & codes, stock exchange filings, press releases, annual reports etc. enabling the investors to remain informed and updated.

GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting for the FY 2020-21

It is scheduled to be held on July 27, 2021 through video conferencing.

Listing on Stock Exchange

The Company's Secured, Redeemable, Non-Convertible Debentures (NCDs) are listed on National Stock Exchange of India Limited (NSE), 'Exchange Plaza', Bandra-Kurla Complex, Bandra (E), Mumbai – 400051. The details of outstanding NCDs as on March 31, 2021 are given below:

S. No.	ISIN	Issuance Date	Maturity Date	Coupon Rate	No. of NCDs (face value of ₹ 10 lakh each)	Amount (₹ in Cr)
1	INE694L07115	April 23, 2018	April 23, 2021	8.55%	10,000	1,000
2	INE694L07123	July 30, 2018	July 30, 2021	9.23%	10,000	1,000



Registrar and Transfer Agent

KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited)

Selenium Building, Tower- B, Plot No 31 & 32, Gachibowli, Financial District Nanakramguda, Serilingampally, Hyderabad Rangareddi - 500032, Telangana.

Tel: +91 40 6716 2222; **Toll Free No.:** 1800 425 8998

Fax: +91 40 2311 4087; **Website:** www.kfintech.com



Debenture Trustee

Vistra ITCL (India) Limited

The IL&FS Financial Center

Plot No. C-22, G Block, 7th Floor, Bandra Kurla Complex Bandra (East), Mumbai – 400051

Tel: +91 22 26593535; **Fax:** +91 22 26533297



Shareholding pattern as on March 31, 2021

S. No.	Name of Natural persons/ Directors/ Beneficiaries	Date of Allotment/ Date of registration of transfer of share*	Number of Shares held
1	Vedanta Limited	1 st September, 2008	3,20,66,09,686
2	Mr. Vijay Ingole	January 24, 2019*	1
3	Mr. Vikas Sharma	August 27, 2019*	1
4	Mr. Khirod Kumar Barik	August 27, 2019*	1
5	Mr. Pankaj Kumar Sharma	January 17, 2020*	1
6	Mr. Swapnesh Bansal	September 1, 2020*	1
7	Ms. Krittika Bhatt	September 1, 2020*	1
Total			3,20,66,09,692

Note: * From S. No. 2 to 7, shareholders are the Nominee Shareholders only, who do not hold any beneficial interest in these shares. Vedanta Limited is the 100 % shareholder of the Company.

DECLARATION BY WHOLE-TIME DIRECTOR ON CODE OF BUSINESS CONDUCT AND ETHICS OF THE COMPANY

As the Whole-time Director of Talwandi Sabo Power Limited, I, **Vikas Sharma**, hereby declare that all the Members of Board and Key Managerial Personnel of the Company have affirmed compliance with the Company’s Code of Business Conduct and Ethics for the financial year 2020-21.

For Talwandi Sabo Power Limited

Vikas Sharma
CEO & Whole-time Director

Place: Mansa

Date: April 22, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of Talwandi Sabo Power Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Talwandi Sabo Power Limited ("the Company"), which comprise the Balance sheet as at March 31 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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, 2021, its loss including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together

with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Key audit matters

How our audit addressed the key audit matter

(a) Revenue recognition and Recoverability of disputed receivables (as described in Note 2.C ,4, 24, 43 of the Ind AS financial statements)

As at March 31, 2021 net receivables aggregating to Rs. 1,622 crores were outstanding on account of disputes with the Company's sole customer, Punjab State Power Corporation Limited (PSPCL).

Our audit procedures included the following:

- Performed walkthroughs and test of controls, assisted by IT specialists of the revenue recognition processes and assessed the design and operating effectiveness of key controls;

Key audit matters	How our audit addressed the key audit matter
<p>In assessing the appropriateness of recognition of revenue and for assessing the recoverability of these receivables including measurement of expected credit loss, the management has exercised significant judgements to evaluate</p> <ul style="list-style-type: none"> • The probable outcome of PSPCL’s claim of a force majeure and timing of the resolution of the dispute; and • The results of the litigation based on the status of the legal proceedings. <p>The judgements applied by management have a significant impact on the level of provision required for trade receivables.</p>	<ul style="list-style-type: none"> • Examined the underlying power purchase agreement and verified relevant clauses for calculations of tariff for billing as part of determination of price & other entitlements of the Company; • Examined invoice samples to ensure that revenue has been correctly recognized; • Examined the relevant state regulatory commission appellate tribunal and Supreme Court rulings; • Examined external legal opinions in respect of the merits of the case and critically assessed management’s position through discussions with the management’s in-house legal team to determine basis of their conclusion; • Assessed the competence and objectivity of the external counsels to satisfy ourselves that these parties are suitable in their roles; • Evaluated management’s assessment of recoverability and expected credit loss on such balances; • Assessed the adequacy of the disclosures made by the Company in this regard.

We have determined that there are no other key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor’s Report Thereon

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

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such 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 for the Ind AS Financial Statements

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive loss, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the

accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We

describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 33 to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Naman Agarwal

Partner

Membership Number: 502405

UDIN: 21502405AAAABB3363

Place of Signature: New Delhi

Date: April 22, 2021

Annexure 1 referred to in paragraph 1 under the heading “Report on other legal and regulatory Requirements” of our report of even date

Re: Talwandi Sabo Power Limited (‘the Company’)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) Title deeds in respect of freehold land having gross and net book value of Rs. 390 crores and building having gross book value of Rs. 263 crores and net book value of Rs. 170 crores included in plant, property and equipment are pledged with Vistra ITCL (India) Limited and are not available with the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable. Accordingly provisions of clause 3(iv) of the Order are not applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable and hence not commented upon.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to the generation of power, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, customs duty, goods and service tax, cess and other material statutory dues applicable to it. The provisions relating to employee state insurance, sales tax, value added tax and excise duty are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, customs duty, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employee state insurance, sales tax, value added tax and excise duty are not applicable to the Company.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, custom duty, excise duty, value added tax, goods and service tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount* (₹ in crore)	Financial year to which it relates	Forum where dispute is pending
Income tax Act, 1961	Income tax	0.91	Assessment year 2012-2013	Income Tax Appellate Tribunal
Income tax Act, 1961	Income tax	0.68	Assessment year 2012-2013	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income tax	1.65	Assessment year 2014-2015	Commissioner of Income Tax (Appeals)

*Includes Rs. 1.44 crore paid under protest.

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or dues to debenture holders. The Company does not have any loans or borrowings from the Government.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised. The Company has not raised any money by way of initial public offer / further public offer.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and hence not commented upon.
- (xvi) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with

management, we report that no fraud by the Company or material fraud on the Company by the officers and employees of the Company has been noticed or reported during the course of our audit.

- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and hence not commented upon.
- (xv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and hence not commented upon.
- (xvi) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with
- directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvii) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Per Naman Agarwal

Partner

Membership No.: 502405

UDIN: 21502405AAAABB3363

Place of Signature: New Delhi

Date: April 22, 2021

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF TALWANDI SABO POWER LIMITED

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

We have audited the internal financial controls with reference to financial statements of Talwandi Sabo Power Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these 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, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by 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 these financial statements was established

and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls With Reference to these Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements 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

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 with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, 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 issued by the ICAI.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Naman Agarwal

Partner

Membership Number: 502405

UDIN: 21502405AAAABB3363

Place of Signature: New Delhi

Date: April 22, 2021

BALANCE SHEET

As at March 31, 2021

(₹ in Crore)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
I ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3	9,148.21	9,546.85
(b) Capital work-in-progress	3	3.12	7.20
(c) Intangible assets	3	0.40	0.48
(d) Financial assets			
(i) Trade receivables	4	1,622.07	1,544.94
(ii) Other financial assets	5	8.20	8.73
(e) Deferred tax assets (Net)	42	197.09	173.07
(f) Other non-current assets	6	1.92	2.40
Total non-current assets		10,981.01	11,283.67
2 Current assets			
(a) Inventories	7	277.46	533.34
(b) Financial Assets			
(i) Trade receivables	8	401.63	462.94
(ii) Cash and cash equivalents	9	421.00	75.41
(iii) Bank balances	10	39.34	59.14
(iv) Other financial assets	11	65.50	183.16
(c) Other current assets	12	91.68	54.53
Total current assets		1,296.61	1,368.52
Total Assets		12,277.62	12,652.19
II EQUITY AND LIABILITIES			
A Equity			
(a) Equity share capital	13	3,206.61	3,206.61
(b) Other equity	14	6.11	78.98
Total Equity		3,212.72	3,285.59
B LIABILITIES			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	4,912.29	4,869.30
(ii) Other financial liabilities	16	746.28	765.18
(b) Provisions	17	1.21	0.83
Total non-current liabilities		5,659.78	5,635.31
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	49.00	1,687.76
(ii) Trade finance	19	272.19	-
(iii) Trade payables	20		
(a) Total Outstanding dues of Micro Enterprises and Small Enterprises		0.90	1.32
(b) Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		120.41	300.77
(iv) Other financial liabilities	21	2,955.84	1,733.60

(b) Other current liabilities	22	6.67	6.74
(c) Provisions	23	0.11	1.10
Total current liabilities		3,405.12	3,731.29
Total Liabilities		9,064.90	9,366.60
Total Equity and Liabilities		12,277.62	12,652.19

See accompanying notes forming part of financial statements

In terms of our report attached

For S. R. Batliboi & Co. LLP

ICAI Firm Registration No. : 301003E/E300005

Chartered Accountants

per Naman Agarwal

Partner

Membership No.: 502405

Place : New Delhi

Date : April 22, 2021

For and on behalf of Board of Directors

Agnivesh Agarwal

Chairman

DIN: 00038950

Vikas Sharma

Chief Executive Officer
& Whole Time Director

DIN: 00761202

Swapnesh Bansal

Chief Financial Officer

Dashmeet Rana

Company Secretary

ICSI Mem No. A52155

STATEMENT OF PROFIT & LOSS

For the year ended March 31, 2021

(₹ in Crore)

Particulars	Notes	Year ended March 31, 2021	Year ended March 31, 2020
I Revenue from operations	24	3,819.78	4,771.82
II Other Operating Income	25	33.30	45.64
III Other income	26	4.93	139.70
IV Total Income (I+II+III)		3,858.01	4,957.16
V Expenses:			
Power and fuel charges		2,430.88	3,201.26
Employee benefits expense	27	20.38	22.95
Finance costs	28	733.38	764.72
Depreciation and amortisation expense	29	457.41	459.43
Other expenses	30	313.16	268.34
Total expenses		3,955.21	4,716.70
VI Profit/(loss) before exceptional items and tax (IV-V)		(97.20)	240.46
VII Exceptional Items	31	-	82.06
VIII Profit/(loss) before tax (VI+VII)		(97.20)	322.52
IX Tax expense/(benefit):	42		
On other than exceptional items			
Deferred tax		(24.10)	(428.21)
On Exceptional items			
Deferred tax		-	20.65
Net Tax expense/(benefit):		(24.10)	(407.56)
X Net Profit/(Loss) for the year (VIII-IX)		(73.10)	730.08
XI Other Comprehensive Income/(Loss) (net of taxes)			
(i) Items that will not be reclassified to profit or loss- Re-measurement gain/(loss) on defined benefit obligation (net of taxes)		0.23	(0.30)
XII Total Comprehensive Income/(Loss) for the period (X+XI)		(72.87)	729.78
XIII Earnings/(Loss) per equity share (in ₹):	35		
- Basic and Diluted		(0.23)	2.28

See accompanying notes forming part of financial statements

In terms of our report attached

For S. R. Batliboi & Co. LLP

ICAI Firm Registration No. : 301003E/E300005

Chartered Accountants

For and on behalf of Board of Directors**Agnivesh Agarwal**

Chairman

DIN: 00038950

Vikas SharmaChief Executive Officer
& Whole Time Director

DIN: 00761202

per Naman Agarwal

Partner

Membership No.: 502405

Place : New Delhi

Date : April 22, 2021

Swapnesh Bansal

Chief Financial Officer

Dashmeet Rana

Company Secretary

ICSI Mem No. A52155

CASH FLOW STATEMENT

For the year ended March 31, 2021

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A Cash flows from operating activities		
Net Profit / (Loss) before tax	(97.20)	322.52
Adjusted for :		
Unrealised exchange (gain) / loss	14.57	(36.70)
Depreciation and amortisation expense	457.41	459.43
Interest Expenses	733.38	764.72
Interest and Dividend Income	(4.00)	(136.21)
Provision for doubtful debts	33.71	-
Exceptional Interest income (Refer Note 31)	-	(82.06)
Loss on sale of property, plant and equipment	-	0.00
Operating profit before working capital changes	1,137.87	1,291.70
Adjustments for change in assets and liabilities		
(Increase) / Decrease in inventories	240.69	(91.72)
(Increase) / Decrease in trade receivables	(49.54)	640.58
(Increase) / Decrease in other financial and other assets	38.18	(6.80)
Increase / (Decrease) in payables and provisions	84.08	(99.12)
Cash generated from operations	1,451.28	1,734.64
Income taxes paid	0.23	(0.75)
Net cash from / (used) operating activities (i)	1,451.51	1,733.89
B Cash flows from investing activities		
Purchases of property, plant and equipment (including intangibles)	(6.41)	(54.19)
Proceeds from maturity / redemption of short term deposits	74.07	86.03
Purchases of short term deposits	(55.67)	(143.66)
Purchase of short term Investment (Mutual Funds)	(2,113.91)	(2,948.40)
Proceeds from sale of short term Investments (Mutual Funds)	2,114.88	2,949.49
Interest received	4.42	5.09
Net cash from / (used) investing activities (ii)	17.38	(105.64)
C Cash flows from financing activities		
Net (Repayment) / Proceeds from short term loan	(198.76)	(1,534.16)
Proceeds from current borrowings	-	3,740.00
Repayment of current borrowings	(1,440.00)	(2,300.00)

Proceeds from Long Term borrowings	2,369.81	-
Repayment of Long Term borrowings	(1,064.56)	(1,033.94)
Repayment of lease liability	(3.30)	(3.36)
Interest Paid	(786.49)	(683.56)
Net cash from / (used) in financing activities (iii)	(1,123.30)	(1,815.02)
Net increase / (decrease) in cash and cash equivalents (i+ii+iii)	345.59	(186.77)
Cash and cash equivalents at beginning of the year	75.41	262.18
Cash and cash equivalents at close of the year [Refer Note 9]	421.00	75.41

Notes:

1. The figures in bracket indicates outflows.
2. The above cash flow has been prepared under the "Indirect Method" as set out in Ind AS 7 - Statement of Cash Flows.

See accompanying notes forming part of financial statements

In terms of our report attached

For and on behalf of Board of Directors

For S. R. Batliboi & Co. LLP

ICAI Firm Registration No. : 301003E/E300005
Chartered Accountants

Agnivesh Agarwal

Chairman

DIN: 00038950

Vikas Sharma

Chief Executive Officer
& Whole Time Director

DIN: 00761202

per Naman Agarwal

Partner

Membership No.: 502405

Place : New Delhi

Date : April 22, 2021

Swapnesh Bansal

Chief Financial Officer

Dashmeet Rana

Company Secretary

ICSI Mem No. A52155

Statement of Changes in Equity

For the year ended March 31, 2021

a. Equity share capital

Equity shares of ₹ 10 each issued, subscribed and fully paid	No. of Shares	Amount (₹ in Crore)
As at March 31, 2021 and March 31, 2020	320,66,09,692	3,206.61

Note: There has been no change in the equity share capital either during the year or previous year.

b. Other equity

(₹ in Crore)

Particulars	Reserves and Surplus		Total
	Retained earnings	Debenture Redemption Reserve	
Balance as at March 31, 2019	(676.83)	26.03	(650.80)
Profit for the year	730.08	-	730.08
Other Comprehensive Loss	(0.30)	-	(0.30)
Balance as at March 31, 2020	52.95	26.03	78.98
Loss for the year	(73.10)	-	(73.10)
Other Comprehensive Income	0.23	-	0.23
Balance as at March 31, 2021	(19.92)	26.03	6.11

See accompanying notes forming part of financial statements

In terms of our report attached

For and on behalf of Board of Directors

For S. R. Batliboi & Co. LLP

ICAI Firm Registration No. : 301003E/E300005

Chartered Accountants

Agnivesh Agarwal

Chairman

DIN: 00038950

Vikas Sharma

Chief Executive Officer

& Whole Time Director

DIN: 00761202

per Naman Agarwal

Partner

Membership No.: 502405

Swapnesh Bansal

Chief Financial Officer

Dashmeet Rana

Company Secretary

ICSI Mem No. A52155

Place : New Delhi

Date : April 22, 2021

NOTES

Forming part of the financial statements as at and for the year ended March 31, 2021

Note 1 - Company's Overview

Talwandi Sabo Power Limited (herein after referred as "TSPL" or "the Company") was incorporated as a Special Purpose Vehicle by Punjab State Power Corporation Limited (herein after referred as "PSPCL") [formerly known as Punjab State Electricity Board (PSEB)] to construct a 3*660 Mega Watt coal based thermal power plant (The Plant) on Build, Own and Operate (BOO) basis. TSPL became a wholly owned subsidiary of Vedanta Limited (herein after referred as "VL") [formerly known as Sesa Sterlite Limited (SSL)] pursuant to the selection of VL as the successful bidder after going through a tariff based International Competitive Bidding (ICB) process. The Share Purchase Agreement (SPA), Power Purchase Agreement (herein after referred as "PPA") for sale of power from the Plant to PSPCL for a period of twenty-five years and other necessary documents were signed between VL, TSPL and PSPCL on September 01, 2008. The address of its registered office and principal place of business is in village Banawala, Mansa - Talwandi Sabo Road, Mansa, Punjab - 151302.

The standalone financial statements were approved for issuance by the Board of Directors on April 22, 2021.

Note 2 - Basis of Preparation and Significant accounting policies**2.A. BASIS OF PREPARATION****a) Basis of preparation and compliance with Ind AS**

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

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing

accounting standard requires a change in the accounting policy hitherto in use.

b) Going Concern

The standalone financial statements have been prepared on a going concern basis using historical cost convention, except for certain financial assets and liabilities which are measured at fair value/amortised cost {Refer note 2.B.(g)}.

As more fully described in note no. 47, as per revised Ministry of Environment norms, Company had to implement FGD technology by December 31, 2019. With respect to same the Company and has made representations for extension of timelines and has also sought a revision in tariffs from its customer pursuant to the 'Change in Law' in accordance with power purchase agreement with PSPCL. During the year the Company received a notice on October 16, 2020 and a corrigendum on November 04, 2020 wherein Central Pollution Control Board (CPCB) extended the aforesaid timelines for installing the FGD to February 28, 2021 for Unit 1, December 31, 2020 for Unit 2 and October 31, 2020 for Unit 3. On March 31, 2021, Ministry of Environment, Forest and Climate Change via notification has further extended the above-mentioned timelines till December 31, 2024 for all the 3 units. Accordingly, these financial statements have been prepared on a going concern basis.

2.B. SIGNIFICANT ACCOUNTING POLICIES

The Company has applied the following accounting policies to all periods presented in the Financial Statements:

a) Functional and presentation currency

The Financial Statements are prepared in Indian Rupee (₹), which is the Company's functional currency. All financial information presented in

Indian Rupee has been rounded to the nearest Crore with two decimals.

b) Revenue from Contract with Customer

Ind AS 115 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The core principle of the standard is for companies to recognize revenue when the control of the goods and services is transferred to the customer as against the transfer of risk and rewards. The amount of revenue recognised reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

Revenue from sale of power is recognised when delivered and measured based on rates as per bilateral contractual agreement with its sole customer i.e. PSPCL. Revenues from sale of by-products are included in revenue. If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer.

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company transfers goods or services to a customer even before the customer pays consideration or payment is due, a contract asset is recognised for the earned consideration when that right is conditional on Company's future performance.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a result, the Company does not adjust any of the transaction prices for the time value of money.

Lease Income

Where the Company is a lessor, lease income from operating leases (excluding amount for services on maintenance, etc. and contingent rentals) is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases and another systematic basis is more representative of the time pattern in which user's benefit derived from the leased asset is diminished. Contingent rent is recognised in the period when earned. The respective leased assets are included in the balance sheet according to the nature of the asset.

Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts throughout the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends

Dividend income is recognised in the income statement only when the right to receive payment is established, provided it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

c) Property, plant and equipment

i. Property, plant and equipment

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Machinery spare parts are capitalised when they meet the definition of property, plant and equipment.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Likewise, expenditure towards major inspections and overhauls are identified as a separate component and depreciated over the expected period till the next overhaul expenditure.

Subsequent costs and disposal:

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance/life. All other expenses on existing property, plant and equipment, including routine repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income/other expenses in Statement of Profit and Loss.

ii. Capital work in progress

Assets during construction are capitalised in capital work in progress account. All costs attributable to construction of project or incurred in relation to the project under construction, net of incidental income during the construction/pre-production period, are aggregated under 'Expenditure during Construction Period' to be allocated to individual identified assets on completion. At the point when an asset is capable of operating in the manner intended by the management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

iii. Depreciation

Assets during development or construction and freehold land are not depreciated. Property plant and equipment are stated at cost less accumulated depreciation and any provision for impairment. Depreciation commences when the assets are ready for their intended use.

Depreciation is calculated over the depreciable amount, which is the cost of an asset less its residual value. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line method over its expected useful life.

The estimated useful lives of assets are as follows:

• Buildings	3-25	years
• Roads	5-10	years
• Plant and machinery	5-25	years
• Furniture and fixtures	5-10	years
• Vehicles	5-8	years
• Railway siding	15	years
• Office equipment	5	years
• Computers and data processing units	3-6	years
• Laboratory equipment	10	years

Depreciation methods, useful lives and residual values of property, plant and equipment are

reviewed at each financial year end and adjusted prospectively, if appropriate.

d) **Intangible Assets**

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

Intangible assets are amortised over their estimated useful life on a straight-line basis. Software is amortised over the estimated useful life of software of 3-6 years. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is different from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

e) **Lease**

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) **Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (j) Impairment of non-financial assets.

ii) **Lease Liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) **Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption of low-value assets to leases of office equipment that are of low value. Lease payments on short-term leases and leases of low-value assets are recognised

as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

f) Current and Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current and non-current classification.

An asset is treated as current when it is:

- a. Expected to be realised or intended to be sold or consumed in normal operating cycle
- b. Held primarily for the purpose of trading
- c. Expected to be realised within twelve months after the reporting period, or
- d. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when it is:

- a. Expected to be settled in normal operating cycle
- b. Held primarily for the purpose of trading
- c. Due to be settled within twelve months after the reporting period, or
- d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash

and cash equivalents. The Company has identified twelve months as its operating cycle.

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

g) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets – recognition

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

(i) Debt instruments at amortised cost

A 'Debt instrument' is measured at the amortised cost if both the following conditions are met:

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by considering any discount or premium

on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

(ii) *Debt instruments at fair value through other comprehensive income (FVOCI)*

A 'debt instrument' is classified as FVOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the interest income, impairment losses & reversals and foreign exchange gain or loss are recognised in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit or loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

(iii) *Debt instruments at fair value through profit and Loss (FVTPL)*

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

Financial assets – derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits and trade receivables;
- Financial assets that are debt instruments and are measured as at FVTOCI;
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115;

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

At each reporting date, for recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant

increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income or expense in the Statement of Profit and Loss under the head 'Other Expenses'.

The balance sheet presentation for financial instruments is described below:

- **Financial assets measured at amortised cost:** ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- **Debt instruments measured at FVOCI:** Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments based on shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through Statement of Profit and Loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification, as described below:

- *Financial liabilities at amortised cost (Loans & Borrowings)*

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

- *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered by the Company that are not designated as hedging instruments in hedge

relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/losses are not subsequently transferred to profit or loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Financial Liabilities- Derecognition

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

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of any entity after deducting all its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to off-set

the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

h) Derivative financial instruments

Initial recognition and subsequent measurement

In order to hedge its exposure to foreign exchange risks, the Company enters into forward contracts for hedging of exposures of foreign currencies borrowings and capital vendors. The Company does not hold derivative financial instruments for speculative purposes. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability,

assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

For fair value disclosures, the Company has determined classes of assets and liabilities on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

i) **Borrowing costs**

Borrowing cost includes interest expense as per Effective Interest Rate (EIR) and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly relating to the acquisition, construction or production of a qualifying capital project under construction are capitalised and added to the project cost during construction until such time that the assets are substantially ready for their intended use i.e. when they are capable of commercial production. Where funds are borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are available out of money borrowed specifically to finance a project, the income generated from such short-term investments is deducted from the total capitalised borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the Company during the year.

Capitalisation of borrowing costs is suspended and charged to the statement of profit and loss during the extended periods when the active development on the qualifying asset is suspended.

All other borrowing costs are recognised in the Statement of Profit and Loss in the year in which they are incurred.

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial liability or a shorter period, where appropriate, to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options).

j) **Impairment of non-financial assets**

Impairment charges and reversals are assessed at the level of cash-generating units. A cash-generating unit (CGU) is the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Impairment tests are carried out annually for all assets when there is an indication of impairment. The

Company conducts an internal review of asset values annually, which is used as a source of information to assess for any indications of impairment or reversal of previously recognised impairment losses. External factors, such as changes in expected future prices, costs and other market factors are also monitored to assess for indications of impairment or reversal of previously recognised impairment losses.

If any such indication exists then an impairment review is undertaken, the recoverable amount is calculated, as the higher of fair value less costs of disposal and the asset's value in use. Fair value less costs of disposal is the price that would be received to sell the asset in an orderly transaction between market participants and does not reflect the effects of factors that may be specific to the entity and not applicable to entities in general.

Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and its eventual disposal. The cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. Value in use is determined by applying assumptions specific to the Company's continued use and cannot take into account future development. These assumptions are different to those used in calculating fair value and consequently the value in use calculation is likely to give a different result to a fair value calculation.

The carrying amount of the CGU is determined on a basis consistent with the way the recoverable amount of the CGU is determined. 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. Any reversal of the previously recognised impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

Company has done the impairment assessment as at March 31, 2021 and concluded that no impairment indicators exist for the current year reporting.

k) Inventories

Inventories comprising fuel, stores and spares, consumables, supplies and loose tools are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses. Cost includes all charges in bringing the goods to the present location and condition, and other levies, transit insurance and receiving charges and is determined on a weighted average basis.

Net realisable value is determined based on estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

l) Taxation

Tax expense represents the sum of current tax and deferred tax. Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date and includes any adjustment to tax payable in respect of previous years.

Subject to exceptions below, deferred tax is provided, using the balance sheet method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, on carry forward of unutilised tax credits and unutilised tax loss;

- deferred income tax is not recognised on the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- deferred tax assets are recognised only to the extent that it is more likely than not that they will be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Tax relating to items recognised outside Statement of Profit and Loss is recognised outside Statement of Profit and Loss (either in other comprehensive income or equity).

The carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

m) Retirement benefit schemes

The Company operates or participates in a number of defined benefits and defined contribution schemes, the assets of which (where funded) are held in separately administered funds. For defined benefit pension schemes, the cost of providing benefits under the plans is determined by actuarial valuation separately for each plan using the projected unit credit method by independent qualified actuaries as at the year end.

Re-measurements including, effects of asset ceiling and return on plan assets (excluding amounts included in interest on the net defined benefit liability) and actuarial gains and losses arising in the year are recognised in full in other comprehensive income and are not recycled to the profit or loss. For defined contribution schemes, the amount charged to the Statement of Profit and Loss in respect of provident fund, pension costs and other post-retirement benefits are the contributions payable in the year, recognised as and when the employee renders related services and the Company has no further obligations other than the contributions made

Past service costs are recognised in statement of profit or loss in the earlier of:

- The date of the planned amendment or curtailment, and

- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

n) Provision for liabilities and charges, contingent liabilities and contingent assets

Provisions represent liabilities of the Company for which the amount or timing is uncertain. Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

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

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

o) Foreign currency translation

The functional currency for the Company is determined as the currency of the primary economic environment in which it operates. The functional currency is the local currency of the country in which it operates which is Indian Rupee (₹).

Transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

All exchange differences are included in the Statement of Profit and Loss except any exchange differences on monetary items designated as an effective hedging instrument of the currency risk of designated forecasted sales or purchases, which are recognised in the other comprehensive income.

The Company had applied paragraph 46A of AS 11 as prescribed under the accounting standards notified pursuant to section 133 of the Act read together with Rule 7 of the Companies (Accounts) Rules 2014. On transition to Ind AS, the Company had elected the option, whereby a first time adopter could continue its accounting policy for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period. Hence, foreign exchange gain/loss on long-term foreign currency monetary liabilities recognised upto March 31, 2016 which were obtained for acquisition of property, plant and equipment, have been adjusted to the cost of PPE.

Such exchange differences arising on translation/settlement of long-term foreign currency monetary items and pertaining to the acquisition of a depreciable asset are amortised over the remaining useful life of the assets.

From accounting periods commencing on or after April 01, 2016, exchange differences arising on translation/ settlement of long-term foreign currency monetary items, acquired post April 01, 2016, pertaining to the acquisition of a depreciable asset are charged to the statement of profit and loss. The insertion of Appendix B of Ind AS 21 provides clarification on recording foreign currency transactions when consideration is paid or received in advance. The Appendix B would apply when a Company:

- Pays or receives consideration denominated or priced in a foreign currency, and
- Recognises a non-monetary prepayment asset or deferred income liability.

The date of the transaction for the purpose of determining the exchange rate to use on initial Ind AS 21 recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration.

p) Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

q) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and demand deposits with banks 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.

r) Cash flow statement:

Cash flows are reported using the indirect method, whereby profit/(loss) for the year before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past and future cash receipts of payments. The cash flows from operating, investing, and financing activities of the Company are segregated based on the available information.

Cash comprises cash at bank and in hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

s) Segment reporting

The Company operates only in one segment namely power generation and there are no reportable segments.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker i.e., Board of Directors.

t) Share-based payments

The Company does not have any outstanding share-based payments. Vedanta Limited ("VL"), the immediate holding company offers certain share-based incentives under the Long-Term Incentive Plan ("LTIP") to employees and directors of the Company and its subsidiaries. VL recovers the proportionate cost (calculated based on the grant date fair value of

the options granted) from the respective group companies, which is charged to the statement of profit and loss.

2.C.SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statement in conformity with Ind AS requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates under different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, and future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following accounting policies and/or notes:

Critical estimates and judgements in applying accounting policies

The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Information about estimates and judgements made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

Critical estimates:

- **Useful life of property, plant and equipment**

Useful life of depreciable/ amortisable assets (tangible and intangible) - Management reviews its estimate of the useful lives and consumption pattern of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. The reassessment may lead to a change in depreciation and amortisation charge. Accordingly, the Company

has revised the useful life of its property, plant, and equipment from 40 years to 25 years during previous year.

Critical judgements:

• **Determining whether an arrangement contains a lease and fixed rentals therein**

Significant judgement is required to apply lease accounting rules under Ind AS 116 'Determining whether an arrangement contains a lease'. In assessing the applicability to arrangements entered by the Company, management has exercised judgement to evaluate the right to use the underlying asset, substance of the transactions including legally enforceable agreements and other significant terms and conditions of the arrangements to conclude whether the arrangement meets the criteria under Ind AS 116.

The Company has ascertained that the Power Purchase Agreement (PPA) entered between the Company and Punjab State Power Corporation Limited (PSPCL) qualify as operating lease as per Ind AS 116 Leases. Accordingly, the consideration receivable under the PPA relating to recovery of capacity charges have been recognised as operating lease rentals and in respect of energy charges is considered as revenue from sale of products.

The Company has assessed the nature of operating lease payments received as a lessor. Management has assessed that the entire lease payments as disclosed in note 32 (ii) are contingent in nature as the payments are based on the number of units of electricity made available by the Company. This is subject to variation on account of various factors like availability of coal, water, etc. of the plant.

• **Contingencies and commitments**

In the normal course of business, contingent liabilities may arise from litigation, taxation, and other claims against the Company. A tax provision is recognised when the Company has a present obligation as a result of a past event, it is probable that the Company will be required to settle that obligation.

Where it is management's assessment that the outcome cannot be reliably quantified or is uncertain, the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote. Such liabilities are disclosed in the notes but are not provided for in the financial statements.

When considering the classification of legal or tax cases as probable, possible or remote, there is judgement involved. This pertains to the application of the legislation, which in certain cases is based upon management's interpretation of country specific tax law, in particular India, and the likelihood of settlement. Management uses in-house and external legal professionals to confirm their decision.

Although there can be no assurance regarding the final outcome of the legal proceedings, the Company does not expect them to have a materially adverse impact on the Company's financial position or profitability. The liabilities which are assessed as possible and hence are not recognised in these financial statements are disclosed in note 33.

• **Revenue Recognition of disputed dues:**

The Company has evaluated the provisions of Ind-AS 115, which states that revenue should be recorded if it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. Management has assessed the recognition of revenue and recoverability of disputed dues with PSPCL as disclosed in note 43 as highly probable due to the following reasons:

- The Company has favorable legal opinions from senior advocates.
- Favourable judgement in one of the related matters.
- PSPCL being a government owned company, credit risk is low.

Note 3 - Property Plant and Equipment

(₹ in Crore)

Particulars	Gross Block				Accumulated depreciation and amortisation				Net Block	
	Balance as at March 31, 2020	Additions	Disposals / Adjustments	Foreign exchange difference	Balance as at March 31, 2021	Balance as at March 31, 2020	Depreciation charge	Deductions	Balance as at March 31, 2021	Balance as at March 31, 2021
a) Tangible Assets										
Freehold Land	390.60	-	-	-	390.60	-	-	-	-	390.60
ROU Land (Refer note 2.B(e))	10.18	-	-	-	10.18	3.30	3.31	-	6.61	3.57
Buildings	263.84	1.11	1.91	-	263.04	79.45	14.05	-	93.50	169.54
Plant and Machinery	10,824.73	14.17	0.77	30.50	10,868.63	2,148.19	402.75	0.17	2,550.77	8,317.86
Furniture and Fittings	2.79	0.08	0.02	-	2.85	1.38	0.21	0.00	1.59	1.26
Motor Vehicles	0.18	0.22	-	-	0.40	0.04	0.07	-	0.11	0.29
Railway Siding and Locomotives	419.14	-	-	-	419.14	143.11	23.83	-	166.94	252.20
Office and Equipment	5.85	1.81	-	-	7.66	4.34	2.19	-	6.53	1.13
Computers and Data Processing	4.20	2.77	0.03	-	6.94	2.68	2.45	0.02	5.11	1.83
Laboratory Equipment	17.74	10.55	-	-	28.29	9.91	8.45	-	18.36	9.93
Total	11,939.25	30.71	2.73	30.50	11,997.73	2,392.40	457.31	0.19	2,849.52	9,148.21
									b) Capital work in progress	3.12
									Total	9,151.33
b) Intangible Assets										
Computer software	3.36	0.02	-	-	3.38	2.88	0.10	-	2.98	0.40
Total	3.36	0.02	-	-	3.38	2.88	0.10	-	2.98	0.40

Note: Certain property, plant and equipment are pledged as collateral against borrowings, the details related to which have been described in Note 15 on "Borrowings".

Financial Statements

Previous year ended March 31, 2020

(₹ in Crore)

Particulars	Gross Block				Accumulated depreciation and amortisation				Net Block	
	Balance as at March 31, 2019	Additions	Disposals/ Adjustments	Foreign exchange difference	Balance as at March 31, 2020	Balance as at March 31, 2019	Depreciation charge	Deductions	Balance as at March 31, 2020	Balance as at March 31, 2020
a) Tangible Assets										
Freehold Land	390.60	-	-	-	390.60	-	-	-	-	390.60
ROU Land (Refer note 2.B(e))	-	10.18	-	-	10.18	-	3.30	-	3.30	6.88
Buildings	258.78	5.06	-	-	263.84	65.56	13.89	-	79.45	184.39
Plant and Machinery	10,777.31	19.00	0.01	28.43	10,824.73	1,733.14	415.05	0.00	2,148.19	8,676.54
Furniture and Fittings	2.80	0.05	0.06	-	2.79	1.19	0.22	0.03	1.38	1.41
Motor Vehicles	0.32	-	0.14	-	0.18	0.11	0.05	0.12	0.04	0.14
Railway Siding and Locomotives	419.14	-	-	-	419.14	119.28	23.83	-	143.11	276.03
Office Equipment	5.78	0.08	0.01	-	5.85	3.82	0.53	0.01	4.34	1.51
Computers and Data Processing	3.38	0.82	-	-	4.20	2.25	0.43	-	2.68	1.52
Laboratory Equipment	17.74	-	-	-	17.74	8.54	1.37	-	9.91	7.83
Total	11,875.85	35.19	0.22	28.43	11,939.25	1,933.89	458.67	0.16	2,392.40	9,546.85
									b) Capital work in progress	7.20
									Total	9,554.05
c) Intangible Assets										
Computer software	3.14	0.22	-	-	3.36	2.12	0.76	-	2.88	0.48
Total	3.14	0.22	-	-	3.36	2.12	0.76	-	2.88	0.48

Note: Certain property, plant and equipment are pledged as collateral against borrowings, the details related to which have been described in Note 15 on "Borrowings".

Note 4 - Trade receivables - Non-current			(₹ in Crore)
Particulars	As at March 31, 2021	As at March 31, 2020	
Considered good - Unsecured (Refer Note 43)	1,622.07	1,544.94	
Trade Receivables - Credit impaired	33.71	-	
Less: Provision for Trade Receivables - Credit impaired (Refer Note 40)	(33.71)	-	
Total	1,622.07	1,544.94	

Note 5 - Other financial assets - Non-current			(₹ in Crore)
Particulars	As at March 31, 2021	As at March 31, 2020	
Bank Deposits with remaining maturity of more than 12 months (including interest accrued thereon) (Refer note below)	0.02	0.04	
Security deposits (Unsecured, considered good)	8.18	8.69	
Total	8.20	8.73	

Note: Bank deposits are kept as margin money and earns interest at fixed rate based on respective deposit rate.

Note 6 - Other non-current assets			(₹ in Crore)
Particulars	As at March 31, 2021	As at March 31, 2020	
Unsecured considered good			
Prepaid Expenses	0.48	0.96	
Advance income tax (net of provisions)	1.44	1.44	
Total	1.92	2.40	

Note 7 - Inventories			(₹ in Crore)
Particulars	As at March 31, 2021	As at March 31, 2020	
Fuel Stock	171.65	424.71	
Goods-in transit	46.18	36.40	
Stores and Spares	59.63	71.49	
Goods-in transit	-	0.74	
Total	277.46	533.34	

Note: For method of valuation of inventories, refer note 2.B(k)

Note 8 - Trade receivables - Current			(₹ in Crore)
Particulars	As at March 31, 2021	As at March 31, 2020	
Considered good - Unsecured (Refer note 43)	401.63	462.94	
Total	401.63	462.94	

Note: The Company offers a credit period of 0-30 days to its customers.

Note 9 - Cash and cash equivalents

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks in current account	120.98	75.41
Bank deposits with original maturity of less than 3 months (including interest accrued thereon)	300.02	-
Total	421.00	75.41

Note 10 - Financial Assets- Current : Other Bank Balances

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Bank deposits with original maturity for less than 3 months (including interest accrued thereon)	38.32	3.42
Bank deposits with original maturity for more than 3 months but less than 12 months (including interest accrued thereon)	0.14	15.82
Bank deposits with original maturity for more than 12 months but remaining maturity of less than 12 months (including interest accrued thereon)	0.88	39.90
Total	39.34	59.14

Note: Bank deposits are kept as margin money and earns interest at fixed rate based on respective deposit rate.

Note 11 - Other financial assets - Current

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Derivative asset (Refer note 41)	-	43.10
Receivables from related parties (Refer note 37)	0.01	0.14
Claims and other receivables	65.49	139.92
Total	65.50	183.16

Note 12 - Other current assets

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance to suppliers	67.92	39.28
Advance to related parties (Refer note 37)	6.08	1.47
Prepaid expenses	12.77	12.43
Claims and other receivables	3.80	-
Balance with central excise and government authorities	0.01	0.01
Advance income tax (net of provisions)	1.10	1.34
Total	91.68	54.53

Note 13 - Equity Share Capital

(₹ in Crore)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount (₹ in Crore)	Number of shares	Amount (₹ in Crore)
Authorised Equity Share Capital				
Equity Shares of ₹ 10 each, with voting rights	400,00,00,000	4,000.00	400,00,00,000	4,000.00
Issued, Subscribed and Fully Paid up				
Equity Shares of ₹ 10 each, with voting rights	320,66,09,692	3,206.61	320,66,09,692	3,206.61
Total	320,66,09,692	3,206.61	320,66,09,692	3,206.61

(i) Reconciliation of the number of shares and the amount outstanding as at beginning and at the end of the reporting year:

Particulars	Equity Shares as at March 31, 2021		Equity Shares as at March 31, 2020	
	Number of shares	Amount (₹ in Crore)	Number of shares	Amount (₹ in Crore)
Shares outstanding at the beginning of the year	320,66,09,692	3,206.61	320,66,09,692	3,206.61
Movement during the year	-	-	-	-
Shares outstanding at the end of the year	320,66,09,692	3,206.61	320,66,09,692	3,206.61

(ii) Details of shares held by the holding Company, the ultimate holding Company, their subsidiaries and associates:

320,66,09,692 (previous year: 320,66,09,692) Equity Shares i.e. 100% of the equity shares are held by the Holding Company, Vedanta Limited and its nominees.

(iii) Details of shares held by each shareholder holding more than 5% shares :

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% of Holding	Number of shares held	% of Holding
Vedanta Limited and its nominees	320,66,09,692	100	320,66,09,692	100

Other disclosures :

(iv) The Company has one class of Equity Shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. Dividend proposed (if any) by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation of company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholding.

Note 14 - Other equity (Refer Statement of changes in Equity):

Debenture redemption reserve: As per Section 71(4) of the Companies Act, 2013, companies that issue debentures were required to create a debenture redemption reserve from annual profits until such debentures are redeemed. The amounts credited to the debenture redemption reserve may not be utilized except to redeem debentures. However, as per MCA notification G.S.R. 574(E) dated August 16, 2019, the creation of Debenture Redemption Reserve for listed companies is no longer required. Thus, the Company has not created any debenture redemption reserve thereafter.

Note 15 – Non-current financial liabilities - Borrowings

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured : At amortised cost		
(a) Redeemable Non-Convertible Debentures (Refer note (iii) below)	1,999.89	2,649.58
(b) Term Loan (Refer note (iv) below)		
(i) From banks:		
Indian currency loans	2,526.90	2,750.04
Foreign currency loans	249.09	277.04
(ii) From Other than Banks (Indian currency loan)	2,364.33	163.26
Less : Current maturities of long-term borrowings (Refer note 21)	(2,227.92)	(970.62)
Total	4,912.29	4,869.30

Notes:

- (i) The Company has not defaulted in the repayment of loans and interest as at balance sheet date.
- (ii) Bank loans availed by the Company are subject to certain covenants relating to debt service coverage ratio, total outside liabilities to total net worth and fixed assets coverage ratio. The Company has complied with the covenants as per the terms of the loan agreement.
- (iii) Summary of Redeemable Non-convertible debentures (NCDs) (Carrying Value):

(₹ in Crore)

Particulars	Issued on	Security	As at March 31, 2021	As at March 31, 2020
9.27% due July 2021*	July 2018	Secured by first pari passu charge on movable and/or immovable fixed assets of the Company with a minimum asset cover of 1 time during the tenure of NCD and an unconditional and irrevocable corporate guarantee by Vedanta Limited.	999.89	999.58
8.55% due April 2021	April 2018	Secured by first pari passu charge on movable and/or immovable fixed assets of the Company with a minimum asset cover of 1 time during the tenure of NCD and an unconditional and irrevocable corporate guarantee by Vedanta Limited.	1,000.00	1,000.00

9.00% due November 2020**	November 2018	Secured by first pari passu charge on movable and/or immovable fixed assets of the Company with a minimum asset cover of 1 time during the tenure of NCD and an unconditional and irrevocable corporate guarantee by Vedanta Limited.	-	150.00
7.85% due August 2020**	August 2017	Secured by first pari passu charge on movable and/or immovable fixed assets of the Company with a minimum asset cover of 1 time during the tenure of NCD and an unconditional and irrevocable corporate guarantee by Vedanta Limited.	-	500.00
Total			1,999.89	2,649.58

* Interest rate is based on effective interest rate after considering the effects of the upfront fees paid.

** Redeemed during the year and charge has been released.

(iv) Summary of Term Loan (Carrying Value):

Particulars	Issued on	Security	₹ in Crore	
			As at March 31, 2021	As at March 31, 2020
(a) From Banks:				
Indian currency loans				
Kotak Mahindra Bank	September 2014	Secured by first pari passu charge on fixed assets of the Company both present and future, with an unconditional and irrevocable corporate guarantee by Vedanta Limited.	-	125.04
State Bank of India	December 2015	Secured by first pari passu charge on fixed assets and second pari passu charge on current assets of the company, both present and future, with an unconditional and irrevocable corporate guarantee by Vedanta Limited.	1,717.28	1,786.96
Syndicate Bank	September 2017	Secured by first pari passu charge on fixed assets and second pari passu charge on current assets of the company, both present and future, with an unconditional and irrevocable corporate guarantee by Vedanta Limited.	257.76	268.22
ICICI Bank Limited	March 2019	Secured by first pari passu charge on fixed assets and second pari passu charge on current assets of the company, both present and future, with an unconditional and irrevocable corporate guarantee by Vedanta Limited.	543.66	569.82

ICICI Bank Limited*	May 2020	Secured by first pari passu charge on fixed assets and second pari passu charge on current assets of the company, both present and future, with an unconditional and irrevocable corporate guarantee by Vedanta Limited.	8.20	-
Total			2,526.90	2,750.04
Foreign currency loans				
ICICI Bank Limited	September 2017	Secured by first pari passu charge on fixed assets and second pari passu charge on current assets of the company, both present and future, with an unconditional and irrevocable corporate guarantee by Vedanta Limited.	249.09	277.04
Total			249.09	277.04
(b) From other than banks:				
Aditya Birla Finance Limited (partial loan downsold by Kotak Mahindra Bank with same interest and terms and conditions)	December 2016	Secured by first pari pasu charge on fixed assets of the Company both present and future, with an unconditional and irrevocable corporate guarantee by Vedanta Limited.	-	163.26
Power Finance Corporation Limited	June 2020	Secured by first pari passu charge on fixed assets and second pari passu charge on current assets of the company, both present and future, with an unconditional and irrevocable corporate guarantee by Vedanta Limited.	2,364.33	-
Total			2,364.33	163.26
Total Term Loan			5,140.32	3,190.34

Repayment terms of Term loan outstanding as on March 31, 2021:

Particulars	Weighted Average Interest Rate	Total Carrying Value	<1 year	1-3 years	3-5 years	>5 years	Remarks
Indian Rupee term loan	9.88%	4,891.23	212.92	713.03	1,008.75	2,979.06	Repayable in 150 quarterly & 177 Monthly installments
Foreign currency term loan	8.68%	249.09	15.09	33.18	48.17	153.28	Repayable in 36 quarterly installments
Total		5,140.32	228.01	746.21	1,056.93	3,132.34	

Note:

- The maturity amount as mentioned above is based on the total principal outstanding gross of borrowing fees.
- Repayment schedule of some of the lenders has been deferred resulting into increase in average term of loans by 6 months and decrease in current maturity for the year ended March 31, 2021 by ₹ 7 Crore (previous year ₹ 93 Crore) & after considering the moratorium as per circulars issued by RBI due to COVID-19.

- (c) Due to the deferrment mentioned in point (b) above, Company has deferred the principal payment of ₹ 32 Crore to the balance maturity period.
- (d) As compared to previous year, the Company has given an additional charge i.e., second pari passu charge on current assets of the company, both present & future on all the rupee term loans outstanding as on March 31, 2021.

* During the year, the Company has converted interest payable on ICICI rupee term loan for 2 months (March 2020 & April 2020) to "deferred interest term loan" with similar terms & conditions as that of ICICI rupee term loan.

(v) Movement of borrowings during the year:

(₹ in Crore)

Particulars	Borrowings due within one year	Borrowings due after one year	Total
As at March 31, 2019	2,765.79	5,898.84	8,664.63
Cash Flow	(153.54)	(1,033.94)	(1,187.48)
Other non cash changes	46.13	4.40	50.53
As at March 31, 2020	2,658.38	4,869.30	7,527.68
Cash Flow	(2,506.36)	2,172.86	(333.50)
Other non cash changes	2,124.90	(2,129.87)	(4.97)
As at March 31, 2021	2,276.92	4,912.29	7,189.21

Other non-cash changes comprises of amortisation of borrowing costs, foreign exchange differences on borrowings and reclassification between borrowings due within one year and borrowings due after one year.

Note 16 – Other financial liabilities – Non-current

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Liability for capital expenditure (Refer note below)	745.95	761.35
Lease liability (Refer note below)	0.33	3.83
Total	746.28	765.18

Note:

- (i) During previous year, the Company entered into minutes of meeting with one of its EPC project contractors for pending liabilities. Basis the agreement with contractor, ₹ 745.95 Crore (previous year ₹ 761.35 Crore) has been classified to non-current liability as this is not payable in next 12 months. Further, the contractor agreed for not charging any interest under the contract. Accordingly, ₹ 98.66 Crore interest liability was written back, out of which ₹ 70.64 Crore pertaining till March 31, 2019 was booked under other income.

(ii) The movement in lease liabilities is as follows:

Opening balance	7.43
Additions	-
Repayments	(3.60)
Interest	0.35
Closing balance	4.18

Lease liabilities carry an interest rate at 8.69% p.a.

Note 17 – Provisions - Non-current

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
- Provision for gratuity	0.31	0.83
- Provision for compensated absences	0.90	-
Total	1.21	0.83

Note 18 – Borrowings - Current

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
At amortised cost		
Secured		
-Short-term loan (Refer note (i) below)	49.00	247.76
Unsecured		
Loans from Related Parties (Refer note (ii) below)	-	1,440.00
Total	49.00	1,687.76

Summary of current borrowing arrangements:

(i) Loan from banks

The Company meets its working capital requirement through loans from banks. These loans are secured by a first pari passu charge on all present and future inventories, book debts and all other current assets & second pari passu charge on fixed assets of the company.

(ii) Loans from Related Parties

The company repaid ₹ 1,440 Crore inter corporate loan obtained from its Parent company, Vedanta Limited through refinancing from Power Finance Corporation Limited. Also, refer note 37.

(iii) The above outstanding loans carry interest rate of 7.7% p.a. (previous year 8.70% p.a. to 9.20% p.a.).

Note 19 – Trade Finance

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade finance with banks - Secured (Refer note below)	272.19	-
Total	272.19	-

Note:

Trade finance represents bills discounted by vendors under bill discounting facility availed by the Company from the bank settled within 90 days and is secured by first pari passu charge on current assets and second pari passu charge on fixed assets of the Company, both present and future.

The payment by banks to the vendors is treated as a non-cash transaction and the payment to banks is an ultimate settlement of the liability which is treated as an operating cash outflow in the cash flow statement.

Note 20 – Trade payables

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Total Outstanding dues of Micro Enterprises and Small Enterprises (Refer note (b) below)	0.90	1.32
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	120.41	300.77
Total	121.31	302.09

Notes:

(a) Trade payables are non-interest bearing and are normally settled upto 180 days terms.

(b) Disclosure under Section 22 of the Micro, Small and Medium Enterprises Development Act 2006:

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	0.90	1.32
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Note 21 – Other financial liabilities - Current

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturities of long-term borrowings (Refer note 15)	2,227.92	970.62
Interest accrued but not due on borrowings	168.27	191.73
Lease liability (Refer note 16)	3.85	3.60
Other Payables		
Derivative liabilities (Refer note 41)	46.70	-
Project creditors (Refer note 16)	425.61	436.43
Retention money	10.77	18.98
Due to related parties (Refer note 37)	69.26	108.19
Earnest money deposit	3.45	3.79
Other Liabilities	0.01	0.26
Total	2,955.84	1,733.60

Note 22 – Other current liabilities

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance from customers*	0.85	0.61
Other Payables:		
Statutory liabilities	3.41	6.06
Other liabilities (Refer note 30)	2.41	0.07
Total	6.67	6.74

* These are contract liabilities. Additional disclosures have not been furnished as the same are not material

Note 23 – Provisions - Current

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for compensated absences	0.11	1.10
Total	0.11	1.10

Note 24 – Revenue from operations

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Energy Sales (Refer note below)	3,819.78	4,771.82
Total	3,819.78	4,771.82

Note: Energy sales includes contingent rentals of ₹ 1,514.71 Crore (previous year ₹ 1,672.93 Crore). The balance revenue of ₹ 2,305.07 Crore (previous year ₹ 3,098.89 Crore) relates to sale of power w.r.t. contract with customer and is recorded at a point in time. Also, refer note 2.B(b).

Note 25 – Other Operating Revenue

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Scrap Sales	10.09	14.00
Sale of fly ash	22.80	27.37
Miscellaneous income	0.41	4.27
Total	33.30	45.64

Note 26 – Other Operating Revenue

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest income from financial assets at amortised cost		
- Bank Deposits	2.73	6.02
- Others	0.27	0.59
Realised Gains from investments measured at FVTPL	0.96	-
Dividend Income from investments measured at FVTPL	-	1.09
Net gain on foreign currency transactions and translation	0.07	-

Interest on outstanding income tax refunds	0.04	0.02
Interest from Customer (Refer note 31)	-	57.85
Reversal of Interest accrued (Refer note 16)	-	70.64
Miscellaneous income	0.86	3.49
Total	4.93	139.70

Note 27 – Employee benefits expense

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and Bonus	19.25	21.52
Contribution to provident fund	0.42	0.61
Staff welfare expenses	0.20	0.27
Gratuity expenses (Refer note 36)	0.14	0.06
Contribution to super annuation	0.37	0.49
Total	20.38	22.95

Note 28 – Finance cost

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest expenses	706.20	736.14
Other finance costs	27.18	28.58
Total	733.38	764.72

Note 29 – Depreciation and amortisation expense

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of tangible assets (Refer note 3)	457.31	458.67
Amortisation of intangible assets (Refer note 3)	0.10	0.76
Total	457.41	459.43

Note 30 – Other expenses

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Consumption of stores and spare parts	23.76	41.09
Plant running and maintenance expenses	168.14	169.96
CSR expenses (Refer note below)	2.82	1.12
Legal and professional fees (Refer note 34)	6.87	5.57
Electronic data processing expenses	1.70	1.66
Insurance	15.61	13.66
Rates and taxes	0.83	0.84
Security expenses	0.02	0.06

Travelling	1.70	2.79
Books and periodicals	0.06	0.25
Director sitting fees (Refer note 37)	0.46	0.22
Provision for doubtful trade receivables	33.71	-
Net loss on foreign currency transactions and translation	22.04	24.86
Brand Fees (Refer note 37)	34.10	4.38
Miscellaneous expenses	1.34	1.88
Total	313.16	268.34

Note: Corporate Social Responsibility Expenses includes:

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a) Gross Amount required to be spent by the Company during the year	-	-
(b) Amount spent on:		
i) Construction / acquisition of assets		
In Cash	0.37	0.27
Yet to be paid in Cash	-	-
ii) On purposes other than (i) above		
In Cash	0.94	0.68
Yet to be paid in Cash	1.51	0.17
Total	2.82	1.12

As per provisions of Companies Act, 2013, the Company is required to spend an amount of ₹ 2.82 crore (previous year ₹ 1.12 crore) towards CSR expenditure. Of the said amount the Company has paid an amount of ₹ 1.31 crore & balance unspent amount of ₹ 1.51 crore is disclosed under the head ' Other Current Liabilities' which shall be deposited in CSR unspent account to be maintained with a scheduled bank within a period of 30 days from the end of reporting date.

Note 31 – Exceptional Items

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest income on claims based on Supreme Court order (Refer note below)	-	82.06
Total	-	82.06

Note: During the Previous year, PSPCL paid ₹ 1,002 Crore against pending claims related to Gross Calorific Value case. Based on the Supreme Court orders dated March 7, 2018 and August 7, 2019, Company recognised an interest of ₹ 139.92 Crore, out of which ₹ 82.06 Crore accrued till March 31, 2019 was disclosed as an exceptional item for the year ended March 31, 2020.

Note 32 - Commitments**(i) Commitments:**

Estimated amounts of contracts remaining to be executed on capital account not provided for (net of advances) amount to ₹ 9.19 Crore (previous year ₹ 11.43 Crore).

(ii) Other Commitments:

The Company entered into Power Purchase Agreement ("PPA") with Punjab State Power Corporation Limited ("PSPCL") for twenty five year PPA which has been identified as arrangement containing lease as per Ind AS 116. The arrangement has been classified as operating lease as per the policy of the Company. The contingent rent recognized as income during the year is ₹ 1,514.71 Crore (previous year ₹ 1,672.93 Crore).

(iii) Guarantees:

- a) The Company has advanced bank guarantees to the customs & other regulators of India amounting to ₹ 96 Crore (previous year ₹ 96.30 Crore) relating to payment of import duties on purchases of raw material and capital goods.
- b) The Company has given bank guarantee amounting to ₹ 38.23 Crore (previous year ₹ 38.23 Crore) to 'Punjab State Power Corporation Limited' (PSPCL) against mega benefit case pending at Supreme Court.
- c) During current year, other bank guarantee amounting to ₹ 0.20 Crore (previous year nil) given to 'National Stock Exchange of India' against any possible occurrence of any default in any of the listed debt securities and other obligations as per SEBI Circular.

Note 33 - Contingent Liabilities**Claims against the Company not acknowledged as debt**

(i) "As per the Punjab State Grid Code, if a power generating station fails to demonstrate its declared capacity for any time block mentioned in the demonstration notice from Punjab State Load Dispatch Centre ("PSLDC"), it amounts to a mis-declaration. During the month of January 2017, Punjab State Power Corporation Limited ("PSPCL") imposed a penalty on the Company on account of alleged mis-declaration and deducted a penalty of ₹ 77.86 Crore (previous year ₹ 77.86 Crore) from the monthly bill setting aside the clarifications submitted by TSPL.

In February 2018, Punjab State Electricity Regulatory Commission ("PSERC") unfavourably disposed the petition and directed calculation of the penalty for four instances in January 2017 at normative availability of 80% amounting to ₹ 127.32 Crore (previous year ₹ 127.32 crore). The Company has obtained stay order against further deductions and the matter is listed for hearing at Appellate Tribunal for Electricity ("APTEL"). The Company has also filed a Writ Petition before the Punjab and Haryana High Court challenging the validity of the regulation on grounds of being arbitrary and disproportionate. High Court has admitted the Writ Petition and has directed the Company to approach them after final adjudication of the appeal at APTEL. On the basis of merits of the case and backed by the legal opinion, no provision has been considered necessary at this stage."

(ii) "National Green Tribunal (NGT) vide its order dated November 20, 2018 imposed penalty in form of damage on the power producers who have failed to ensure complete utilisation of fly ash in accordance with the Fly Ash Notification, 2016. Post NGT order, Punjab Pollution Control Board ("PPCB") vide letter dated December 28, 2018 requested to take further necessary action in the matter in accordance with the mandate of order dated November 20, 2018 of NGT and deposit the amount of damages for the environment restoration with the office of Central Pollution Control Board (CPCB).

Association of Power Producers ("APP") challenged the order dated November 20, 2018 before Hon'ble Supreme Court in Civil Appeals filed vide Diary No. 47736 of 2018 and Diary No. 2959 of 2019. The Hon'ble

Supreme Court vide Orders dated January 25, 2019 and February 04, 2019 while disposing both the Civil Appeals was pleased to hold that until the Tribunal takes a decision on the application that may be moved on behalf of TPPs, the interim direction for deposit shall not be enforced against them and no coercive steps for non-compliance shall be taken.

Ministry of Environment, Forest and Climate Change ("MoEF&CC") constituted a Joint Committee, under the Chairmanship of Joint Secretary Hazardous Substances Management Division ("HSMD"), comprising of members from CPCB, IIT Roorkee, Ministry of Power ("MoP"), Ministry of Coal ("MoC"), Ministry of Housing and Urban Affairs ("MHUA"), National Highways Association of India ("NHAI") and Odisha State Pollution Control Board ("SPCB"). NGT vide its order dated January 27, 2020 directed all the stakeholders to file their objections on or before February 07, 2020. TSPL filed its objections to the report. However, NGT vide its order dated February 12, 2020 approved the recommendations of the committee. The order was passed by NGT without giving opportunity to TSPL and other power plants.

In compliance to the NGT order dated February 20, 2020, CPCB levied Environmental Compensation for year ended March 31, 2020 & March 31, 2019 for non-utilization of 100% fly ash vide notice dated July 07, 2020 to 116 Thermal Power Plants. However, TSPL has not received any such notice so far. On September 11, 2020, Hon'ble SC issued notice and granted ad-interim stay to TSPL on recovery in pursuance of the order, if any and on November 04, 2020, NGT was pleased to direct MOEF to take into account the action plans as furnished by TSPL and disposed off the application filed by TSPL.

Considering the above facts the company do not expect any liability for the year ended March 31, 2021 (previous year ₹ 8.32 Crore)."

Note 34 – Auditors' Remuneration included under Legal & Professional Services

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Audit Fees	0.16	0.16
Limited Review	0.05	0.05
Reporting for Parent Company consolidation	0.28	0.28
Other Services	0.09	0.01
Out of Pocket Expenses	0.02	0.05
Total	0.60	0.55

Note 35 – Earnings/(Loss) Per Share (EPS)

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Net profit/(loss) after tax attributable to equity shareholders for basic and diluted EPS (₹ in Crore)	(73.10)	730.08
Weighted average number of Equity shares for Basic and Diluted EPS	320,66,09,692	320,66,09,692
Basic and Diluted Earnings/(Loss) Per Share (₹)	(0.23)	2.28

Note 36 – Employee Benefits**a) Defined contribution plan**

The Company contributed a total of ₹ 0.80 Crore for the year ended March 31, 2021 (previous year ₹ 1.10 Crore) to the following defined contribution plans:

Central provident fund

In accordance with the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 employees are entitled to receive benefits under the provident fund. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (12% for fiscal year 2021 and 2020) of an employee's basic salary. All employees have an option to make additional voluntary contributions. These contributions are made to the fund administered and managed by the Government of India (GOI) or to independently managed and approved funds. The Company has no further obligations under the fund managed by the GOI beyond its monthly contributions which are charged to the Statement of Profit and Loss in the period they are incurred. Where the contributions are made to independently managed and approved funds, shortfall in actual return, if any, from the return guaranteed by the State are made by the employer, these are accounted for as defined benefit plans. The benefits are paid to employees on their retirement or resignation from the Company.

Superannuation

Superannuation, another pension scheme applicable in India, is applicable only to senior executives. The Company holds a policy with Life Insurance Corporation of India ("LIC"), to which it contributes a fixed amount relating to superannuation and the pension annuity is met by LIC as required, taking into consideration the contributions made. The Company has no further obligations under the scheme beyond its monthly contributions which are charged to the Statement of Profit and Loss in the period they are incurred.

b) Defined Benefit Plan:

In accordance with the Payment of Gratuity Act of 1972, the Company operates a defined benefit plan (the "Gratuity Plan"). The Gratuity Plan provides a lump sum payment to vested employees at retirement, disability or termination of employment being an amount based on the respective employee's last drawn salary and the number of years of employment with the Company. The Gratuity plan is a funded plan and the Company makes contribution to recognised funds in India. Based on actuarial valuations conducted as at year end on the basis of Projected Unit Credit (PUC) method, a provision is recognised in full for the benefit obligation over and above the funds held in the Gratuity Plan.

The disclosure as required under Ind AS-19 "Employee Benefits" regarding the company's gratuity plan (funded) are as follows:

Actuarial assumptions

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salary growth (p.a.)	5.50%	5.50%
Expected rate of Return on Plan Assets (p.a.)	6.80%	7.80%
Discount rate (p.a.)	6.90%	6.80%
Mortality rate	100% IALM(2012-14)	100% IALM(2012-14)

The rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

Expenditure recognized during the period

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current service cost	0.14	0.16
Interest cost	0.06	0.03
Total	0.20	0.19

Amount recognized in Other Comprehensive Income during the period

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Remeasurement of the net defined benefit obligation:-		
Actuarial losses / (gains) arising from changes in financial assumptions	(0.02)	0.20
Actuarial losses / (gains) arising from experience adjustments	(0.34)	0.20
Actuarial losses / (gains) on assets	0.05	(0.01)
Total	(0.31)	0.39

Movement in present value of defined benefit obligation

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Obligation at the beginning of the year	1.73	1.39
Current service cost	0.14	0.16
Interest cost	0.13	0.12
Actuarial losses / (gains)	(0.36)	0.39
Benefits paid	(0.08)	(0.33)
Obligation at the end of the year	1.56	1.73

Movement in present value of plan assets

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Fair value at the beginning of the year	0.90	0.97
Actual return on plan assets	0.02	0.08
Contribution	0.41	0.18
Benefits paid	(0.08)	(0.33)
Fair value at the end of the year*	1.25	0.90

*The entire amount has been invested with Life Insurance Corporation of India

Amount Recognized in the Balance Sheet

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Present value of obligation at the end of the year	1.56	1.73
Less: Fair value of plan assets at the end of the year	(1.25)	(0.90)

Net liability recognized in the Balance Sheet	0.31	0.83
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The contribution expected to be made by the Company during the financial year 2021-22 as ascertained by the management is ₹ 0.18 Crore (previous Year ₹ 0.24 Crore)

(₹ in Crore)

Sensitivity analysis	March 31, 2021	March 31, 2020
Increase / (Decrease) in defined benefit obligation		
Discount rate		
Increase by 0.50%	(0.08)	(0.10)
Decrease by 0.50%	0.09	0.11
Expected rate of increase in compensation level of covered employees		
Increase by 0.50%	0.09	0.11
Decrease by 0.50%	(0.09)	(0.11)

Maturity profile of defined benefit obligation (₹ in Crore)

Year	March 31, 2021	March 31, 2020
April'20 - Mar'21	-	0.04
April'21 - Mar'22	0.03	0.03
April'22 - Mar'23	0.20	0.17
April'23 - Mar'24	0.03	0.03
April'24 - Mar'25	0.02	0.03
April'25 - Mar'26	0.02	0.02
April'26 - Mar'27	0.02	-
April'26 onwards	-	1.41
April'27 onwards	1.24	-
Total	1.56	1.73

Risk analysis

The Company is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefits plans, and management's estimation of the impact of these risks are as follows:

Interest risk

A decrease in the interest rate on plan assets will increase the plan liability.

Longevity risk / Life expectancy

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

Investment risk

The Gratuity plan is funded with Life Insurance Corporation of India ("LIC"). The Company does not have any liberty to manage the fund provided to LIC. The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.

Note 37 – Related Party Disclosures**List of related parties and relationships****(a) Entities controlling the company (Holding Companies):**

Immediate:	Vedanta Limited
Intermediate:	Vedanta Resources Limited (formerly Vedanta Resources Plc.)
Ultimate:	Volcan Investments Limited *

(b) Fellow subsidiaries with whom transactions have taken place:

Fellow Subsidiaries:	Bharat Aluminium Company Limited
	ESL Steel Limited (formerly Electrosteel Steels Limited) *
	Hindustan Zinc Limited
	Sterlite Power Grid Ventures Limited/ Sterlite Power Transmissions Limited (Post Merger)
	Vizag General Cargo Berth Private Limited

(c) Key Managerial Personnel:

Mr. Vikas Sharma	: Chief Executive Officer and Whole Time Director (from July 22, 2019 and October 23, 2019 respectively)
Mr. Swapnesh Bansal	: Chief Financial Officer (from May 19, 2020)
Mr. Sandeep Modi	: Chief Financial Officer (upto close of business hours on May 18, 2020)
Mr. Chhavi Nath Singh	: Chief Operating Officer and Manager (upto close of business hours on July 31, 2019)
Mr. Rohit Agarwal	: Chief Financial Officer (upto close of business hours on July 30, 2019)
Mr. Agnivesh Agarwal	: Chairman
Mr. Sushil Kumar Roongta	: Non-Executive Director (upto close of business hours on March 6, 2021)
Mr. Gurminder Singh Kang	: Independent Director (upto close of business hours on June 30, 2020)
Ms. Mala Todarwal	: Independent Director (upto close of business hours on June 30, 2020)
Ms. Pooja Somani	: Non-Executive Director
Mr. R Kannan	: Independent Director (from July 1, 2020)
Mr. Baldev Krishan Sharma	: Independent Director (from July 1, 2020)
Mr. Mahendra Singh Mehta	: Independent Director (from March 30, 2021)

	Ms. Mansi Bhutani	: Company Secretary & Compliance Officer (upto close of business hours on January 21, 2021)
	Ms. Dashmeet Rana	: Company Secretary & Compliance Officer (from January 22, 2021)

* No transaction with parties during the year.

Terms and conditions of transactions with related parties:

The Company enters into transactions in the normal course of business with its related parties, including its parent Vedanta Limited. A summary of all related party transactions for the year ended March 31, 2021 and 2020 are noted below.

a. Details of transactions during the year with related parties : (₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
1) Net Recovery from / (Reimbursement) of employee cost and other expenses		
(i) Vedanta Limited	(4.31)	(7.37)
(ii) Hindustan Zinc Limited	(0.21)	(0.03)
(iii) Bharat Aluminium Company Limited	(0.31)	1.05
(iv) Vizag General Cargo Berth Private Limited	(0.10)	-
(v) Sterlite Power Grid Ventures Limited/ Sterlite Power Transmissions Limited (Post Merger)	0.10	0.03
(vi) ESL Steel Limited	-	0.20
2) Net Sale / (Purchase) of Consumables and Capex items		
(i) Vedanta Limited	(0.10)	(0.22)
(ii) Bharat Aluminium Company Limited	0.01	(0.02)
3) Management and Brand Fees paid (excluding GST)		
(i) Vedanta Resources Limited ^	(28.90)	(3.72)
4) Interest and Guarantee Commission		
(i) Vedanta Limited	(55.27)	(95.87)
(ii) ESL Steel Limited	-	(12.08)
5) Loans taken during the year		
(i) Vedanta Limited	-	(2,840.00)
(ii) ESL Steel Limited	-	(900.00)
6) Loans repaid during the year		
(i) Vedanta Limited	1,440.00	1,400.00
(ii) ESL Steel Limited	-	900.00

b. Details of balances with related parties :**(₹ in Crore)**

Particulars	As at March 31, 2021	As at March 31, 2020
1) Balance Receivable as at the end of the year		
(i) Bharat Aluminium Company Limited	-	0.11
(ii) Sterlite Power Grid Ventures Limited/Sterlite Power Transmissions Limited (Post Merger)	0.01	0.03
(iii) Vedanta Resources Limited ^	6.08	1.47
2) Balance Payable as at the end of the year		
(i) Vedanta Limited	69.19	1,548.19
(ii) Bharat Aluminium Company Limited	0.07	-
3) Bank Guarantees/Corporate Guarantee issued on our behalf and outstanding as at the end of the year		
(i) Vedanta Limited	7,260.26	5,931.61

c. Remuneration of key management personnel (KMP)**(₹ in Crore)**

Particulars	As at March 31, 2021	As at March 31, 2020
Short-term employee benefits	3.07	3.79
Post employment benefits	0.16	0.19
Share based payments	0.01	0.05
Total	3.25	4.03

Note:

- The company has paid ₹ 0.14 Crore (previous year ₹ 0.22 Crore) as sitting fees & has also accrued ₹ 0.32 Crore (previous year nil) as commission to its directors.
- Post employment benefits does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for all the employees together.
- ^ Management and brand fee is paid @0.75% of turnover and which is paid by the Company in advance at the beginning of the year basis expected annual turnover. The unadjusted amount of Rs. 6.08 crore (previous year Rs.1.47 crore) is shown as recoverable.

Note 38 – Capital management

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year.

The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through a mixture of equity, internal fund generation and borrowings from banks and financial institutions. The Company's policy is to use short term and long-term borrowings to meet anticipated funding requirements.

The Company monitors capital on the basis of the net debt to equity ratio. The Company is not subject to any externally imposed capital requirements.

Net debt are long term and short term debts as reduced by cash and cash equivalents (including restricted cash and cash equivalents) and short-term investments. Equity comprises all the components including other comprehensive income.

The following table summarizes the capital of the Company:

(₹ in Crore except ratios)

Particulars	As at March 31, 2021	As at March 31, 2020
Equity Share Capital	3,206.61	3,206.61
Other Equity	6.11	78.98
Total Equity (a)	3,212.72	3,285.59
Cash and cash equivalents	421.00	75.41
Other Bank Balances	39.34	59.14
Total cash (b)	460.34	134.55
Short-term borrowings	49.00	1,687.76
Long-term borrowings	4,912.29	4,869.30
Current maturities of long term debt	2,227.92	970.62
Total debt (c)	7,189.21	7,527.68
Net debt (d=(c-b))	6,728.87	7,393.13
Net debt to equity ratio (d/a)	2.09	2.25

Note 39 – Financial instruments

Financial assets and liabilities:

The accounting classification of each category of financial instruments, their carrying amounts and fair value amounts are set out below:

March 31, 2021

(₹ in Crore)

Financial assets	Fair value through profit or loss	Amortised cost	Total carrying value	Total fair value
Trade receivables - Current	-	401.63	401.63	401.63
Trade receivables - Non Current	-	1,622.07	1,622.07	1,622.07
Other non-current financial assets	-	8.20	8.20	8.20

Other current financial assets	-	65.50	65.50	65.50
Cash and cash equivalents	-	421.00	421.00	421.00
Other bank balances	-	39.34	39.34	39.34
Total	-	2,557.74	2,557.74	2,557.74

March 31, 2020

(₹ in Crore)

Financial assets	Fair value through profit or loss	Amortised cost	Total carrying value	Total fair value
Trade receivables - Current	-	462.94	462.94	462.94
Trade receivables - Non Current	-	1,544.94	1,544.94	1,544.94
Other non-current financial assets	-	8.73	8.73	8.73
Other current financial assets	43.10	140.06	183.16	183.16
Cash and cash equivalents	-	75.41	75.41	75.41
Other bank balances	-	59.14	59.14	59.14
Total	43.10	2,291.22	2,334.32	2,334.32

March 31, 2021

(₹ in Crore)

Financial liabilities	Fair value through profit or loss	Amortised cost	Total carrying value	Total fair value
Long-term borrowings	-	4,912.29	4,912.29	4,912.29
Short-term borrowings	-	49.00	49.00	49.00
Trade finance	-	272.19	272.19	272.19
Trade payables	-	121.31	121.31	121.31
Other non-current financial liabilities	-	746.28	746.28	746.28
Other current financial liabilities	46.70	2,909.14	2,955.84	2,957.10
Total	46.70	9,010.21	9,056.91	9,058.17

March 31, 2020

(₹ in Crore)

Financial liabilities	Fair value through profit or loss	Amortised cost	Total carrying value	Total fair value
Long-term borrowings	-	4,869.30	4,869.30	4,858.41
Short-term borrowings	-	1,687.76	1,687.76	1,687.76
Trade finance	-	-	-	-
Trade payables	-	302.09	302.09	302.09
Other non-current financial liabilities	-	765.18	765.18	765.18
Other current financial liabilities	-	1,733.60	1,733.60	1,730.97
Total	-	9,357.93	9,357.93	9,344.41

Fair value hierarchy

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

- (i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The below table summarises the categories of financial assets and liabilities as at March 31, 2021 and March 31, 2020 measured at fair value.

		(₹ in Crore)		
As at March 31, 2021	Level 1	Level 2	Level 3	
Financial assets - Current				
Derivative financial assets				
- Forward foreign currency contract	-	-	-	
Total	-	-	-	
Financial liabilities - Current				
Derivative financial liabilities				
- Forward foreign currency contract	-	46.70	-	
Total	-	46.70	-	
Borrowings (At fair value carried at amortised cost)				
Total	-	7190.47	-	
		(₹ in Crore)		
As at March 31, 2020	Level 1	Level 2	Level 3	
Financial assets - Current				
Derivative financial assets				
- Forward foreign currency contract	-	43.10	-	
Total	-	43.10	-	
Financial liabilities - Current				
Derivative financial liabilities				
- Forward foreign currency contract	-	-	-	
Total	-	-	-	
Borrowings (At fair value carried at amortised cost)				
Total	-	7514.17	-	

The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

- **Short-term marketable securities** traded in active markets are determined by reference to quotes from the financial institutions; for example: Net Asset Value (NAV) for investments in mutual funds declared by mutual fund house. Other short term marketable securities are valued on the basis of market trades, poll and primary issuances for securities issued by the same or similar issuer and for similar maturities or based on the applicable spread movement for the security derived based on the aforementioned factor(s).
- **Long-term fixed-rate and variable-rate borrowings** (including their current maturities): Fair value has been determined by the Company using level 2 technique, based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. For

all other long-term fixed-rate and variable-rate borrowings, either the carrying amount approximates the fair value, or fair value have been estimated by discounting the expected future cash flows using a discount rate equivalent to the risk free rate of return adjusted for the appropriate credit spread. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and the value of other financial instruments recognised at fair value.

- **Derivative contracts:** The Company enters into Derivative contracts with various counterparties, principally financial institutions with investment grade credit ratings. Forward foreign currency contracts and Interest rate swaps are valued using valuation techniques with market observable inputs (Level 2). The most frequently applied valuation techniques for such derivatives include Forward pricing using present Value calculations, foreign Exchange spot and Forward premium rates.
- **The fair value of current trade receivables,** cash and bank balances, loans and other financial assets, current borrowings, trade and other payables and other current financial liabilities is likely to approximate their carrying values due to short term maturities of these instruments.
- **Non-current trade receivables:** Fair value has been determined by the company based on interest rates and recoverability of dues from the customer. **Also, refer note 43.**

Note 40 – Risk Management

The Company's business are subject to several risks and uncertainties including financial risks. The Company's documented risk management polices act as an effective tool in mitigating the various financial risks to which the business is exposed to in the course of their daily operations. The risk management policies cover areas such as liquidity risk, foreign exchange risk, interest rate risk, counterparty and concentration of credit risk and capital management. Risks are identified through a formal risk management programme with active involvement of senior management personnel and business management. The Company has risk in place management processes which are in line with the policy of the parent Company, Vedanta Limited. Each significant risk has a designated 'owner' within the Company at an appropriate senior level. The potential financial impact of the risk and its likelihood of a negative outcome are regularly updated.

The risk management process is coordinated by the centralised Management Assurance function and is regularly reviewed by the Company's Audit Committee. The Audit Committee is aided by the Risk Management Committee of the Company comprising of senior management, which meets regularly to review risks as well as the progress against the planned actions. Key business decisions are discussed at the periodic meetings of the Board of Directors. The overall internal control environment and risk management programme including financial risk management is reviewed by the Audit Committee on behalf of the Board.

The risk management framework aims to:

- improve financial risk awareness and risk transparency
- identify, control and monitor key risks
- identify risk accumulations
- provide management with reliable information on the Company's risk situation
- improve financial returns

Treasury management

The Company's treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk), credit risk and liquidity risk.

Treasury management focuses on capital protection, liquidity maintenance and yield maximization. The treasury policies are approved by the Board and adherence to these policies is strictly monitored at the Finance Standing Committee. A monthly reporting system exists to inform senior management of investments, debt and currency. The Company has a strong system of internal control which enables effective monitoring of adherence to Company's policies. The internal control measures are effectively supplemented by regular internal audits.

The investment portfolio of the Company is maintained as per approved monthly policies duly approved by holding Company treasury team.

The Company uses derivative instruments as part of its management of exposure to fluctuations in foreign currency exchange rates. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. The Company does not enter into complex derivative transactions to manage the treasury risks. Treasury transactions are normally in the form of forward contracts and these are subject to the Company's guidelines and policies.

Additional Information to the Financial Statements :

Financial risk

The Company's Board approved financial risk policies comprise liquidity, currency, interest rate and counterparty risk. The Company does not engage in speculative treasury activity but seeks to manage risk and optimize foreign exchange impact through proven financial instruments.

Liquidity Risk

During the year, CRISIL updated its outlook on the non-convertible debentures and long-term bank facilities from "CRISIL AA(CE)/Stable" to CRISIL ""AA (CE)/(Negative)"" on April 03, 2020 and then updated the credit rating from ""CRISIL AA(CE)/Negative"" to ""CRISIL AA-(CE)/Stable"" on October 29, 2020 and India Ratings updated the rating on non-convertible debentures from ""IND AA (CE)/ Negative"" to ""IND AA-(CE)/ Negative"" and maintained the fund and non fund based rating at IND A+/ Stable/A1+ on June 17, 2020.

The Company remains committed to maintaining a healthy liquidity, gearing ratio, deleveraging and strengthening its balance sheet. The maturity profile of the Company's financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Company.

(₹ in Crore)

Financial liabilities	As on March 31, 2021				
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
Borrowings	2,277.01	746.21	1,056.93	3,132.34	7,212.49
Interest on borrowings	692.51	917.22	719.28	1,227.18	3,556.19
Trade finance	272.19	-	-	-	272.19
Trade payables	121.31	-	-	-	121.31
Other financial liabilities	509.10	745.95	-	-	1,255.05
Lease Liability	3.85	0.33	-	-	4.18
Financial Instruments-derivatives	46.70	-	-	-	46.70

(₹ in Crore)

Financial liabilities	As on March 31, 2020				
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
Borrowings	2,658.38	2,484.59	392.13	2,003.50	7,538.60
Interest on borrowings	652.72	668.68	418.56	549.01	2,288.97
Trade finance	-	-	-	-	-
Trade payables	302.09	-	-	-	302.09
Other financial liabilities	567.65	761.35	-	-	1,329.00
Lease Liability	3.60	4.21	-	-	7.81
Financial Instruments-derivatives	-	-	-	-	-

Interest rate risk

The Company is exposed to interest rate risk on short-term and long-term floating rate instrument. Borrowings of the Company are principally denominated in Indian Rupees and US dollars with mix of fixed and floating rates of interest. The Indian Rupee debt is mix of fixed interest rates and floating interest rates. These exposures are reviewed by appropriate levels of management on a monthly basis. The Company invests cash and liquid investments in short-term deposits and liquid mutual funds.

(₹ in Crore)

Particulars	As at March 31, 2021			
	Floating rate financial assets	Fixed rate financial assets	Non interest bearing financial assets	Total financial assets
Financial assets-non current				
Trade Receivables*	-	-	1,622.07	1,622.07
Other financial assets	4.72	0.02	3.46	8.20
Financial Instruments-Derivatives	-	-	-	-
Total financial assets-non current	4.72	0.02	1,625.53	1,630.27
Financial assets-current				
Trade receivables*	-	-	401.63	401.63
Cash and cash equivalents	-	300.02	120.98	421.00
Bank Balances	-	39.34	-	39.34
Other financial assets	-	-	65.50	65.50
Total financial assets-current	-	339.36	588.11	927.47
Total financial assets	4.72	339.38	2,213.64	2,557.74

(₹ in Crore)

As at March 31, 2020				
Particulars	Floating rate financial assets	Fixed rate financial assets	Non interest bearing financial assets	Total financial assets
Financial assets-non current				
Trade Receivables*	-	-	1,544.94	1,544.94
Other financial assets	4.72	0.04	3.97	8.73
Total financial assets-non current	4.72	0.04	1,548.91	1,553.67
Financial assets-current				
Trade receivables*	-	-	462.94	462.94
Cash and cash equivalents	-	-	75.41	75.41
Bank Balances	-	59.14	-	59.14
Other financial assets	-	-	183.16	183.16
Total financial assets-current	-	59.14	721.51	780.65
Total financial assets	4.72	59.18	2,270.42	2,334.32

*The Company is entitled to interest @ 2% in excess of the applicable State Bank Advance Rate (SBAR) per annum beyond normal credit period.

The weighted average interest rate on the fixed rate financial assets is 2.91 % p.a. (previous year 6.07% p.a.) and the weighted average period for which the rate is fixed is 0.04 years (previous year 0.68 years).

(₹ in Crore)

As at March 31, 2021				
Particulars	Floating rate financial liabilities	Fixed rate financial liabilities	Non interest bearing financial liabilities	Total financial liabilities
Financial liabilities-non current				
Borrowings	4,912.29	-	-	4,912.29
Other Financial liabilities	-	0.33	745.95	746.28
Total financial liabilities-non current	4,912.29	0.33	745.95	5,658.57
Financial liabilities-current				
Borrowings	277.03	1,999.89	-	2,276.92
Trade finance	-	272.19	-	272.19
Trade payables	-	-	121.31	121.31
Other financial liabilities	-	3.85	677.37	681.22
Derivative financial liabilities	-	-	46.70	46.70
Total financial liabilities-current	277.03	2,275.93	845.38	3,398.34
Total financial liabilities	5,189.32	2,276.26	1,591.33	9,056.91

The weighted average interest rate on the fixed rate financial liabilities is 8.62% p.a. and the weighted average period for which the rate is fixed is 0.20 years.

(₹ in Crore)

As at March 31, 2020				
Particulars	Floating rate financial liabilities	Fixed rate financial liabilities	Non interest bearing financial liabilities	Total financial liabilities
Financial liabilities-non current				
Borrowings	2,869.72	1,999.58	-	4,869.30
Other Financial liabilities	-	3.83	761.35	765.18
Total financial liabilities-non current	2,869.72	2,003.41	761.35	5,634.48
Financial liabilities-current				
Borrowings	568.38	2,090.00	-	2,658.38
Trade finance	-	-	-	-
Trade payables	-	-	302.09	302.09
Other financial liabilities	-	3.60	759.37	762.97
Total financial liabilities-current	568.38	2,093.60	1,061.46	3,723.44
Total financial liabilities	3,438.10	4,097.01	1,822.81	9,357.92

The weighted average interest rate on the fixed rate financial liabilities is 8.84% p.a. and the weighted average period for which the rate is fixed is 0.79 years.

The table below illustrates the impact of a 0.5% to 2.0% movement in interest rates on interest expense on loans and borrowings for the year ended March 31, 2021. The risk estimate provided assumes that the changes occur at the reporting date and has been calculated based on risk exposure outstanding as of date. The year end balances are not necessarily representative of the average debt outstanding during the year. This analysis also assumes that all other variables, in particular foreign currency rates, remain constant.

Movement in interest rates	Effect on profit before tax (₹ in Cores)	
	FY 2020-21	FY 2019-20
0.50%	25.95	17.19
1.00%	51.89	34.38
2.00%	103.79	68.76

Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company is exposed to credit risk for receivables, cash and cash equivalents, short-term investments and derivative financial instruments.

Given the nature of PPA, trade receivables are from a single customer Punjab State Power Corporation Limited (PSPCL), with significant concentration of credit risk. The history of trade receivables shows a negligible provision for bad and doubtful debts. Therefore, the Company does not expect any material risk on account of non-performance by any of the Company's counterparties.

For short-term investments, counterparty limits are in place to limit the amount of credit exposure to any one counterparty. For derivative and financial instruments, the Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions having high credit-ratings assigned by international credit-rating agencies. These exposures are further reduced by having standard International Swaps and Derivatives Association (ISDA) master agreements including set-off provisions with each counter party. Defined limits are in place for exposure to individual counterparties in case of mutual funds schemes and bonds.

The carrying value of the financial assets other than cash and current investments represents the maximum credit exposure. The Company's maximum exposure to credit risk at March 31, 2021 is ₹ 2,097.18 Crore (previous year ₹ 2,199.77 Crore) of which ₹ 2,088.96 Crore (previous year ₹ 2,147.79 Crore) was from a single trade receivable.

None of the Company's cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade and other receivables, and other non-current assets, there were no indications as at March 31, 2021, that defaults in payment obligations will occur.

(₹ in Cores)

Particulars	As on March 31, 2021				
	Not past due	Due less than 1 month	Due between 1-3 months	Due between 3-12 months	Due greater than 12 months
Trade receivables - Non-Current	26.68	14.12	83.77	275.24	1,222.54
Trade receivables - Current	371.99	1.02	0.55	27.79	-
Other Financial Asset - Non-Current	8.20	-	-	-	-
Other Financial Asset - Current	-	0.01	-	0.03	65.46
Total	406.87	15.15	84.32	303.06	1,288.00

(₹ in Cores)

Particulars	As on March 31, 2020				
	Not past due	Due less than 1 month	Due between 1-3 months	Due between 3-12 months	Due greater than 12 months
Trade receivables - Non-Current	46.51	27.73	49.12	318.12	1,103.46
Trade receivables - Current	444.33	7.49	8.35	2.77	-
Other Financial Asset - Non-Current	8.73	-	-	-	-
Other Financial Asset - Current	43.21	-	0.02	139.93	-
Total	542.78	35.22	57.49	460.82	1,103.46

Receivables are deemed to be past due or impaired with reference to the customer's credit quality and prevailing market conditions. Receivables that are classified as 'past due' in the above tables are those that have not been settled within the terms and conditions of the agreement with the customer. The Company based on past experiences does not expect any material loss on its receivables. The credit quality of the Company's customer is monitored on an ongoing basis. Where receivables have been impaired, the Company actively seeks to recover the amounts in question and enforce compliance with credit terms.

Movement in allowances for Trade receivables (Current & Non-Current) is as follows: (₹ in Cores)

Particulars	Trade Receivables		Total
	Current	Non-Current	
As at March 31, 2019	-	-	-
Allowances made during the year	-	-	-
Reversal/Write off during the year	-	-	-
As at March 31, 2020	-	-	-
Allowances made during the year	-	33.71	33.71
Reversal/Write off during the year	-	-	-
As at March 31, 2021	-	33.71	33.71

The Company has applied expected credit loss model for recognising allowance for doubtful debts. As a result, the Company has recognized an allowance for doubtful debts on account of delay risk i.e. credit loss in form of interest where entity is paid in full but later than when contractually due. Also refer note 43.

Foreign exchange risk

Fluctuations in foreign currency exchange rates may have an impact on the financial statements where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company.

Exposures on foreign currency loans are managed through the Company wide hedging policy, which is reviewed periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed.

The Company uses forward exchange contract to hedge the effects of movements in exchange rates on foreign currency denominated assets and liabilities. The sources of foreign exchange risk are outstanding amounts payable for imported raw materials, capital goods and other supplies as well as financing transactions and loans denominated in foreign currencies. The policy of the Company is to determine on a regular basis what portion of the foreign exchange risk on financing transactions and loans are to be hedged through forward exchange contracts and other instruments. Short-term net exposures are hedged progressively based on their maturity. A more conservative approach has been adopted for project expenditures to avoid budget overruns. However all new long-term borrowing exposures are being hedged. The hedge mechanisms are reviewed periodically to ensure that the risk from fluctuating currency exchange rates is appropriately managed. The following analysis is based on the gross exposure as at the reporting date which could affect the statements of profit or loss and statements of comprehensive income. The exposure summarised below is mitigated by some of the derivative contracts entered into by the Company as disclosed under the section on "Derivative financial instruments".

Financial liabilities (₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
USD	1,256.11	1,304.05

The Company's exposure to foreign currency arises where a Company entity holds monetary assets and liabilities denominated in a currency different to the functional currency of that entity, with US dollar being the major non-functional currency. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rate, liquidity and other market changes.

The results of Company's operations may be affected largely by fluctuations in the exchange rates between the Indian Rupee against the US dollar. The foreign exchange rate sensitivity is calculated by the aggregation of the net foreign exchange rate exposure with a simultaneous parallel foreign exchange rates shift in the currencies by 10% against the functional currency of the Company.

A 10% appreciation/depreciation of the respective foreign currencies with respect to the functional currency of the Company would result in net decrease/increase in the Company's profit or loss and equity for the year ended March 31, 2021 by ₹ 125.61 Crore. (previous year ₹ 130.41 crore).

Note 41 – Derivative financial instruments

The Company uses derivative instruments as part of its management of exposure to fluctuations in foreign currency exchange rates. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. The Company does not enter into complex derivative transactions to manage the treasury. Both treasury derivative transactions are normally in the form of forward contracts and these are subject to the Company guidelines and policies.

All derivative financial instruments are recognized as assets or liabilities on the balance sheet and measured at fair value, generally based on quotations obtained from financial institutions or broker. The accounting for changes in the fair value of a derivative instrument depends on the intended use of the derivative and the resulting designation.

The fair values of all derivatives are separately recorded in the balance sheet within current and non-current assets and liabilities. Derivatives that are designated as hedges are classified as current or non-current depending on the maturity of the derivative.

The Company uses derivative instruments as part of its management of exposures to fluctuations in foreign currency exchange rates. The use of derivatives can give rise to credit and market risk. The Company tries to control credit risk as far as possible by only entering into contracts with reputable banks and financial institutions. The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

Non-qualifying/economic hedge

The Company enters into derivative contracts which are not designated as hedges for accounting purposes, but provide an economic hedge of a particular transaction risk or a risk component of a transaction. Fair value changes on such derivative instruments are recognized in the statements of profit or loss.

The fair value of the Company's derivative positions recorded under derivative financial assets and derivative financial liabilities are as follows:

Derivative financial instrument	(₹ in Crore)			
	As at March 31, 2021		As at March 31, 2020	
	Assets	Liabilities	Assets	Liabilities
Current				
Forward foreign currency contracts	-	46.70	43.10	-
Non current				
Forward foreign currency contracts	-	-	-	-
	-	46.70	43.10	-

Note 42 – Income tax expenses

Tax charge/(credit) recognised in Statement of Profit and Loss: (₹ in Crore)

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Current tax		
Current tax on profit for the year	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of temporary differences- other than exceptional items	(24.10)	(428.21)
Charge in respect of exceptional item	-	20.65
Total deferred tax	(24.10)	(407.56)
Net tax benefit	(24.10)	(407.56)
Profit/(Loss) before tax	(97.20)	322.52
Effective income tax rate (%)	24.79%	(126.37%)

Tax Expense (₹ in Crore)

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Tax effect of exceptional items	-	20.65
Tax benefit-others	(24.10)	(428.21)
Net tax benefit	(24.10)	(407.56)

Reconciliation of income tax expense/credit applicable to accounting profit/(loss) before tax at the statutory income tax rate to tax expense for the year: (₹ in Crore)

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Accounting profit / (loss) before tax	(97.20)	322.52
Statutory income tax rate	25.17%	25.17%
Tax at Indian statutory income tax rate	(24.82)	80.88

One-time tax gain due to change in tax regime (see note below)	-	(488.46)
CSR Expenditure Disallowed	0.71	0.28
Tax on Exempt Income (Dividend Income)	-	(0.27)
Expense disallowed u/s 14A	0.01	0.01
Tax effect of Temporary differences getting reversed during tax holiday period	-	-
Total	(24.10)	(407.56)

Note: During the previous year Company opted for new tax provision whereby a company can claim the benefits of reduced tax rates, provided it forgoes certain incentives/exemptions under Income Tax Act, 1961 leading to a one time Deferred tax credit of ₹ 488.46 Crore. As per the Company's projections, there is a convincing evidence that there would be sufficient profits in the future years and Deferred tax asset is recognised only to the extent that it is probable that taxable profit will be available to utilize the same.

Deferred tax assets/liabilities

The deferred tax liability represents accelerated tax relief for the depreciation of property, plant and equipment and the amortisation of intangible assets, net of losses carried forward by the Company. Significant components of deferred tax (assets) & liabilities in the balance sheet are as follows: (₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Property, plant and equipment and intangible assets:		
Opening balance	429.58	234.59
Charged to statement of profit and loss	102.27	194.99
Closing balance	531.85	429.58
Unabsorbed depreciation		
Opening balance	(598.91)	-
Credited to statement of profit and loss	(115.51)	(598.91)
Charged/(credited) to other comprehensive income (OCI)	-	-
Closing balance	(714.42)	(598.91)
Other temporary differences		
Opening balance	(3.74)	-
Credited to statement of profit and loss	(10.86)	(3.65)
Charged/(credited) to other comprehensive income (OCI)	0.08	(0.09)
Closing balance	(14.52)	(3.74)
Net deferred tax liabilities/(assets)	(197.09)	(173.07)

Note 43 – Disputed Trade Receivables

Punjab State Power Corporation Limited ("PSPCL"), which is the Company's sole customer has withheld payments aggregating to ₹ 1,622.07 Crore (previous year ₹ 1,544.94 Crore) which are on account of various disputes including yield loss during washing, tax benefits at the time of initial plant setup, procurement of alternate coal, basis of computation of plant availability, capacity charges during force majeure and gross calorific value amongst others. Pursuant to an order of the Hon'ble Supreme Court dated March 09, 2021, the Company has received ₹ 375 Crore

from PSPCL (previous year ₹ 1,002 Crore on the basis of Hon'ble Supreme Court dated August 05, 2019) in the matter of yield loss during washing & difference in the assessment of gross calorific value. The balance matters are under litigation and the Company has obtained independent legal advice which supports its claims and is thus not expecting any material losses on these balances and believes that it is highly probable that the Company claims would be upheld. Based on the expected timing of realisation of these balances, which is in turn dependent on the settlement of legal disputes, the Company has bifurcated the receivables into current and non-current. The management has assessed the recoverability of the outstanding balances and does not believe that any material adjustment is required to the same.

Note 44 – Segment Information

The Company's activities during the year revolved around operating 3*660 MW Thermal Power Plant at Mansa, Punjab. Considering the nature of Company's business and operations, there are no separate reportable segments (business and/or geographical) in accordance with the requirements of Ind AS 108 - Operating Segments. All the Company's revenues, trade receivables and non-current operating assets are in India. The company's revenues aggregating to ₹ 3,819.78 Crore (previous year ₹ 4,771.82 Crore) is from a single customer.

Note 45 – Share based compensation plans

The Company offers equity-based award plans to its employees and officers through its parent (Vedanta Limited), Employee Share Ownership Plan ("ESOP").

During the year, share-based incentives under ESOP of Vedanta Limited (introduced w.e.f. September 2017) are provided to the defined management group. The maximum value of shares that can be awarded to members of the defined management group is calculated by reference to the individual fixed salary and share-based remuneration consistent with local market practice. The scheme is both tenure and performance based share schemes. The awards are indexed to and settled by Parent shares. The awards have a fixed exercise price denominated in Parent's functional currency (₹ 1 in case of Vedanta Limited), the performance period of each award is three years and is exercisable within a period of six months from the date of vesting beyond which the option will lapse.

Further, in accordance with the terms of the agreement between the Parent and the Company, the cost recognized towards the scheme is recovered by the parent from the Company.

Amount recovered by the parent and recognised by the company in the statement of profit and loss for the financial year ended March 31, 2021 is ₹ 0.31 Crore (previous year ₹ 3.04 Crore). The Company considers these amounts as not material and accordingly has not provided further disclosures.

Note 46

Due to the prevailing outbreak of COVID-19 globally and in India, the Company has made an assessment of the likely adverse impact on economic environment in general and financial risks to itself on account of the same. The Company is in the business of generation of electricity which is an essential service as declared by the Ministry of Power, Government of India. The availability of power plant to generate electricity as per the demand of the customers is important. Hence, the Company has ensured the availability of its power plant to generate power, considering essential service as declared by the Government of India. The Company has ensured that it has sufficient coal stock and manpower to make the plant available to generate power in safe environment. The Company had received force majeure notice from its sole customer PSPCL on March 29, 2020 citing nationwide lockdown declared from March 23, 2020 onwards resulting into significant decline in the demand for power. The notice sought to invoke force

majeure owing to the lockdown and therefore to stop scheduling power from TSPL power plant and requested TSPL not to declare availability thereby not paying capacity charges. The notice had been replied by the Company stating that the said situation is not covered under force majeure clause of PPA, considering electricity generation falls under essential services vide notification dated March 25, 2020 issued by Ministry of Home Affairs. Further, the Power Ministry has also clarified on April 6, 2020 that power purchasers will have to comply with the obligation to pay fixed capacity charges as per the terms of the relevant agreement with the power producers. Later on, the Company received cessation of force majeure notice on May 25, 2020 from PSPCL and PSPCL started scheduling power with effect from June 10, 2020. State Load Dispatch Centre ('SLDC') has not considered the declared capacity for the period April 01, 2020 to May 25, 2020 ('Force Majeure period') in State Energy Account and PSPCL withheld capacity charges amounting to ₹ 244 Crore for the Force Majeure period. The company filed a writ petition in the Honourable Punjab & Haryana High Court against the matter. Based on management assessment and legal opinion, the Company is confident of realising the capacity charges recognized during the year ended March 31, 2021.

During the year, company in some cases availed the relief granted by RBI by way of moratorium of interest & principal instalments falling due to banks & financial institutions till September 30, 2020. On long term basis also, the Company does not anticipate any major challenge in meeting its financial obligations.

Note 47

As per revised Ministry of Environment norms, company had to implement FGD technology by December 31, 2019. In May 2020, CPCB imposed environmental compensation penalty of ₹ 0.18 Crore per month per non-compliant unit w.e.f. January 01, 2020 and added that the compliance status shall be reviewed periodically. Subsequently company received a notice on October 16, 2020 and a corrigendum on November 04, 2020 wherein CPCB extended the timeline for installing the FGD to February 28, 2021 for Unit 1, December 31, 2020 for Unit 2 and October 31, 2020 for Unit 3 & further on March 31, 2021 Ministry of Environment, Forest and Climate Change via notification extended the above mentioned timelines till December 31, 2024. Subsequently, the Company has also filed an application to CPCB for refund of entire amount of ₹ 2.70 Crore deposited earlier as Environment Compensation (EC).

Note 48 – Previous year's figures

Figures of the previous year are reclassified/regrouped wherever necessary, to conform to those of the current year presentation.

In terms of our report attached

For S. R. Batliboi & Co. LLP

ICAI Firm Registration No. : 301003E/E300005

Chartered Accountants

per Naman Agarwal

Partner

Membership No.: 502405

Place : New Delhi

Date : April 22, 2021

For and on behalf of Board of Directors

Agnivesh Agarwal

Chairman

DIN: 00038950

Vikas Sharma

Chief Executive Officer
& Whole Time Director

DIN: 00761202

Swapnesh Bansal

Chief Financial Officer

Dashmeet Rana

Company Secretary

ICSI Mem No. A52155