ESSAR
POWER

Essar Power Limited
Essar House
11, K. K. Marg,
Mahalaxmi,
Mumbai – 400 034
India

Corporate Identity Number
U40100GJ1991PLC064824

T +91- 22- 6660 1100
F +91 -22 – 2354 4787
www.essar.com

September 13, 2022

To,
The Department of Corporate Services
Bombay Stock Exchange Ltd. (BSE)
P.J. Towers, Dalal Street,
Mumbai - 400 001

Ref: Script Code: 946734/946808/949336/949474

Sub: Annual Report of the Company for the financial year ended March 31, 2022

Dear Sir,

Pursuant to Regulation 53 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, please find attached herewith Annual Report of the Company for the financial year 2021-22.

Request you to kindly take the same on your record.

Thanking you.

Yours faithfully,

For Essar Power Limited

PRAKASH
PANDURANG
KHEDEKAR

Digitally signed by PRAKASH PANDURANG KHEDEKAR
DN: c=IN, o=PERSONAL,
pseudonym=faf137a984b6d3e67671e5c0553a1b73,
2.5.4.20=593F2B595031AC412BAEDBA434FBB754AAFD
992BE4D3FF172B014F706E4B68B8,
postalCode=400709, st=MAHARASHTRA,
serialNumber=a6eb386adadc73f09875d11598911a407
5d27645adc38d1b5c204f006029afe5, cn=PRAKASH
PANDURANG KHEDEKAR
Date: 2022.09.13 16:38:15 +05'30'

Prakash Khedekar
Company Secretary

Note: The aforesaid disclosure has been filed with BSE Limited on 08/09/2022 with manual signature. In compliance with Circular No. 20220801-24 dated 01/08/2022, the aforesaid disclosure is filed again using digital signature.

ESSAR POWER LIMITED

31st ANNUAL REPORT

2021-22

ESSAR POWER LIMITED

BOARD OF DIRECTORS

Mr. C S Krishnakumar
Director
Mr. Vishnu Dutt Mutha
Director
Mr. V S Verma
Independent Director
Mr. Birendra Kumar Mohapatra
Independent Director
Ms. Ruvalma Shet
Director

KEY MANAGERIAL PERSONNEL

Mr. Kush
Chief Executive Officer
Mr. Kapil Singla
Chief Financial Officer
Mr. Prakash Khedekar
Company Secretary

REGISTERED OFFICE

27 KM, Surat Hazira Road,
Hazira, Surat, Gujarat 394270
Tel: +91 261 668 2055/2400
Fax: +91 261 668 2747

CORPORATE OFFICE

Essar House, 11, K. K. Marg
Mahalaxmi, Mumbai 400 034,
Maharashtra, India.
Tel: +91 22 6660 1100 / 4001 1100
Email: powersec@essarpower.co.in

STATUTORY AUDITORS

M. M. Chaturvedi & Co.,
Chartered Accountants

COMMITTEES

Audit Risk and Compliance Committee
Mr. Birendra Kumar Mohapatra
Mr. V S Verma
Mr. C S Krishnakumar

Nomination and Remuneration Committee
Mr. Birendra Kumar Mohapatra
Mr. V S Verma
Mr. C S Krishnakumar

Stakeholders Relationship Committee
Mr. Birendra Kumar Mohapatra
Mr. C S Krishnakumar
Mr. Vishnu Dutt Mutha

REGISTRAR AND TRANSFER AGENTS

M/s Data Software Research Company Pvt. Ltd
Unit: Essar Power Limited
619 Pycrofts Garden Road, Off Haddows Road,
Nungambakkam, Chennai – 600006
Tel: + 91 44 2821 3738, 2821 4487
Fax: +91 44 2821 4636
Email: essar.power@dsrc-cid.in

DEBENTURE TRUSTEES

Axis Trustee Services Limited
Axis House, Bombay Dyeing Mills Compound,
Pandurang Budhkar Marg, Worli, Mumbai 400025
Tel: 022-62300451

CONTENTS	PAGE NO.

ESSAR POWER LIMITED
Regd. Office: 27th Km, Surat Hazira Road, Dist. Surat, Gujarat 394270
CIN: U40100GJ1991PLC064824
Tel: 91 22 6733 5700| Fax: 91 22 67335300| E-mail: powersec@essarpower.co.in| Website: www.essar.com

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Notice is hereby given that the 31st Annual General Meeting of the Members of **ESSAR POWER LIMITED** ('EPOL' or the 'Company') will be held on Friday, September 30, 2022 at 11:00 a.m. through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') facility, to transact the following business: -

ORDINARY BUSINESS:

1. **To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2022 together with the Reports of the Board and the Auditors thereon;**

   To consider and adopt (a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022 and the Reports of the Board of Directors and Auditors thereon; and (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022 and the Reports of Auditors thereon and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolutions as an Ordinary Resolutions:

   a) "**RESOLVED THAT** the Audited Financial Statements of the Company for the financial year ended March 31, 2022 prepared on standalone basis and the Reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

   b) "**RESOLVED THAT** the Audited Financial Statements of the Company for the financial year ended March 31, 2022 prepared on consolidated basis and the Report of Auditors thereon laid before this meeting, be and are hereby considered and adopted."

SPECIAL BUSINESS:

2. **Sale of investment in Gandhar Hazira Transmission Limited**

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

   "**RESOLVED THAT** pursuant to Section 180(1)(a) of the Companies Act, 2013 ("Act") and Regulation 24(5) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions of the Act read with the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and relevant provisions of Articles of Association of the Company, consent of the members of the Company, be and is hereby accorded to sale or transfer or otherwise dispose-off the part or entire equity stake of the Company in Gandhar Hazira Transmission Limited to Arcelormittal Nippon Steel India Limited on the terms and conditions as may be agreed between the parties;

   RESOLVED FURTHER THAT the Board of Directors or any committee constituted thereof be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

3. **Sale of investment in Essar Power Hazira Limited**

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

"**RESOLVED THAT** pursuant to Section 180(1)(a) of the Companies Act, 2013 ("Act") and Regulation 24(5) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions of the Act read with the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and relevant provisions of Articles of Association of the Company, consent of the members of the Company, be and is hereby accorded to sale or transfer or otherwise dispose-off 74% of the equity shares and 100% of the preference shares held by the Company in Essar Power Hazira Limited to Arcelormittal Nippon Steel India Limited on the terms and conditions as may be agreed between the parties;

RESOLVED FURTHER THAT the Board of Directors or any committee constituted thereof be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

4. **Sale of Secured Assets of the Company**

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

"**RESOLVED THAT** pursuant to Section 180(1)(a) of the Companies Act, 2013 ("Act") and other applicable provisions of the Act read with the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and relevant provisions of Articles of Association of the Company and subject to approval of lenders wherever required, consent of the members of the Company, be and is hereby accorded to sale or transfer or otherwise dispose-off secured assets of the Company more particularly described in the explanatory statement attached to this notice on the terms and conditions as may be agreed between the Company and Arcelormittal Nippon Steel India Limited (AMNSIL or Buyer).

RESOLVED FURTHER THAT the Board of Directors or any committee constituted thereof be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. **Appointment of Ms. Ruvalma Shet (DIN: 08088389) as a Director**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Ms. Ruvalma Shet (DIN: 08088389), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director (Non- Executive), who shall be liable to retire by rotation;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Registered Office
27th km, Surat Hazira Road
Dist Surat
Gujarat, 394 270
CIN: U40100GJ1991PLC064824
Tel: 91 22 6733 5700 Fax: 91 22 67335300
E-mail: powersec@essarpower.co.in
Website: www.essar.com

By Order of the Board

Sd/-
Prakash Khedekar
Company Secretary
ACS 15214

Place: Mumbai
Date: 18th August, 2022

NOTES:

1. In view of the COVID 19 pandemic, the Ministry of Corporate Affairs vide its General Circular No. 2/2022, 21/2021, 19/2021, 02/2021, 20/2020, 17/2020 and 14/2020 dated 5th May, 2022, 14th December, 2021, 8th December, 2021, 13th January, 2021, 5th May, 2020, 13th April, 2020 and 8th April, 2020, has introduced certain measures enabling companies to convene their Annual General Meetings (AGM/ Meeting) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and also send notice of the Meeting and other correspondences related thereto, through electronic mode. In compliance with the said requirements of the MCA Circulars, electronic copy of the Notice along with the Annual Report for the financial year ended 31st March, 2022 consisting of financial statements including Board's Report, Auditors' Report and other documents required to be attached therewith (collectively referred to as Notice) have been sent only to those members whose e- mail ids are registered with the Company or the Registrar and Share Transfer Agent or the Depository Participants(s) through electronic means and no physical copy of the Notice has been sent by the Company to any member. The Notice has also been hosted on the website of the Company at www.essar.com.

2. The Board of Directors of the Company has decided to adopt the above guidelines issued by Ministry of Corporate Affairs in conducting Annual General Meeting of the Company. Hence, Members can attend and participate in the ensuing Annual General Meeting through VC/ OAVM, which may not require physical presence of members at a common venue. The deemed venue for the meeting shall be the registered office of the Company.

3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM facility, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. Members attending the AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

5. Corporate shareholders are required to send a scanned copy (pdf/jpg format) of its board or governing body's resolution/authorisation, etc., authorising their representative to attend and vote at the AGM on its behalf. The said resolution/authorisation shall be sent to the Company by email through its registered email address to powersec@essarpower.com.

6. Statement pursuant to Section 102 of the Act forms a part of this Notice. The Board of Directors, at their meeting held on August 18, 2022 has decided that the special business set out under item nos. 2 to 5 being considered unavoidable, be transacted at the AGM of the Company. Notice and the Explanatory Statement shall be available for inspection electronically. Members seeking to inspect such documents can send an email to powersec@essarpower.com.

7. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 shall be made available in electronic form for inspection during the Meeting through VC.

8. The Company has fixed Friday, September 16, 2022 as the Record Date for the purpose of identifying the eligible members of the Company for the purpose of AGM.

9. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

10. If there is any change in the e-mail ID already registered with the Company, members are requested to immediately notify such change to the Company or its RTA in respect of shares held in physical form and to DPs in respect of shares held in electronic form.

11. Since the meeting will be conducted through VC/OAVM facility, the route map is not annexed to this Notice.

Instructions for attending/voting at the AGM

1. The members can join/participate the meeting either through IPAD, VC facility or Laptop/Web cam enabled Desktop or mobile instrument. The process of participating/joining the meeting is as under:

   The Company shall send a meeting invite at the registered email addresses of the persons entitled to attend the Meeting, for joining the Meeting through Microsoft Teams application.

   i. For joining through laptop/desktops, the instructions are as follows:

      a. Select 'Join Microsoft Teams Meeting' in the meeting invite sent to you on your email address/calendar. Thereafter, a page will be displayed where you can choose to either join on the web or download the desktop app. If you already have the Microsoft Teams app, the meeting will open on the app automatically.

      b. If you do not have a Teams account, select 'Join as a guest' and enter your name to join the meeting as a guest. If you have a Teams account, select 'Sign in and join'.

   ii. For joining through mobile phone/iPads, the instructions are as follows:

      a. For easy and efficient access of the Microsoft Teams meetings (including audio, video, and content sharing) on mobile, it would be advisable to download and install the Microsoft Teams mobile app.

      b. If you have the app, select 'Join Microsoft Teams Meeting' in the meeting invite sent on your registered email address to open the app and join the meeting. If you do not have the app, you will be taken to the app store where you can download the same.

      c. If you do not have a Microsoft Teams account, select 'Join as a guest' and enter your name to join the meeting as a guest. If you have a Teams account, select 'Sign in and join'.

2. The VC facility allows two way teleconferencing or webex for the ease of participation of the members and the participants are allowed to pose questions concurrently or given time to submit questions in advance on the e-mail address of the company.

3. The facility for joining the meeting shall remain open at least 15 minutes before the time scheduled to start the meeting and shall be closed after the expiry of 15 minutes after such scheduled time.

4. Members are advised to use stable Wi-Fi or LAN connection to participate at the AGM through VC in a smooth manner. Participants may experience audio/video loss due to fluctuation in their respective networks.

5. The Chairman for the meeting shall be appointed in accordance with Section 104.

6. The members of the Company are requested to use powersec@essarpower.co.in as a designated email address for the purpose of conveying their vote, when a poll is required to be taken during the meeting on any resolution. Where a poll on any item is required, the members shall cast their vote on the resolutions only by sending emails through their email addresses which are registered with the company. The said emails shall only be sent to the designated email address i.e. powersec@essarpower.co.in.

7. Members who may want to express their views or ask questions at the AGM are requested to post their queries at powersec@essarpower.co.in. by mentioning their name, demat account number/folio number, email ID and mobile number at least seven days in advance of the meeting so that the answers may be made readily available at the meeting.

8. Members are requested to e-mail at powersec@essarpower.co.in. or call at 9930134875 in case of any technical assistance required at the time of log in/ assessing/ voting at the Meeting through VC.

EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013 ('the Act'), the following Explanatory Statement sets out all material facts relating to businesses mentioned under Item Nos. 2 to 5 of the accompanying Notice:

Item No. 2

Gandhar Hazira Transmission Limited (GHTL) is a wholly owned subsidiary of the Essar Power Limited (EPOL/Seller). It has been proposed to transfer entire stake in Gandhar Hazira Transmissio Limited to Arcelormittal Nippon Steel India Limited (AMNSIL) on the terms and conditions as may be mutually agreed between the parties.

Essar Power Transmission Company Limited (EPTCL), another subsidiary of EPOL, currently owns and operates the transmission assets, which includes all equipment and components, comprising the: (i) 104.6 km long 400 kV line D/C (twin conductor) from the Gandhar (NTPC) switchyard to Hazira; (ii) 3X500 MVA, 400/220 kV substation at Hazira; and (iii) two 400 kV line bays at the Gandhar (NTPC) switchyard, together with all associated infrastructure and real estate and access rights and all other assets required to operate the Hazira transmission line (hereinafter referred to as Hazira Transmission Assets).

EPOL has entered into a Securities Purchase Agreement dated 2nd June 2022 (SPA) with Adani Transmission Limited (ATL). Pursuant to the said SPA entire stake held by EPOL in EPTCL shall be transferred to AMNSIL subject to fulfilment of certain conditions. Further it was agreed between EPOL and ATL that the economic and beneficial interest of the Hazira Transmission Assets (as described above) shall solely vest with EPOL and that, subject to satisfaction of the identified conditions, the Hazira Transmission Assets Undertaking shall be transferred to an affiliate of EPOL by way of a slump sale. Accordingly It has been proposed that subject to approvals from regulatory authorities these assets shall be transferred to GHTL on slump sale basis.

In terms of Section 180 (1)(a) of the Companies Act, 2013, the approval of the members of the Company is required for sale of the undertaking of the Company by passing a Special Resolution. Accordingly approval of members is being sought for sale of investment held by EPOL in GHTL.

None of the Directors or any Key Managerial Personnel or any relative of any of the Directors of the Company or the relatives of any Key Managerial Personnel is, in anyway, concerned or interested in the resolution.

Accordingly, the Board recommends the resolutions as set out at item no. 2 as a Special Resolution.

Item No. 3

Essar Power Limited (EPOL/the Company) has 515 MW combined cycle power plant at Hazira is presently non-operational on account of (i) expired PPA since 2016 (ii) absence of fuel supply agreement and no power evacuation approval. On account of this, the Company has no operating revenue and the Company has defaulted on various commitments to lenders including bankers and debenture holders.

In order to correct the defaults and pay its lenders, the Company is working on various plans including monetization of assets. The Company has currently two operating assets namely Essar Power Hazira Limited (EPHL) and Essar Power Transmission Company Limited.

It has been proposed to monetise EPHL asset by sell or transfer or otherwise dispose-off 74% of the Equity Shares and 100% of the preference share capital held in EPHL to Arcelormittal Nippon Steel India Limited. In terms of Section 180 (1)(a) of the Companies Act, 2013, the approval of the members of the Company is required for sale of the undertaking of the Company by passing a Special Resolution.

EPHL is a material subsidiary of the Company, hence in terms of Regulation 24(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a listed Company shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than fifty percent or cease the exercise of control over the subsidiary without passing a Special Resolution. Since the proposed monetisation may result into reduction of EPOL's shareholding in EPHL, approval of members is being sought through Special Resolution.

None of the Directors or any Key Managerial Personnel or any relative of any of the Directors of the Company or the relatives of any Key Managerial Personnel is, in anyway, concerned or interested in the resolution.

Accordingly, the Board recommends the resolutions as set out at item no. 3 as a Special Resolution.

Item No. 4

Essar Power Limited (EPOL/the Company) has 515 MW combined cycle power plant at Hazira is presently non-operational on account of (i) expired PPA since 2016 (ii) absence of fuel supply agreement and no power evacuation approval. On account of this, the Company has no operating revenue and the Company has defaulted on various commitments to lenders including bankers and debenture holders.

In order to correct the defaults and pay its lenders, the Company is working on various plans including monetization of assets.

EPOL and/or its Affiliates has availed of certain credit facilities by way of borrowings through the issuance of secured, redeemable, non-convertible debentures, other funded credit arrangements and/ or unfunded Guarantees ("Credit Facilities"), from/ to certain lenders ("Lenders"). In order to secure the repayment obligations in relation to the aforesaid credit facilities, EPOL has created an encumbrance over these assets in favour of one or more of the Lenders or, where applicable, in favour of a security trustee or a debenture trustee, acting on behalf of one or more of the Lenders (hereinafter referred to as "Secured Assets").

Particulars of secured assets is as under.

A. IMMOVABLE PROPERTIES

All those pieces or parcels of government grant lands bearing the following Survey Numbers of Mouje Hazira of Choryasi Taluka in the Registration District and Sub District Surat, collectively admeasuring H-26-25-05 or thereabouts.

Sr. No.	Survey No.	Area
1.	353/A/1/A1 Paiki (other details 174/A/1)	H-11-77-24
2.	353/A/1/A/2 (other details 174/A/1/A/2)	H-0-20-88
3.	354 A (other details 175/A)	H-14-26-93
	Total	H-26-25-05

B. MOVABLE PROPERTIES

The buildings, erections, godowns and constructions of every description which are standing, or erected or attached to the Immovable Properties and the whole of the movable properties and/or movables fixed assets of the Company on the Immovable Properties i.e. moveable plant and machinery, machinery spares, fixtures, implements, fittings, furniture, spare parts, tools and accessories and stores and other movables belonging to the Seller, whether installed or not and whether now lying loose.

It has been proposed that the Company shall enter into an agreement with Arcelormittal Nippon Steel India Limited (AMNSIL) to sell or transfer the Secured Assets to them (or any of its Affiliates) free and clear of all Encumbrances (including the Encumbrances created in favour of the Lenders). The transfer of secured assets shall be subject to approval of the lenders.

In terms of Section 180 (1)(a) of the Companies Act, 2013, the approval of the members of the Company is required for sale of the undertaking of the Company by passing a Special Resolution.

None of the Directors or any Key Managerial Personnel or any relative of any of the Directors of the Company or the relatives of any Key Managerial Personnel is, in anyway, concerned or interested in the resolution.

Accordingly, the Board recommends the resolutions as set out at item no. 4 as a Special Resolution.

Item No 5

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act"), and the Articles of Association of the Company, Ms. Ruvalma Shet (DIN: 08088389), as an Additional Director with effect from August 18, 2022.

Ms. Ruvalma Shet is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act and has given her consent to act as a director.

The brief profile of Ms. Ruvalma Shet is as below:

Ruvalma Shet is a Human Resources professional with over 12 years of expertise. She joined the Essar Administration team in November 2005 after graduating from Sophia College securing a First class in Arts through the Mumbai University. She then pursued to do a Diploma in Human Resources from the Welingkar's Institute of Management, Mumbai. Her current assignment with the Power Business has been since February 2015, prior to Essar Power, she was handling HR for The Mobile Store and was previously associated with Corporate HR and the Talent Acquisition team of Essar.

Her expertise are in HR operations, Talent Acquisition, Performance Management and Employee Engagement.

Ms. Ruvalma Shet is interested in the resolution set out at Item No. 5 of the Notice with regard to her appointment.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the members.

Details of Ms. Ruvalma Shet, are provided below pursuant to the Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India:

Name of the Director	Ms. Ruvalma Shet
DIN	08088389
Age	38
Nationality	Indian
Date of first appointment on the Board	18/08/2022
Relationship with other Directors	Not related to any Director
Qualification	Arts Graduate through the Mumbai University and Diploma in Human Resources from the Welingkar's Institute of Management, Mumbai.
Number of shares & % of holding including beneficial holding	Nil
No. of Directorships held in other Public Limited Companies	2
No. Chairmanships / Memberships of Committees in other Public Limited Companies (includes Audit Committee [AC] and Stakeholders Relationship Committee [SRC])	2
Number of Board meetings attended during the FY 2022 - 2023	0*

*No meeting held since appointment

Registered Office
27th km, Surat Hazira Road
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CIN: U40100GJ1991PLC064824
Tel: 91 22 6733 5700 Fax: 91 22 67335300
E-mail: powersec@essarpower.co.in
Website: www.essar.com

Place: Mumbai
Date: 18th August, 2022

By Order of the Board

Sd/-
Prakash Khedekar
Company Secretary
ACS 15214

ESSAR POWER LIMITED

BOARD REPORT

To
The Members of
Essar Power Limited

The Company's Directors have pleasure in presenting the Board's Report along with the Audited Financial Statements of the Company for the Financial Year ended March 31, 2022.

1. FINANCIAL RESULTS

(Amount in Crore)

Particulars	Standalone (Rs.)		Consolidated (Rs.)	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Net sales / Income from operations	52.65	4.52	474.43	2622.32
Operating Expenditure	52.32	7.99	330.77	1773.54
Operating profit/ (loss)	0.33	(3.47)	143.66	848.78
Add: Other income	2.93	2.77	19.31	19.60
Profit/ (Loss) Before finance costs, depreciation, amortisation, exceptional item and tax	3.26	(0.70)	162.97	868.38
Less: Finance cost & lease charges	683.70	717.81	1521.55	2615.99
Profit/ (Loss) Before depreciation, amortisation, exceptional item and tax	(680.44)	718.51	(1358.59)	(1747.61)
Less: Depreciation and amortization	9.68	4.83	113.22	348.03
Profit/ (Loss) Before exceptional items and tax	(690.12)	(723.33)	(1471.81)	(2095.64)
Exceptional items (Gain)/Loss	(999.83)	343.80	(268.98)	(10860.41)
Profit (Loss) Before tax	309.71	(379.53)	(1202.83)	8764.76
Less: Current tax	-	-	7.67	0.04
Less: Deferred tax	-	-	46.81	238.07
Net Profit/ (Loss) After Tax	309.87	(379.53)	(1349.96)	8526.65

1.1 Standalone results

The Company's power plant was in shut down mode due to unfavourable market condition. However, the plant availability was 100%.

The operating revenue during financial year 2021-22 was increased by Rs.48.13 crore as against Rs.4.52 crore during the previous financial year. Operating revenue was Increased due to revenue for cutting, levelling, excavating services provided to Essar Construction India Private Limited. During the year, the Company reported a profit after tax and exceptional items of Rs.309.87 crore (previous year loss of Rs.379.84 crore) during the current financial year.

1.2 Share capital

The paid up share capital as on March 31, 2022 was Rs.76,72,13,05,868. During the financial year under review, the Company has not issued any further shares.

There were no bonus issue or preferential issue, etc. during the financial year ended March 31, 2022. The Company has not issued shares with differential voting rights, sweat equity shares nor has it granted any stock options.

1.3 Consolidated Results

The Audited Consolidated Financial Statements of the Company as required under Section 129 of the Companies Act, 2013 (Act) form part of this Annual Report.

The Consolidated operating revenue was higher at Rs.474.43 crore (previous year Rs.2,622.32 crore) due to revenue from Essar Power Transmission Company Limited shown separately due to asset classified held for sale.

Other income decreased to Rs.19.31 crore (previous year Rs.19.60 crore) during the current financial year.

The interest and finance charges were Rs.1521.55 crore as against Rs.2,615.99 crore during the previous year due to interest cost for Essar Power Transmission Company Limited shown separately due to asset classified held for sale.

The depreciation charge decreased to Rs.113.22 crore (previous year Rs.348.03 crore) during the current year due to depreciation of Essar Power Transmission Company Limited shown separately due to asset classified held for sale.

The Exceptional items were negative Rs.268.98 crore (previous year Negative-. Rs. 10,860.41 crore) during the current year.

Loss for the year was Rs.1349.96 crore as against profit of Rs.8526.65 crore during the previous year.

2. CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no changes in the business of the Company.

3. DIVIDEND

In view of the losses, your Directors do not recommend any dividend for the year.

4. EXEMPTION FROM NBFC CLASSIFICATION

The Company was unable to carry its main business activity of power generation due to higher gas prices rendering the operations unviable and the plant being un-operational throughout the year, it resulted in the interest income on amounts extended to its SPVs involved in power generation business becoming along with the gain generated from the sale of its investments, higher than the operational income, triggering the requirement for registration as Non-Banking Financial Company (NBFC). Since the Company does not intend to carry on the business of NBFC, it applied for and is awaiting the Reserve Bank of India (RBI) exemption from registration as a NBFC for FY 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21. The Company had earlier received similar exemption from RBI for the FY 2015-16. The Company has also made an application to RBI for FY 2021-22, for exempting it from the NBFC requirements for the year FY 2021-22.

However, the response for the application is still awaited from RBI.

5. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

During the year, no significant or material orders were passed by the Regulators or Courts or Tribunals or NCLT which impact the going concern status and the Company's operations in the near future.

6. HOLDING, SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company is a subsidiary of Essar Power Holdings Limited, Mauritius, which as on March 31, 2022 along with its 100% subsidiary, Essar Power Hazira Holdings Limited, Mauritius holds 91.02% of the total equity share capital. Essar Power Holdings Limited in turn is a wholly owned subsidiary of Essar Energy Limited.

7. PERFORMANCE HIGHLIGHTS OF KEY SUBSIDIARIES

i. Essar Power Hazira Limited (EPHL)

Essar Power Hazira Limited (EPHL) owns and is in the operation of corex gas, corex fines and imported coal based power plant of 270 MW plus 30 MW debottlenecked, located at Hazira, Surat, Gujarat within the steel complex operated by ArcelorMittal Nippon Steel India Limited (erstwhile Essar Steel India Limited) (AMNSI) at Hazira, Surat, Gujarat. The power plant is a game changer as it is designed to fire with multiple fuels such as corex gas, corex coal fines, coke oven gas and imported coal. The Company has signed a Power Purchase Agreement with AMNSI for sale of power of the entire capacity on an exclusive basis. In FY 21-22, the Company has achieved highest ever station availability of 96.9% (previous best 96.4% in FY 17-18) and plant load factor of 94%. The plant has been supplying power to AMNSI based on their requirement and also consumes coal fines and corex gas provided by AMNSI. The Company has again proved its capabilities offering various fuels like coal fines, thermal coal and corex gas.

The Plant has shown robust performance in FY 2021-22 as summarized below:-

- Power Generation of 2231 Mn Units and supplied 2032 Mn Units of power to AMNSI
- Auxiliary Consumption of 8.96%
- Specific oil consumption of the plant for the year ending March 31, 2022 was 0.041 ml/KWh (far better than the CERC norms of 0.5 ml/KWh).
- CCA amendment received for enhanced coal consumption.
- Regular in debt servicing to all the lenders.
- The total income of the Company in the financial year 2021-22 was Rs. 417.95 crore as against Rs. 427.19 crore in the previous year.
- The profit before tax for the financial year 2021-22 was Rs. 214.46 crore as against Rs.182.35 crore in the previous year thereby registering a growth of 17.61%.
- The profit after tax for the financial year 2021-22 was Rs.160.10 crore as against Rs.128.67 crore in the previous year thereby registering a growth of 24.43%.

ii. Essar Power Gujarat Limited (EPGL)

The plant was technically available for operations but was under shut down mode for FY 2021-22 due to unviable imported coal prices.

The 2X600 MW plant is under preservation and the key equipments are being inspected at regular intervals.

The gross income of the Company for the FY 2021-22 was Rs. 18.52 crore as against Rs. 1,356.18 crore in the previous year. The loss before exceptional items and tax for FY 2021-22 was Rs. 994.06 crore as against loss Rs.586.40 crore in the previous year. Net loss after Tax for the year after providing for exceptional items was Rs. 1,524.74 crore as against profit of Rs.588.49 crore in the previous year.

iii. Essar Power (Orissa) Limited (EPORL)

Edelweiss Asset Reconstruction Company the term lender of the Company, on 29th January 2021, had invoked the security under SARFAESI and had taken over Land, Property, Plant and Equipment, Spares Inventory and Project Documents like clearances & approvals, Power Purchase Agreement (PPA), Facility Usage Agreement (FUA) etc. against which entire term loan taken from EARC have been paid. These Assets were sold to Arcelor Mittal Nippon Steel India Limited. Accordingly, the power generation business of the Company has been discontinued. Presently, the Company does not have any revenue generating asset. Accordingly, the financial statements were not prepared on the going concern basis.

During the year under review, the Company has transferred beneficial interest in the shareholding of Essar Power (Orissa) Limited to Essar Steel Metal Trading Limited.

iv. Essar Power Transmission Company Limited (EPTCL)

The Company has implemented transmission system associated with Essar Mahan Thermal Power Plant viz combined assets of LILO (22.4 km) of 400 kV S/C Vindhyachal-Korba transmission line, 400 kV D/C Gandhar-Hazira transmission line (104.6 km) along with associated bays at Hazira end and 1000 MVA (2 x 500MVA) 400/220 kV GIS Sub-station at Hazira, Gujarat referred as Stage-I elements & Stage II elements consisting of 400 kV D/C Mahan-Sipat/Bilaspur line (336.7 km) along with associated bays at Mahan and at PGCIL Bilaspur and 50 MVAR line reactors at both ends (2 Nos. fixed reactors at Bilaspur end and 2 nos. switchable reactors along with its associated bays at Mahan end) and 1 x 80 MVAR, 400 kV switchable bus reactor at Mahan TPS along with its associated 400 kV bay.

Pursuant to a securities purchase agreement dated June 2, 2022 ("SPA"), executed between Adani Transmission Limited ("ATL"), Company and Essar Power Limited ("EPL"), it was agreed to transfer entire stake in EPTCL held by Essar Power Limited to Adani Transmission Limited subject to fulfilment of certain conditions.

The gross revenue of the Company for the FY 2021-22 was Rs 431.03 crore as against Rs. 413.53 crore in the previous year. The Profit before tax for FY 2021-22 was Rs 52.19 crore as against profit of Rs. 144.28 crore. Net profit after Tax for the year after providing for exceptional items was Rs 31.30 crore as against profit after tax of Rs. 78.87 crore in the previous year.

v. Bhander Power Limited (BPOL)

Edelweiss Asset Reconstruction Company the term lender of the Company, on 6th February 2020, had invoked the security under SARFAESI and had taken over Land, Property, Plant and Equipment, Spares Inventory and Project Documents like clearances & approvals, Power Purchase Agreement (PPA), Facility Usage Agreement (FUA) etc. against which entire term loan taken from EARC have been paid. These Assets were sold to Arcelor Mittal Nippon Steel India Limited. Accordingly, the power generation business of the Company has been discontinued. Presently, the Company does not have any revenue generating asset.

During the year under review, the Company has transferred entire shareholding of Bhander Power Limited to Essar Steel Metal Trading Limited.

vi. Essar Electric Power Development Corporation Ltd (EEPDCL)

Essar Electric Power Development Corporation Ltd (EEPDCL) is engaged in the business of trading in all forms of electrical power. The Company has Category II license as per Central Electricity Regulatory Commission (CERC) Procedure, Terms and Conditions for grant of trading licence and other related matters Regulations, 2009 ("Trading Regulation 2009") for interstate trading in electricity in the whole of India (except the State of Jammu & Kashmir) for trading up to 1500 million units per annum authorised under the license. The Company is a Trading cum clearing member of Indian Energy Exchange Limited (IEX) and Power Exchange India Limited (PXIL) for purchase and sale of electricity.

Hon'ble CERC vide notification dated 02.01.2020 notified the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of trading licence and other related matters) Regulations, 2020 ("Trading Regulation 2020"). Further, Hon'ble CERC notified Central Electricity Regulatory Commission (Payment of Fees) (Second Amendment) Regulations, 2020 on 13.04.2020 where Amendment to Principal Regulation 7 mentions the Annual Fee to be paid by the trading licensee along with mentioning the payment need to be done for individual trader licensee registered under Trading Licence Regulations, 2009 wherein it clearly states that "Category II licensees under Trading Licence Regulations, 2009 shall pay the annual licence fee as applicable for Category IV licensee under the Trading Licence Regulations, 2020."

As the Category – IV of the Trading Regulation 2020 can trade upto 2000 Mu's or upto maximum of 110% of the volume in a Financial Year. EEPDCL keeping the regulation in consideration traded 2107.27 Mu's which is in range as per the regulation.

Further, EPMPL has shifted its power trading business to Adani Enterprise as Adani Power Limited has acquired the asset as per the Resolution Plan for NPA. EPMPL was the major client of EEPDCL with 90% volume traded by EEPDCL on its behalf.

The volume to trade at exchange stand reduced to approx. 100 Mu's making EEPDCL financially un-sustainable. In view of reduced volume, it has been proposed to discontinue with the energy trading business and accordingly, the Company has made application for surrender of its membership to Power Exchange India Limited (PXIL) and will submit its application to Indian Energy Exchange Limited (IEX) also.

A report on the performance and financial position of all subsidiaries, joint ventures and associates is provided at **ANNEXURE I**.

8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company is a power generating company. Power generation is an "infrastructure activity" as defined under Schedule VI of the Companies Act, 2013 and therefore, the provisions of Section 186 are not applicable for any loan made, guarantee given or security provided by the Company in terms of exemption provided u/s 186(11) (a).

9. AUDITORS & AUDITOR'S REPORT

M/s. M M Chaturvedi & Co, Chartered Accountants were appointed as Statutory Auditors of the Company for a second term of five consecutive years at the Annual General Meeting held on November 30, 2018.

The comments of the Statutory Auditors in their report and the notes forming part of the Accounts are self-explanatory However, the statutory auditors have qualified the Auditors' Report on following grounds:

1. As explained in Note 27(f) to the standalone financial statements, the Company has received a recall notice from one of the lenders for repayment of total outstanding and the lender has initiated legal proceedings in DRT-1, Mumbai for recovering the same. The Company's current liabilities exceeds its current assets by Rs. 3,163.38 crore for FY 2021-22 and the Company has a negative net worth of Rs. 912.24 Crore. Further, as mentioned in our qualification No. 2 below, the Company has a substantially material liability on account of corporate guarantees invoked by the lenders of the subsidiaries for which the Company has not made provisions in the financial statements. The plant is in a state of shutdown and as mentioned in Note 3, the Company has substantially impaired its plant to the extent of its realizable value based on prevailing conditions. Further, as mentioned in Footnote (b),(d),(g) to Note 5, the Company has derecognized its investments in subsidiaries following transfer of shares or extinguishment of control as specified in the note. These situations indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and the financial statements do not disclose this fact. The impact of the same on the standalone financial statements of the Company is unascertainable.

2. Corporate guarantees of Rs. 4920.08 crore issued by the Company were invoked by the lenders of Essar Power Jharkhand Limited which were settled for Rs. 1215 crore as explained in Note 39(iv) read with Note 35(viii). The group has paid Rs. 430 crore against the settlement amount and a provision for the balance Rs. 785 crore has been made by the Company. The due date for payment of the settlement amount has lapsed resulting in cessation of the settlement deed and reinstatement of liability to the original amount. However, as explained in Note 27(g), the Company is in discussions with the lenders for extension of the repayment schedule and has accordingly not made any more provisions. Further, corporate guarantees of Rs. 5246.11 crore issued by the Company have been invoked by the lenders of Essar Power Gujarat Limited. As disclosed in the Note 39(i) read with Note 6(a), the Company expects that restructuring would be implemented and the corporate guarantee would be reduced to sustainable debt level of Rs. 1600 crore. The Company has not made any provision for corporate guarantees as it believes the possibility of economic outflow is remote. As these are invoked guarantees, the Company should have made provisions for the same to the extent of its estimate. Had the Company made the provisions the loss for the period would have been higher by Rs. 1600 crore and the net worth would have been lower by the same amount.

3. As disclosed in Note 35(xi)(a) the Company has recognized a one-time gain of Rs. 340.79 crore arising from settlement of outstanding dues towards NCDs and bank guarantees issued to Axis Bank Limited. The settlement amount as per old OTS letters was partly paid before March 2022

and balance by May 2022. While revalidated OTS letters and no dues certificate is pending from the bank, the Company has recognized the gains in FY 2021-22 following the payments made. Had the gains been taken after receipt of these documents, the loss for the year would have been higher by Rs. 340.79 crore and the net worth could have been lower by the same amount.

In response to the aforesaid qualifications made by the Auditors in their report, the Board has noted its replies as under:

Reply to qualification no. 1

The Company, one of the largest private power producer's in the country, owns a 515 MW gas based power plant. Further, the company also owns and operates two power plants with aggregate capacity of 1500 MW and a 464 Km long Inter State Transmission System through its subsidiaries.

The subsidiaries like Essar Power Hazira Limited and Essar Power Transmission Company Limited have shown robust performance and classified as standard assets with the lenders. CRISIL has assigned "BBB" credit rating to Essar Power Hazira Limited. EPHL and EPTCL has been showing continuous & significant improvement and achieved decent profits.

Management has given careful consideration to going concern of Company due to ongoing challenges faced by the Company and subsidiaries and has taken / is taking following steps:-

a. Preservation of Equipments - The Company is maintaining the plant under preservation and all the key equipments are well preserved. The Company has also refurbished its plant and all equipments are in good condition.

b. Monetisation Plans - In the endeavour to become debt free completely, the Company plans to monetise some of its investments and utilise the proceeds for repayment of debt obligations in near future.

c. OTS with Lenders - The Company has offered One Time Settlement (OTS) to all the lenders to resolve the irregularity with the lenders. Lenders and debenture holders, namely Axis Bank, PNB and Yes Bank etc., had approved the OTS proposals and Full payments have already been made towards the agreed OTS amount for full and final settlement to them and No Dues certificate have also been received for Yes Bank and PNB Bank. The company LIC has already given in-principle approval for the OTS proposal and the Company is hopeful of getting final approval soon. The Company is hopeful to settle its entire liabilities to the lenders and NCD holders in FY 2022-23

d. New Business Initiatives
Essar Group is planning for energy transition to decarbonise its entire portfolio. Accordingly, Essar Power is planning to foray into renewable energy sector mainly in Solar, Wind, Energy Storage etc. The company is currently exploring the various new opportunities available in these areas.

e. The Company has made comprehensive plans to address the long term as well as short term issues faced by the subsidiaries including debt restructuring, debt refinancing, interest rate rationalization, buying raw-material in e-auction or through traders.

f. Update on Subsidiaries
Essar Power Gujarat Limited (EPGL), a subsidiary of the Company, EPGL has been under shut down since March 2021 on account of very high coal prices and an unviable SPPA which does not allow complete coal cost pass through. In April 2022, on account of severe power shortage in the country, Ministry of Power (MoP), GoI conducted various meetings with State Governments, Discoms, Generators and Lenders for restarting the various shut power plants. MoP even notified section 11 of the Electricity Act 2033 making plant operations mandatory. EPGL situation was discussed threadbare and a Tripartite Agreement (TPA) was proposed to executed between EPGL, GUVNL and SBI for plant restart. However subsequent to finalisation of the draft, Lenders led by SBI backed out from TPA execution and therefore plant could not start.

Recently through further follows up meetings between GoG, GUVNL and EPGL, GUVNL has agreed to release Rs 100 crore as advance towards plant restart and EPGL promoters have agreed to infuse Rs 25 crore promoter support. Company is awaiting No Objection from Lenders based on which GUVNL will take necessary approvals and release Rs 100 crore to EPGL. Once the funds are released, EPGL will restart plant operations.

EPGL has submitted a One Time Settlement (OTS) offer to its consortium of Lenders of Rs 1600 crores towards full and final settlement of entire Rupee Term Loans and working capital loans along with all interests, charges and penalties (if any). Out of Rs 1600 crores, 10% upfront amount constituting to Rs 160 crore has already been arranged and offered to lenders. EPGL is awaiting confirmation from Lenders that the OTS process is in progress and is awaiting suspension of NCLT proceedings from the Lenders side.

Further Adani Transmission Limited (ATL) has signed definitive agreement with Essar power Ltd (EPOL) on 2 June 2022 for 100% stake in Inter-state tranmission project owned, developed and operated by Essar power Transmission Ltd (EPTCL). The Enterprise Value for the transaction is INR 1913 Crore. The proposed transaction will be executed through transactions steps which shall be subject to necessary regulatory approval and other consents.

The Company has received Rs.469.17 Cr on 30th June 2022 from Adani Transmission Limited (ATL) as advance payment towards sale of stake in Essar power Transmission Ltd (EPTCL).

The above steps will ensure continuous operations and the Company will be able to meet all its operational liabilities and financial liabilities.

In view of above, the management has concluded to prepare financials on a going concern basis.

<u>Reply to qualification no. 2</u>

Corporate guarantee resolution:

The Company has issued corporate guarantee to the lenders of its subsidiaries for the borrowings taken for setting up of the power plants. During the last few years, Essar Power Limited faced challenges such as deallocation of coal blocks, changes in bidding norms for long term PPA post completion of mine bidding process under the auction route and change in law in fuel exporting countries which led to idle capacities and consequent inability to service the borrowing facilities in plants set up in Mahan, Salaya and Jharkhand. The lenders have recalled their loans and invoked parent corporate guarantees.

The Company has been in constant discussions with its lenders for restructuring the debt in its group at a sustainable level. Based on the available information and the government policy announcements, the following is considered by the company for assessment of provision for guarantees issued to lenders of subsidiary companies.

(i) Essar Power Gujarat Limited (EPGL)

EPGL has been under shut down since March 2021 on account of very high coal prices and an unviable SPPA which does not allow complete coal cost pass through. In April 2022, on account of severe power shortage in the country, Ministry of Power (MoP), GoI conducted various meetings with State Governments, Discoms, Generators and Lenders for restarting the various shut power plants. MoP even notified section 11 of the Electricity Act 2033 making plant operations mandatory. EPGL situation was discussed threadbare and a Tripartite Agreement (TPA) was proposed to executed between EPGL, GUVNL and SBI for plant restart. However subsequent to finalisation of the draft, Lenders led by SBI backed out from TPA execution and therefore plant could not start.

Recently through further follows up meetings between GoG, GUVNL and EPGL, GUVNL has agreed to release Rs 100 crore as advance towards plant restart and EPGL promoters have agreed to infuse Rs 25 crore promoter support. Company is awaiting No Objection from Lenders based on which GUVNL will take necessary approvals and release Rs 100 crore to EPGL. Once the funds are released, EPGL will restart plant operations.

EPGL has submitted a One Time Settlement (OTS) offer to its consortium of Lenders of Rs 1600 crores towards full and final settlement of entire Rupee Term Loans and working capital loans along with all interests, charges and penalties (if any). Out of Rs 1600 crores, 10% upfront amount constituting to Rs 160 crore has already been arranged and offered to lenders. EPGL is awaiting confirmation from

Lenders that the OTS process is in progress and is awaiting suspension of NCLT proceedings from the Lenders side.

(ii) Essar Power Transmission Company Limited (EPTCL)

The Company has given Corporate Guarantees (including interest amount) to lenders which had provided loans to Essar Power Transmission Limited (“EPTCL”), a subsidiary of the Company, for implementation of power transmission line.

During the year lenders of EPTCL have approved the restructuring plan and the same has been implemented in June 2020 Quarter. The revenue inflow in the Company is continuous and account has been upgraded by the lenders as standard.

In view of the same, the possibility of an outflow of resources embodying economic benefits is remote

(iii) Essar Power Jharkhand Limited (EPJHL)

Based on the insolvency proceedings against EPJHL before the National Company Law Tribunal, New Delhi ("NCLT"), liquidation order has been passed by the NCLT on 3rd Jan 2020.

EGFL, EEL & EPL are the guarantors of EPJHL facilities.

During the year settlement deed was signed with ICICI bank wherein a one-time settlement amount (OTS) of Rs.1215 crore has been arrived for liabilities in respect of the EPJHL Guarantees. As per settlement deed, the amount is payable by any of the guarantor. EGFL has paid the first & second instalment amounting to Rs.400 cr and upon paying the balance amount of Rs.815 cr, all the guarantees provided for EPJHL will be released. In view of the same, the possibility of an outflow of resources embodying economic benefits is remote, hence the company has not provided for.

During the year, the company recognised as expenses of all the Guarantee of Rs.815 crore in books of accounts.

(iv) Essar Power Hazira Limited (EPHL)

The Company has given corporate guarantees (including interest amount) of Rs 701 crores to lenders of EPHL. During the Year EPHL has paid its overdues to the lenders and account has been classified as standard.

Therefore, the possibility of an outflow of resources embodying economic benefits is extremely remote

Reply to qualification no. 3

Axis Bank Limited has approved the One Time Settlement (OTS) of its dues under NCDs facilities and certain exposures under bank guarantees. As per the OTS terms, the Company has paid part OTS amount till March 2022. The Company has paid the balance OTS amount alongwith interest till May 2022 on 31st May 2022 towards the agreed OTS amount for full and final settlement of NCDs subscribed by Axis Bank & certain exposure under bank guarantees. Accordingly, An OTS gain of Rs. 340.79 Crores has been considered in the books of accounts.

There are no other qualifications, reservations, disclaimers or adverse remarks by the Statutory Auditor.

10. SECRETARIAL AUDITOR

The Secretarial Audit Report as provided by M/s. Kaushal Dalal Associates, Practising Company Secretary, is annexed to this Report as **ANNEXURE V.** The Secretarial Audit Report confirms that the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. subject to the certain observations relating to non-compliance of certain Regulations of the SEBI (LODR) Regulations, 2015. The Company is in process of regularizing the same.

11. ANNUAL RETURN

In accordance with the Companies Act, 2013, the annual return in the prescribed format is available at https://www.essar.com/portfolio/#power.

12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO

The 515 MW power plant was non-operational during the financial year. The following initiatives were taken for conservation of energy and technology absorption:

1. Dehumidifiers are installed in all 3 Gas turbine generators and steam turbine generator
2. All 3 HRSGs are dry preserved and nitrogen capped.
3. All HT drives shafts are manually rotated every month.
4. Transformer Oil Inspection and testing are carried out as per schedule.
5. Regular checks are being carried out for all other electrical systems as per schedule.

Foreign exchange earnings and Outgo

The details of foreign exchange earnings and outgo as required under Section 134 and Rule 8(3) of Companies (Accounts) Rules, 2014 are mentioned below

(Amount in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Foreign exchange earnings	0.00	0.00
Foreign exchange outgo	0.00	0.05

13. CORPORATE SOCIAL RESPONSIBILTY POLICY

The Company has constituted a CSR, Sustainability and Safety Committee in accordance with the requirements of Section 135 of the Companies Act, 2013. The Annual Report on CSR for FY 2021-22 is set out in **ANNEXURE III**. The Company earned no cash profits during the year and hence, there is no spend required on CSR activities in terms of Section 135 of the Companies Act, 2013.

14. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134 (3) (c) and (5) of the Companies Act, 2013, the Directors of the Company, based on the representation received from the Operating Management hereby confirm that:

a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b. the Directors have 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 and of the loss of the Company for that period;

c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the Directors have prepared the annual accounts on a going concern basis;

e. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and except for certain minor matters are operating effectively.

15. DIRECTORS AND KEY MANAGERIAL PERSONNEL

a) Appointment and Resignation of Directors

Ms. Shruti Verma (DIN:09273343), Mr. Partha Sarathi Bhattacharya (DIN:08905996), Mr. Vinod Jain (DIN:07313473) and Mr. Ramesh Chandra Mohanty (DIN:06636497) were regularised as Directors of the Company w.e.f. November 30, 2021. However, Ms. Shruti Verma, Dr. Ramesh Chandra

Mohanty, Mr. Partha Sarathi Bhattacharya and Mr. Vinod Jain have resigned from the position of Director w.e.f. February 8, 2022, March 9, 2022, March 16, 2022 and April 8, 2022 respectively.

Mr. Virendra Singh Verma (DIN: 07843461) was appointed as an Additional Director (Independent) on the Board of the Company on March 25, 2022 and regularised as Independent Director of the Company on May 6, 2022 for a term of 1 (one) year commencing from March 25, 2022 to March 24, 2023.

Mr. C S Krishnakumar (DIN:06990687), Mrs. Priya Chakravarty (DIN:08667704) and Mr. Vishnu Dutta Mutha (DIN: 08366070) were appointed as an Additional Directors on the Board of the Company on March 25, 2022, February 7, 2022 and May 17, 2022.

Mrs. Priya Chakravarty (DIN:08667704) and Mr. C S Krishnakumar (DIN:06990687) have been regularised as Directors of the Company w.e.f. May 6, 2022 and Mr. Vishnu Dutt Mutha (DIN:08366070) has been regularised as Directors of the Company w.e.f. June 14, 2022.

Mrs. Priya Chakravarty (DIN:08667704) resigned as director w.e.f. August 3, 2022.

b) Key Managerial Personnel:

Mr. Kush continues to be CEO of the Company, Mr. Kapil Singla continues to be CFO of the Company and Mr. Prakash Khedekar continues to be Company Secretary of the Company.

During the year under review, Mr. Vinod Jain, CFO of the Company, has resigned from the office of Chief Financial Officer w.e.f. March 9, 2022.

d) Declaration from Independent Directors

The Company has received necessary declaration from Independent Director of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Director of the Company meet with the criteria of their Independence laid down in Section 149(6).

e) Formal Annual Evaluation

The Nomination & Remuneration Committee of the Company has approved Evaluation Policy, which was adopted by the Board of Directors. The policy provides for evaluation of the Board, the Committees of the Board and individual Directors, including the Chairman of the Board. The Policy provides that evaluation of the performance of the Board as a whole, Board Committees and Directors shall be carried out on an annual basis.

The Board carried out a formal evaluation of the performance of the Board, its Committees and Individual Directors for the financial year 2021-22. In addition to this, Independent Directors have also evaluated performance of the Chairman, non-independent Directors and the Board as a whole. The feedback from the individual Directors was sought on the basis of a structured questionnaire covering among others Board and Committee composition, skills of Directors, quality and content of agenda, performance of Directors at the meetings, etc.

16. BOARD MEETINGS

The Board of Directors met Seven (7) times during this financial year on April 26, 2021, July 30, 2021, August 19, 2021, August 27 2021, November 6, 2021, November 13, 2021 and February 14, 2022. The intervening gap between two consecutive meetings was within the period specified under the Companies Act, 2013.

17. AUDIT, RISK & COMPLIANCE COMMITTEE

As on date of this report, the Audit, Risk & Compliance Committee comprises of 3 members, Mr. Birendra Mohapatra and Mr. V S Verma, Independent Directors and Mr. C S Krishnakumar, Non Independent Director of the Company. All members of the Committee have relevant experience in financial matters. The CEO and CFO are permanent invitees to this Committee. The Company Secretary acts as Secretary to the Committee. The constitution & terms of reference of the Committee is as per Section 177 of the Companies Act, 2013. All recommendations made by the Audit Committee were accepted by the Board. The Audit, Risk and Compliance Committee met 7 (Seven) times during the year on April 26, 2021, July 30, 2021, August 19, 2021, August 27, 2021, November 6, 2021, November 13, 2021 and February 14, 2022.

18. REMUNERATION & NOMINATION COMMITTEE

As on date of this report, the Remuneration & Nomination Committee presently comprises 3 members, Mr. Birendra Mohapatra and Mr. V S Verma, Independent Directors and Mr. C S Krishnakumar, Non Independent Director of the Company. The Company Secretary acts as Secretary to the Committee. The terms of reference of the Committee are as per Section 178 of the Companies Act, 2013.

The policy of the Company on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence and other matters provided under subsection (3) of section 178 adopted by the Board is set out in **ANNEXURE II** to the Board's Report.

The Remuneration & Nomination Committee met 2 (two) times i.e. on April 26, 2021, and November 6, 2021.

19. RELATED PARTY TRANSACTIONS

In line with the requirements of the Companies Act, 2013, your Company has formulated a Policy on Related Party Transactions. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. All Related Party Transactions are placed before the Audit Committee for review and approval/ratification.

During the year under review, the Company has entered into related party transaction referred under the provisions of Section 188(1) of the Companies Act, 2013, which were in the ordinary course of business and on arm's length basis. Details of material contracts or arrangements or transactions required to be reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed to the Report as **ANNEXURE IV**. However, the details of the transactions with Related Party in accordance with the Accounting Standards are under Note No. 51 of the Audited Financial Statements for the Financial Year 2021-22.

20. PARTICULARS MANAGERIAL REMUNERATION, EMPLOYEES AND RELATED DISCLOSURES

The information required pursuant to Section 197 of the Act read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of your Company is available for inspection by the members at registered office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary, whereupon a copy would be sent.

21. RISK MANAGEMENT AND INTERNAL FINANCIAL CONTROLS

Risk Management

Your Company has adopted a Risk Management policy which is based on three pillars: Business Risk Assessment, Operational Controls Assessment and Policy Compliance processes. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The key risks and mitigating actions are also placed before the Audit, Risk & Compliance Committee of the Company.

Internal Financial Controls and their adequacy

The Company's internal control systems and internal financial control systems are commensurate with the nature of its business and the size and complexity of operations. These systems are routinely tested and certified by Statutory as well as Internal Auditor and cover all offices, factories and key business areas. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems. These systems provide a reasonable assurance in respect of financial and operational information, complying with applicable statutes, safeguarding of assets of the Company, prevention & detection of frauds, accuracy & completeness of accounting records and ensuring compliance with corporate policies.

Vigil Mechanism

The Company has established a Vigil Mechanism process by adopting a Whistle Blower Policy for directors and employees. This policy outlines the procedures for reporting, handling, investigating and deciding on the course of action to be taken in case inappropriate conduct / behaviour is/are noticed, reported or suspected. The Policy provides for adequate safeguards against victimization of persons who use the mechanism and has a process for providing direct access to the Chairman of the Audit & Risk Management Committee in appropriate or exceptional cases.

22. COMPLIANCE WITH THE PROVISIONS OF SEXUAL HARASSMENT OF WOMEN ATWORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company is committed to upholding and maintaining the dignity of women employees and it has in place a policy which provides for protection against sexual harassment of women at work place and for prevention and redressal of such complaints. During the year, no such complaints were received. The Company has also constituted an Internal Compliance Committee under the sexual harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

23. GENERAL DISCLOSURES

Your Directors state that for the financial year ended March 31, 2022 no disclosure is required in respect of the following items and accordingly confirm as under:

- The Company has neither revised the financial statements nor the report of Board of Directors.
- The Company has not issued equity shares with differential rights as to dividend, voting or otherwise or sweat equity shares.
- The Company has not bought back any shares during the year.
- The Company has not accepted any deposits during the year.
- The Company is not required to maintain cost records as specified under Section 148(1) of the Companies Act, 2013.
- No instance of fraud has been reported by the Auditors or any other person to either Audit & Risk Management Committee or the Board of Directors of the Company.
- There are no material changes or commitments affecting the financial position of the Company between March 31, 2022 and the date of this report.

24. ACKNOWLEDGEMENTS

Your Directors place on record their sincere appreciation for the assistance and co-operation received from the Ministry of Power, Ministry of Coal, Central Electricity Authority, Gujarat Urja Vikas Nigam Ltd, the Government of Gujarat and its various departments. Your Directors thank the financial institutions and banks associated with your Company and other stakeholders for their continued support

For Essar Power Limited

Sd/-	Sd/-
C S Krishnakumar	**Vishnu Dutt Mutha**
Director	**Director**
DIN: 06990687	**DIN: 08366070**

Date: August 13, 2022
Place: **Mumbai**

Annexure I

ESSAR POWER LIMITED

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES

(Pursuant to section 129 (3) of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014)

PART A: SUBSIDIARIES

(Rs. in Crore)

Sr. no.	Name of the Company	Reporting currency	Equity Share Capital	Other Equity (1)	Reserves and Surplus	Total assets	Total liabilities	Invest-ments	Turnover	Profit/(Loss) before taxation	Provision for taxation	Profit after taxation	Total Comprehensive Income (net of tax)	Proposed dividend	% of Shareholding (2)	% of Shareholding (3)
1	Essar Power Gujarat Limited	INR	2,608.56	545.74	(8,890.96)	1,682.38	7,419.04	-	4.72	(1,524.73)	-	(1,524.73)	(1,524.59)	-	49.00	57.82@
2	Essar Power Transmission Company Limited	INR	597.04	-	145.15	2,197.10	1,454.91	0.03	426.03	52.20	20.88	31.31	31.31	-	100.00	100.00
3	Essar Power Hazira Limited	INR	10.00	639.59	306.88	1,795.21	838.74	-	416.00	214.50	54.37	160.13	159.94	-	74.00	99.60@
4	Essar Power (Orissa) Limited	INR	-	-	-	-	-	-	-	(1.68)	-	(1.68)	(1.68)	-	-	-
5	Ultra LNG Urja Limited	INR	0.06	-	(0.43)	9.19	9.56	-	-	(0.38)	0.01	(0.39)	(0.39)	-	100.00	100.00
6	Essar Electric Power Development Corporation Limited	INR	38.89	-	(18.80)	64.09	44.00	0.30	1.06	0.27	(0.03)	0.30	0.30	-	100.00	100.00
7	Metanergy Powerex Ltd (MPL)	INR	2.11	-	(0.08)	2.10	0.07	0.01	-	(0.02)	-	(0.02)	(0.02)	-	100.00	100.00
8	KUMUDINI POWER LIMITED	INR	0.05	-	(0.11)	0.06	0.11	-	-	(0.10)	-	(0.10)	(0.10)	-	100.00	100.00
9	Integrated Offshore Private Limited	INR	0.03	-	(0.07)	0.06	0.10	-	-	0.00	-	0.00	0.00	-	100.00	100.00
10	Essar Power Overseas Limited@@	INR	99.59	647.94	(1,196.92)	0.00	449.39	0.00	-	164.66	-	164.66	118.99	-	100.00	100.00
		US$ MN	13.12	85.36	(157.68)	0.00	59.20	0.00	-	21.69	-	21.69	15.68	-		

(1) Includes Equity component of compound financial instruments and Share application money pending allotment

(2) Based on voting right held by the Group

(3) Based on effective shareholding of Equity and Cumulative Convertible Participating Preference Shares by the Group

Exchange rates - Closing as on March 31, 2022: 1 US$ = Rs. 75.91, Average exchange rate for FY 2020-21: 1 US$ = Rs. 73.20

*** Financial information is based on audited results.

@ Holding reflects effective interest including Cumulative Convertible Participating Preference Shares issued by the entity to the Company.

@@ Company having March 31st as a reporting date.

Note - Names of subsidiaries which have been sold during the year - Bhander Power Limited (till January 21, 2022)

For Essar Power Limited

Sd/-	Sd/-
Vishnu Dutt Mutha	C S Krishnakumar
Director	Director
DIN:08366070	DIN:06990687

Date: 13-08-2022

Place: Mumbai

Annexure II

Policy for appointment, remuneration and evaluation of directors and employees
(Pursuant to Section 178(4) and Section134)

1. Introduction

1.1. The Companies Act, 2013 requires the Company to formulate criteria for determining qualifications, positive attributes and independence of directors. The Company is also required to adopt a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

1.2. The Company believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. Towards this, the Company ensures constitution of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge its responsibilities and duties effectively.

1.3. The Company recognizes the importance of Independent Directors in achieving the effectiveness of the Board and aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

1.4. To meet these objectives, the Policy for Appointment, Remuneration & Evaluation of Directors & employees ("the Policy") has been adopted by the Board of Directors.

2. Scope and Exclusion

This Policy sets out the guiding principles for the Remuneration & Nomination Committee for identifying persons who are qualified to become Directors, Key Managerial Personnel and Senior Management executives and to determine the independence of Directors, in case of their appointment as independent directors of the Company.

3. **Policy**

The objective of the Policy is to have a Board with diverse background and experience that is relevant for the Company's operations. It sets out criteria for appointment of directors and remuneration to directors, key managerial personnel and senior management executives. It also provides for a mechanism for evaluation of all directors.

In evaluating the suitability of individual Board members, the Remuneration & Nomination Committee ("the Committee") may take into account factors, such as:

- General understanding of the Company's business dynamics, global business and social perspective;
- Educational and professional background
- Standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

The Committee shall evaluate each director candidate with the objective of ensuring that there is appropriate balance of skills, experience and knowledge so as to enable the Board to discharge its functions and duties effectively.

4. **Criteria of Independence**

The Committee shall assess the independence of Directors at the time of appointment / re-appointment and the Board shall assess the same annually. Prospective candidates for appointment as Independent Directors shall have to meet the criteria of independence laid down in sub-section (6) of section 149 of the Act. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

5. **Remuneration to directors, KMPs and Senior Management**

The Company has formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:

- Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the company successfully.
- Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

5.1 The Board, on the recommendation of the Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.

5.2 The Annual Plan and objectives for Senior Management executives shall be reviewed by the Committee and Annual Performance Bonus will be approved by the Committee based on the achievements against the Annual Plan and objectives. The Committee shall review and recommend the remuneration payable to the Key Managerial Personnel and Senior Management executives of the Company.

5.3 Remuneration to Non-Executive Directors including independent directors

- The remuneration payable to Non-Executive Directors shall not exceed 1% of the net profits of the Company.

- Non-Executive Directors may be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

- An independent director shall not be entitled to any stock option

6. Evaluation of the Board

6.1 The Policy sets out criteria and procedure for evaluation of the Board as a whole, Board committees, Chairman and also each category of directors.

6.2 The Board will annually evaluate its performance through a self-evaluation process. The evaluation identifies enhancements to director skill sets and ensures that board members are performing to expectations.

6.3 The performance evaluation shall be undertaken based on the feedback provided by Board members as per set questionnaires.

7. Reappointment

In determining whether the directors' should be re-appointed, the Committee shall take into account the results of the performance evaluation, needs of the Company's business currently and going forward.

For Essar Power Limited

Sd/-	Sd/-
C S Krishnakumar	**Vishnu Dutt Mutha**
Director	**Director**
DIN: 06990687	**DIN: 08366070**

Date: August 13, 2022
Place: **Mumbai**

Annexure III

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2021-22

1.

Brief outline on CSR Policy of the Company:	The Policy focuses on education, environment, health and women empowerment. The Policy aims at ensuring programs which deliver long term impact and change to the community. The Company's CSR policy, including overview of projects or programs proposed to be undertaken, are provided on the Company website.

2. Composition of CSR Committee:

Sr. 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 C S Krishnakumar	Non-Executive Director	0	0
2.	Mr Birendra Mohapatra	Independent Director	0	0
3.	Mr V S Verma	Independent Director	0	0

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.	www.essar.com

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
-			

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

FY 2018-19	Loss Rs. 544.66 Crores
FY 2019-20	Loss Rs. 576.56 Crores
FY 2020-21	Loss Rs. 723.33 Crores
Average	Rs. – 614.85 Crores

7.

(a) Two percent of average net profit of the company as per section 135(5)	Not applicable
(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).	Nil

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

Total Amount Spent for the Financial Year. (in Rs.)	**Amount Unspent (in Rs.)**				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		**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**
-	-	-	-	-	-

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

1	2	3	4	5		6	7	8	9	10	11	
Sl. 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 Rs.)**	**Amount spent in the current financial Year (in Rs.).**	**Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).**	**Mode of Implementa tion - Direct (Yes/No)**	**Mode of Implementation - Through Implementing Agency**	
				State	**District**						**Name**	**CSR Regist-ration number**
-	-	-	-	-	-	-	-	-	-	-	-	-

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

1	2	3	4	5		6	7	8	
Sl. 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**		**Amount spent for the project (in Rs.)**	**Mode of implementation - Direct (Yes/No)**	**Mode of implementation - Through implementing agency**	
				State	**District**			**Name**	**CSR registration number**
1.	-	-	-	-	-	-	-	-	-
	TOTAL								

(d) Amount spent in Administrative Overheads	Not Applicable
(e) Amount spent on Impact Assessment, if applicable	Not Applicable
(f) Total amount spent for the Financial Year (8b+8c+8d+8e)	Not Applicable

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per Section 135(5)	-
(ii)	Total amount spent for the Financial Year	-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

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

Sl. No.	**Preceding Financial Year**	**Amount transferred to Unspent CSR Account under Section 135 (6) (in Rs.)**	**Amount spent in the reporting Financial Year (in Rs.)**	**Amount transferred to any fund specified under Schedule VII as per section 135(6), if any**			**Amount remaining to be spent in succeeding financial years (in Rs.)**
				Name of the Fund	**Amount (in Rs)**	**Date of transfer**	
1.	-	-	-	-	-	-	-

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

1	2	3	4	5	6	7	8	9
Sl. No.	**Project ID**	**Name of the Project**	**Financial Year in which the project was commenced**	**Project duration**	**Total amount allocated for the project (in Rs.)**	**Amount spent on the project in the reporting Financial Year (in Rs).**	**Cumulative amount spent at the end of reporting Financial Year. (in Rs.)**	**Status of the project - Completed/ Ongoing**
1.	-	-	-	-	-	-	-	-

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).

(a) Date of creation or acquisition of the capital asset(s).	-
(b) Amount of CSR spent for creation or acquisition of capital asset.	-
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc	-
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	-

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).	-

For Essar Power Limited

Sd/-
Birendra Kumar Mohapatra
Chairman of CSR Committee
DIN: 08205254

Sd/-
C S Krishnakumar
Director
DIN: 06990687

Date: August 13, 2022
Place: Mumbai

Annexure IV

Form No. AOC-2

Particulars of contracts / arrangements made with related parties

(Pursuant to clause (h) of subsection (3) of section 134 of the Companies Act 2013 read with Rule 8 (2) of the Companies (Accounts) Rules 2014-AOC 1

This form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in subsection 1 of section 188 of the Companies Act 2013 including certain arms' length transactions under 3rd proviso thereto.

Details of contracts or arrangements or transactions not at arms' length basis

All contracts or arrangements entered into during the year ended March 31, 2022 were at arms' length basis.

Details of material contracts or arrangements or transactions at arms' length basis

a.	Name of the related party and nature of relationship	Essar Construction India Limited	Essar Construction India Limited
b.	Nature of contracts/ arrangements/ transactions	Development of land parcel of 375 acre at VLCC Project, Mundra, Gujarat	Cutting, leveling, shifting, area grading and rock bund preparation near MPB 4 area at Hazira Port, Gujarat
c.	Duration of the contracts/ arrangements/ transactions	As per Letter of Award dated 28th May, 2021	As per Letter of Award dated 28th May, 2021
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	Rs. 50,50,54,585 /- (Rupees Fifty Crores Fifty Lakh Fifty Four Thousand Five Hundred and Eight Five Only)	Rs. 46,31,50,000 /- (Rupees Forty Six Crore Thirty One Lakh Fifty Thousand only)
e.	Date(s) of approval by the Board	August 19, 2021	August 19, 2021
f.	Amount paid as advances, if any	-	-

For Essar Power Limited

Sd/-	Sd/-
C S Krishnakumar	**Vishnu Dutt Mutha**
Director	**Director**
DIN: 06990687	**DIN: 08366070**

Date: August 13, 2022
Place: **Mumbai**

Phone : 2648 7278
2649 0862
2649 4807

KAUSHAL DALAL & ASSOCIATES
COMPANY SECRETARIES

308, Balaji Darshan, Tilak Road, Santacruz (W), Mumbai - 400 054. * Email : kaushaldalalcs@gmail.com

Annexure V

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 2021-2022

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

To,
The Members,
ESSAR POWER LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s ESSAR POWER LIMITED** (hereinafter called "the Company"), incorporated on **30th October, 1991** having **CIN: U40100GJ1991PLC064824** and Registered office at **27th KM, Surat Hazira Road, Hazira, Surat, Gujarat-394270**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I, hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31st March, 2022** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company and have relied on the records, documents and information shared to me by the Company, for the Financial Year ended on **31st March, 2022**, according to the following provisions of (including any statutory modifications, amendments or re-enactment thereof for the time being in force):

(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 the Bye-Laws framed thereunder;

(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;

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011**-NOT APPLICABLE**

(ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015- **NOT APPLICABLE**

(iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **NOT APPLICABLE**

(iv) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021- **NOT APPLICABLE**

(v) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018- **NOT APPLICABLE**

(vi) 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;

(vii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021- **NOT APPLICABLE**;

(viii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021- **NOT APPLICABLE**

I have relied on the representation made by the Company and its officers for the systems and the mechanism formed by the Company for the Compliances under the applicable Acts and the regulations to the Company.

I have also examined compliance with the applicable clauses of the following:

i. Secretarial Standards issued by The Institute of Company Secretaries of India;

ii. SEBI Listing Regulations (LODR), 2015 entered by the Company with the BSE Limited;

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

I. ***COMPANIES ACT AND THE RULES MADE THEREUNDER***

1. ***The Company has not complied with the following clauses of the SEBI Listing Regulations ("LODR"), 2015 entered by the Company with the BSE Limited ("Exchange"):***

   a) ***As per Regulation 56(d) of SEBI (LODR), 2015 a half yearly certificate regarding the maintenance of the 100% asset cover in the respect of listed debt securities, along with the half yearly financial results to be certified by either a practicing company secretary or a practicing chartered accountant, however the company has disclosed the asset cover in financial result but has not obtained necessary certificate for the same;***

   b) ***As per Regulation 60 of SEBI (LODR), 2015 the Issuer agrees to close transfers or fix a record date for purposes of payment of interest and payment of redemption or repayment amount or for such other purposes as the Exchange may agree to or require and to give to the Exchange the notice in advance of at least seven clear working days, or of as many days as the Exchange may from time to time reasonably prescribe. The Company is in process of One Time Settlement with its Non-Convertible Debenture ("NCD") Holders for both principal and interest component and has made part payments to certain NCD holders. The Company has not intimated certain record dates for such repayments to stock exchange, however the company has disclosed the status of settlement with NCDs holders to stock exchange from time to time;***

2. ***The Company has applied to the Reserve Bank of India seeking waiver from registration as NBFC for FY 2021-22 on 9th December, 2021, and is awaiting reply on the same. The Company had filed a similar application during FY 2020-2021, 2019-2020, 2018-19, 2017-18 and FY 2016-17 as well, for which it is yet to receive any response.***

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors and Key Managerial Personnel 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 Meetings, agenda and detailed notes on agenda were sent as per the provisions of the Companies Act, 2013 and the rules made thereunder, however in some cases the Board meetings were held at shorter notices with their consent and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting including meeting through the video conference.

Majority decision is carried through the unanimous consent of all the Board of Directors and recorded as part of the minutes.

I 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.

For Kaushal Dalal & Associates
Practising Company Secretaries

Sd/-
Kaushal Dalal
Proprietor
M. No: 7141 CP No: 7512

Date: 27th August, 2022
Place: Mumbai
UDIN:- F007141D000862424

Note: This report is to be read with my letter of event date which is annexed as Annexure A and forms an integral part of this report further the draft report was placed before the Board Meeting and signed copy was issued on date of signing of the report. Further there were no changes in draft and signed report.

ANNEXURE A TO THE SECRETARIAL AUDIT REPORT

To,
The Members,
ESSAR POWER LIMITED

Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I 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 test basis (by verifying records made available to me to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Wherever required, I have obtained Management representation about the compliance of laws, rules and regulations and occurrence of events.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is responsibility of management.

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 Kaushal Dalal & Associates
Practising Company Secretaries

Sd/-
Kaushal Dalal
Proprietor
M. No: 7141 CP No: 7512

Date: 27th August, 2022
Place: Mumbai
UDIN:- F007141D000862424

ESSAR POWER LIMITED

FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2022 ON STANDALONE BASIS

24, Atlanta, Nariman Point, Mumbai - 400 021. Tel.: 022-2288 2346
E-mail: admin@mmcandco.com Phones : 022-2287 2329 / 2282 4220

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ESSAR POWER LIMITED

Report on the Audit of Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone Indian Accounting Standards ("Ind AS") financial statements of **ESSAR POWER LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, its **profit** including Other Comprehensive Income, its Cash Flows and the Statement of Changes in Equity for the year ended on that date.

Basis for Qualified Opinion

1. As explained in Note 27(f) to the standalone financial statements, the Company has received a recall notice from one of the lenders for repayment of total outstanding and the lender has initiated legal proceedings in DRT-1, Mumbai for recovering the same. The Company's current liabilities exceeds its current assets by Rs. 3,163.38 crore for FY 2021-22 and the Company has a negative net worth of Rs. 912.24 Crore. Further, as mentioned in our qualification No. 2 below, the Company has a substantially material liability on account of corporate guarantees invoked by the lenders of the subsidiaries for which the Company has not made provisions in the financial statements. The plant is in a state of shutdown and as mentioned in Note 3, the Company has substantially impaired its plant to the extent of its realizable value based on prevailing conditions. Further, as mentioned in Footnote (b),(d),(g) to Note 5, the Company has derecognized its investments in subsidiaries following transfer of shares or extinguishment of control as specified in the note. These situations indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and the financial statements do not disclose this fact. The impact of the same on the standalone financial statements of the Company is unascertainable.

2. Corporate guarantees of Rs. 4920.08 crore issued by the Company were invoked by the lenders of Essar Power Jharkhand Limited which were settled for Rs. 1215 crore as explained in Note 39(iv) read with Note 35(viii). The group has paid Rs. 430 crore against the settlement amount and a provision for the balance Rs. 785 crore has been made by the Company. The due date for payment of the settlement amount has lapsed resulting in cessation of the settlement deed and

reinstatement of liability to the original amount. However, as explained in Note 27(g), the Company is in discussions with the lenders for extension of the repayment schedule and has accordingly not made any more provisions. Further, corporate guarantees of Rs. 5246.11 crore issued by the Company have been invoked by the lenders of Essar Power Gujarat Limited. As disclosed in the Note 39(i) read with Note 6(a), the Company expects that restructuring would be implemented and the corporate guarantee would be reduced to sustainable debt level of Rs. 1600 crore. The Company has not made any provision for corporate guarantees as it believes the possibility of economic outflow is remote. As these are invoked guarantees, the Company should have made provisions for the same to the extent of its estimate. Had the Company made the provisions the loss for the period would have been higher by Rs. 1600 crore and the net worth would have been lower by the same amount.

3. As disclosed in Note 35(xi)(a) the Company has recognized a one-time gain of Rs. 340.79 crore arising from settlement of outstanding dues towards NCDs and bank guarantees issued to Axis Bank Limited. The settlement amount as per old OTS letters was partly paid before March 2022 and balance by May 2022. While revalidated OTS letters and no dues certificate is pending from the bank, the Company has recognized the gains in FY 2021-22 following the payments made. Had the gains been taken after receipt of these documents, the loss for the year would have been higher by Rs. 340.79 crore and the net worth could have been lower by the same amount.

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

Emphasis of Matters

We draw attention to the following matters in the Notes to the standalone financial statements:

1) As disclosed in Note 35 the Company has recognized exceptional gain of Rs. 999.83 crore which is majorly on account of one time settlement gains of Rs. 697.49 crore from Yes Bank, Axis Bank and PNB, reversal of interest on OCRPS of Rs. 776.37 crore, reversal of impairment on PPE of Rs. 19.84 crore, write back of ICDs taken of Rs. 39.18 crore, and gain of Rs. 375.72 crore on fair valuation of investments, as reduced by provision made for corporate guarantee of Rs. 815 crore, provision for doubtful deposits of Rs. 34.88 crore and reinstating of liability earlier written back of Rs. 102.23 crore. Further, the Company has received Rs. 40.34 crore which has been shown as gain for reason given in Note 35 (vib)/(vii). We also draw attention to Note 35(ii)/(iii)/(iv) with regard to net gain of Rs. 10.29 crore on transfer and extinguishment of the Company's shareholdings in its subsidiaries.

2) As mentioned in Footnote (a) of Note 5, a lender of Essar Power Gujarat Limited ('EPGL') has filed an application under Section 7 of Insolvency and Bankruptcy code, 2016. However, for reason given in the said note, the Company believes that the application will be withdrawn. As explained in the note, EPGL has proposed a debt restructuring to its lenders, pursuant to which the Company will hold 74% equity of EPGL on diluted basis. Fair value of investments in EPGL have accordingly been adjusted to reflect the post-restructuring holding. Further, as mentioned in Note 10, the Company has continued to show 100% investment in EPGL even though 51% of the shares of those subsidiary were invoked by the lenders of the subsidiary.

3) Note 12 to the standalone financial statements regarding status of litigation with the customer (GUVNL). Trade receivables of Rs. 1,066.86 Crore (including delayed interest and overdue interest thereon aggregating to Rs. 582.25 Crore) as at 31st March, 2022 from the said customer are unconfirmed and represent amounts withheld by GUVNL substantially on account of the disputed matters described in the note. Based on earlier favorable decision of GERC which is contested by GUVNL, no provision is considered necessary against the claim or towards the disputed receivables recorded in the books of account in accordance with the Power Purchase Agreement with GUVNL.

4) Note 48 to the standalone financial statements regarding the Company's Non-Banking Finance Company ("NBFC") status. The Company has applied to the Reserve Bank of India seeking waiver from registration as NBFC for FY 2021-22 on 9th December, 2022, and is awaiting reply on the same. The Company had filed a similar application for FY 2020-21, FY 2019-20, FY 2018-19, 2017-18 and FY 2016-17 as well, for which it is yet to receive any response.

5) Note 11 to the standalone financial statements regarding reclassification of non-current investment in Essar Power Transmission Company Limited to investments held for sale following a definitive agreement signed between the Company and Adani Transmission Limited on 2nd June, 2022 for transfer of the investment.

Our opinion is not modified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no 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 and Management is responsible for the preparation of the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard as the annual report is yet to be made available to us.

Responsibility of the Management and Those Charged With Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows 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 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Board of Directors and management are 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.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "**Annexure A**" , a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

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 of the accompanying standalone financial statements.

   b) Except for the matter described in the Basis for Qualified Opinion section above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d) Except for the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

   e) In our opinion, the matter described under the Basis for Qualified Opinion paragraph and Emphasis of Matters paragraph may have an adverse effect on the functioning of the Company.

f) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act, except for Mr. Birendra Mohapatra.

g) The qualifications relating to Going Concern assumption and Corporate Guarantee Invocation are as stated in the Basis of Qualified Opinion section above.

h) In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to standalone financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2022, based on the internal control with reference to financial statements 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 ICAI.

i) In our opinion and according to the information and explanations given to us, the Company has not paid any managerial remuneration during the year. Hence compliance requirement under the provisions of section 197 of the Act is not applicable.

j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements vide Note 38 and 39.

ii. The Company did not have any long term contracts, including derivative contracts, for which there were any material foreseeable losses as at 31st March, 2022.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March 2022.

iv. With respect to loans, advances and investment clause:

- The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

- The Company has not declared or paid any dividend during the year ended March 31, 2022.

For **M.M.Chaturvedi & Co.,**
Chartered Accountants
(Firm Reg. No. 112941W)

Rishabh Chaturvedi
Partner
Membership No. 124465
UDIN: 22124465AOYTKF2009

Mumbai
13th August, 2022

ANNEXURE-A to the Independent Auditor's Report on the Standalone Financial Statements of Essar Power Limited – 31st March, 2022

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanation given to us and the books of accounts and other records examined by us in the normal course of audit, and to the best of our knowledges and belief, we report that:

(i) In respect of its Property, Plant and Equipment:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified at the year-end by the Management along with an external valuation expert for the purpose of obtaining a fair valuation report, which, in our opinion, is reasonable having regard to the nature of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(d) The Company has obtained a fair valuation report from a registered valuer based on which it has reversed the impairment provision of Rs.19.84 crore crore on land and PPE.

(e) As represented to us, no proceedings have been initiated during the year or pending against the Company as at 31st March, 2022 under the Benami Transactions (Prohibition) Act and rules made thereunder.

(ii) In respect of its inventories:

(a) The inventory was physically verified at the year-end by the management along with an external expert in order to determine a net realizable value of the inventory.

(b) According to the information and explanation given to us, the Company has not been sanctioned a working capital limit in excess of Rs. 5 crore during the year and hence the requirement of clause 3(ii)(b) are not applicable.

(iii) In respect of loans and advances in nature of loans granted to its subsidiaries:

(a) The Company has granted unsecured loans of Rs. 44.61 crore to its subsidiaries during the year out of which it has received back Rs. 9.43 crore. Out of the balance remaining, the Company has made a provision for Rs. 34.88 crore and adjusted Rs. 0.30 against a third party payable.

(b) While the terms of unsecured loans provide for charging of interest on the amounts given, the Company has waived the interest based on representations made by the subsidiaries which is prejudicial to the interest of the Company.

(c) As mentioned in clause (iii)(b) above, the Company has waived the interest on inter corporate deposits given during the year and hence question of interest payment regularity does not arise. Repayment of principal have been regular wherever stipulated, except in case of loans repayable on demand mentioned in Clause (iii)(f) below.

(d) Based on our verification of the documents provided to us and according to the information and explanation given by the Management, there is no amount which is overdue for more than 90 days in respect of intercorporate deposits given during the year, except in case of loans repayable on demand mentioned in Clause (iii)(f) below.

(e) A loan of Rs. 82.21 crore was due in the current year which was extended to 31st March 2023. The Company is yet to take any steps for recovery of the amount, however, it has made provision against the same.

(f) Out of the aforementioned unsecured loans granted, loans amounts to Rs. 26.11 crore (constituting 58.52% of aggregate loans given) were repayable on demand. As the subsidiary was unable to repay the loan on due dates, the tenor of the loan was extended to 31st March, 2023.

(iv) In our opinion and according to the information and explanations given to us, provisions of Section 185 of the Act are not applicable to the Company due to absence of transactions of the nature covered under the said section. Being a Company incorporated with the object of providing infrastructure facilities, provisions of Section 186 are not applicable.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public during the year in terms of the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) According to the information and explanation provided to us, The Company has not maintained cost accounts and records for generation of power or provision of services and hence we have been unable to review the same. As explained to us the Company is not required to maintain cost records as it does not meet the turnover criteria of Rs. thirty five crore in immediately preceding financial year as provided in Rule 3 of Companies (Cost Records and Audit) Rules, 2014.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Income-Tax, Profession Tax, GST and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of aforesaid statutory dues in arrears as at 31st March, 2022 for a period of more than six months from the date they became payable.

(b) Details of dues of Income-tax, Sales Tax, Services Tax, Duty of Customs, Duty of Excise or Value Added Tax which have not been deposited as on 31st March, 2022 on account of disputes are given below:

(Rs. In Crores)

Name of Statute	Nature of Dues	Forum where dispute pending	Period for which amount relates	Amount disputed
Gujarat Sales Tax Act, 1969	Sales Tax and Interest and Penalty thereon	Commissioner (Appeals)	F.Y. 2004-05	0.73
Gujarat Electricity Sales Tax	Tax on Sale of Electricity	Appeal to be filed by Company	2002	45.91
Central Excise Act, 1944	Service Tax	Appellate Tribunal, Bangalore	F.Y. 2007-08	0.20
Central Excise Act, 1944	Service Tax	Appellate Tribunal, Ahmedabad	F.Y. 2007-08 to 2012-13	1.95
Income tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	A.Y. 2017-18	5.93
Income tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	A.Y. 2015-16	62.57
Income tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	A.Y. 2018-19	0.03

(viii) As explained to us, there are no transactions relating to previously unrecorded income that have been disclosed during the year to the income tax department.

(ix) In respect of borrowings

(a) According to the information and explanations given to us, the Company has not taken any loans from Government. The Company has defaulted in repayment of loans or borrowings to financial institutions and banks and dues to debenture holders during the year. Details of the dues to bank and financial institutions and debenture holders which have not been paid on due dates and which are outstanding as on 31st March, 2022 are given below:

Sr. No	Name of the Lender	Principal default (Rs in Crores)	Interest default (Rs in Crores)	Total (Rs in Crores)	Period of default (maximum days)	Remarks
Debenture holders						
1	LIC	1245.00	2442.86	3687.86	2805	Nil
2	Axis Bank	116	93.19	209.19	1886	Company has taken gains as mentioned in Note 25(E) based on old OTS letters. However it has not received no dues

						certificate. Figures given alongside are without OTS gains.
3	PNB	4.26	-	4.26	2190	Company entered into OTS agreement which was paid after year end and no dues certificate received. Company took OTS gains as mentioned in Note 27(i). Balance given alongside is after considering OTS gain.
Banks						
1	Bank of India	60.23	71.26	131.49	2555	
2	Axis Bank	124.27	88.02	212.294	1886	See Axis Bank comments above.
3	Yes Bank	87.58	16.74	104.32	914	Company entered into OTS agreement which was paid after year end and no dues certificate received. Company took OTS gains as mentioned in Note 27(j). Balance given alongside is after considering OTS gain.
TOTAL		1637.34	2712.07	4349.41		

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution.

(c) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company had not raised any term loans during the year.

(d) According to the information and explanation given to us and on the basis of our audit procedure, the Company has availed short term financing of Rs. 185.23 crore. The proceeds of the loan were utilized for repayment of existing lenders, corporate guarantees, and inter corporate deposits which were all current in nature. Further, the Company has taken an inter corporate deposits from subsidiary companies out of which Rs. 19.68 crore have been utilized for repayment to banks and lenders which were current in nature.

(e) According to information and explanation given to us and on the basis of our audit procedure, the Company has taken inter corporate deposits from subsidiary companies out of which Rs. 40.15 crore were further given as loans to other subsidiaries.

(f) According to the information and explanation given to us and on the basis of our audit procedure, the Company has hypothecated all amounts received or receivable by the Company or any other person on the Company's behalf from sale, transfer, disposal of its equity and preference shareholding in Essar Power Hazira Limited for availing the loan mentioned in Clause (ix)(d) above.

(x) According to information and explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. The Company has not made any preferential allotment or private placement of shares or fully and partly convertible debentures during the year.

(xi) With respect to Clause (xi)

(a) To the best of our knowledge and according to the information and explanation given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

(b) No report of sub-section (12) of sec 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) According to the information and explanations given to us there were no whistle blower complains received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company as prescribed under section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanation provided to us and based on our examination of the reports, the Company has an internal audit system commensurate with the size of its business. We have reviewed the internal audit reports for the period.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.

(xvi) The Company has applied for exemption from registration as an NBFC under section 45-IA of the Reserve Bank of India Act, 1934, for FY 2021-22 and, as explained to us, is awaiting reply on the same. The Company had filed a similar application seeking exemption from registration as NBFC for FY 2016-17, 2017-18, 2018-19, 2019-20 and, 2020-21 and, as explained to us, has not received any replies on the same as well.

(xvii) The Company has incurred cash losses amounting to Rs. 986 crore during FY 2020-21 and Rs. 817.27 crore during FY 2021-22.

(xviii) There has been no resignation of statutory auditors during the year and accordingly Clause (xviii) is not applicable to the Company.

(xix) As mentioned in point no 1 under our Basis of Qualification paragraph, there is a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The Company's current liability exceeds its current assets by Rs. 3,163.38 crore and the Company has a negative net worth of Rs. 912.24 crores.

(xx) According to information and explanation given to us and based on our examination of the financial statements, the Company had net losses and negative networth in the preceding three financial years. Accordingly provisions of Section 135 regarding Corportate Social Responsibilites do not apply to the Company.

For **M.M.Chaturvedi & Co.,**
Chartered Accountants
(Firm Reg. No. 112941W)

Rishabh Chaturvedi
Partner
Membership No. 124465
UDIN: 22124465AOYTKF2009

Mumbai
13th August, 2022

ESSAR POWER LIMITED
BALANCE SHEET AS AT MARCH 31, 2022

Rs. in Crore

	Note no.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	**255.59**	245.64
Intangible assets	3.1	**0.03**	0.03
Right of use asset	4	**1.10**	1.15
Financial assets:			
Investments	5	**2,007.43**	2,772.52
Loans	6	**0.05**	2.01
Other financial assets	7	**1.12**	0.31
Other non-current assets	8	**0.50**	0.50
		2,265.82	3,022.16
Current assets			
Inventories	9	**8.86**	8.93
Financial assets:			
Investments	10	**-**	-
Investments held for sale	11	**1,143.00**	-
Trade receivables	12	**1,067.14**	1,067.15
Cash and cash equivalents	13	**0.92**	0.52
Bank balances other than cash and cash equivalents	14	**10.91**	10.97
Loans	15	**11.83**	11.72
Other financial assets	16	**0.35**	0.26
Current tax assets (net)	17	**25.12**	24.03
Other current assets	18	**28.00**	28.33
		2,296.13	1,151.91
		4,561.94	4,174.07
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	19	**4,874.54**	4,874.54
Other equity			
Equity component of convertible preference shares	19	**2,796.55**	2,796.60
Reserve and surplus	20	**(8,583.33)**	(8,893.20)
Other reserves	21	**@1**	@1
		(912.24)	(1,222.06)
LIABILITIES			
Non-current liabilities			
Financial liabilities:			
Borrowings	22	**14.67**	14.24
Deferred tax liabilities (net)	23	**-**	-
		14.67	14.24
Current Liabilities			
Financial Liabilities:			
Lease Liabilities	24	**0.16**	0.16
Borrowings	25	**872.50**	1,151.39
Trade payables			
Total outstanding of micro and small enterprises	26	**0.11**	0.21
Others	26	**4.97**	4.95
Other financial liabilities	27	**4,580.61**	4,224.45
Current tax liabilities (net)	28	**-**	-
Other current liabilities	29	**1.16**	0.73
		5,459.51	5,381.89
		4,561.94	4,174.07

The accompanying notes are an integral part of these financial statements

In terms of our report attached

For M. M. Chaturvedi & Co.
Chartered Accountants
Firm Registration No. 112941W

Rishabh Chaturvedi
Partner
Membership No. 124465
Mumbai
Dated: 13th Aug 2022

For and on behalf of the Board of Directors

C S Krishnakumar
Director
DIN:06990687

Vishnu Dutt Mutha
Director
DIN:08366070

Prakash Khedekar
Company Secretary
PAN:ALIPK1718L
Mumbai
Dated: 13th Aug 2022

Kush
Chief Executive Officer
PAN:AIFPK4987M
Mumbai
Dated: 13th Aug 2022

Kapil Singla
Chief Financial Officer
PAN:ACLPS1749R

Essar Power Ltd.

ESSAR POWER LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

Rs. in Crore

	Note no.	For the year ended March 31, 2022	For the year ended March 31, 2021
INCOME			
Revenue from operations	30	**52.65**	4.52
Other income	31	**2.93**	2.77
Total Income		**55.58**	7.29
EXPENSES			
Employee benefit expenses	32	**3.15**	2.19
Finance costs	34	**683.70**	717.81
Depreciation and amortisation	3	**9.68**	4.83
Other expenses	33	**49.17**	5.80
Total Expenses		**745.70**	730.62
Profit / (Loss) before exceptional item and tax		**(690.12)**	(723.33)
Exceptional items	35	**(999.83)**	(343.80)
Profit/(loss) for the period		**309.71**	(379.53)
Tax expense			
Current tax	36	-	-
Deferred tax charge / (credit)		-	-
		-	-
Profit (Loss) for the period from continuing operations		**309.71**	(379.53)
Other current assets			
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans		**0.16**	(0.31)
		0.16	(0.31)
		-	-
Other comprehensive income for the year, net of tax		**0.16**	(0.31)
Total comprehensive income for the year, net of tax		**309.87**	(379.84)

Basic earnings per share of Rs. 4 each (In Rs.) for continuing operation		**0.25**	(0.31)
Diluted earnings per share of Rs. 4 each (In Rs.) for continuing operation		**0.25**	(0.31)

(Refer Note 37)

The accompanying notes are an integral part of these financial statements

In terms of our report attached

For M. M. Chaturvedi & Co.
Chartered Accountants
Firm Registration No. 112941W

Chaturvedi

Rishabh Chaturvedi
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Essar Power Ltd.

ESSAR POWER LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

A. Equity share capital

	Rs. in Crore
As at April 1, 2020	460.92
Changes in equity share capital	4,413.62
As at March 31, 2021	4,874.54
Changes in equity share capital	-
As at March 31, 2022	4,874.54

B. Equity component of convertible preference shares

	Rs. in Crore
As at April 1, 2020	5,440.20
Changes in equity share capital	(2,643.60)
As at March 31, 2021	2,796.60
Changes in equity share capital	(0.05)
As at March 31, 2022	2,796.55

C. Other equity

Rs. in Crore

	Reserve and surplus					Total
	Preference Redemption Reserve	Securities premium Reserve	Debenture redemption reserve	Securities premium Reserve - for premium payable on redemption of preference shares	Retained Earnings	
Balance as at April 1, 2020	267.98	1,632.05	49.65	868.23	(11,331.26)	(8,513.35)
Profit / (Loss) for the year	-	-	-	-	(379.53)	(379.53)
Other comprehensive income for the year	-	-	-	-	(0.31)	(0.31)
Total comprehensive income for the year	-	-		-	(379.84)	(379.84)
Other current assets	-	(28.70)	-	28.70	-	-
Balance as at March 31, 2021	267.98	1,603.35	49.65	896.93	(11,711.11)	(8,893.20)
Profit / (Loss) for the year	-	-	-	-	309.71	309.71
Other comprehensive income for the year	-	-	-	-	0.16	0.16
Total comprehensive income for the year	-	-		-	309.87	309.87
Transfer to Securities Premium - for premium payable on redemption of preference shares	-	(28.70)	-	28.70	-	-
Balance as at March 31, 2022	267.98	1,574.65	49.65	925.63	(11,401.24)	(8,583.33)

In terms of our report attached

For M. M. Chaturvedi & Co.
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Essar Power Ltd.

ESSAR POWER LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

Rs. in Crore

		For the year ended March 31, 2022		For the year ended March 31, 2021	
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**				
	Profit/ (Loss) before tax for the year		309.87		(379.84)
	Adjustment for :				
	Depreciation/amortisation	9.68		4.83	
	Asset Written off	0.40		-	
	Finance cost and lease charges	683.70		717.81	
	Interest income on bank deposit and others	(0.51)		(0.52)	
	Bad debts / Sundry Balances written off	-		0.10	
	Exceptional item	(999.83)		(354.68)	
			(306.56)		367.53
	Operating Profit /(loss) before working capital changes		3.31		(12.31)
	Movement in working capital:				
	(Increase)/ Decrease in trade receivables	0.01		0.02	
	(Increase)/ Decrease in inventories	0.07		0.20	
	Decrease in loans, advances and deposits	15.16		7.92	
	Increase / (Decrease) in trade payable, other liabilities and provisions	(15.14)		1.95	
	Other current assets		0.10		10.09
	Cash generated from / (used in) operations		3.41		(2.22)
	Direct taxes paid		(1.09)		(0.29)
	Net cash from / (used in) operating activities		2.32		(2.51)
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of fixed assets, (increase) / decrease in capital work in progress	(0.14)		(0.62)	
	Sale of fixed assets, (increase) / decrease in capital work in progress	0.01		-	
	Proceeds from investments	10.29		-	
	Investment in subsidiaries	(2.19)		-	
	Fixed / margin deposits placed with banks	(0.75)		(1.12)	
	Inter corporate deposit placed	(44.61)		(22.80)	
	Refund of inter corporate deposit placed	61.96		70.29	
	Interest received	0.51		0.52	
	Net cash from investing activities Further		25.08		46.27
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from issue of share capital (including	-		393.94	
	Proceeds from borrowings	185.23		175.00	
	Repayment of borrowings	(71.70)		(22.86)	
	Changes in short term borrowings (net)	(53.50)		-	
	Inter corporate deposits taken	87.25		94.93	
	Inter corporate deposits repaid	(113.63)		(147.63)	
	Finance and lease charges paid	(30.65)		(7.31)	
	Guarantee expenses	(30.00)		(529.89)	
	Net cash used in financing activities		(27.00)		(43.82)
	Net increase in cash and cash equivalents (A+B+C)		0.40		(0.06)
	Cash and cash equivalents at the beginning of the year	0.52		0.58	
	Cash and cash equivalents at the end of the year	0.92		0.52	
			0.40		(0.06)

Notes:

1. Investments in fixed deposits having maturity of more than three months and margin deposits have been shown under the cash flow from investing activities. Cash and cash equivalents included in the cash flow statement comprise of the following balance sheet amounts:

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Cash on hand (@ 1 = Rs. Nil and @ 2 = Rs. 4,899)	@ 1	@ 1
Cheques on hand	-	-
Balances with banks in		
Current accounts	0.92	0.52
Deposits accounts	10.91	10.97
	11.83	11.49
Less: Fixed/margin deposits excluded from cash and cash equivalents	(10.91)	(10.97)
Cash and cash equivalents as restated	0.92	0.52

Essar Power Ltd.

Amendment to Ind AS 7

The amendment to Ind AS 7 Cash flow statements requires the entities to provide discloures that enable users of Financial statements to evalute changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financial activities, to meet the disclosure requirement. This amendment has become effective from 1st April, 2017 and the required diselosure is made below. There is no other impact on the financial statements due to this amendment.

	Inter Corporate Deposits	Preference shares	Other Long term borrowings	Other short term borrowings	Finance and lease charges	**Total**
Balance as at March 31, 2021	**251.08**	**779.22**	**1,947.26**	**160.39**	**2,252.10**	**5,390.05**
Cash flow:						-
Inflow	87.25	-	-	185.23	-	**272.48**
(Outflow)	(113.63)	-	-	(125.20)	-	**(238.83)**
Other changes						-
Fair valuation impact	-	0.44	-	-	(0.44)	-
Amortisation of upfront fee	-	-	-	-	-	-
Finance and lease charges	-	-	-	-	683.70	**683.70**
Finance and lease charges paid	-	-	-	-	(30.65)	**(30.65)**
Other non cash changes	254.90	(776.38)	(1,947.26)	785.00	1,074.77	**(608.97)**
Closing balances as at March 31, 2022	**479.60**	**3.28**	**(0.00)**	**1,005.42**	**3,979.48**	**5,467.78**

In terms of our report attached

For M. M. Chaturvedi & Co.
Chartered Accountants
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Partner
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Mumbai
Dated: 13th Aug 2022

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Essar Power Ltd.

ESSAR POWER LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

NOTE: 1
CORPORATE INFORMATION

Essar Power Limited (the ''Company'' / "EPOL") is a public company incorporated in the year 1991 and domiciled in India. The registered office and principal place of business of the Company is located at 27th Km, Surat Hazira Road, Hazira, Surat, Gujarat - 394270. The Company has set up and operates a 515 MW dual fuel fired combined cycle power plant at Hazira, Surat (Gujarat).

NOTE: 2
SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The company has followed same accounting policies and methods of computation in the financial statements as compared with the most recent annual financial statements except to the following

During the previous year, the Company had decided to change its accounting policy for Investments to Fair Value. The management believes that the change results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance or cash flows.

Since the data have not been collected in the prior period(s) in a way that allows retrospective application of the change in accounting policy, the Company had applied the change in accounting policy to the carrying amounts of assets and liabilities as at 31st March 2021.

(i) Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] as amended from time to time and other relevant provision of the Act.

These financial statements were authorised for issue in accordance with resolution of the Board of Directors in its meeting held on 13th Aug 2022.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except certain financial instruments which has been measured at fair value.

The Company, one of the largest private power producer's in the country, owns a 515 MW gas based power plant. Further, the company also owns and operates two power plants with aggregate capacity of 1500 MW and a 464 Km long Inter State Transmission System through its subsidiaries.

The subsidiaries like Essar Power Hazira Limited (EPHL) and Essar Power Transmission Company Limited (EPTCL) have shown robust performance and classified as standard assets with the lenders. EPHL credit rating has upgraded to "A- / Stable" from "BBB+ / Stable" and EPTCL has been rated as "A / Stable". EPHL and EPTCL has been showing continuous & significant improvement and achieved decent profits. The Company expect return on its investments in the subsidiaries.

The Company has huge amounts receivable from GUVNL in wrongful deduction matter. Hon'ble APTEL has, vide its order dated 7th April 2022, has dismissed the GUVNL appeal and directed GERC to compute claim within 60 days of its above order. Earlier, GERC had also pronounced the favourable order in the matter in 2014. The Company has already filed its claim of ~Rs.1556 Crores at GERC as per directives of APTEL.

GUVNL has filed a SLP in Hon'ble Supreme Court appealing against the APTEL Order dated 7th April 2022.

Based on the favourable orders by GERC and APTEL, the management believes that GUVNL appeal would not be tenable and the Company is confident of realizing the claim amount.

Management has given careful consideration to going concern of Company due to ongoing challenges faced by the Company and subsidiaries and has taken / is taking following steps: -

a. Preservation of Equipments - The Company is maintaining the plant under preservation and all the key equipments are well preserved. The Company has also refurbished its plant and all equipments are in good condition.

b. Monetisation Plans

In the endeavour to become debt free completely, the Company plans to monetise some of its investments and utilise the proceeds for repayment of debt obligations in near future.

c. OTS with Lenders -

The Company has offered One Time Settlement (OTS) to all the lenders to resolve the irregularity with the lenders. Lenders and debenture holders, namely Axis Bank, PNB and Yes Bank etc., had approved the OTS proposals and Full payments have already been made towards the agreed OTS amount for full and final settlement to them and No Dues certificate have also been received for Yes Bank and PNB Bank.The company LIC has already given in-principle approval for the OTS proposal and the Company is hopeful of getting final approval soon. The Company is hopeful to settle its entire liabilities to the lenders and NCD holders in FY 2022-23

Essar Power Ltd.

d. New Business Initiatives
Essar Group is planning for energy transition to decarbonise its entire portfolio. Accordingly, Essar Power is planning to foray into renewable energy sector mainly in Solar, Wind, Energy Storage etc. The company is currently exploring the various new opportunities available in these areas.

e. The Company has made comprehensive plans to address the long term as well as short term issues faced by the subsidiaries including debt restructuring, debt refinancing, interest rate rationalization, buying raw-material in e-auction or through traders.

f. Update on Subsidiaries
Essar Power Gujarat Limited (EPGL), a subsidiary of the Company, EPGL has been under shut down since March 2021 on account of very high coal prices and an unviable SPPA which does not allow complete coal cost pass through. In April 2022, on account of severe power shortage in the country, Ministry of Power (MoP), GoI conducted various meetings with State Governments, Discoms, Generators and Lenders for restarting the various shut power plants. MoP even notified section 11 of the Electricity Act 2033 making plant operations mandatory. EPGL situation was discussed threadbare and a Tripartite Agreement (TPA) was proposed to executed between EPGL, GUVNL and SBI for plant restart. However subsequent to finalisation of the draft, Lenders led by SBI backed out from TPA execution and therefore plant could not start.
Recently through further follows up meetings between GoG, GUVNL and EPGL, GUVNL has agreed to release Rs 100 crore as advance towards plant restart and EPGL promoters have agreed to infuse Rs 25 crore promoter support. Company is awaiting No Objection from Lenders based on which GUVNL will take necessary approvals and release Rs 100 crore to EPGL. Once the funds are released, EPGL will restart plant operations.

EPGL has submitted a One Time Settlement (OTS) offer to its consortium of Lenders of Rs 1600 crores towards full and final settlement of entire Rupee Term Loans and working capital loans along with all interests, charges and penalties (if any). Out of Rs 1600 crores, 10% upfront amount constituting to Rs 160 crore has already been arranged and offered to lenders. EPGL is awaiting confirmation from Lenders that the OTS process is in progress and is awaiting suspension of NCLT proceedings from the Lenders side.

Further Adani Transmission Limited (ATL) has signed definitive agreement with Essar power Ltd (EPOL) on 2 June 2022 for 100% stake in Inter-state tranmission project owned , developed ,and operated by Essar power Transmission Ltd (EPTCL). The Enterprise Value for the transaction is INR 1913 Crore. The proposed transaction will be executed through transactions steps which shall be subject to necessary regulatory approval and other consents.

The Company has received Rs.469.17 Cr on 30th June 2022 from Adani Transmission Limited (ATL) as advance payment towards sale of stake in Essar power Transmission Ltd (EPTCL).

The above steps will ensure continuous operations and the Company will be able to meet all its operational liabilities and financial liabilities.

In view of above, the management has concluded to prepare financials on a going concern basis."

2.2 Fair value Hierarchy

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 on the measurement date. The Company uses valuation techniques that are appropriate in the circumstances for which sufficient data is 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
• Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Company measured its investments in equity/CCPS/CRPS shares of subsidiaries at fair value and certain financial assets and liabilities for financial reporting purposes.

The fair values of investments in subsidiaries are not quoted in an active market and are determined by using valuation techniques, primarily earnings multiples and discounted cash flows. The models used to determine fair values including estimates/ judgements involved are validated and periodically reviewed by the management. The inputs used in the valuation models include unobservable data of the Companies which are categorised within level III fair value measurements. They are based on historical experience, technical evaluation and other factors, including expectations of future events. Considering the level of estimation involved and unobservable inputs, the Company has engaged a third party qualified valuer to perform the valuation. Based on the actual performance of respective subsidiaries project, the inputs considered for valuation may vary materially and could cause a material adjustment to carrying amount of investments.

Essar Power Ltd.

2.3 Significant accounting judgements, estimates and assumptions

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

The Company prepared its financial statements based on assumptions and estimates on parameters available at that time. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Corporate guarantee resolution

The Company has issued corporate guarantee to the lenders of its subsidiaries for the borrowings taken for setting up of the power plants. During the last few years, Essar Power Limited faced challenges such as deallocation of coal blocks, changes in bidding norms for long term PPA post completion of mine bidding process under the auction route and change in law in fuel exporting countries which led to idle capacities and consequent inability to service the borrowing facilities in plants set up in Mahan, Salaya and Jharkhand. The lenders have recalled their loans and invoked parent corporate guarantees.

The Company has been in constant discussions with its lenders for restructuring the debt in its group at a sustainable level. Based on the available information and the government policy announcements, the following is considered by the company for assessment of provision for guarantees issued to lenders of subsidiary companies. (Refer Note No. 39)

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

2.4 Foreign currencies

(i) Functional and presentation currency

The financial statements are presented in "Indian Rupees" (INR), which is also the Company's functional currency. All values are rounded to the nearest crore (INR 0,000,000), except when otherwise indicated.

(ii) Transaction and balances

Transactions in foreign currencies are initially recorded at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

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

2.5 Revenue recognition

The Company recognises revenue when the company satisfies a performance obligation by transferring a promised good or service (ie an asset) to a customer. An asset is transferred when the customer obtains control of that asset and it is probable that the company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

Revenue is measured at the transaction price. The transaction price is the amount of consideration, taking into account contractually defined terms of payment and its customary business practice, to which Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties i.e excluding taxes or duties collected on behalf of the government.

(i) Income from operations

Revenue is recognised on an accrual basis in accordance with the terms of respective power purchase agreements and Intra-State Availability Based Tariff order including delayed payment charges as per power purchase agreements to the extent they are not under dispute.

(ii) Income from services

Revenue from maintenance contracts are recognised pro-rata over the period of the contract as and when services are rendered.

(iii) Interest and dividend income

Interest income is recorded using the effective interest rate (EIR) for all debt instruments measured either at amortised cost or at fair value through other comprehensive income. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Essar Power Ltd.

2.6 Construction contracts as part of revenue recognition

Contract revenue and contract costs associated with the construction of projects are recognised as revenue and expenses respectively in the statement of profit and loss by reference to the stage of completion of the project at the balance sheet date. The stage of completion of project is determined by the proportion that contract cost incurred for the work performed up to the balance sheet date bear to the estimated total contract costs. If total cost is estimated to exceed total contract revenue, forseeable loss is provided for.

2.7 Borrowing costs

Borrowing costs attributable to the acquisition and construction of the qualifying assets are capitalised as part of the cost of such assets up to the date when such asset is ready for its intended use. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.8 Employee benefits

(i) Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid with in twelve months in exchange for the services rendered by employees is recognised during the period when the employee renders the services. These benefits includes salaries, allowances and bonuses etc., compensated absences such as paid annual leave and performance incentives.

(ii) Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation determined actuarially by using Projected Unit Credit Method at the balance sheet date.

(iii) Post-employment benefit plans

Contribution to defined contribution plans such as provident fund, are recognised as expense in the statement of profit and loss or expenditure during construction period, as applicable, when employees have rendered services entitling them to contributions.

The Group operates a defined benefit gratuity plan in India. For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss or expenditure during construction period, as applicable,

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

Net interest expenses or income is calculated by applying the discount rate to the net balance of defined benefit obligation and the fair value of plan assets.

The employee benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of the related plan assets. Any asset resulting from this calculation is limited to the reductions in future contributions to the plan.

Essar Power Ltd.

2.9 Income tax

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

The current income tax charges is calculated on the basis of the tax laws enacted at the end of the reporting period in India. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

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

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

2.10 Property, plant and equipment (PPE)

Freehold land is carried at historical cost and other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes purchase price, borrowing costs and all other applicable expenses incurred to bring the assets to its present location and condition. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss or expenditure during construction period, as applicable.

All the expenditure during construction period (net of income) attributable to construction/acquisition of fixed assets are shown as capital work in progress until the relevant assets are ready for its intended use. When a major inspection or major maintenance is undertaken, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognised in the profit or loss during the reporting period in which they are incurred.

Depreciation on plant & machinery and buildings is provided on the basis of useful life assessed by an independent engineer and on other assets at the rates and in the manner permitted / specified in Schedule II to the Companies Act, 2013. Depreciation on additions/deductions to property, plant and equipment made during the year is provided on a pro-rata basis from/up to the date of such additions/deductions, as the case may be.

Following is the comparison of useful life as certified by independent engineer and useful life prescribed in Schedule II to the Companies Act,

Description of Asset	Useful life as per technical assessment	Useful life as per Companies Act, 2013
Plant & Machinery	25-30 years	40 years
Buildings	40 years	30 years

The asset's residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted if appropriate.

On transition to Ind AS, the Company has elected to fair value of selected items of its property, plant and equipment recognised as at April 1, 2015 and other items are measured as per Ind AS 16. The Company has elected not to revalue these assets subsequently.

Essar Power Ltd.

2.11 Intangible assets

Intangible assets are recognised only when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the assets can be measured reliably. Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any. Intangible assets are amortised over the best estimate of their useful lives. Capitalised software cost is equally amortised over a period of five years.

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at April 1, 2015 measured as per the previous GAAP i.e. Indian GAAP and use that carrying value as the deemed cost of the intangible assets.

2.12 Impairment of non-financial assets

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised in the statement of profit and loss when the carrying amount of an asset exceeds its estimated recoverable amount. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount but limited to the carrying amount that would have been determined (net of depreciation / amortisation) had no impairment loss been recognised in prior accounting periods.

2.13 Inventories

Inventories are valued at lower of cost and net realisable value. The cost of inventory is determined using the weighted average cost formula.

2.14 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present legal or constructive obligation, as a result of past events, and it is probable that an outflow of resources, that can reliably be 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 balance sheet date and are adjusted to reflect the current best estimate.

Contingent liabilities are not recognised but disclosed where the existence of an obligation will only be confirmed by future events or where the amount of the obligation cannot be measured reliably. Contingent assets are not recognised, but are disclosed where an inflow of economic benefits is probable.

Essar Power Ltd.

2.15 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.

(i) Financial assets

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit and loss.

Subsequent measurement of debt instruments depends on the Company's business model for managing the assets and the cash flow characteristics of the assets. There are three measurement categories into which the Company classifies its debt instruments;

Cost/ Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payment of principal and interest (SPPI) are measured at amortised cost. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 in other income in the profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payment of principal and interest (SPPI), are measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gain and losses which are recognised in profit and loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit and loss (FVPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Debt instruments included within the FVPL category are measured at fair value with all changes recognized in the statement in profit and loss. Interest income from these financial assets is included in other income using the effective interest rate method.

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVPL. For all other equity instruments, the Company may classify the same either as at FVOCI or FVPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Equity instruments which are classified as FVOCI, all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the profit or loss.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Company applies the '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 recognise impairment loss allowance based on lifetime Expected Credit Losses" (ECL) at each reporting date, right from its initial recognition.

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 on a financial instrument 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. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.except in unusual circumstances such as natural calamities like earthquake, flood , pandemics etc 36 months expected life to be used
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit or loss. This amount is reflected in a separate line in the profit or loss as an impairment gain or loss.

(ii) Financial liabilities

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 measurment of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. For liabilities designated as FVPL, fair value gains / losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss 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.

Financial liabilities at amortized cost

Financial liabilities classified and measured at amortised such as loans and borrowings, trade and other payable are initially recognized at fair value, net of transaction cost incurred. After initial recognition, financial liabilities are subsequently measured at amortised cost using the Effective interest rate (EIR) method. Gains and losses are recognised in profit or 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 guarantee contracts

The Company provides certain guarantees in respect of the indebtedness of group company undertakings, claims under contract and other arrangements in the ordinary course of business. The Company evaluates each arrangement to determine whether it is an insurance or a financial guarantee contract. Once the arrangements are designated as insurance contracts, these are disclosed as contingent liabilities unless the obligations under guarantee become probable. Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of the amount of the obligation under the contract and the amount initially recognised less cumulative amortisation over period of guarantee is provided.

De-recognition

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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

2.16 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, short-term deposits with banks with original maturity of less than three months and short-term highly liquid investments, that are readily convertible into cash and which are subject to an insignificant risk of changes in the principal amount. Bank overdrafts, which are repayable on demand and form an integral part of the operations are included in cash and cash equivalents.

2.17 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

(i) Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand -alone price of the lease component and the aggregate stand-alone price of the non-lease components. The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right -of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantl ing and removing the underlying asset or restoring the underlying asset or site on which it is located. The right -of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight -line method from the commencement date over the shorter of lease term or useful life of right -of-use asset. The estimated useful lives of right-of-use assets are determined on the same basi s as those of property, plant and equipment. Right -of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

ESSAR POWER LTD.

(ii) Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue to allocate the consideration in the contract.

(iii) Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, from the date of initial application (April 1, 2019). This lease was previously classified as finance lease applying Ind AS 17 and thereby the carrying amount of the right-of-use asset and lease liability at the date of initial application has been equal to the carrying amount of the lease asset and lease liability immediately before that date measured applying Ind AS 17. Accordingly, the Company has not restated comparative information as on April 1, 2019.

(a) Company as a lessee

Operating leases

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

Ind AS 116 supersedes Ind AS 17, Leases. The principle of Ind AS 116 is that it requires lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. As a consequenee, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows.

Based on the preliminary assessment performed by the Company, the impact of application of the Standard is not expected to be material.On adoption of Ind AS 116 "Leases" with effect from April 1, 2019, the Company elected to apply the modified retrospective transition method. Accordingly, on transition, right-of-use assets of ₹ 0.75 Crore were measured at an amount equal to lease liabilities. In addition, prepaid lease rental amounting to ₹ 0.51 Crore (net of accrued payments) was reclassified from other assets to right-of-use assets. This lease was previously classified as an operating lease applying Ind AS 17 and thereby the carrying amount of the right-of-use asset is adjusted with prepaid rental.

The weighted average incremental borrowing rate applied to lease liabilities recognised on transition to Ind AS 116 "Leases" was 10.00%

2.18 Convertible preference shares

Convertible preference shares are separated into liability and equity components based on the terms of the contract. On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

2.19 Earnings per share

Basic earnings per share are computed by dividing the profit / (loss) attributable to equity share holders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share are the profit / (loss) for the year after deducting preference dividends and attributable taxes attributable to equity shareholders. The weighted average number of equity shares outstanding during the year and for all years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the profit / (loss) for the year are adjusted for the effects of changes in income, expenses, tax and dividends that would have occurred had the dilutive potential equity shares been converted into equity shares. Such adjustments after taking account of tax include preference dividends or other items related to convertible preference shares, interest on convertible debt and any other changes in income or expense that would result from the conversion of dilutive potential ordinary shares. The weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

2.20 Investment in joint ventures

Investment in joint ventures are recognised at cost as per para 10(a) of Ind As 27. Except where investments accounted for at cost shall be accounted for in accordance with the IND AS 105, Non-Current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

2.21 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below

Ind AS 16 – Property Plant and equipment

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the statement profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for

adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

Essar Power Ltd.

ESSAR POWER LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

NOTE: 3
PROPERTY, PLANT AND EQUIPMENT

Rs. in Crore

Description of the assets	Gross block				Depreciation and amortisation					Net block	
	Balance as at March 31, 2021	Additions/ Fair Value during the year	Deletions / Adjustments during the year	Balance as at March 31, 2022	Balance as at March 31, 2021	For the year	Deletions / Adjustments during the year	Impairment During the year*	Balance as at March 31, 2022	Balance as at March 31, 2022	Balance as at March 31, 2021
Freehold land	156.05	11.66	-	167.71	77.13	-	-	-	77.13	90.58	78.92
Buildings	32.96	0.43	-	33.39	18.24	0.65	-	-	18.89	14.50	14.72
Plant and machinery	1,880.54	7.81	0.36	1,887.99	1,729.11	8.89	-	-	1,738.00	149.99	151.43
Furniture and fixtures	0.57	-	-	0.57	0.46	0.02	-	-	0.48	0.09	0.11
Office equipments	0.61	0.10	0.05	0.66	0.18	0.07	-	-	0.25	0.41	0.44
Computers	-	-	-	-	-	-	-	-	-	-	-
Vehicles	0.06	-	0.00	0.06	0.04	-	-	-	0.04	0.02	0.02
Total	**2,070.79**	**20.00**	**0.41**	**2,090.38**	**1,825.16**	**9.63**	-	-	**1,834.79**	**255.59**	245.64
Previous year	2,070.18	0.61	-	2,070.79	2,017.21	4.77	196.82	-	1,825.16	245.63	52.96

NOTE: 3.1
INTANGIBLE ASSETS

Rs. in Crore

Description of the assets	Gross block				Amortisation					Net block	
	Balance as at March 31, 2021	Additions during the year	Deletions / Adjustments during the year	Balance as at March 31, 2022	Balance as at March 31, 2021	For the year	Deletions / Adjustments during the year	Impairment During the year	Balance as at March 31, 2022	Balance as at March 31, 2022	Balance as at March 31, 2021
Computer software	0.04	-	-	0.04	0.01	-	-	-	0.01	0.03	0.03
		-		-						-	
Total	**0.04**	-	-	**0.04**	**0.01**	-	-		**0.01**	**0.03**	0.03
Previous year	0.04	-	-	0.04	-	-	-		-	0.03	0.03

During the year the company has carried out impairment testing by Valuer of property plant & equipment as at 31 March 2022 , following factors considered for valuation of property plant & equipment
i. Land is valued at the adopted rate of land parcel based on Gujarat Industrial Development corporation (GIDC) allotment rate
ii. The Fair Value of movable assets including Plant & Machinery and other movable assets, namely, electrical equipment, has been estimated by using depreciated replacement cost (DRC) method under cost approach of valuation. The DRC is derived from the Gross Current Reproduction / Replacement Cost (GCRC) which is reduced by considering depreciation. The Depreciated Replacement Cost is adjusted towards the Obsolescence, Potential Profitability and Service Potential in order to estimate the Market Value 'In-Situ' of the plant & machinery.

In view of the above Valuation report dated 31st March 2022 issued by an Independent valuer. The valuer has considered Rs.255.61 Crores value for the property, plant and equipment as at 31st March 2022.

Essar Power Ltd.

ESSAR POWER LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

NOTE: 4

RIGHT -OF USE ASSETS

(Amount In crores)

Description of the assets	Gross block					Depreciation and amortisation					Net block	
	Balance as at April 1, 2021	Addition during the year	Reclassified of IndAS 116	Deletions / during the year	Balance as at March 31, 2022	Balance as at April 1, 2021	For the year	Reclassified of IndAS 116	Deletions / during the year	Balance as at March 31, 2022	Balance as at March 31, 2022	Balance as at March 31, 2021
Leasehold land *	1.21	-	-	-	1.21	0.05	0.05	-	-	0.11	1.10	1.15
Total	**1.21**	**-**	**-**	**-**	**1.21**	**0.05**	**0.05**	**-**	**-**	**0.11**	**1.10**	**1.15**

Description of the assets	Gross block					Depreciation and amortisation					Net block	
	Balance as at April 1, 2020	Additions during the year	Reclassified on Adoption of IndAS 116	Deletions / Adjustments during the year	Balance as at March 31, 2021	Balance as at April 1, 2020	For the year	Reclassified on Adoption of IndAS 116	Deletions / Adjustments during the year	Balance as at March 31, 2021	Balance as at March 31, 2021	Balance as at March 31, 2020
Leasehold land *	-	1.21	-	-	1.21	-	0.05	-	-	0.05	1.15	-
Total	**-**	**1.21**	**-**	**-**	**1.21**	**-**	**0.05**	**-**	**-**	**0.05**	**1.15**	**-**

* Right to use is created in previous year on long term operating Lease on first time adoption of INDAS 116 . Company has taken Land in Bhuj (related to Solar plant) premises on lease. The lease period for land is 30 years (From March 2012 to March 2042).

Movement of Lease Liabilties	
Particulars	**Amounts**
Balance as at 1 April,	0.16
Addition	-
Other current assets	0.00
Paid during the year	-
Balance as at 31 March, 2022	**0.16**
Classification of Lease Liabilities into :	
Current	0.16
Non Current	-

Essar Power Ltd.

NOTE: 5
INVESTMENTS

Rs. in Crore

	Current Year	As at March 31, 2022	Previous Year	As At March 31, 2021
Unquoted - at Fair Value (Previous Year- At Cost) **Investment in subsidiaries** **Equity shares**				
1,278,192,589 (Previous year 1,278,192,589) Fully paid up equity shares of Rs.10 each of Essar Power Gujarat Ltd.	1,278.24		1,278.24	
Less :- Change in fair value of investments	(1,278.24)	-	(1,278.24)	-
597,036,000 (Previous year 597,036,000) Fully paid up equity shares of Rs.10 each of Essar Power Transmission Company Ltd.	-	-	597.04	-
Add :-Change in fair value of investments	-	-	120.96	**718.00**
274,639,500 (Previous year 274,639,500) Fully paid up equity shares of Rs.10 each of Bhander Power Ltd.	-		282.79	
Less :- Change in fair value of investments	-	-	(282.79)	-
13,120,000 (Previous year 13,120,000) Fully paid up equity shares of USD 1 each of Essar Power Overseas Ltd.	59.75		59.75	-
Less :- Change in fair value of investments	(59.75)	-	(59.75)	-
38,888,875 (Previous year 38,888,875) Fully paid up equity shares of Rs. 10 each of Essar Electric Power Development Corporation Ltd.	38.89		38.89	-
Less :- Change in fair value of investments	(18.80)	**20.09**	(19.10)	19.79
7,400,000 (Previous year 7,400,000) Fully paid up equity shares of Rs.10 each of Essar Power Hazira Ltd. #e	7.40		7.40	-
Add :-Change in fair value of investments	1,126.42	**1,133.82**	1,126.42	1,133.82
7,400,000 (Previous year 7,400,000) Fully paid up equity shares of Rs.10 each of Essar Power (Orissa) Ltd.	-		7.40	-
Less :- Change in fair value of investments	-	-	(7.40)	-
60,000 (Previous year Nil) Fully paid up equity shares of Rs.10 each of Ultra Lng Urja Limited.		-		-
50,000 (Previous year 0) Fully paid up equity shares of Rs.10 each of Kumudani Power Limited		**0.05**	-	
30,000 (Previous year 0) Fully paid up equity shares of Rs.10 each of Intergrated offshore private limited		**0.03**	-	
21,10,000 (Previous year 0) Fully paid up equity shares of Rs.10 each of Metanergy Powerex Ltd (MPL)		**2.11**	-	
Aggregate book value - Equity Aggregate amount of Change in fair value of investments	1,386.47 (230.37)	**1,156.10**	2,271.50 (399.89)	1,871.60

Preference shares				
641,173,900 (Previous year 641,173,900) * Cumulative participating preference shares of Rs.10 each of Essar Power Hazira Ltd. #g		**641.17**		641.17
59,200,000 (Previous year 59,200,000) Optionally convertible cumulative redeemable preference shares of USD 1 each of Essar Power Overseas Ltd.	369.72	-	369.72	-
Less :- Change in fair value of investments	(369.72)	-	(369.72)	-

Essar Power Ltd.

1,388,000 (Previous year 1,388,000) Cumulative redeemable preference shares of USD 1 each of Essar Power Overseas Ltd.	1.26	-	1.26	-
Less :- Change in fair value of investments	(1.26)	-	(1.26)	-
363,650,000 (Previous year 363,650,000) Cumulative participating preference shares of Rs.10 each of Essar Power (Orissa) Ltd.	-		363.65	-
Less :- Change in fair value of investments	-	-	(363.65)	-
27,17,00,000 (Previous year 27,17,00,000) * 0.1% Compulsorily Convertible participating preference shares of Rs.10 each of Essar Power (Orissa) Ltd.	-		271.70	-
Less :- Change in fair value of investments	-	-	(271.70)	-
5,750,000 (Previous year 5,750,000) 0.01% Cumulative redeemable preference shares of Rs.10 each of Bhander Power Ltd.	-		5.75	-
Less :- Change in fair value of investments	-	-	(5.75)	-
545,744,400 (Previous year 545,744,400) 0.1% Compulsorily Convertible Non-Cumulative non-participating preference shares of Rs.10 each of Essar Power Gujarat Limited	545.74		545.74	-
Less :- Change in fair value of investments	(371.06)	**174.68**	(321.48)	224.26
Aggregate book value - Preference	1,557.89		2,198.99	
Aggregate amount of Change in fair value of investments	(742.03)	**815.86**	(1,333.55)	865.44
Other Investments **Investment in Essar Power Guiarat Limited**		**35.48**		35.48
1,725,744,417 (Previous year 1,725,744,417) Fully paid up equity shares of Rs.10 each of Essar Power (Jharkhand) Ltd.	1,725.74		1,725.74	
Less :- Provision for diminution in value of long term investments in other	(1,725.74)	-	(1,725.74)	-
196,100,000 (Previous year 196,100,000) Fully paid up equity shares of Rs.10 each of Essar Power M. P. Ltd	-		1,572.30	
Less :- Change in fair value of investments	-	-	(1,572.30)	-
1,904,159,978 (Previous year 1,904,159,978) 0.01% Compulsory redeemable preference shares of Rs.10 each of Essar Power M.P. Ltd.	-		527.96	
Less :- Change in fair value of investments	-	-	(527.96)	-
82,37,04,100 (Previous year 82,37,04,100)* 0.1% Compulsorily Convertible participating preference shares of Rs.10 each of Essar Power M.P. Ltd.	-		823.70	-
Less :- Change in fair value of investments	-	-	(823.70)	-
Aggregate book value - Other	1,761.22		4,685.19	
Aggregate amount of Change in fair value of investments	(1,725.74)	35.48	(4,649.71)	35.48
Net Investment		2,007.43		2,772.52
Aggregate book value - Unquoted	**4,705.58**		**9,155.69**	
Aggregate amount of Change in fair value of investments	**(2,698.15)**	**2,007.43**	**(6,383.17)**	2,772.52

Essar Power Ltd.

* Carries a coupon rate of 0% per annum from date of allotment till March 31, 2020 and 0.1% per annum thereafter (cumulative)

#b 517,723,325 (Previous year 517,723,325) equity shares are pledged for loan taken by Essar Power (Jharkhand) Limited

#e 7,399,940 (Previous year 7,399,940) equity shares are pledged for loan taken by subsidiary company Essar Power Hazira Limited & additional security to lendors of the company by way of second charge over surplus cash flow available from sale of 74 % of equity share capital and after payment of Debt of lenders of EPHL and charge created to related party on surplus cash flow available on sale of investment in Essar Power Hazira Limited.

#g 570,000,000 (Previous year 570,000,000) participating preference shares are pledged for loan taken by subsidiary company Essar Power Hazira Ltd and charge created to related party on surplus cash flow available on sale of investment in Essar Power Hazira Limited.

#j 27,83,29,644 (Previous year 278329644) preference shares are pledged for loan taken by Essar Power Gujarat Limited

Footnote:

(a) Investment of Rs.1,278.24 Crore in equity shares , Investment of Rs. 545.74 Cr in Compulsory convertible non-cumulative non-participating preference shares and other investments of Rs.35.48 Crore in Essar Power Gujarat Limited ("EPGL"):

(i) The Company had created provision for diminution of investment in EPGL of Rs.1,278.24 Crore in earlier years of its entire portion of equity as remaining shares are held by Security Trustee due to invocation of pledge.

(ii) The 0.1% Compulsory convertible non-cumulative non-participating preference shares (CCNCNPPS) with face value of Rs.545.74 Cr were allotted by EPGL on March 1, 2019. The CCNCNPPS carry preferential right with respect to payment of dividend and repayment of capital over equity shareholder. The CCNCNPPS holder has an option to convert each CCNCNPPS into 1 equity share of Rs.10 each of the Company any time after six months from the date of allotment upto maximum period of 20 years i.e. February 29, 2039.

EPGL restarted its operations in April 2019 after a shutdown of ~18 months based on the signing of the SPPA and viable coal prices. With support of all stakeholders, the plant was in operation till March 11, 2021.

On April 12, 2022, Ministry of Power (MoP) had called a meeting with the Hon'ble Minister of Power & NRE, Government of Gujarat, GUVNL and SBI CAPS. As per the meeting, EPGL is allowed complete coal cost pass through till December 31, 2022. MoP has asked GUVNL to immediately release Rs 150 crore as advance against Change in Law payments and recover the dues of Rs 110 crores in six equal monthly instalments starting from June 2022 onwards. GUVNL, Lenders and EPGL to sign a tripartite agreement capturing all the understanding.

EPGL is in advance stage of finalization of coal supply contracts with various vendors and will take specific confirmation of GUVNL before ordering any consignment. Plan of EPGL is technically ready to generate power at full capacity and generation can commence based on coal availability

SBI had filed an application under section 7 of the Insolvency and Bankruptcy Code, 2016 in NCLT Ahmadabad Bench against the Company in May, 2021. Management is in discussion with SBI and Consortium for resolution of debt based on which the NCLT application will be withdrawn.Last NCLT Hearing date was 27 July 2022. Next hearing date is awaited.

In the meantime, EPGL has filed a writ petition in High Court against Government of Gujarat, GUVNL and SBI requesting the following:

a. Coal ceiling removal as done for Adani

b. Stay on the NCLT proceedings till the above

EPGL has submitted a One Time Settlement (OTS) offer to its consortium of Lenders of Rs 1600 crores towards full and final settlement of entire Rupee Term Loans and working capital loans along with all interests, charges and penalties (if any). Out of Rs 1600 crores, 10% upfront amount constituting to Rs 160 crore has already been arranged and offered to lenders. EPGL is awaiting confirmation from Lenders that the OTS process is in progress and is awaiting suspension of NCLT proceedings from the Lenders side.

During the previous year, the Company had decided to change its accounting policy for Investments from Amortised Cost Basis to Fair Value. For this, Fair Valuation of EPGL is conducted by Investment Valuer. During the previous year the Company had changed fair valuation of investment by Rs.321.48 Crore.

Further during the year, As per Valuation Report, the Equity Value of EPGL by using the Discounted Cash flow (DCF) Method of Valuation as on March 31 2022 works out to Rs. 284 Cr. As per proposed restructuring, the Fair value of investment in EPGL is Rs. 210.16 Cr i,e. 74 % of EPGL equity value on diluted basis. In view of this , The Company has further changed fair valuation of investment by Rs.49.58 Crore.

Essar Power Ltd.

(b) Investment of Rs 1572.30 crore in equity shares, Rs.527.96 crore in compulsory redeemable preference shares and Rs. 823.70 crore in compulsory convertible preference shares of Essar Power M.P. Ltd ("EPMPL"): EPMPL was admitted for CIRP under the Insolvency and Bankruptcy Code, 2016 by the NCLT on 29th September, 2020. EPMPL was admitted for CIRP under the Insolvency and Bankruptcy Code, 2016 by the NCLT on 29th September, 2020. Resolution plan by Adani Power was approved by NCLT on 01.11.2021. The documentation and handover of EPMPL to Adani Power was closed in March, 2022.Pursuant to resolution proceedings all the corporate guarantees issued to the lenders of EMPMPL were assigned to Adani Power Limited. Subsequently these corporate guarantees were released by Adani Power Limited vide release deed dated 7th June 2022 in consideration of co-operation provided by the Company to Adani Power Limited." With the change of control to the successful Resolution Applicant, the investment in EPMPL had been recategories to Other Investment and 100% provision had been made for diminution in value of investments.The company did not get the fair valuation done since company does not expect to recover anything , fair value is considered as Nil. Accordingly the diminution in the value of investments is now being renamed as change in fair value of investments due to change in accounting policy.

During the year Entire investment in EPMPL is Extinguished. For accoounting purpose the company has reversed the provision for investment created in earlier year of Rs.2923,96 Crore and the company booked Loss on Extinguishment of Non Trade Long Term Investments of Rs.2923.96 Cr in EPMPL. (Read with Note no. 35)

(c) Investment of Rs. 1,725.74 crore in equity shares of, inter corporate deposits of Rs. 356.31 crore and interest on ICD of Rs. 153.50 crore to Essar Power (Jharkhand) Limited ("EPJHL"): EPJHL was admitted for CIRP under the Insolvency and Bankruptcy Code, 2016 by the NCLT on 5th April, 2020. Following the IBC process, EPJHL was admitted for liquidation on 3rd January, 2020.The assets now vests with the liquidator and all realizations from the asset will be apportioned to the Financial Creditors of the Company.
Moreover as the Company is under liquidation, the Guarantors has also signed a Settlement Agreement with Financial Creditors in July 2020 under which an amount of Rs 1215 Crores will be paid to secure release all Corporate Guarantees extended for the debt facilities of the Company.
Based on the above,100% provision has been made for diminution in value of its investments in the equity shares of EPJHL, inter corporate deposits and interest receivable on ICD from EPJHL.The company has not got the fair valuation done since company does not expect to recover anything , fair value is considered as Nil. Accordingly the diminution in the value of investments is now being renamed as change in fair value of investments due to change in accounting policy.

(d) Investment of Rs 282.79 Crore in equity share and Rs. 5.75 Crore in preference share in Bhander Power Limited: The Company has made investment in Bhander Power Limited ("BPOL") which implemented a 500 MW combined cycle power plant. The power plant was sold in previous year and entire dues to secured lenders of BPOL have been paid. Since BPOL does not have any assets, 100% provision has been made for diminution in value of investments.The company has not got the fair valuation done since company does not expect to recover anything , fair value is considered as Nil. Accordingly the diminution in the value of investments is now being renamed as change in fair value of investments due to change in accounting policy.

During the year Entire stake held by the company in Bhander power limited share capital has been transferred to Essar steel metal trading limited vide agreement dated 28th December, 2021 The company received full & final consideration of Rs. 10.28 Crore against all his investment in BPOL. In view of this, the company has reversed the provision for investment created in earlier year of Rs. 288.54 Crore and booked Loss of Rs.278.26 Crore (Read with Note no.35)

(e) Investments of Rs.0.06 Crore in equity share in Ultra Lng Urja Limited : During the previous year The company had taken 100 percent equity shares of 0.06 Crore (60000 Shares @ 10 Rs.) in Ultra Lng Urja Limited at Nil consideration.

(f) Investments of Rs.59.75 Crore in equity share and Rs. 370.97 Crore in preference share in Essar Power Overseas Ltd: Essar Power Overseas Ltd ("EPOVSL") currently has negative net worth due to accumulated losses . Thus keeping in view the above conditions of EPOVSL, 100% provision haD been made for diminution in value of investments. The company has not got the fair valuation done since company does not expect to recover anything , fair value is considered as Nil. Accordingly the diminution in the value of investments is now being renamed as change in fair value of investments due to change in accounting policy.

(g) Investments of Rs.7.40 Crore in equity share and Rs. 635.35 Crore in preference share in Essar Power (Orissa) Ltd. (EPORL) :
The Company has made investment in Essar Power (Orissa) Limited ("EPORL") which implemented a 60 MW coal based power plant in Phase I and 60 MW capacity was under construction. The power plant was sold in current year and entire dues to secured lenders of EPORL were settled. Since EPORL does not have any assets,100% provision has been made for diminution in value of investments.The company has not got the fair valuation done since company does not expect to recover anything , fair value is considered as Nil. Accordingly the diminution in the value of investments is now being renamed as change in fair value of investments due to change in accounting policy.

During the year entire beneficial interest held by the company in Essar power Orissa limited share capital has been transferred to Essar steel metal trading limited vide agreement dated 3rd March, 2022 . Thus The company do not have any control on Essar power orissa limited. All the operations and activities of EPORL are controlled by Essar steel Metal trading company.The company received full & final consideration of Rs. 0.01 Crore against all his investment in EPORL. In view of this, the company has reversed the provision for investment created in earlier year of Rs. 642.75 Crore and booked Loss of Rs.642.74 Crore (Read with Note no.35)

(h) Investments of Rs.7.40 Crore in equity share and Rs. 641.17 Crore in preference share in Essar Power Hazira Ltd. (EPHL) : The Company has made investment in Essar Power Hazira Limited ("EPHL") which owns and operates a 270 MW waste to energy power plant at Hazira, Surat, Gujarat. EPHL has consistently shown robust operational and financial performance. EPHL has been assigned BBB stable credit rating by CRISIL.
During the previous year, the Company decided to change its accounting policy for Investments to Fair Value Basis. Considering EPHL's improved performance, revised financial estimates and fair valuation conducted by an Independent Valuer by using Discounted Cash Flow Method of Income Approach, the Company had considered the fair value of investments made in EPHL at Rs.1,775 Crores.

During the year As per Valuation Report the Enterprise Value of EPHL by using the Discounnted Cash flow (DCF) Method of income approach of Valuation as on March 31 2022 works out to Rs. 1,775 Cr. There is no change in fair value of investmet made in EPHL.

Essar Power Ltd.

M. M. MUMBAI CHARTERED

(i) Investments of Rs.38.89 Crore in equity share Essar Electric Power Development Corporation Ltd (EEPDCL).: During the previous year, the Company decided to change its accounting policy for Investments to Fair Value,valuation as per DCF method of income approach is impracticable as EEPDCL does not have an assured stream of income to make projections.Thats why Fair Valuation of EEPDCL is being done using the Book Value Method .As per Financials statement of EEPDCL the Enterprise Value of EEPDCL as on March 31 2021 works out to Rs. 19.78 Cr.In view the above, during the previous year the Company had made changed in fair valuation of investments in equity share by Rs.19.10 Crore.

During the year ,As per Financials statement of EEPDCL the Enterprise Value of EEPDCL as on March 31 2022 works out to Rs. 20.09 Cr.In view the above, during the previous year the Company had made changed in fair valuation of investments in equity share by Rs.0.30 Crore.

(j) Investments of Rs.2.11 Crore in equity share in Metanergy Powerex Ltd (MPL) : During the current year The company has taken 100 percent equity shares of Rs.2.11 Crore (2110000 Shares @ 10 Rs.) in Metanergy Powerex Ltd.

(k) Investments of Rs.0.05 Crore in equity share in Kumudani Power Limited: During the current year The company has taken 100 percent equity shares of Rs.0.05 Crore (50000 Shares @ 10 Rs.) in Kumudani Power Limited

(l) Investments of Rs.0.03 Crore in equity share in Intergrated offshore private limited: During the current year The company has taken 100 percent equity shares of Rs.0.03 Crore (30000 Shares @ 10 Rs.) in Intergrated offshore private limited

NOTE: 6
LOANS

(Unsecured considered good, unless otherwise stated)

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Security deposits	0.05	2.01
Less: Provision for doubtful deposit	-	-
	0.05	2.01
Loans to related parties		
Inter corporate deposits	7.65	7.65
Less: Provision for doubtful deposit (Refer Note no. 15 *(b))	(7.65)	(7.65)
	0.05	2.01

NOTE: 7
OTHER FINANCIAL ASSETS

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Fixed / margin bank deposits*	1.12	0.31
	1.12	0.31

* Fixed/margin deposits having original maturity of more than 12 months of Rs.1.12 Crore (Previous year Rs 0.31 Crore)

NOTE: 8
OTHER NON-CURRENT ASSETS

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Security deposits	0.50	0.50
	0.50	0.50

NOTE: 9
INVENTORIES

(At lower of cost and net realisable value)

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Fuel	0.06	0.06
Stores and spares*	8.80	8.87
	8.86	8.93

*. Inventories have been valued at the Balance Sheet date. During the year the company has taken inventory valuation report from valuation expert.

NOTE: 10
INVESTMENTS

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Unquoted		
Investment in subsidiaries		
Equity shares		
1,330,363,716 (Previous year 1,330,363,716) Fully paid up equity shares of Rs.10 each of Essar Power Gujarat Ltd.#d	**1,330.36**	1,330.36
Provision for diminution in value of current investments in equity/ preference shares of subsidiaries	**(1,330.36)**	(1,330.36)
	-	-
Aggregate book value - Unquoted	-	-

#a 1,330,363,716 (Previous year 1,330,363,716) equity shares were pledged for loans taken by subsidiary company Essar Power Gujarat Limited (EPGL) :- on 16th October 2017 Lenders of EPGL invoked the pledge of 51% of shares of EPGL shares and have got the same transferred in demat mode in the name of IDBI Trusteeship Services Limited (ITSL), Security Trustee on behalf of the Lenders. However, in the Company's books EPGL holding is shown as 100% due to the following reasons:
Essar Power Limited (EPOL), the promoter Company of EPGL requested ITSL / Lenders of EPGL to give effect to the above sale of shares and accordingly reduce the debt payable by EPGL to the Lenders (to the extent of book value of those shares as on 31st March 2017). However, ITSL has stated that these shares are only held as collateral and there has been no acquisition of these shares by them or EPGL Lenders. Therefore, pending resolution of the matter between the Company and ITSL / lenders of EPGL as to sale of shares and suitable consideration for the same, necessary adjustments have not been done in the investments held by the Company.
In view of the above, the Company had created provision for diminution of investment in EPGL of Rs. 1330.36 Crore.

Besides aforesaid reply of ITSL The company continues to control and exercise power over EPGL by virtue of its ability to direct the relevant and important activities of EPGL. The company has control over EPGL by way of constitution of its board of directors and participates in direction of its decisions. The board continues to be same as appointed by the company and KMP's of the company are involved in decision making process of EPGL and the company is exposed to the variable returns from its investment in the EPGL. Hence in the current financials EPGL continues to show company as its holding company." in spite of not having majority voting rights in the EPGL.

NOTE: 11
Investment Held for sale

	Current Year	As at March 31, 2022	Previous Year	As At March 31, 2021
Investment in subsidiaries				
Equity shares				
597,036,000 (Previous year 597,036,000) Fully paid up equity shares of Rs.10 each of Essar Power Transmission Company Ltd. #a	597.04	-	-	-
Add :-Change in fair value of investments	545.96	**1,143.00**	-	-

#a 597,035,940 (Previous year 541,535,940) equity shares are pledged for loan taken & optionally convertible Debentures issued to lenders by subsidiary company Essar Power Transmission Company Limited & additional security to lenders of The company by way of second charge over surplus cash flow available from sale of equity share capital and after payment of debt of lenders of EPTCL.
(a) Investments of Rs.597 Crore in equity share Essar Power Transmission Company Ltd. (EPTCL) : During the previous year, the Company decided to change its accounting policy for Investments to Fair Value. For this, Fair Valuation of EPTCL was conducted by Investment Valuer. As per Valuation Report the Enterprise Value of EPTCL by using the Discounnted Cash flow (DCF) Method of income approach of Valuation as on March 31 2021 works out to Rs. 718 Cr..In view the above, during the previous year the Company booked Fair Value Gain in investment for Rs.121 Crore.
During the year As per valuation report the enterprise Value of EPTCL by using the Discounnted Cash flow (DCF) Method of income approach of valuation as on March 31 2022 works out to Rs. 1143 Cr..In view the above, during the year the Company booked further fair value gain in investment for Rs.425 Crore
Adani Transmission Limited (ATL) has signed definitive agreement with Essar power Ltd (EPOL) on 2 June 2022 for 100% stake in Inter-state tranmission project owned , developed ,and operated by Essar power Transmission Ltd (EPTCL) The enterprise value for the transaction is INR 1913 Crore.
The proposed transaction will be executed through transactions steps which shall be subject to necessary regulatory approval and other consents.

Essar Power Ltd.

NOTE: 12

TRADE RECEIVABLES

(Unsecured considered good, unless otherwise stated)

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Trade receivable from		
Others	**1,067.14**	1,067.15
	1,067.14	1,067.15

Break-up of security details	As at March 31, 2022	As at March 31, 2021
Secured, considered good	-	-
Unsecured, considered good	**1,067.14**	1,067.16
Doubtful	-	-
Less: Allowance for bad and doubtful debts	-	-
	1,067.14	1,067.16

TRADE RECEIVABLES AGEING SCHEDULE

Rs. in Crore

	Outstanding for following periods from due date of payment				As at
	Less than 6 months	6 months- 1 year	1-2 yrs.	More than 3 yrs.	March 31, 2022
(i) Undisputed Trade receivables- considered good	0.17	0.10	-	-	0.28
(ii) Undisputed Trade Receivables- which have significant increase in Credit Risk	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	1,066.86	1,066.86
(v) Disputed Trade Receivables considered doubtful	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-
	0.17	0.10	-	1,066.86	1,067.14

Rs. in Crore

TRADE RECEIVABLES AGEING SCHEDULE

	Outstanding for following periods from due date of payment				As at
	Less than 6 months	6 months- 1 year	1-2 yrs.	More than 3 yrs.	March 31, 2021
(i) Undisputed Trade receivables- considered good	0.19	0.10	-	-	0.29
(ii) Undisputed Trade Receivables- which have significant increase in Credit Risk	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	1,066.86	1,066.86
(v) Disputed Trade Receivables considered doubtful	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-
	0.19	0.10	-	1,066.86	1,067.16

Essar Power Ltd.

A. GUVNL - Wrongful Deduction

• GUVNL has deducted a large sum of principal amount aggregating to Rs.234 Crores from the monthly invoices of Essar Power Limited over a period of 2003 to 2013 under the following heads:-

- Ø Delayed Payment Charges (DPC) / Interest;
- Ø Depreciation:
- Ø Foreign Exchange Variation;
- Ø Interest on UTI – Non-convertible Debentures;
- Ø Bill Discounting Charges;
- Ø Wrongful Deduction of Rebate by GUVNL; and
- Ø Interest on Working Capital.

GERC has, vide its Orders dated 22nd October 2014 and 21st November 2014, approved EPOL's claim of Rs.234 Crores towards principal amount alongwith interest of Rs.447 Crores from 2004 to 2014. Further interest shall be payable till the date of actual payment.

GUVNL has filed an Appeal (No.2 of 2015) in APTEL against the above order of GERC. APTEL has, vide its Order dated 7th April 2022 dismissed the GUVNL appeal and directed GERC to compute the amounts wrongfully withheld by GUVNL. The Company has filed its claim of ~Rs.1556 Crores at GERC as per directives of APTEL.

GUVNL has filed a SLP in Hon'ble Supreme Court appealing against the APTEL Order dated 7th April 2022.
Based on the favourable orders by GERC and APTEL, the management believes that GUVNL appeal would not be tenable and the Company is confident of realizing the claim amount.

B. GUVNL – Alleged diversion of power

The Company had signed separate Power Purchase Agreement with Gujarat Urja Vikas Nigam Limited (GUVNL) and Essar Steel India Limited (now known as ArcelorMittal Nippon Steel India Limited) (ESIL) for 300 MW and 215 MW capacity respectively

In the matter, Hon'ble Supreme Court, vide its order dated 9th August 2016, has set aside the APTEL order and restore the order dated 18th February 2009 of GERC. In the order, GERC has directed that the Company was required to declare the entire plant availability to GUVNL and ESIL in 300:215 ratio. It further directed that any excess supply to ESIL in deviation to above ratio shall be deemed to be supplied by GUVNL and to be compensated by the Company. GERC, vide this order, has directed both the parties to file their calculations based on the method of compensation determined in the order. The Company had filed claim of Rs.437 Crores receivable from GUVNL. GUVNL filed its calculations of Rs.2274 Crores as receivables from EPOL. Later, as per directions of GERC, GUVNL revised its claim to Rs.789 Crores as receivable from EPOL.
GERC analysed the calculations and vide its order dated 27th December 2019 directed the Company to pay Rs.201.18 Crores (including interest amount of Rs.137.14 Crores).
In view of some of the apparent errors in the order like arithmetic calculation, calculations on half-hourly basis instead of hourly basis, delayed payment charges etc, a review petition has been filed by the Company in GERC praying for rectification in the order and stay on its impugned order dated 27th December 2019.
The Company has filed an appeal in APTEL against the impugned order of GERC. Pleading in the matter have been completed. Next date of hearing is not scheduled in the Appeal.
GUVNL has also filed execution petition in GERC and an appeal in APTEL in the matter. GUVNL appeal has been admitted and included in the list of finals. Next date of hearing is not scheduled in the petition and appeal.

Based on the favourable orders in the above matters, the management believes that the claims by GUVNL would not be tenable and hence is confident of realizing the total amount of Rs 1,066.86 crores.

NOTE: 13
CASH AND CASH EQUIVALENTS

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Balances with banks in		
Current accounts	**0.92**	0.52
Cash on hand (@ 1 = Rs. Nil and @ 2 = Rs. 4,899)	**@ 1**	@ 2
	0.92	0.52

NOTE: 14
BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Balances with banks in		
Margin deposits	**10.91**	10.97
	10.91	10.97

NOTE: 15
LOANS

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Security deposits	0.05	-
Loans to related parties		
Inter corporate deposits	11.57	11.55
Other loans	0.21	0.15
Others	-	0.02
Unsecured, considered doubtful		
Inter corporate deposits	149.45	430.87
Less: Allownace for bad and doubtful debts *	(149.45)	(430.87)
	11.83	11.72

*(a) Inter corporate deposits of Rs. 356.31 crore and interest on ICD of Rs. 153.50 crore to Essar Power (Jharkhand) Limited ("EPJHL"): EPJHL was admitted for CIRP under the Insolvency and Bankruptcy Code, 2016 by the NCLT on 5th April, 2020. Following the IBC process, EPJHL was admitted for liquidation on 3rd January, 2020.The assets now vests with the liquidator and all realizations from the asset will be apportioned to the financial creditors of the Company.
Moreover as the Company is under liquidation, the Guarantors has also signed a Settlement Agreement with Financial Creditors in July 2020 under which an amount of Rs 1215 Crores will be paid to secure release all Corporate Guarantees extended for the debt facilities of the Company.
Based on the above,100% provision had been made during the earlier years for inter corporate deposits of Rs. 356.31 Crore. and interest receivable on ICD from EPJHL of Rs. 153.50 Crore

During the year Rs.40.34 Cr received from Ministry of coal relating to chakla coal mines. As per recent order in respect of coal mines , Balance estimated amount receivable would be around Rs.40 Crore from Ministery of coal. In view of above after keeping balance to the extent amount of Rs.40 Crore , the company has reversed the balance provision to the extent of Rs.469.81 Crore (ICD Principal - Rs.316.31 & ICD Interest- Rs.153.50) created in earlier years towards ICD given to Essar power Jharkhand Limited and susequently written off Rs.429.43 Crore (ICD Principal - Rs.275.93 & ICD Interest- Rs.153.50). (Read with note No.35)

*(b)Inter corporate deposits of Rs. 82.21 crore to Essar Power Gujarat Limited ("EPGL"): EPOL given inter corporate deposits to support EPGL, EPGL has a long term PPA with Gujarat Urja Vikas Nigam Ltd. (GUVNL), However, due to increase in coal prices and non-availability of pass through mechanism in the PPA, EPGL plant's operations has affected. EPGL is in discussion with GUVNL for execution of Supplementary PPA comprising of coal pass mechanism. Further, EPGL has defaults to its lenders and is in discussion for restructuring of the outstanding debt. These steps will ensure smooth operations of the Company. However, presently, EPGL is not in a position to support cash flow requirements of EPOL. As informed, one of the lender filed application in IBC against EPGL,Management is in discussion with SBI and Consortium for resolution of debt based on which the NCLT application will be withdrawn.Last NCLT hearing date was 27 July 2022. Next hearing date is awaited. EPGL has submitted a One Time Settlement (OTS) offer to its consortium of Lenders of Rs 1600 crores towards full and final settlement of entire Rupee Term Loans and working capital loans along with all interests, charges and penalties (if any). Out of Rs 1600 crores, 10% upfront amount constituting to Rs 160 crore has already been arranged and offered to lenders. EPGL is awaiting confirmation from Lenders that the OTS process is in progress and is awaiting suspension of NCLT proceedings from the Lenders side. As a conservative basis, During the previous year the company created provision of ICD given to EPGL of Rs. 82.21 Crore. (Read with Note No.6)

Further during the year company has given ICD of Rs. 34.88 Crore to EPGL and susequently created provision for same amount.

NOTE: 16
OTHER FINANCIAL ASSETS

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Interest receivable on fixed/margin deposits	0.17	0.23
Others	0.18	0.03
Unsecured, considered doubtful		
Interest receivable on inter corporate deposits placed with related party	-	153.50
Less: Allowance for bad and doubtful debts (Refer Footnote (a) of note 15)	-	(153.50)
	0.35	0.26

Essar Power Ltd.

NOTE: 17
CURRENT TAX ASSETS (NET)

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Advance tax and tax deducted at source	**70.85**	69.76
Less: Set-off of current tax liabilities pursuant to set-off provisions	**45.73**	45.73
	25.12	24.03

NOTE: 18
OTHER CURRENT ASSETS

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	**1.35**	1.58
Others	**32.99**	33.09
Less Provision for work contract Tax	**(6.34)**	(6.34)
	28.00	28.33

NOTE: 19
EQUITY SHARE CAPITAL

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Authorised		
25,000,000,000 (Previous year 25,000,000,000) equity shares of Rs.4 each	**10,000.00**	10,000.00
4,750,000,000 (Previous year 4,750,000,000) preference shares of Rs. 20 each	**9,500.00**	9,500.00
500,000,000 (Previous year 500,000,000) preference shares of Rs. 10 each	**500.00**	500.00
	20,000.00	20,000.00
Issued, subscribed and fully paid up		
Equity share capital		
12,186,337,527 (Previous year 12,186,227,527) equity shares of Rs. 4 each	**4,874.54**	4,874.54
	4,874.54	4,874.54
Equity components of convertible preference shares		
1,398,797,788 (Previous year 1,398,797,788) 0.01% compulsorily convertible cumulative preference shares of Rs. 20 each	**2,796.55**	2,796.60
	2,796.55	2,796.60
	7,671.09	7,671.14

(a) **Reconciliation of number of shares**

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	**Rs. in Crore**	Number of shares	Rs. in Crore
Equity shares				
Shares outstanding at the beginning of the year	**12,18,63,37,527**	**4,874.54**	1,15,22,98,192	460.92
Shares issued during the year	-	-	98,48,54,700	393.94
Bonus shares issued during the year				
Conversion of preference shares into equity shares	-	-	10,04,91,84,635	4,019.67
Shares bought back during the year				
Shares outstanding at the end of the year	**12,18,63,37,527**	**4,874.54**	12,18,63,37,527	4,874.54

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	**Rs. in Crore**	Number of shares	Rs. in Crore
0.01% Compulsorily convertible cumulative preference shares				
Shares outstanding at the beginning of the year	**1,39,87,97,788**	**2,795.53**	2,72,11,34,715	5,440.20
Shares issued during the year	-	-	-	-
Bonus shares issued during the year	-	-	-	-
Conversion of Cumulative redeemable preference shares	-	-	51,25,00,000	1,025.00
Conversion of preference shares into equity shares	-	-	(1,83,48,36,927)	(3,669.67)
Shares bought back during the year				
Shares outstanding at the end of the year	**1,39,87,97,788**	**2,795.53**	1,39,87,97,788	2,795.53

Essar Power Ltd.

(b) Details of shareholders holding more than 5% in the Company and details of share held by holding/ultimate holding company and /or their subsidiaries/associates

	As at March 31 2022	As at March 31, 2021	As at March 31 2022	As at March 31, 2021
	% of Shareholding			
Equity shares				
Essar Power Holdings Limited, a holding company	**59.34%**	59.34%	**7.23.18.27.737**	7.23.18.27.737
Essar Power Hazira Holdings Limited, a subsidiary of holding company	**31.68%**	31.68%	**3,86,05,09,783**	3,86,05,09,783
Essar Steel Metal Trading Limited	**1.74%**	1.74%	**21.25.00.000**	21.25.00.000
SREI Infrastructure Finance Limited	**1.80%**	1.80%	**21.90.00.000**	21.90.00.000
M.B. Finmart Private Limited	**1.81%**	1.81%	**22.08.33.332**	22.08.33.332
Puran Associates Private Limited	**1.81%**	1.81%	**22.08.33.333**	22.08.33.333
V I C Enterprises Private Limited	**1.81%**	1.81%	**22.08.33.335**	22.08.33.335
0.01% Compulsorily convertible cumulative preference shares - Non Participating				
Essar Power Holdings Limited, a holding company.	**65.12%**	65.12%	**91.08.44.596**	91.08.44.596
Essar Power Hazira Holdings Limited, a subsidiary of holding company	**34.88%**	34.88%	**48,79,53,192**	48,79,53,192
				-
0.01% Compulsorily Convertible Cumulative Preference Shares - Participating				
Essar Steel Metal Trading Ltd.	**0.00%**	**0.00%**	-	-

Equity shares:

The Company has only one class of equity shares having a par value of Rs. 4 each. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the Previous Year 98,48,54,700 Nos. Right shares issued to Essar Power Holding having par value of Rs. 4 each. For this the company had received Rs. 393.94 Cr from Holding company for proceed from issue of Right shares.

Compulsorily convertible cumulative preference shares (Previous Year Status)

1,398,797,788 0.01% compulsorily convertible cumulative preference shares (CCPS) issued by the Company shall have a coupon rate of 0.01 % per annum. The CCPS issued by the Company shall be convertible into Equity Shares anytime after a period of 6 (six) months and up to a period of 10 (ten) years from the date of allotment of the CCPS. Each CCPS will be convertible into 5 (five) Equity Shares in the Company of face value of INR 4 (Indian Rupees Four) each. The CCPS shall be compulsorily converted at the end of 10 (ten) years from the date of allotment in the ratio of 5 (five) Equity Shares with face value of INR 4 (Indian Rupees Four) per Equity Share to 1 (one) CCPS. The scheduled date for compulsory conversion from the date of issue of such preference shares is as below:

Number of CCPS held as on the balance sheet date	Date of issue	Scheduled date of compulsory
46,33,35,648	March 31, 2011	March 31, 2022
30,88,05,000	May 26, 2010	March 31, 2022
14,53,40,012	April 26, 2010	March 31, 2022
14,07,75,357	March 19, 2010	March 31, 2022
34,05,41,771	August 1, 2008	July 30, 2023

During the Previous year 5,125,00,00,00 (Numbers) having face value of Rs. 20 convertible cumulative redeemable preference shares (CRPS) held by Essar Steel Metal Trading Limited have been converted to Compulsorily Convertible Cumulative Preference Shares (CCPS) having face value of Rs. 20/-.

During the Previous year 1,83,48,36,927 (Numbers) having face value of Rs. 20 convertible cumulative redeemable preference shares (CCPS) have been coverted to Equity Shares having face value of Rs.4/- .All necessary approvals from lenders and other class of shareholders were taken for purpose of coversion of CRPS to CCPS and CCPS to Equity as required under section 48 of the companies act.

Current Year Status

0.01% Compulsorily convertible cumulative preference shares:

1,398,797,788 0.01% compulsorily convertible cumulative preference shares (CCPS) issued by the Company shall have a coupon rate of 0.01 % per annum. The CCPS issued by the Company shall be convertible into Equity Shares anytime after a period of 6 (six) months and up to a period of 10 (ten) years from the date of allotment of the CCPS. Each CCPS will be convertible into 5 (five) Equity Shares in the Company of face value of INR 4 (Indian Rupees Four) each. The CCPS shall be compulsorily converted at the end of 10 (ten) years from the date of allotment in the ratio of 5 (five) Equity Shares with face value of INR 4 (Indian Rupees Four) per Equity Share to 1 (one) CCPS. The scheduled date for compulsory conversion from the date of issue of such preference shares is as below:

Number of CCPS held as on the balance sheet date	Date of issue	Scheduled date of compulsory
46,33,35,648	March 31, 2011	March 31, 2023
30,88,05,000	May 26, 2010	March 31, 2023
14,53,40,012	April 26, 2010	March 31, 2023
14,07,75,357	March 19, 2010	March 31, 2023
34,05,41,771	August 1, 2008	July 30, 2023

Essar Power Ltd.

NOTE: 20
RESERVE AND SURPLUS

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Debenture redemption reserve	49.65	49.65
Preference Redemption Reserve	267.98	267.98
Securities Premium Account	1,574.65	1,603.35
Securities Premium - reserve for premium payable on redemption of preference shares	925.63	896.93
Retained earnings	(11,401.24)	(11,711.11)
	(8,583.33)	(8,893.20)

Debenture Redemption Reserve
The company is required to create a debeture redemption reserve out of the profits which is available for payment of dividend for the purpose of redemption of debentures.

Preference Redemption Reserve
The company is required to create a preference redemption reserve out of the profits which is available for payment of dividend for the purpose of redemption of optionally convertible preference shares.

Securities Premium account
Securities premium account represents the premium received on issue of shares over and above the face value of equity shares. The reserve is available for utilisation in accordance with the provisions of the Companies Act, 2013.

Securities Premium - reserve for premium payable on redemption of preference shares
The Company is required to create a reserve for the premium on preference shares redemption out of the profits which is available for payment of dividend for the purpose of redemption of optionally convertible preference shares.

NOTE: 21
OTHER RESERVES

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Money received against share warrants (@1 = Rs. 100)	@1	@1
	@1	@1

NOTE: 22
BORROWINGS

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Secured	-	
Unsecured		
Inter corporate deposits		
From related parties	11.37	11.37
Liability component of Compound financial instruments	3.30	2.87
	14.67	14.24

Essar Power Ltd.

ESSAR POWER LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

NOTE: 23
DEFERRED TAX LIABILITIES (NET)

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities		
Property, plant and equipment	67.70	70.52
Gross deferred tax liability	67.70	70.52
Deferred tax asset		
Unabsorbed depreciation	568.22	316.46
Provision for Doubtful Debts / ICD	125.73	127.32
Unabsorbed bussiness losses	10.06	9.92
Provision for doubtful Interest on ICD	44.70	44.70
Long term capital Loss	1,909.57	-
Interest Accrued but not due	64.03	41.53
Fair valuation of asset / liabilities	-	226.08
Gross deferred tax assets	2,722.31	766.01
Net deferred tax Assets	(2,654.61)	(695.49)
Net deferred tax Asset/liabilities recognised in Balance sheet	-	-

Management has decided not to create any deferred tax assets during the year because of continous loss in earlier years as well as in current year.

NOTE: 24
Lease Liability

	As at March 31, 2022	As at March 31, 2021
Lease Liability	0.16	0.83
Add: Interest Expense for the year	0.00	0.09
Less:- Lease liability paid during the year	-	(0.75)
Balance at the end of the year	0.16	0.16

NOTE: 25
BORROWINGS

	As at March 31, 2022	As at March 31, 2021
Secured	87.58	418.83
Secured Loan repayable on demand		
From banks		
From Parties	490.16	175.00
Working capital facility		
From banks		
Cash credit facilities	131.47	115.74
	709.21	709.57
Unsecured		
From banks	-	225.33
Inter corporate deposits		
From related parties	163.29	239.71
From others	-	-
	163.29	465.04
	872.50	1,174.61
Less: Unamortised upfront fee	-	23.22
	872.50	1,151.39

A. Securities provided to lenders

(a) Term loan facility of Rs. 49.99 Crore (Previous year Rs. 49.99 Crore) from Yes Bank Limited is secured/to be secured by first pari passu charge on all present and future movable and immovable fixed assets and current assets of the Company and its subsidiaries Essar Power Gujarat Limited and Essar Power (Orissa) Limited, pledge of certain shares of the Company held by Essar Power Hazira Holdings Limited, pledge (to be created) on certain shares of Essar Power (Orissa) Limited & Essar Power Gujarat Limited held by the Company and personal guarantee of Shri Prashant Ruia and Shri Ravi Ruia. The facility is additionally to be secured by Debt Service Reserve Account. The facility is additionally secured by second charge on surplus cash flows on sale of investments in Essar Power Hazira Limited and Essar Power (Orissa) Limited.It is pertinent to note that the facility has been closed in July 2022 and all the securities including pledge, corporate guarantee, third party securities have been released in August 2022.

Essar Power Ltd.

(b) Term loan facility of Rs. 302.84 Crore (Previous year Rs. 368.84 Crore) from Yes Bank Limited is secured / to be secured by first pari passu charge on present and future movable and immovable fixed assets of the Company and its subsidiary namely Essar Power Hazira Limited, escrow and exclusive charge on all cash flows arising from ICDs or sub-debt given by the Company to Essar Power Hazira Limited, first pari passu charge on all current assets of the Company except cash flows arising from ICDs or sub-debt given by the Company to Essar Power Hazira Limited on which Yes Bank Limited would have exclusive charge, pledge of certain shares of the Company held by Essar Power Hazira Holdings Limited, and personal guarantee of Shri Prashant Ruia and Shri Ravi Ruia. The facility is additionally to be secured by Debt Service Reserve Account. The facility is additionally secured by second charge on surplus cash flows on sale of investments in Essar Power Hazira Limited and Essar Power (Orissa) Limited.It is pertinent to note that the facility has been closed in July 2022 and all the securities including pledge, corporate guarantee, third party securities have been released in August 2022.

(i) **Previous Year :-** The term loan facility of Rs. 49.99 Crore (sanction amount of Rs.650 Crores) from Yes Bank Limited is repayable in six annual instalments as mentioned below:

35% on May 23, 2024 (Partly paid)
21% on May 23, 2023 (Prepaid)
14% on May 23, 2022 (Prepaid)
15% on May 23, 2019 (Prepaid)
9% on May 23, 2018 (Prepaid)
6% on May 23, 2017 (Prepaid)

(ii) **Previous Year** :- The term loan facility of Rs. 302.84 Crore (sanction amount of Rs.475 Crores) from Yes Bank Limited is repayable in six annual instalments as mentioned below
35% on September 30, 2024
21% on September 30, 2023
14% on September 30, 2022 (Partly paid)
15% on September 30, 2019 (Paid)
9% on September 30, 2018 (Prepaid)
6% on September 30, 2017 (Prepaid)

(c) With respect to rupee term loans from banks and financial institutions, principal instalment due is outstanding for 912 days (Previous year 547 days) and interest accrued and due on borrowings outstanding for 912 days (Previous year 547 days) as at March 31, 2022.

B. Securities provided to lenders

a) Working capital facility of Rs. 41.99 Crore (previous year Rs. 38.79 Crore) including interest amount and non fund bank guarantees of Rs.68 Crores (previous year Rs.68 Crores) from banks is secured by a first pari passu charge by hypothecation of inventories and receivables and a second pari passu charge on fixed assets of the Company and also guaranteed by Aaradhna Realities Limited (formerly known as Essar Investments Limited).

b) Working Capital Facility of Rs. 89.48 Crore (previous year Rs. 76.95 Crore) including interest amount for Pallivasal Project is guaranteed by EPC Constructions India Limited.

c) With respect to working capital facility from banks is overdrawn for 2554 days (previous year 2189 days) as on March 31, 2022.

Essar Power Ltd.

ESSAR POWER LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

C. During the previous year the company had entered a term loan agreement with Essar Steel Metal Trading Limited (ESMTL) for payment towards guarantee obligations under facilities availed by one of its subsidiaries i.e. Essar Power Gujarat Limited.
The Loan has been secured / to be secured subject to existing charges on its following assets:-
- movable & immovable fixed assets
- current assets ,receivables & book debts , bank accounts , inventory
- pledge of 20 % of paid up capital of EPOL
- all amount owing to, and received and/ or receivable by the company and / or any person (s) on its behalf in relation to sale, transfer, disposition of shares and / or invocation of shares (both equity & preference shares) held by the company in Essar Power Hazira Limited, both present and future

During the year the company had amended the First supplemental deed of Hypothecation executed with ESMTL. The unsecured amount upto Rs.130 Crore shall be secured vide this amendment.The Assets, security and receivables (both present and future) ("the Secured Assets") of the company which was hypothecated in favour of the Lender to secure amount of Rs. 175 Cr shall stand extended also for amount of Rs. 130 Cr in favour of the ESMTL in the same manner in which the said assets were hypothecated for Rs.175 C .By this first supplemental deed of hypothecation, the charge amount shall stand modified and extended from Rs. 175 Cr to Rs 305 Cr by addition of Rs.130 Cr. All other terms and conditions of the Original Deed (i.e. Deed of Hypothecation executed on 30th November 2020) shall remain the same. As per supplemental agreement, the total charge created (old and new) is subservient to existing charge holders.

D. During the year, the company entered a term loan agreement with Logan Advisors Limited for payment of towards settlement obligations of its existing debt. The company received Loan of Rs.185.23 Cr during the current year.The Loan has been secured / to be secured subject to existing charges on its following assets: -
- movable plant & machinery
- current assets, receivables & book debts, bank accounts, inventory
- pledge on 21,25,00,000 equity share capital of EPOL held by ESMTL
- all amount owing to, and received and/ or receivable by the company and / or any person (s) on its behalf in relation to sale, transfer, disposition of shares and / or invocation of shares (both equity & preference shares) held by the company in Essar Power Hazira Limited, both present and future.

E. Axis Bank Limited has approved the One Time Settlement (OTS) of its dues under NCDs facilities and certain exposures under bank guarantees. As per the OTS terms, the Company has paid part OTS amount till March 2022. The Company has paid the balance OTS amount alongwith interest till May 2022 on 31st May 2022 towards the agreed OTS amount for full and final settlement of NCDs subscribed by Axis Bank & certain exposure under bank guarantees. Accordingly, An OTS gain of Rs. 340.79 Crores has been considered in the books of accounts.(Read with note no 27 & Note no.35)

F.

Yes Bank has approved the One Time Settlement (OTS) of its dues . As per the OTS terms, the Company has paid part OTS amount till March 2022. The Company has paid the balance OTS amount alongwith interest till June 2022 on 29th June 2022 towards the agreed OTS amount for full and final settlement of term loan of Yes Bank and No dues certificate has been received dated July 25,2022. Accordingly, an OTS gain of Rs. 350.38 Crores has been considered in the books of accounts.(Read with note no 27 & Note no.35)

Essar Power Ltd.

ESSAR POWER LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

NOTE: 26

Trade payables

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Trade payables		
Total outstanding of micro and small enterprises	**0.11**	0.21
Others	**4.97**	4.95
	5.08	5.16

TRADE PAYABLES (CREDITORS) AGEING SCHEDULE

Rs. in Crore

	Outstanding for following periods from due date of payment			As at March 31, 2022
	Less than 1 yr.	1-2 yrs.	More than 3 yrs.	
(i) MSME	0.11	-	-	0.11
(ii) Others	4.40	-	0.56	4.96
(iii) Disputed dues- MSME	-	-	-	-
(iv) Disputed dues- Others	-	-	0.01	0.01
	4.51	-	0.57	5.08

TRADE PAYABLES (CREDITORS) AGEING SCHEDULE

Rs. in Crore

	Outstanding for following periods from due date of payment			As at March 31, 2021
	Less than 1 yr.	1-2 yrs.	More than 3 yrs.	
(i) MSME	0.21	-	0.56	0.77
(ii) Others	4.39	-	-	4.39
(iii) Disputed dues- MSME	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-
	4.60	-	0.56	5.16

NOTE: 27

OTHER FINANCIAL LIABILITIES

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Interest on Borrowings from:		
- Bank & Financial Insititution	**16.71**	83.59
- Others	**6.03**	-
Unpaid matured debentures and interest accrued thereon	**3,772.86**	3,364.44
Liability under under Corporate Gurantee	**785.00**	-
Other payables	**0.01**	0.04
Interest on optionally convertible cumulative redeemable preference shares	-	776.38
	4,580.61	4,224.45

(a) Security provided to lenders

10.25% and 12.00% non convertible Debentures of Rs. 249.26 Crore (Previous year Rs. 293 Crore) are secured by a first ranking charge in favour of Axis Trustee Securities Limited on all present and future fixed assets (including movable and immovable) of the Company.

(b) Terms of redemption of non convertible debentures and terms of repayment of rupee loan facility

(i) Redemption of 10.25% and 12.00% non convertible debentures is in eight annual instalments as mentioned below:

20% each on March 31, 2018 and March 31, 2017 (Partly Paid)

15% each on March 31, 2016 and March 31, 2015 (Partly Paid)

10% each on March 31, 2014 and March 31, 2013 (Paid)

5% each on March 31, 2012 and March 31, 2011 (Paid)

(c) Security provided to lenders

12.50% Non convertible debentures of Rs. 65.00 Crore (Previous year Rs. 74.00 Crore) is secured / to be secured by first pari passu charge on all present and future fixed assets (including movable and immovable) of the Company, Essar Power M. P. Limited, Essar Power (Orissa) Limited and its subsidiaries Essar Power Gujarat Limited, pledge of certain shares held by Essar Power Holdings Limited, escrow and pari-passu charge over the entire cash flows of the Company including cash flows arising out of the loans given to its subsidiaries by the Company and cash flows arising out of debentures issued by the Company and subscribed by various debenture holders and personal guarantee of Shri Prashant Ruia. The facility is additionally secured / to be secured by Debt Service Reserve Account (to be created in the form of Fixed Deposit). The facility is additionally secured by second charge on surplus cash flows on sale of investments in Essar Power Transmission Company Limited.The facility has been repaid in May 2022 and all the securities are being released.

Essar Power Ltd.

(d) Terms of redemption of non convertible debentures

(i) Redemption of 12.50% non convertible debentures is in three annual instalments as mentioned below:
Rs. 250.00 Crore on July 5, 2024 (Partly prepaid)

Rs. 250.00 Crore on July 5, 2023 (Prepaid)

Rs. 135.00 Crore on July 5, 2022 (Prepaid)

(e) With respect to non convertible debenture principal overdue for 1 day to 2805 days (Previous year 1 day to 2440 days) and interest accrued and due thereon for 1 day to 1914 days (Previous year 1 day to 1649 days) as at March 31, 2022.

(f)12.50% Non convertible debentures of Rs. 1,000.00 Crore (Previous year Rs. 1,000.00 Crore) is secured / to be secured by way of first pari passu charge on the fixed assets (freehold land, buildings and plant and machinery) of the Company and its subsidiaries. These debentures have been recalled by the holders thereof and legal proceedings have been initiated in the DRT-I, Mumbai during May 2017 in respect of the claim. The Company is contesting the claim and is taking appropriate steps to defend the proceedings before the DRT –I, Mumbai. The matter is being heard by DRT from time to time. In FY 2017-18 the debenture holder had filed two interim applications preventing the company from disposing off its certain assets. The DRT had passed an interim relief order directing the company not to dispose off its certain assets. The Company has submitted to the tribunal that it will comply with the interim relief order except for the assets that have been disposed prior to the date of the order. The matter is
Redemption of 12.50% non convertible debentures is in six annual instalments as mentioned below:
35% on September 11, 2024
21% on September 11, 2023
14% on September 11, 2022
15% on September 11, 2019
9% on September 11, 2018
6% on September 11, 2017

(g) The Company has recognised guarantee expenses of Rs.815 Crores payable to the lenders of Essar Power Jharkhand Limited (subsidiary of the Company) (EPJHL). EPJHL had been referred to NCLT and a liquidation order was passed by the Hon'ble NCLT on 3rd January 2020. The Company, Essar Global Fund Limited (EGFL) and Essar Energy Limited (EEL) are the guarantors for the debt facilities of EPJHL. As per the settlement deed executed between the lenders of EPJHL and the guarantors, a one time settlement amount (OTS) of Rs.1215 Crores has been agreed towards settlement of entire dues of EPJHL and release of guarantees. OTS amount is payable by any of the guarantor. In view of same, EGFL has already paid the first & second instalment amounting to Rs.400 Crores. The Company has paid Rs. 30 Crores and balance amount of Rs.785 Crores is payable alongwith interest to the lenders of EPJHL. The guarantors have sought extension of time for payment of balance OTS amount..

The time provided for payment under OTS is lapsed and the company is in discussion with lenders for extension of time for payment.

(h) Axis Bank Limited has approved the One Time Settlement (OTS) of its dues under NCDs facilities and certain exposures under Bank Guarantees. As per the OTS terms, the Company has paid part OTS amount till March 2022. The Company has paid the balance OTS amount alongwith interest till May 2022 on 31st May 2022 towards the agreed OTS amount for full and final settlement of NCDs subscribed by Axis Bank & certain exposure under Bank Guarantees. Accordingly, an OTS gain of Rs. 340.79 Crores has been considered in the books of accounts.(Read with Note no. 35)

(i) Punjab National Bank has approved the One Time Settlement (OTS) of its dues under NCDs facilities. As per the OTS terms, the Company has paid the approved OTS amount towards full and final settlement. The Company has paid the agreed OTS amount by 31st May 2022 for full and final settlement of NCDs subscribed by PNB and No Dues Certificate have been received dated June 16,2022. Accordingly, an OTS gain of Rs. 6.31 Crores has been considered in the books of accounts (Read with note no.35)

(j)Yes Bank has approved the One Time Settlement (OTS) of its dues . As per the OTS terms, the Company has paid part OTS amount till March 2022. The Company has paid the balance OTS amount alongwith interest till June 2022 on 29th June 2022 towards the agreed OTS amount for full and final settlement of term loan of Yes Bank and no dues certificate has been received dated July 25,2022. Accordingly, an OTS gain of Rs. 350.38 Crores has been considered in the books of accounts.(Read with note no 25 & Note no. 35)

(k) During the year Rs.776.38 Cr Interest on optionally convertible redeemable preference shares reversed as per confirmation received from respective companies dated 29th July 2022 that no amount is due or outstanding towards redemption premium and accumulated dividend for the optionally convertible redeemable preference shares converted into equity shares.(Read with note no 35).

NOTE: 28
CURRENT TAX LIABILITIES (NET)

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Provision for taxation	-	-
Less: Set-off of current tax assets pursuant to set-off provisions	-	-
	-	-

ESSAR POWER LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

NOTE: 29

OTHER CURRENT LIABILITIES

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Advance from customers	0.08	0.55
Statutory dues	1.08	0.18
	1.16	0.73

NOTE: 30

REVENUE FROM OPERATIONS

Rs. in Crore

	As at March 31,2022	As at March 31,2021
Sale of power and charges	1.80	1.82
Operation and maintenance charges (net of service tax)	50.85	-
Sale of services	-	2.70
	52.65	4.52

NOTE: 31

OTHER INCOME

Rs. in Crore

	As at March 31,2022	As at March 31,2021
Interest income on deposits with banks and others	0.51	0.52
Miscellaneous income	2.42	2.25
	2.93	2.77

NOTE: 32

EMPLOYEE BENEFIT EXPENSES

Rs. in Crore

	As at March 31,2022	As at March 31,2021
Salaries and wages	2.94	2.01
Contribution to provident and other fund	0.13	0.10
Staff welfare expenses	0.06	0.07
	3.15	2.19

NOTE: 33

OTHER EXPENSES

Rs. in Crore

	As at March 31,2022	As at March 31,2021
Production consumables	0.16	0.33
Consumption of water and water treatment	0.01	0.03
Repairs and maintenance		
Buildings	0.18	0.15
Plant and machinery	1.11	0.84
Others	38.57	0.34
Rent	0.34	0.01
Rates and taxes	0.49	1.17
Directors' fees	0.15	0.15
Insurance	0.20	0.26
Communication	0.03	0.02
Loss on disposal of property, plant and equipment	0.40	-
Travelling and conveyance	0.36	0.09
Legal and professional fees	4.62	1.27
Business promotion	0.06	0.01
Payments to Auditors		
As auditor	0.86	0.59
Miscellaneous expenses	1.63	0.54
	49.17	5.80

Essar Power Ltd.

NOTE: 34

FINANCE COST

Rs. in Crore

	As at March 31,2022	As at March 31,2021
Interest	672.91	569.16
Interest on compound financial instruments	0.44	0.26
Interest on optionally convertible redeemable preference shares	-	137.27
Other borrowing costs	10.35	11.03
Interest on lease liability	0.00	0.09
	683.70	717.81

NOTE: 35

EXCEPTIONAL ITEMS

Rs. in Crore

	As at March 31,2022	As at March 31,2021
Provision of doubtful deposits	34.88	88.55
Change in Fair value of investments	(375.72)	(626.80)
Reversal of Provision for impairment of investment	(3,855.25)	-
Loss on Sale of Non Trade Long Term Investments	921.00	-
Loss on Extinguishment of Non Trade Long Term Investments	2,923.96	-
Gurantee Expenses Payment under Corporate Gurantee	815.00	569.73
One Time Settelement Gain	(697.49)	(12.72)
Reversal of Interest on compound financial instruments	(0.05)	(1.21)
Reversal of impairment of property plant & equipment	(19.84)	(196.83)
Written Back of ICD Balances	(39.18)	(103.26)
Bad Debts Written Off	437.46	42.74
Reversal of Interest on optionally convertible redeemable preference shares	(776.37)	-
Written off unamortized NCD Fee	-	4.53
Reversal of Provision	(469.81)	(108.53)
Reinstate of Liability earlier written back	102.23	-
Reversal of write off	(0.65)	-
	(999.83)	(343.80)

(i) **Change in Fair value of investments** :- During the year, The company booked fair Value Gain on investment in his subsidiaries. As per Valuation Report The company has booked fair Value Gain of Rs.425 Cr in EPHL , Rs.0.30 Cr in EEPDCL and (Rs 49.58 Cr) futher provision created in EPGL.

(ii) **Reversal of Provision for impairnent of investment**

During the year entire stake held by Essar Power Limited in Bhander Power Limited and in Essar power orrissa Limited has been transferred to Essar Steel Metal Trading Limited.The company also did the Extinguishment of entire investment in Essar Power M.P. Ltd . For accoounting purpose the company has reversed the provision for investment created in earlier year of Rs.3855.25 Crore (BPOL- Rs.288.54 Cr ,EPORL- Rs.642.75 Cr, EPMPL- Rs.2923.96 Cr)

(iii) **Loss on Sale of Non Trade Long Term Investments**

During the year the company has received Rs.10.29 Crore consideration against sale of investment(BPOL - Rs.10.28 Cr & EPORL-Rs.0.01 Cr). The company booked Loss on sale of Non trade long term investment of Rs.921 Crore (BPOL- Rs.278.26 Cr & EPORL Rs- 642.74 Cr)

(iv) **Loss on Extinguishment of Non Trade Long Term Investments**

During the year the company booked Loss on Extinguishment of Non Trade Long Term Investments of Rs.2923.96 Cr in Essar Power M.P. Ltd

(v) **Written Back of Balances**

Essar Power Ltd (EPOL) has balance of Rs.39.18 Crores Inter Corporate deposits (ICDs) from its subsidiaries/other companies as at 31st March 2022. As reviewed by the Company management there is no demand notice from these companies and the company also received confirmations for write back from the related subsidiaries / other companies.Therefore the Company has written back the unsecured amount payable

Essar Power Ltd.

ESSAR POWER LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(vi) Bad Debts Written Off

(a) During the year the company has written off Rs.6 Cr ICD receivable ,Rs.1.96 Cr security deposit to Essar services Limited and Rs.0.04 Cr Advances to vendors as per management approval.

(b) As per recent order in respect of coal mines ,During the year Rs.40.34 Cr received from Ministry of coal relating to chakla coal mines , Balance Estimated amount receivable would be around Rs.40 Crore from Ministery of coal. In view of above after keeping balance to the extent amount of Rs.40 Crore , the company has written off the balance of Rs.429.43 Crore (ICD Principal - Rs.275.93 & ICD Interest- Rs.153.50) towards ICD Given to Essar power Jharkhand Limited

(vii) Reversal of Provision

During the year Rs.40.34 Cr received from Ministry of coal relating to chakla coal mines. As per Recent order in respect of coal mines , Balance Estimated amount receivable would be around Rs.40 Crore from Ministery of coal. In view of above after keeping balance to the extent amount of Rs.40 Crore , the company has reversed the balance provision to the extent of Rs.469.81 Crore (ICD Principal - Rs.316.31 & ICD Interest- Rs.153.50) created in earlier years towards ICD Given to Essar power Jharkhand Limited

(viii) Payment under Guarantee Obligation

During the year Rs. 815 crore recognised as guarantee expenses for lenders of Essar Power Jharkhand Limited (subsidiary of the Company) (EPJHL) . The provision had been made pursuant to liquidation order passed by the Hon'ble NCLT against the said subsidiary on 3rd Jan 2020. The Company was a guarantor of EPJHL term loan facilities along with Essar Globe Capital Fund (EGFL) and Essar Energy Limited . During the previous year a settlement deed was signed with ICICI bank wherein an one time settlement amount (OTS) of Rs.1215 cr has been arrived for liabilities in respect of the EPJHL Guarantees. As per the settlement deed, the amount is payable by any of the guarantor. EGFL has paid the first & second instalment amounting to Rs.400 crore and upon paying the balance amount of Rs.815 cr, all the guarantees provided for EPJHL will be released. In view of the same, the company has recognised as liability of Rs.815 Cr towards Guarantee Expenses

(ix) Provision for doubtful deposit

During the year The company created provision of Rs. 34.88 Cr against Inter corporate deposit given to Essar Power Gujarat Limited.

(x) Reversal of impairment of fixed assets

During the year the company has carried out impairment testing by Valuer of property plant & equipment as at 31 March 2022 , following factors considered for valuation of property plant & equipment

i. Land is valued at the adopted rate of land parcel based on Gujarat Industrial Development corporation (GIDC) allotment rate

ii. The Fair Value of movable assets including Plant & Machinery and other movable assets, namely, electrical equipment, has been estimated by using depreciated replacement cost (DRC) method under cost approach of valuation. The DRC is derived from the Gross Current Reproduction / Replacement Cost (GCRC) which is reduced by considering depreciation. The Depreciated Replacement Cost is adjusted towards the Obsolescence, Potential Profitability and Service Potential in order to estimate the Market Value 'In-Situ' of the plant & machinery.

In view of the above Valuation report dated 31st March 2022 issued by an Independent valuer. The valuer has considered Rs.255.61 Crores value for the property, plant and equipment as at 31st March 2022.

In view of the above factors the company has reversed impairment of property plant & equipment to the extent of Rs. 19.84 Cr.

(xi) One time settelement gain

(a) Axis Bank Limited has approved the One Time Settlement (OTS) of its dues under NCDs facilities and certain exposures under Bank Guarantees. As per the OTS terms, the Company has paid part OTS amount till March 2022. The Company has paid the balance OTS amount alongwith interest till May 2022 on 31st May 2022 towards the agreed OTS amount for full and final settlement of NCDs subscribed by Axis Bank & certain exposure under Bank Guarantees. Accordingly, an OTS gain of Rs. 340.79 Crores has been considered in the books of accounts.

(b) Yes Bank has approved the One Time Settlement (OTS) of its dues . As per the OTS terms, the Company has paid part OTS amount till March 2022. The Company has paid the balance OTS amount alongwith interest till June 2022 on 3Oth June 2022 towards the agreed OTS amount for full and final settlement of term loan of Yes Bank and No Dues Certificate have been received dated July 25,2022. Accordingly, an OTS gain of Rs. 350.38 Crores has been considered in the books of accounts.

(c) Punjab National Bank has approved the One Time Settlement (OTS) of its dues under NCDs facilities. As per the OTS terms, the Company has paid the approved OTS amount of towards full and final settlement. The Company has paid the agreed OTS amount by 31st May 2022 for full and final settlement of NCDs subscribed by PNB nd No Dues Certificate have been received dated June 16 ,2022. Accordingly, an OTS gain of Rs. 6.31 Crores has been considered in the books of accounts.

(xii) Reversal of Interest on optionally convertible redeemable preference shares

During the year Rs.776.38 Cr Interest on optionally convertible redeemable preference shares reversed as per confirmation received from respective companies dated 29th July 2022 that no amount is due or outstanding towards redemption premium and accumulated dividend for the optionally convertible redeemable preference shares converted into equity shares.(Read with note no 27).

(xiii) Reinstate of Liability

During the year, the company has reinstate the liability of Rs.102.23 Cr Brahmani Thermal Power Limited which were written back in earlier years as vendor has been demanding the outstanding dues.

Essar Power Ltd.

NOTE: 36

TAX EXPENSE

(a) **Reconciliation of tax expense and the accounting profit multiplied by India's tax rate**

Rs. in Crore

	As at March 31,2022	As at March 31,2021
Accounting profit / (loss) before tax	**309.71**	(379.53)
Tax at the Indian statutory tax rate of 29.120% (Previous year 29.120%)	**90.19**	(110.52)
Non-deductible expenses for tax purpose:		
Exceptional Item	**(291.15)**	(100.11)
Current Tax of Joint Operations	-	-
Interest on Loans	**188.87**	165.73
IND AS Adjustments	**0.13**	40.05
Tax holidays/non-taxable income	-	0.00
Items deducted in tax computation, but not affecting Accounting Profit/Loss:		
Major Overhauling Expenses	**(0.01)**	(0.01)
Write Off of Debtors	-	-
Deferred tax not recognised	**11.97**	4.86
Tax expenses recognised in the statement of profit and loss	(0.00)	(0.00)

NOTE: 37

EARNINGS PER SHARE (EPS)

	As at March 31,2022	As at March 31,2021
Loss as disclosed in statement of profit and loss (Rs. in crore)	**309.87**	(379.84)
Less: Dividend on compulsorily convertible cumulative preference shares	**(0.34)**	(0.34)
Loss attributable to equity shareholders (Rs. in crore)	**309.54**	(380.17)
Weighted average number of equity shares outstanding during the year for the calculation of Basic EPS	**12,18,63,37,527**	12,18,63,37,527
Basic EPS (in Rs.)	**0.25**	(0.31)
Loss after tax attributable to equity shareholders (Rs. in crore)	**309.54**	(380.17)
Add: Dividend on compulsorily convertible cumulative preference shares	**0.34**	0.34
Loss after tax attributable to equity shareholders adjusted for the effect of dilution (Rs. in crore)	**309.87**	(379.84)
Weighted average number of equity shares outstanding during the year for the calculation of Basic EPS	**12,18,63,37,527**	12,18,63,37,527
Add: CCPS	**6,99,39,91,736**	6,99,39,94,380
Weighted average number of equity shares outstanding during the year for the calculation of Diluted EPS	**19,18,03,29,263**	**19,18,03,31,907**
Diluted EPS (in Rs.)	**0.25**	(0.31)
Nominal value per share (in Rs.)	**4.00**	4.00

NOTE: 38

CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

(to the extent not provided for)

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
i. **Contingent liabilities**		
a) Income tax/sales tax liability not charged to statement of profit and loss due to pending appeal cases #	**68.53**	68.50
b) Service tax liability not charged to statement of profit and loss due to pending appeal cases	**2.15**	2.15
c) Disputed tax on sale of electricity (excluding interest) *	**45.91**	45.91
d) Liability towards ship or pay charges not acknowledged by the company due to matter under litigation **	**15.44**	15.44

Essar Power Ltd.

* The above levy including interest thereon, if adjudged as payable, would be reimbursable to the Company by AMNS India Limited as per the terms of power purchase agreement with them.

** The above levy, if adjudged as payable, would be reimbursable to the Company by Gujarat Urja Vikas Nigam Limited as per the terms of power purchase agreement with them.

* Tax on sale of electricity aggregating to Rs. 8.65 Crore paid/adjusted against the aforesaid dues in an earlier year have been included under Short Term Loans and Advances in Note 18.

Income Tax Litigation demand :-Income Tax Litigation demand of Rs. 0.03 Cr is Added in current year relating to financial Year 2021-22.

NOTE: 39

Corporate Gurantee	As at March 31, 2022	As at March 31, 2021
Guarantees provided for loan facilities availed by subsidiary companies	3,758.00	4,801.79

(i) **Essar Power Gujarat Limited (EPGL)**

EPGL has been under shut down since March 2021 on account of very high coal prices and an unviable SPPA which does not allow complete coal cost pass through. In April 2022, on account of severe power shortage in the country, Ministry of Power (MoP), GoI conducted various meetings with State Governments, Discoms, Generators and Lenders for restarting the various shut power plants. MoP even notified section 11 of the Electricity Act 2033 making plant operations mandatory. EPGL situation was discussed threadbare and a Tripartite Agreement (TPA) was proposed to executed between EPGL, GUVNL and SBI for plant restart. However subsequent to finalisation of the draft, Lenders led by SBI backed out from TPA execution and therefore plant could not start.

Recently through further follows up meetings between GoG, GUVNL and EPGL, GUVNL has agreed to release Rs 100 crore as advance towards plant restart and EPGL promoters have agreed to infuse Rs 25 crore promoter support. Company is awaiting No Objection from Lenders based on which GUVNL will take necessary approvals and release Rs 100 crore to EPGL. Once the funds are released, EPGL will restart plant operations.

EPGL has submitted a One Time Settlement (OTS) offer to its consortium of Lenders of Rs 1600 crores towards full and final settlement of entire Rupee Term Loans and working capital loans along with all interests, charges and penalties (if any). Out of Rs 1600 crores, 10% upfront amount constituting to Rs 160 crore has already been arranged and offered to lenders. EPGL is awaiting confirmation from Lenders that the OTS process is in progress and is awaiting suspension of NCLT proceedings from the Lenders side.

(iii) **Essar Power Transmission Company Limited (EPTCL)**

The Company has given Corporate Guarantees (including interest amount) to lenders which had provided loans to Essar Power Transmission Limited ("EPTCL"), a subsidiary of the Company, for implementation of power transmission line.
During the year lenders of EPTCL have approved the restructuring plan and the same has been implemented in June 2020 Quarter. The revenue inflow in the Company is continuous and account has been upgraded by the lenders as standard.
In view of the same, the possibility of an outflow of resources embodying economic benefits is remote

(iv) Essar Power Jharkhand Limited (EPJHL)

Based on the insolvency proceedings against EPJHL before the National Company Law Tribunal, New Delhi ("NCLT"), liquidation order has been passed by the NCLT on 3rd Jan 2020.
EGFL, EEL & EPL are the guarantors of EPJHL facilities.
During the year settlement deed was signed with ICICI bank wherein an one time settlement amount (OTS) of Rs.1215 cr has been arrived for liabilities in respect of the EPJHL Guarantees. As per settlement deed, the amount is payable by any of the guarantor. EGFL has paid the first & second instalment amounting to Rs.400 cr and upon paying the balance amount of Rs.815 cr, all the guarantees provided for EPJHL will be released. In view of the same, the possibility of an outflow of resources embodying economic benefits is remote, hence the company has not provided for.

During the year the company recognised as expenses of all the Guarantee of Rs.815 crore in books of accounts.

(v)**Essar Power Hazira Limited (EPHL)**

The Company has given corporate guarantees (including interest amount) of Rs 701 crores to lenders of EPHL. During the Year EPHL has paid its overdues to the lenders and account has been classified as standard.
Therefore, the possibility of an outflow of resources embodying economic benefits is extremely remote

NOTE: 40
EMPLOYEE BENEFITS

i. **Defined contribution plans**
The amount of contribution to provident fund debited to statement of profit and loss is Rs. 0.13 Crore (Previous year Rs. 0.10 Crore).

ii. **Defined benefit plans**
Gratuity
The Company provide for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Under the act, employees who are in continuous service for a period of five years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the last drawn basic salary per month computed proportionately for 15 days salary for each completed year of service. The plan is funded through Gratuity Scheme administrated by Life Insurance Corporation of India and SBI Life Insurance. The company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments. The Fund Balance as on 31 March 2022 is Rs 0..02 Crore.

Net employee benefit (gain) / expense (recognised in employee cost)

Rs. in Crore

	As at March 31,2022	As at March 31,2021
Statement of profit and loss:		
Current service cost	**0.02**	0.01
Net interest expenses / (income)	**(0.00)**	(0.02)
	0.02	(0.01)
Other comprehensive income		
Remeasurements	**(0.16)**	0.31
Return on plan assets {excluding amounts included in net interest expense / (income)}	-	-
	(0.16)	0.31
Defined Benefit Cost	**(0.15)**	0.30

Balance sheet:
Net Assets/(Liability) recognised in the balance sheet

Rs. in Crore

	As at March 31,2022	As at March 31,2021
Present value defined benefit obligation	**(0.35)**	(0.47)
Fair value of plan assets	**0.52**	0.49
Deficit	**0.17**	0.02
Less: Effect of asset ceiling	-	-
Net Asset / (liability) recognised in the balance sheet	**0.17**	0.02

Changes in the present value of the defined benefit obligation are as follows:

Rs. in Crore

	As at March 31, 2022	As at March 31,2021
Opening defined benefit obligation	**0.46**	0.14
Current service cost	**0.02**	0.01
Interest expenses	**0.03**	0.00
Acquisition Cost / (Credit)	**(0.16)**	0.18
(Gain) / loss in changes in financial assumptions	**0.00**	0.00
Benefits paid	**0.16**	(0.18)
Amount recognised in OCI	**(0.16)**	0.31
Closing defined benefit obligation	**0.35**	**0.46**

Changes in the fair value of plan assets are as follows:

Rs. in Crore

	As at March 31, 2022	As at March 31,2021
Opening fair value of plan assets	**0.48**	0.45
Acquistion adjustment	-	0.18
Interest income	**0.03**	0.02
Return on plan assets excess / (less) than discount rate	**0.00**	0.00
Benefits paid	-	(0.18)
Employer contributions	**0.00**	0.00
Closing fair value of plan assets	**0.51**	**0.48**

Essar Power Ltd.

The details of plan assets from the insurer are not available and hence the disclosure thereof is not made.

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Rs. in Crore

	For the year ended March 31,2022	For the year ended March 31,2021
Discount rate	**6.50%**	6.20%
Expected rate of return on assets	**0.00%**	0.00%
Salary escalation rate	**7.00%**	7.00%
Employee turnover	**0.00%**	0.00%
Mortality table (Indian Assured Lives Mortality (2006-08) Ult. Method)		

(i) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(ii) The expected rate of return on plan asset is based on market expectation for the entire life of related obligation.

(iii) The discount rate as at balance sheet is based on the prevailing market yields of government bond as at March 31, 2022 for the estimated term of the obligations.

Sensitivity analysis

	For the year ended March 31,2022
Defined benefit obligation on base assumption as at March 31, 2022	**0.35**
Discount rate	**6.50%**
Effect of defined benefit obligation due to 0.5% increase in discount rate	**(0.00)**
Effect of defined benefit obligation due to 0.5% decrease in discount rate	**0.00**
Salary escalation rate	**7.00%**
Effect of defined benefit obligation due to 0.5% increase in salary escalation rate	**0.00**
Effect of defined benefit obligation due to 0.5% decrease in salary escalation rate	**(0.00)**
Withdrawl rate	**10.00%**
Effect of defined benefit obligation due to 0.5% increase in discount rate	**0.00**
Effect of defined benefit obligation due to 0.5% decrease in discount rate	**(0.00)**

Risk exposure

The Gratuity scheme is a final salary defined benefit plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawl. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

(a) Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bonds yields fall, the defined benefit obligation will tend to increase.

(b) Salary inflation risk: Higher than expected increases in salary will increase the defined benefit obligation.

(c) Demographic risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawl, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discounts rate and vesting criteria. It is important not to overstate withdrawls because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Description of funding arrangement and policies

The scheme is funded by way of a separate irrevocable Trust and the Company is expected to make regular contributions to the trust. The fund is managed by insurance companies and the assets are invested in their conventional group gratuity product. The fund provides a capital guarantee of the balance accumulated and declares interest periodically that is credited to the fund account. The fund manager invests the funds as per products approved by IRDA and investment guidelines as stipulated under section 101 of IT Act, the exact asset mix is unknown and not publically available.

The Trust assets managed by the fund manager are highly liquid in nature and there is no significant liquidity risks.

The expected contribution to be made by the Company during the financial year 2022-23 is Nil.

The weighted average duration of the defined benefit obligation is Nil years (Previous year Nil years).

The expected maturity analysis of undiscounted gratuity benefit is as follows:

Rs. in Crore

	As at March 31,2022	As at March 31,2021
Less than a year	**0.04**	0.05
Between 1 - 2 years	**0.04**	0.05
Between 2 - 5 years	**0.32**	0.37
Over 5 years	**0.06**	0.16
	0.46	0.63

Essar Power Ltd.

ESSAR POWER LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

NOTE: 41
FINANCIAL INSTRUMENTS

i. The classification of each category of financial instruments and their carrying amounts are as below;

Rs. in Crore

	As at March 31, 2022			As at March 31, 2021		
	FVPL	FVOCI	Cost/Amortised costs	FVPL	FVOCI	Cost/Amortised costs
A. Financial assets						
Non current						
Investments	2,007.43	-	-	2,772.52	-	-
Loans	-	-	0.05	-	-	2.01
Other financial assets	-	-	1.12	-	-	0.31
Current						
Investments	-	-	-	-	-	-
Investments Held for sale	1,143.00					
Trade receivables	-	-	1.067.14	-	-	1.067.15
Cash and cash equivalents	-	-	0.92	-	-	0.52
Bank balances other than above	-	-	10.91	-	-	10.97
Loans	-	-	11.83	-	-	11.72
Other financial assets	-	-	0.35	-	-	0.26
	3,150.43	-	1,092.32	2,772.52	-	1,092.94
B. Financial liabilities						
Non current						
Borrowings	-	-	14.67	-	-	14.24
Current						
Borrowings	-	-	872.50	-	-	1,174.61
Trade payables	-	-	5.08	-	-	5.16
Other financial liabilities	-	-	4.580.61	-	-	4.224.45
	-	-	5,472.86	-	-	5,418.46

ii. Fair value off financial assets and liabilities measured at cost/ amortised cost are as below;

Rs. in Crore

	As at March 31, 2022		As at March 31, 2021	
	Carrying value	Fair value	Carrying value	Fair value
A. Financial assets				
Non current				
Investments	2.007.43	2.007.43	2.772.52	2.772.52
Investments held for sale	-	-	-	-
Loans	0.05	0.05	2.01	2.01
Other financial assets	1.12	1.12	0.31	0.31
Current				
Investments	-	-	-	-
Trade receivables	1,067.14	1,067.14	1,067.15	1,067.15
Cash and cash equivalents	0.92	0.92	0.52	0.52
Bank balances other than above	10.91	10.91	10.97	10.97
Loans	11.83	11.83	11.72	11.72
Other financial assets	0.35	0.35	0.26	0.26
	3,099.75	3,099.75	3,865.46	3,865.46
B. Financial liabilities				
Non current				
Borrowings	14.67	14.67	14.24	14.24
Current				
Borrowings	872.50	872.50	1,174.61	1,174.61
Trade payables	5.08	5.08	5.16	5.16
Other financial liabilities	4,580.61	4,580.61	4,224.45	4,224.45
	5,472.86	5,472.86	5,418.46	5,418.46

(a) The carrying amounts of current financial assets and current financial liabilities are considered to be the same as their fair values, due to short-term natu

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

Essar Power Ltd.

(c) The fair values of long term loans, security deposits and investments in preference shares were calculated based on cash flows discounted using as current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk

(d) The fair values of non current borrowings are based on discounted cash flows using as current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs including own credit risk

iii. Fair value hierarchy

Quantitative disclosure of fair value measurement hierarchy of financial assets and liabilities of the Company are as below;

Rs. in Crore

	As at March 31, 2022			As at March 31, 2021		
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
A. Financial assets						
Non current						
Investments	-	-	**2,007.43**	-	-	2,772.52
Investments held for sale			**-**	-	-	-
Loans	-	-	**0.05**	-	-	2.01
Other financial assets	-	-	**1.12**	-	-	0.31
Current						
Investments	-	-	**-**	-	-	-
Trade receivables	-	-	**1,067.14**	-	-	1,067.15
Cash and cash equivalents	-	-	**0.92**	-	-	0.52
Bank balances other than above	-	-	**10.91**	-	-	10.97
Loans	-	-	**11.83**	-	-	11.72
Other financial assets	-	-	**0.35**	-	-	0.26
	-	-	**3,099.75**	-	-	3,865.46
B. Financial liabilities						
Non current						
Borrowings	-	-	**14.67**	-	-	14.24
Current						
Borrowings	-	-	**872.50**	-	-	1,174.61
Trade payables	-	-	**5.08**	-	-	5.16
Other financial liabilities	-	-	**4,580.61**	-	-	4,224.45
	-	-	**5,472.86**	-	-	5,418.46

NOTE: 42

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities, comprise rupee term loans, debentures, inter corporate deposits and trade payables. The main purpose of these financial liabilities is to raise finance for the Company's operations, invesment in subsidiaries for implementation of power projects and capital expenditures. The Group has various financial assets such as trade receivables, cash, and inter corporate deposits, which arise directly from its operations and / or from the financial liability.

The management agrees and reviews policies for managing different type of risks associates with the nature of the business and operations of the Company. Significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, in respect of each class of financial asset, financial liabilities and equity instrument are disclose in Note 2 to the financial statements.

The main risks arising from the Company's financial instruments are interest rate risk, liquidity risk and credit risk which are summarised below:

Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates which expose the Company to cash flow interest rate risk. The Companies' fixed rate borrowings including cumulative redeemable preference shares are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future interest cash flows will fluctuate because of a change in market interest rates. (Refer note 19)

Essar Power Ltd.

The following table provides a breakdown of the Company's fixed and floating rate borrowings:

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Fixed rate borrowings	**2,065.70**	1,808.11
Floating rate borrowings	**131.47**	696.76
	2,197.17	2,504.87

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, being a 0.5% increase or decrease in interest rate, with all other variables held constant, of the Company's profit before tax due to the impact on floating rate borrowings.

Rs. in Crore

	March 31, 2022	March 31, 2021
Effect on profit before tax:		
Base Rate*- decrease by 50 bps	**1.34**	1.80
	1.34	1.80

* Base Rate ('BR') set by individual Indian banks in respect of their loans.

The impact of a 50 bps increase in interest rates on profit before tax will be as disclosed above with the exception that gains would be converted to losses.

Credit risk

Credit risk is the risk of financials loss to the Company if a counter party to a financial instrument fails to meet its contractual obligation and arises from cash and cash equivalents, bank deposits as well as credit exposures to other outstanding receivables.

The Company is currently having transactions with recognised and creditworthy third parties and companies under the same management and hence credit risk is considered to below. Cash and cash equivalents and bank deposits are held in banks with high credit ratings. The Company has an inter corporate deposits to Rs. 168.87 Crore out of which Provision of Rs. 157.10 Crore has been made. In addition, receivable balances are monitored on an ongoing basis.

Ageing of past due receivables is as follows:

Rs. in Crore

	As at March 31, 2022			As at March 31, 2021		
	Gross Carrying Amount	**Expected Credit Loss**	**Carrying Amount (Net of Impairment)**	Gross Carrying Amount	Expected Credit Loss	Carrying Amount (Net of Impairment)
Not Due	**0.17**	-	**0.17**	0.19	-	0.19
0-30 days	**0.00**	-	**0.00**	0.02	-	0.02
31-60 days	-	-	-	-	-	-
61-90 days	-	-	-	-	-	-
91-120 days	-	-	-	-	-	-
120-365 days	-	-	-	-	-	-
1 - 5 years	**0.10**	-	**0.10**	0.10	-	0.10
More than 5 years	**1,066.86**	-	**1,066.86**	1,066.86	-	1,066.86
	1,067.14	-	**1,067.14**	1,067.17	-	1,067.17

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financials liabilities that are settled by delivering cash or another financial asset. The Company's approach to manage liquidity is to ensure, as far as possible, that it wll have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

Essar Power Ltd.

Rs. in Crore

As at March 31, 2022	Less than 1 year	1-2 years	2-5 years	More than 5 years	Total
Debentures	1,367.00	-	-	-	1,367.00
Rupee Term Loans	87.58	-	-	-	87.58
Inter Corporate Deposit	163.29	11.37	-	-	174.66
Liability Component of Compound Financial Instruments	0.44	-	2.86	-	3.30
Optionally Convertible Cumulative Redeemable Preference Shares	-	-	-	-	-
Cumulative Redeemable Preference Shares	-	-	-	-	-
Working Capital Facility	131.47	-	-	-	131.47
Other Short Term Borrowings	490.16	-	-	-	490.16
Trade payables	5.08	-	-	-	5.08
Other financial liabilities	3,913.61	-	-	-	3,913.61
	6,158.63	11.37	2.86	-	6,172.86

Rs. in Crore

As at March 31, 2021	Less than 1 year	1-2 years	2-5 years	More than 5 years	Total
Debentures	1,372.70	-	-	-	1,372.70
Rupee Term Loans	418.83	-	-	-	418.83
Inter Corporate Deposit	239.71	11.37	-	-	251.08
Liability Component of Compound Financial Instruments	0.21	-	2.66	-	2.87
Optionally Convertible Cumulative Redeemable Preference Shares	-	-	-	-	-
Cumulative Redeemable Preference Shares	-	-	-	-	-
Working Capital Facility	75.81	-	-	-	75.81
Other Short Term Borrowings	400.33	-	-	-	400.33
Trade payables	5.16	-	-	-	5.16
Other financial liabilities	2,891.64	-	-	-	2,891.64
	5,404.39	11.37	2.66	-	5,418.42

Capital management

The Company's objectives while managing capital are to safeguard its ability to continue as a going concern and to provide adequate returns for its shareholders and benefits for other stakeholders. The Company's policy is generally to optimise borrowings at an operating company level within an acceptable level of debt. Equity funding for existing operations or new acquisitions is raised centrally, first from excess cash and then from new borrowings while retaining on an acceptable level of debt as per the approved financing plans. The Company's policy is to borrow using a mixture of long-term and short-term debts together with cash generated to meet anticipated funding requirements.
The Company monitors capital using a gearing ratio, which is calculated as underlying net debt divided by total equity including reserves and surplus plus underlying net debt. The Company measures its underlying net debt as total debt including current maturities of long term borrowings (but excluding short term working capital facilities, inter corporate deposit taken, optionallay convertible cumulative preference shares, cumulative redeemable preference shares, liability component of compound financial instrument) reduced by cash and cash equivalents and bank deposits. Total equity includes equity attributable to the equity holders of the Company.

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Interest-bearing loans and borrowings	2,254.17	2,521.62
Less: cash and cash equivalents	(12.95)	(11.80)
Less: inter corporate deposit given	(168.67)	(450.07)
	2,072.55	2,059.75
Less:		
Working capital loans	(131.47)	(75.81)
Cumulative redeemable preference shares	-	-
Liability Component of Compound Financial Instruments	(3.30)	(2.87)
	(134.77)	(78.68)
Underlying net debt	1,937.78	1,981.07
Total equity	(912.24)	(1,222.06)
Equity and underlying net debt	1,025.54	759.01
Gearing ratio	189%	261%

Essar Power Ltd.

ESSAR POWER LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

NOTE: 43
RATIOS
The following are analytical ratios

	Particulars	Numerator	Denominator	As at March 31.2022	As at March 31.2021	Reasons
a	**Current Ratio**	Current Assets	Current Liabilities	**42.06%**	21.40%	
b	**Debt Equity Ratio**	Total Long term borrowings+Total	Shareholders Equity	**-599.38%**	-441.07%	
c	**Debt service coverage ratio**	Earnings before Interest, Tax and Exceptional Items	Interest Expense + Principal repayments made during the period for long term loans	**5.36%**	0.05%	
d	**Return on Equity**	Net Income	Shareholders Equity	**33.97%**	-31.08%	
e	**Inventory Turnover Ratio**	Cost of Goods Sold	Average Inventories of Finished Goods, Stock-in process and Stock in trade	**20.46%**	18.73%	Being power manufacutrer, there is no finished goods
f	**Trade Receivables Turnover Ratio**	Net Credit Turnover	Average Trade Receivables	**4.93%**	0.42%	
g	**Trade Payables Turnover Ratio**	Net Credit Purchases	Average Trade Payables	**960.35%**	73.37%	
h	**Net Capital Turnover Ratio**	Total Sales	Shareholder's Equity	**-5.77%**	-0.37%	
i	**Net Profit ratio**	Profit after Tax	Value of Sales & Services	**588.56%**	-8403.54%	
g	**Return on Capital Employed**	Earnings before interest and tax (EBIT)	Capital Employed	**-3.50%**	0.07%	
h	**Return on Investment**	Net income on sale of investment/Investment gain	Cost of investment/investment base	**0.00%**	0.00%	

Essar Power Ltd.

NOTE: 44
SEGMENT INFORMATION

The operations of the Company are limited to one segment, namely power generation. All the assets and revenue earned by the Company are in India. The Company has earned more than 10% of its revenues from a single customer.

NOTE: 45
JOINT OPERATIONS

(a) The Company was alloted a coal mine block at Mahan, District Singrauli, Madhya Pradesh jointly with Hindalco Industries Limited. The Mahan Coal Limited (MCL) was formed for mining of coal from the Mahan Coal block jointly awarded to the Company and Hindalco Industries Limited. The Company has an investment of Rs. 32.25 Crore (Previous year Rs. 32.25 Crore) as at March 31, 2022, representing 50.00% (Previous year 50.00%) shareholding in MCL. The Mahan Coal mine was cancelled vide Hon'ble Supreme Court in September, 2014. The Company has made a provision for diminution in the value of its investments in MCL amounting to Rs. 20.72 Crore.

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Country of incorporation	**India**	India
Percentage (%) of share in Joint Venture	**50.00%**	50.00%
Assets		
Cash and cash equivalents	**0.04**	0.00
Bank balances other than cash and cash equivalents	-	-
Loans	**0.22**	0.15
Other financial assets	-	-
Current tax assets (net)	**0.00**	0.00
Other current assets	**11.14**	11.14
Liabilities		
Trade Payables	**0.03**	0.06
Provisions	-	-
Other current liabilities	-	0.01
Income	-	-
Expenses	**0.02**	**0.19**

(b) MCL filed application Before the National Company Law Tribunal, Western Region Bench, at Ahmadabad for subscribed, issued and paid up equity share capital of the Company be reduced from Rs. 1,905,000,000 (Rupees One Hundred Ninety Crore Fifty Lacs only) divided into 19,05,00,000 (Nineteen Crore Five Lacs) equity shares of Rs. 10/- each, fully paid up to Rs. 825,000,000 (Rupees eighty two crorefifty lakh only) divided into 82,500,000 (Eight crore twenty five lakh only) equity shares of Rs. 10/- each and the surplus amount, i.e. 108,00,00,000 (Rupees One hundred and eight crore only) , being in excess of the wants of MCL be paid to the shareholders. The case is disposed by the NCLT Ahmedabad with no deviation from the scheme.

NOTE: 46
The Company is considered to be established with the object of providing infrastructure facilities (as defined in schedule VI of the Companies Act, 2013) and accordingly, Section 186 of the Companies Act, 2013 is not applicable to the Company.

NOTE: 47

The terms of section 135 of the Companies Act, 2013 and related rules pertains to corporate social responsibilities are applicable to the company, however, on account of losses in the immediately preceeding three financial years the company is not required to spend any sum on corporate social responsibility activities for the current year.

NOTE: 48
As the company was unable to carry its main business activity of power generation due to higher gas prices rendering the operations unviable and the plant being un-operational throughout the year, it resulted in the interest income (before waiver) on amounts extended to its SPVs involved in power generation business becoming along with the gain generated from the sale of its investments, higher than the operational income, triggering the requirement for registration as Non Banking Financial Company (NBFC). Since the company never carried on the business of NBFC, it applied for and and is awaiting the RBI exemption from registration as a NBFC for FY 2016-17, FY 2017-18 , FY 2018-19 , FY 2019-20 , FY 2020-21 & FY 2021-22.The company had earlier received similiar exemption from RBI for the FY 2015-16.

Essar Power Ltd.

NOTE: 49

The remuneration paid to its ex-Managing Director of Rs. 4.76 crore in FY 15-16 and Rs. 4.44 crore in FY 14-15 was in excess of limits specified under section 197 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013. The Company is considering recovery of the excess remuneration.The company had made various efforts to recover Rs. 9.20 Crore However in view of non recovery, the company had written off this amount during the pevious year as part of operation & maintenace expenses.

NOTE: 50

Previous years figures have been regrouped / rearranged whenever necessary to conform to the current year's presentations.

NOTE: 51

RELATED PARTY DISCLOSURE

Disclosure of related party transactions and balances as required by Indian Accounting Standard - 24 (Ind AS 24) "Related party disclosures" are as follows

(A) Holding Companies

1. Ultimate Holding Company - Essar Global Fund Limited, Cayman Islands (EGFL)
2. Intermediate Holding Company - Essar Energy Limited (EEL) {formerly known as Essar Energy PLC (till July 21, 2014)}
3. Holding Company - Essar Power Holdings Limited (EPOHL)

(B) Parties with whom transactions have been entered into during the year in the ordinary course of business are:

(a) Subsidiaries

1) Bhander Power Limited (BPOL) (Till 21 January 2022)
2) Essar Electric Power Development Corporation Limited (EEPDCL)
3) Essar Power Transmission Company Limited (EPTCL)
4) Essar Power Overseas Limited (EPOVSL)
5) Essar Power Hazira Limited (EPHL)
6) Essar Power (Jharkhand) Limited (EPJL) (Under liquidation from January 3,2020)
7) Essar Power Gujarat Limited (EPGL)
8) Essar Power (Orissa) Limited (EPORL) (Till 03 March 2022)
9) Integrate Offshore Private Limited (IOPL) (w.e.f.Aug 04, 2021)
10) Kumudini Power Limited (KPL) (w.e.f Aug 04,2021)
11) Metanergy Powerex Limited (MPL) (FKA Mahan Coalfield Limited) (w.e.f. Jan 18,2022)
12) Ultra Lng Urja Limited (ULUL)

(b) Fellow Subsidiaries

1) Essar Wind Power Private Limited (EWPPL)
2) Essar Power Hazira Holdings Limited (EPHHL)
3) Renjoules International Limited (FKA Clean Joules International Limited)d

(c) Enterprises commonly controlled or influenced by major shareholders / directors of the Company:

1) EPC Constructions India Limited (formerly known as Essar Projects (India)
2) Black Box Limited (FKA AGC Networks Limited)
3) Essar Ports Limited (formerly known as Essar Africa Holdings Limited)
4) Essar Minerals Resources Limited (EMRL)
5) Tirunelveli Wind Farms Limited (TWFL)
6) Lucent Bio-Green Fuels Limited
7) Ambeshwar Engineering Hydro Project Limited (AEHP)
8) Arkay Logistics Limited (fka Essar Logistics Limited)
9) Aaradhna Realities Limited (formerly known as Essar Investments Limited)
10) Edwell Infrastrucure Hazira Limited
11) Essar Steel Metal Trading Limited (ESMTL)

(d) Key Management Personnel

1) Shri Kush CEO (w.e.f. October 01, 2020)
2) Shri Vinod Jain , CFO (Till. Feb 08, 2022)
3) Shri Kapil Singla , CFO (w.e.f March 26 ,2018)
4) Shri C S Krishnakumar , Director (w.e.f March 25 ,2022)
5) Ms. Priya Chakravarty , Director (Till Aug 03 ,2022)
6) Shri Vishnu Dutt Mutha , Director (w.e.f May 17 ,2022)
7) Shri Pratik Garg , Director (Till September 17, 2021)
8) Shri Vaibhav Angel , Director (Till September 17, 2021)
9) Smt Rachna Luharuka , Director (Till June 08, 2021)
10) Shri Prakash Khedekar, Company Secretary (w.e.f. Sept 20 2018)

Refer Annexure A for details of transactions and outstanding balances as at Balance Sheet date with related parties.

Essar Power Ltd.

NOTE: 52

The Company has not been disclosed or surrender any Income during any previous years in the course of Income Tax Assessment proceedings, Survey or any other relevant provision of the Income Tax Act,1961. All transaction, Incomes & Assets are duly recorded in books.

NOTE: 53 Additional Disclosures

(i) Title deeds of Immovable Property not held in name of the Company :- The Company has not owned any property other than property owned by the Company. No proceedings initiated or pending against the Company under Benami Transactions (Probhitions) Act, 1988.All the immovable property are duly executed in favour of the Company.

(ii) Loans granted to promoters, directors, key managerial personals and the related parties :- No amount in the nature of loans or advances in the nature of loan are granted to promoters, directors, key managerial personals and the related parties.

(iii) Intangible assets under development :- No Intangible assets are under development.

(iv) Wilful Defaulter :-No banks has declared the Company as wilful defaulter.

(v) Compliance with approved Scheme(s) of Arrangements :- No schemes in terms of sections 230 to 237 of the Companies Act, 2013, has been approved for the Company.

(vi) Utilisation of Borrowed funds and share premium

During the year, no additional loans has been granted to the company by bank and financial institution. The company has not advanced or loaned or invested funds directly or indirectly in other persons or entities identified in any manner and whatsoever by or on behalf of the company. The Company has not provided any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company has not received any fund from any person(s) or entity(ies), including foreign entities with the understanding that the company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(vii) Other points

(a) The Company does not have any transactions with companies struck off.

(b) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

(c) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(viii) Compliance with number of layers of companies

The company has fully complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017

The Company has not advanced or loaned or invested funds in any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company

(b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

NOTE: 54

Covid-19 effect

Covid-19 has impacted businesses globally and in India. The Company has continued its assessment of likely adverse impact on economic environment in general and financial risks on account of Covid-19. The Company is in the business of generation of electricity which is an essential service as emphasized by the Ministry of Power, Government of India and hence, the Company has ensured the availability of its power plant to generate power

The Company has considered the possible effect that may results from the pandemic relating to Covid-19 on the carrying amounts of receivable and other assets. The management believes that there is not much of impact likely on its operations and results due to this pandemic. The Company expects to fully recover the carrying amount of these assets. However, the management will continue to closely monitor the performance of the Company. As the situation is still continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these financial statements.

Essar Power Ltd.

Essar Power Limited

Annexure A: Details of transactions and outstanding balances with related parties

Rs. in Crores

	Name of the Company	Holding Company	Subsidiary	Fellow Subsidiary	Joint Venture	Enterprises commonly controlled or influenced by major Shareholders / Directors of the company	Key Management Personnel	Holding Company	Subsidiary	Fellow Subsidiary	Joint Venture	Enterprises commonly controlled or influenced by major Shareholders / Directors of the company	Key Management Personnel
Loans given	EPGL	-	35.48	-	-	-	-	-	35.48	-	-	-	-
Inter corporate deposits placed	EPGL	-	117.09	-	-	-	-	-	82.21	-	-	-	-
	EPMPL	-	-	-	-	-	-	-	-	-	-	-	-
	EPORL	-	-	-	-	-	-	-	-	-	-	-	-
	EEPDCL	-	11.57	-	-	-	-	-	11.55	-	-	-	-
	EPJL	-	40.00	-	-	-	-	-	356.31	-	-	-	-
Interest accrued on	EPJL	-	-	-	-	-	-	-	153.50	-	-	-	-
		March 31, 2022						March 31, 2021					
Inter corporate deposits accepted		-	-	-	-	-	-	-	-	-	-	-	-
	Renjoules	-	-	3.71	-	-	-	-	-	-	-	-	-
	Arkay Logistics	-	-	-	-	11.37	-	-	-	-	-	-	-
	EPTCL	-	-	-	-	-	-	-	10.74	-	-	-	-
	EPHL	-	57.35	-	-	-		-	38.96	-	-	-	
	ESMTL (Secured)	-	-	-	-	304.94	-	-	-	-	-	175.00	
	ESMTL	-	-	-	-	102.23	-	-	-	-	-	184.00	-
Interest accrued on	MCL	-	-	-	0.01	-	-	-	-	-	0.16	-	-
Provision for Doubtful Debts	EPJHL	-	40.00	-	-	-	-	-	-	510.33	-	-	-
	EPGL	-	-	-	-	-	-	-	82.21	-	-	-	-
Provision for Dimunation of Investment	EPMPL	-		-	-	-	-	-	2,923.96	-	-	-	-
	EPGL	-	2,658.18	-	-	-	-	-	2,608.60	-	-	-	-
	BPOL	-	-	-	-	-	-	-	288.54	-	-	-	-
	EPJHL	-	1,725.74	-	-	-	-	-	1,725.74	-	-	-	-
	EVOVRSL	-	430.73	-	-	-	-	-	430.73	-	-	-	-
	EEPDCL	-	-	-	-	-	-	-	-	-	-	-	-
	EPORL	-		-	-	-	-	-	362.75	-	-	-	-
Managerial Remuneration	EPOL	-	-	-	-	-	0.46	-	-	-	-	-	0.30
Guarantees given #	EPJL	-	-	-	-	-	-	-	815.00	-	-	-	-
	EPHL	-	701.00	-	-	-	-	-	850.00	-	-	-	-
	EPGL	-	1,600.00	-	-	-	-	-	1,600.00	-	-	-	-
	EPTCL	-	1,457.00	-	-	-	-	-	1,536.79	-	-	-	-
Guarantees received #1	EPC Construction India Limited	-	-	-	-	89.51	-	-	-	-	-	76.99	-
	Aaradhna Realities Limited	-	-	-	-	94.71	-	-	-	-	-	94.71	-

Guarantees given to the lenders of the subsidiaries aggregate to Rs. 3758 Crore (Previous year Rs. 4801.79 Crore) is disclosed to the facilities availed by the the subsidiaries.
#1 Guarantees taken by the Company from EPC Construction India Limited of Rs. 89.51 Crore (Previous year Rs. 76.99 Crore) , Aradhna Realities Limited of Rs.94.71 Crore disclosed to the facilities availed by the Company.
The numbers appearing in investment in equity & preference share in subsidiary companies are before provision created for diminution.

Essar Power Ltd.

Essar Power Limited

Annexure A: Details of transactions and outstanding balances with related parties

Rs. in Crores

	Name of the Company	Holding Company	Subsidiary	Fellow Subsidiary	Joint Venture	Enterprises commonly controlled or influenced by major Shareholders / Directors of the company	Key Management Personnel	Holding Company	Subsidiary	Fellow Subsidiary	Joint Venture	Enterprises commonly controlled or influenced by major Shareholders / Directors of the company	Key Management Personnel
Sale of stores, spares, misc. consumables, equipments & Professional income	EPHL	-	-	-	-	-	-	-	0.82	-	-	-	-
Fair Value of Investment	EPHL	-	-	-	-	-	-	-	1,126.42	-	-	-	-
	EPGL	-	(49.58)	-	-	-	-	-	(321.48)	-	-	-	-
	EPORL	-	-	-	-	-	-	-	(280.00)	-	-	-	-
	EPTCL	-	425.00	-	-	-	-	-	120.96	-	-	-	-
	EEPDCL	-	0.30	-	-	-	-	-	(19.10)	-	-	-	-
Provision /Written off of Receivable	EPGL	-	34.88	-	-	-	-	-	82.21	-	-	-	-
	BPOL	-	-	-	-	-	-	-	29.34	-	-	-	-
	EPORL	-	-	-	-	-	-	-	7.25	-	-	-	-
	EPJHL	-	429.46	-	-	-	-	-	-	-	-	-	-
	EPMPL	-	-	-	-	-	-	-	0.40	-	-	-	-
Written back of payables	EPTCL	-	31.74	-	-	-	-	-	-	-	-	-	-
	ESMTL					-						1.03	
Reimburshment of Exp	EPHL	-	-	-	-	-	-	-	0.40	-	-	-	-
Balance as at end of the year		March 31, 2022						March 31, 2021					
Investment in equity shares	BPOL	-	-	-	-	-	-	-	282.79	-	-	-	-
	EPHL	-	7.40	-	-	-	-	-	7.40	-	-	-	-
	EEPDCL	-	38.89	-	-	-	-	-	38.89	-	-	-	-
	EPGL	-	1,278.24	-	-	-	-	-	1,278.24	-	-	-	-
	EPJL	-	1,725.74	-	-	-	-	-	1,725.74	-	-	-	-
	EPMPL	-		-	-	-	-	-	1,572.30	-	-	-	-
	EPORL	-	-	-	-	-	-	-	7.40	-	-	-	-
	IOPL		0.03					-	-	-	-	-	-
	KPL		0.05					-	-	-	-	-	-
	MPL		2.11					-	-	-	-	-	-
	EPTCL	-	597.04	-	-	-	-	-	597.04	-	-	-	-
	EPOVSL	-	59.75	-	-	-	-	-	59.75	-	-	-	-
Investment in preference shares	BPOL	-	-	-	-	-	-	-	5.75	-	-	-	-
	EPHL	-	641.17	-	-	-	-	-	641.17	-	-	-	-
	EPORL	-	-	-	-	-	-	-	635.35	-	-	-	-
	EPOSL	-	370.97	-	-	-	-	-	370.97	-	-	-	-
	EPMPL	-		-	-	-	-	-	1,351.66	-	-	-	-
	EPGL	-	545.74	-	-	-	-	-	545.74	-	-	-	-

Essar Power Limited

Annexure A: Details of transactions and outstanding balances with related parties

Rs. in Crores

	Name of the Company	Holding Company	Subsidiary	Fellow Subsidiary	Joint Venture	Enterprises commonly controlled or influenced by major Shareholders / Directors of the company	Key Management Personnel	Holding Company	Subsidiary	Fellow Subsidiary	Joint Venture	Enterprises commonly controlled or influenced by major Shareholders / Directors of the company	Key Management Personnel
Loans given	EPGL	-	35.48	-	-	-	-	-	35.48	-	-	-	-
Inter corporate deposits placed	EPGL	-	117.09	-	-	-	-	-	82.21	-	-	-	-
	EPMPL	-	-	-	-	-	-	-	-	-	-	-	-
	EPORL	-	-	-	-	-	-	-	-	-	-	-	-
	EEPDCL	-	11.57	-	-	-	-	-	11.55	-	-	-	-
	EPJL	-	40.00	-	-	-	-	-	356.31	-	-	-	-
Interest accrued on	EPJL	-	-	-	-	-	-	-	153.50	-	-	-	-
		March 31, 2022						March 31, 2021					
Inter corporate deposits accepted		-	-	-	-	-	-	-	-	-	-	-	-
	Renjoules	-	-	3.71	-	-	-	-	-	-	-	-	-
	Arkay Logistics	-	-	-	-	11.37	-	-	-	-	-	-	-
	EPTCL	-	-	-	-	-	-	-	10.74	-	-	-	-
	EPHL	-	57.35	-	-	-		-	38.96	-	-	-	
	ESMTL (Secured)	-	-	-	-	304.94	-	-	-	-	-	175.00	
	ESMTL	-	-	-	-	102.23	-	-	-	-	-	184.00	-
Interest accrued on	MCL	-	-	-	0.01	-	-	-	-	-	0.16	-	-
Provision for Doubtful Debts	EPJHL	-	40.00	-	-	-	-	-	-	510.33	-	-	-
	EPGL	-	-	-	-	-	-	-	82.21	-	-	-	-
Provision for Dimunation of Investment	EPMPL	-		-	-	-	-	-	2,923.96	-	-	-	-
	EPGL	-	2,658.18	-	-	-	-	-	2,608.60	-	-	-	-
	BPOL	-	-	-	-	-	-	-	288.54	-	-	-	-
	EPJHL	-	1,725.74	-	-	-	-	-	1,725.74	-	-	-	-
	EVOVRSL	-	430.73	-	-	-	-	-	430.73	-	-	-	-
	EEPDCL	-	-	-	-	-	-	-	-	-	-	-	-
	EPORL	-		-	-	-	-	-	362.75	-	-	-	-
Managerial Remuneration	EPOL	-	-	-	-	-	0.46	-	-	-	-	-	0.30
Guarantees given #	EPJL	-	-	-	-	-	-	-	815.00	-	-	-	-
	EPHL	-	701.00	-	-	-	-	-	850.00	-	-	-	-
	EPGL	-	1,600.00	-	-	-	-	-	1,600.00	-	-	-	-
	EPTCL	-	1,457.00	-	-	-	-	-	1,536.79	-	-	-	-
Guarantees received #1	EPC Construction India Limited	-	-	-	-	89.51	-	-	-	-	-	76.99	-
	Aaradhna Realities Limited	-	-	-	-	94.71	-	-	-	-	-	94.71	-

Guarantees given to the lenders of the subsidiaries aggregate to Rs. 3758 Crore (Previous year Rs. 4801.79 Crore) is disclosed to the facilities availed by the the subsidiaries.
#1 Guarantees taken by the Company from EPC Construction India Limited of Rs. 89.51 Crore (Previous year Rs. 76.99 Crore) , Aradhna Realities Limited of Rs.94.71 Crore disclosed to the facilities availed by the Company.
The numbers appearing in investment in equity & preference share in subsidiary companies are before provision created for diminution.

ESSAR POWER LIMITED

FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2022 ON CONSOLIDATED BASIS

M.M.Chaturvedi & Co.

24, Atlanta, Nariman Point, Mumbai - 400 021. Tel.: 022-2288 2346
E-mail: admin@mmcandco.com Phones : 022-2287 2329 / 2282 4220

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ESSAR POWER LIMITED

Report on the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated Indian Accounting Standards ("Ind AS") financial statements of **ESSAR POWER LIMITED** (hereinafter referred to as the "Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2022, the Consolidated Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Financial Statements") which includes joint operations of the group on a proportionate basis.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of other auditors on the financial statements of the subsidiaries referred to below in sub-paragraph (a) of the Other Matters paragraph, except for the effects (to the extent ascertained) of the matter described in the Basis for Qualified Opinion paragraph below, the consolidated financial statements give the information required by the Companies Act, 2013, ("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 consolidated state of affairs of the Group as at 31st March, 2022, its consolidated **loss** including Other Comprehensive Income, its consolidated Cash Flows and the Statement of Changes in Equity for the year ended on that date.

Basis for Qualified Opinion

1. As mentioned in Note 20, the Group has accumulated losses of Rs. 15,886.06 crore which has resulted in complete equity erosion of the Group. The Group's current liabilities exceed its current assets by Rs. 11,196.93 crore. The plant of the Company is in a state of shutdown and has been impaired to the extent of its realizable value as mentioned in Note 54(i). Further, as explained in Note 54(ii), EPGL has further impaired its plant for reasons given therein. As explained in Note 29(A)(f), the Company has received a recall notice from one of the lenders for repayment of total outstanding and the lender has initiated legal proceedings in DRT-1, Mumbai for recovering the same. As mentioned in Note 5(e) read with Note 59, the Company has transferred the entire stake in BPOL and EPORSL. Further, as mentioned in footnote (a) to Note 5, the Company has written off its investments in EPMPL following the completion of the IBC process and as mentioned in footnote (b) of Note 5, investments in EPJHL have been completely impaired as it is under liquidation. As explained in our Qualification No. 2 below read with Note 5(b)(i), the Company has a material liability on account of corporate guarantees invoked by the lender of an erstwhile subsidiary for which the Company has not made provisions in the consolidated financial statements. In case of EPGL, a subsidiary of the Company, the ability to continue as going concern depends on EPGL's ability to sign a tripartite agreement with GUVNL to complete pass through till December, 2022, reduction in HBA price, High Court to put a stay on NCLT proceedings, and the possibility of a one-time settlement and/or re-phasement of debt by lenders of EPGL and other factors as described in Note 57(B) read with Note 2.1(ii)(f). The management of EPGL is confident that EPGL will be able to turnaround and generate sufficient cash flows to meet its obligations. Further, EPGL expects the restructuring plan to be implemented in the near future in view of the current COVID – 19 situation. These situations

indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern however the group has prepared its consolidated financial statements as a going concern for reasons mentioned in Note 57. The impact of the same on the consolidated financial statements is unascertainable.

2. Corporate guarantees of Rs. 4920.08 crore issued by the Company were invoked by the lenders of Essar Power Jharkhand Limited, an erstwhile subsidiary, which were settled for Rs. 1215 crore as explained in Note 5(b)(i) read with Note 39(v). While the group has paid Rs. 430 crore against the settlement amount and a provision for the balance Rs. 785 crore has been made by the Company, the due date for payment of the settlement amount has lapsed resulting in cessation of the settlement deed and reinstatement of the liability to the original amount. However, as explained in Note 29(A)(g), the Company is in discussions with the lenders for extension of the repayment schedule and has accordingly not taken any further provisions. Since the matter is in discussion stage with the lenders, the impact on the consolidated financial statements is unascertainable.

3. As disclosed in Note 29(A)(h) read with Note 39(vii)(a) the Company has recognized a one-time gain of Rs. 340.79 crore arising from settlement of outstanding dues towards NCDs and bank guarantees issued to Axis Bank Limited. The settlement amount as per old OTS letters was partly paid before March 2022 and balance by May 2022. While revalidated OTS letters and no dues certificate is pending from the bank, the Company has recognized the gains in FY 2021-22 following the payments made. Had the gains been taken after receipt of these documents, the loss for the year would have been higher by Rs. 340.79 crore and the net worth could have been lower by the same amount.

We conducted our audit of the Consolidated 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 Consolidated Financial Statements" section of our report. We are independent of the Group 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 Consolidated 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 qualified audit opinion on the Consolidated Financial Statements.

Emphasis of Matters

We draw attention to the following matters in the Notes to the consolidated financial statements:

1. As disclosed in Note 39 the Group has recognized exceptional gain of Rs. 268.98 crore which is majorly on account of one time settlement gains of Rs. 697.49 crore, reversal of interest on OCRPS of Rs. 776.37 crore, write back of balances of Rs. 171.43 crores as reduced by provision made for corporate guarantee of Rs. 815 crore, provision for impairment of PPE of Rs. 510.82 crore, and reinstating of liability earlier written back of Rs. 102.23 crore. We also draw attention to Note 39(iv) with regard to net gain of Rs. 18.70 crore on transfer and extinguishment of the Company's shareholdings in its subsidiaries.

2. Note 12(a) regarding status of litigation with the customer (GUVNL). Trade receivables of Rs. 1,066.86 Crore (including delayed interest and overdue interest thereon aggregating to Rs. 582.25 Crore) as at 31st March, 2022 from the said customer are unconfirmed and represent amounts withheld by GUVNL substantially on account of the disputed matters described in the note. Based on earlier favourble decision of GERC which is contested by GUVNL, no provision is considered

necessary against the claim or towards the disputed receivables recorded in the books of account in accordance with the Power Purchase Agreement with GUVNL.

3. Note 53(a) regarding the Company's Non-Banking Finance Company ("NBFC") status. The Company has applied to the Reserve Bank of India seeking waiver from registration as NBFC for FY 2021-22 on 9th December, 2022, and is awaiting reply on the same. The Company had filed a similar application for FY 2020-21, FY 2019-20, FY 2018-19, 2017-18 and FY 2016-17 as well, for which it is yet to receive any response.

4. As disclosed in Note 11, the Company has continued to show 100% investment in EPGL even though 51% of the shares of those subsidiary were invoked by the lenders of the subsidiary.

5. Note 60 to consolidated financial statements regarding reclassification of non-current investment in Essar Power Transmission Company Limited to investments held for sale following a definitive agreement signed between the Company and Adani Transmission Limited on 2nd June, 2022 for transfer of the investment.

6. As mentioned in Note 57(B), one of the lenders of EPGL has filed an application under Section 7 of the Insolvency and Bankruptcy Code, 2016, in Hon. National Company Law Tribunal (NCLT) Ahmedabad Bench against the Company in May 2021. EPGL has filed a written petition in the High Court against SBI requesting to put a stay on NCLT proceeding considering the positive development.

7. As mentioned in Note 12(c), trade receivables amounting to Rs 52.14 Crores pertaining to the period from March 24, 2020 to May 9, 2020, are disputed on account of invocation of force majeure clause of PPA by the debtor due to lockdown restrictions imposed by the Government of India during the outbreak of COVID 19 pandemic. However, the said amount is recoverable as per the legal opinion obtained by the management of the subsidiary and ongoing discussions with the debtor.

Our opinion is not modified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the financial year ended 31st March, 2022. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our report on the stand alone financials of the Company and the audit reports received from the auditors of the subsidiaries, we have determined that there are no key audit matters to communicate in the audit report of the consolidated financial statements of the group.

Other Information

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

Our opinion on the Consolidated 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 Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement of this other information, we are required to report that fact. We will report such facts, if any, once the annual report is made available to us.

Management's Responsibilities for the Consolidated Financial Statements

The Company's Board of Directors is responsible for preparation and presentation of these Consolidated Financial Statements in terms of the requirement of the Act, that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and the consolidated statement of changes in equity of the Group 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.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of Consolidated Financial Statements by the Directors of the Company as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated 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 Consolidated 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 Consolidated 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 Group'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 Consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors 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 Consolidated Financial Statements for the financial year ended 31st March, 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.

Other Matters

1. We did not audit the financial statements of nine subsidiaries, whose financial statements reflect total assets of Rs. 5,715.68 Crore as at 31st March, 2022, total revenues of Rs. 869.11 Crore and net cash inflow amounting to Rs. 64.76 Crore for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other

auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate is based solely on the reports of the other auditors.

2. The Consolidated Financial Statements include the unaudited financial statements of three companies (1 subsidiary and 2 erstwhile subsidiaries), whose financial statements reflect total assets of Nil as at March 31, 2022 and total net revenues of Rs. 0.06 crore (the management accounts do not provide for cash flow statements), as considered in the Consolidated Financial Statements. These financial statements are unaudited and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of above matters with respect to our reliance on the work done and report of the other auditors and financial statements provided by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and other financial information of subsidiaries as referred to in Other Matters paragraph above, we report, to the extent applicable, that:

   a) Except for the matters described in the Basis of Qualification paragraph above, we and the other auditors whose reports we have relied upon, 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 of the aforesaid Consolidated Financial Statements.

   b) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion and in the opinion of the other auditors whose reports we have relied upon, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

   d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended.

   e) In our opinion, the matters described in the Basis of Qualified Opinion paragraph above and under the Emphasis of Matters paragraph above may have an adverse effect on the functioning of the Group.

   f) On the basis of the written representations received from the directors of the Company as on 31st March, 2022, taken on record by the Board of Directors of the Company and the reports of the other statutory auditors of its subsidiaries incorporated in India, none of the directors of the Company, subsidiaries incorporated in India and whose audited accounts are available, are disqualified as on 31st March, 2022, from being appointed as a director in terms of Section 164 (2) of the Act, except for Mr. Birendra Mohapatra.

g) The qualification relating to going concern assumption for preparation of Consolidated Ind AS Financial Statements is as stated in the Basis for Qualified Opinion paragraph above.

h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company, its subsidiaries and the operating effectiveness of such controls, refer to our separate Report in Annexure to this report.

i) In our opinion and based on the information and explanation provided to us, and in the opinion of the statutory auditors of the subsidiaries incorporated in India and on whose reports we have relied, the managerial remuneration for the year ended 31st March, 2022, has been paid/provided by the Group in accordance with the provisions of section 197 read with Schedule V to the Act.

j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries as noted in the Other Matter paragraph:

(i) The Group has disclosed the impact of pending litigations on its financial position in the Consolidated Financial Statements vide Note 42.

(ii) The Group did not have any long term contracts, including derivative contracts, for which there were any material foreseeable losses as at 31st March, 2022.

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund, wherever applicable, by the Company, its subsidiaries incorporated in India.

(iv) With Respect to loans, advances and investment clause:

a) The respective management of the Holding Company and it subsidiaries, associates and joint ventures which are companies incorporated in India whole financial statements have been audited under the act have represented to us and the other auditors of such subsidiaries, associates and joint ventures respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group, associates and joint ventures to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group, associates and joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective management of the Holding Company and it subsidiaries, associates and joint ventures which are companies incorporated in India whole financial statements have been audited under the act have represented to us and the other auditors of such subsidiaries, associates and joint ventures respectively that, to the best of its knowledge and belief, no funds have been received by the Group, associates and joint ventures, from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the the Group, associates and joint ventures shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, associates and joint ventures which are companies incorporated in India whole financial statements have been audited under the act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

d) The Group has not declared or paid any dividend for the year ended 31/3/2022.

2. With respect to the matters specified in paragraph 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020, ('the Order/CARO') issued by the Central Government in terms of Section 143(11) of the Act, to be included in Auditor's report, according to the information and explanation given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report as below:

Sr No	CIN	Holding/ Subsidiary	Clause number of the CARO report which is qualified or adverse
1	U40100MH1997PLC110104	Subsidiary	(iii)/(vii)
2	U45100MH2006PTC163509	Subsidiary	(i)(c)
3	U99999MP2005PLC052837	Subsidiary	(ii)(b) / (vii)(b)
4	U74900GJ200PLC066273	Subsidiary	(iii)/(vii)/(ix)/(xix)

For **M.M.Chaturvedi & Co.,**
Chartered Accountants
(Firm Reg. No. 112941W)

Rishabh Chaturvedi
Partner
Membership No. 124465
UDIN: 22124465AOYPWW4102

Mumbai
13th August, 2022

Annexure to the Independent Auditor's Report on the Consolidated Financial Statements of Essar Power Limited – 31st March, 2022 referred to in our report of even date

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

In conjunction with our audit of the Consolidated Financial Statements of Essar Power Limited as of and for the year ended 31st March, 2022, we have audited the internal financial controls with reference to Consolidated Financial Statements of Essar Power Limited ("the Company") and its subsidiaries which are companies incorporated in India, as on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and its subsidiaries which are companied incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated 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 our judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Consolidated Financial Statements.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A company's internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Consolidated 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 authorizations of management and directors of the company; and
3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to Consolidated 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 Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

In our opinion, and based on the audit report obtained from the auditors of companies incorporated in India, the Company, its subsidiaries which are companies incorporated in India have maintained, in all material respects, an adequate internal financial controls system with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at 31st March, 2022, based on the internal control with reference to Consolidated Financial Statements 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 ICAI except in case of inventory of Essar Power Gujarat Limited where preventive controls need to be strengthened although mitigating controls exist.

For **M.M.Chaturvedi & Co.,**
Chartered Accountants
(Firm Reg. No. 112941W)

Rishabh Chaturvedi
Partner
Membership No. 124465
UDIN: 22124465AOYPWW4102

Mumbai
13th August, 2022

ESSAR POWER LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

Rs. in Crore

	Note no.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	3,183.94	5,753.22
Other Intangible assets	3.1	0.04	60.78
Capital work in progress	4	-	9.13
Right-of-use asset	4.1	16.78	17.34
Financial assets:			-
Investments	5	0.06	0.00
Loans	6	24.78	28.81
Other financial assets	7	1.47	5.47
Deferred tax assets (net)	8	0.39	0.35
Other non-current assets	9	23.51	17.34
		3,250.97	**5,892.44**
Current assets			
Inventories	10	93.42	93.86
Financial assets:			
Investments	11	0.23	2.13
Trade receivables	12	1,293.72	1,410.46
Cash and cash equivalents	13	60.57	95.98
Bank balances other than cash and cash equivalents	14	67.21	150.55
Loans	15	84.68	40.63
Other financial assets	16	2.22	4.37
Current tax assets (net)	17	33.54	58.28
Other current assets	18	31.99	68.63
		1,667.58	**1,924.89**
Assets Classified as held for Sale - Refer note 60		2,197.10	
		7,115.65	**7,817.33**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	19	4,874.54	4,874.54
Other equity			
Equity component of compulsorily convertible cumulative preference	19	2,796.55	2,796.60
Reserves and surplus	20	(12,983.09)	(12,661.62)
Other reserves	21	(149.32)	(25.26)
Equity attributable to owners		(5,461.32)	(5,015.74)
Non-controlling interest		(2,498.44)	(1,803.61)
		(7,959.76)	**(6,819.35)**
LIABILITIES			
Non-current liabilities			
Financial liabilities:			
Borrowings	22	613.57	2,267.27
Other financial liabilities	23	-	11.99
Provisions	24	2.71	4.70
Deferred tax liabilities (net)	25	102.94	94.49
Other non-current liabilities	26	36.75	38.01
		755.97	**2,416.46**
Current Liabilities			
Financial Liabilities:			
Borrowings	27	4,957.27	5,036.03
Lease Liability		0.27	0.27
Trade payables			
Total outstanding of micro and small enterprises	28	6.61	11.06
Others	28	188.85	206.72
Other financial liabilities	29	7,702.66	6,938.62
Provisions	30	0.15	0.14
Current tax liabilities (net)	31	0.08	0.04
Other current liabilities	32	8.62	27.33
		12,864.51	**12,220.22**
Liabilities directly associated with Assets Classified as Held For Sale-Refer Note- 60		**1,454.91**	
		7,115.65	**7,817.33**

The accompanying notes are an integral part of these financial statements
In terms of our report attached

For M. M. Chaturvedi & Co.
Chartered Accountants
Firm Registration No. 112941W

Rishabh Chaturvedi
Partner
Membership No. 124465
Mumbai
Dated: 13thAugust 2022

Prakash Khedekar
Company Secretary
PAN:ALIPK1718L
Mumbai
Dated: 13thAugust 2022

For and on behalf of the Board of Directors

C S Krishnakumar
Director
DIN:06990687

Vishnu Dutt Mutha
Director
DIN:08366070

Kush
Chief Executive Officer
PAN:AIFPK4987M
Mumbai
Dated: 13thAugust 2022

Kapil Singh
Chief Financial Officer
PAN:ACLPS1749R
Mumbai
Dated: 13thAugust 2022

Essar Power Ltd.

ESSAR POWER LIMITED
CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR YEAR ENDED MARCH 31, 2022

Rs. in Crore

	Note no.	For the year ended March 31, 2022	For the year ended March 31, 2021
INCOME			
Revenue from operations	33	474.43	2,622.32
Other income	34	19.31	19.60
		493.74	2,641.92
EXPENSES			
Cost of fuel	35	-	1,340.81
Cost of traded good sold		0.35	13.41
Employee benefit expenses	36	71.70	116.29
Other expenses	37	258.72	303.03
		330.77	1,773.54
Profit before finance costs, depreciation, amortisation, exceptional item and tax		162.97	868.37
Finance costs	38	1,521.55	2,615.99
Loss before depreciation, amortisation, exceptional item and tax		(1,358.59)	(1,747.62)
Depreciation and amortisation		113.22	348.03
Loss before exceptional item and tax		(1,471.81)	(2,095.65)
Exceptional items	39	(268.98)	(10,860.41)
Loss before tax		(1,202.83)	8,764.76
Tax expense	40		
Current tax		7.67	0.04
Deferred tax		46.81	238.07
Net tax expense/(benefit)		54.48	238.11
Loss after tax for the year before share in profit/(loss) of jointly controlled entities and associates		(1,257.31)	8,526.65
Loss for the year from Continued Operations		(1,257.31)	8,526.65
Profit & Loss for the year of Assets Classified as held for Sale - Refer Note-60		52.20	-
Tax Expenses/(Credit) of Assets Classified as held for Sale			
Deferred tax		(20.88)	
Profit/(Loss) for the year from Assets Classified as held for Sale Refer Note-60		31.31	
Loss for the year		(1,226.00)	8,526.65
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans		0.07	(0.53)
Income tax effect		0.06	(0.20)
		0.13	(0.72)
Items that will be reclassified to profit or loss			
Exchange difference in translating the financial statements of foreign operations		(124.08)	39.10
Income tax effect		-	-
		(124.08)	39.10
Other comprehensive income for the year, net of tax		(123.97)	38.38
Total comprehensive income for the year, net of tax		(1,349.96)	8,565.03

Profit / (Loss) attributable to:		
Owners of Essar Power Limited	(363.80)	8,491.91
Non-controlling interests	(862.18)	34.75
	(1,225.99)	8,526.65
Other comprehensive income attributable to:		
Owners of Essar Power Limited	(123.97)	38.37
Non-controlling interests	(0.00)	-
	(123.97)	38.38
Total comprehensive income attributable to:		
Owners of Essar Power Limited	(487.78)	8,530.28
Non-controlling interests	(862.18)	34.75
	(1,349.97)	8,565.03

Earnings / (loss) per equity share (in Rs.)		
Basic	(1.03)	7.00
Diluted	(1.03)	4.45

(Refer Note 48)

The accompanying notes are an integral part of these financial statements

In terms of our report attached

For M. M. Chaturvedi & Co.
Chartered Accountants
Firm Registration no. 112941 W

Rishabh Chaturvedi
Partner
Membership No. 124465
Mumbai
Dated: 13thAugust 2022

Prakash Khedekar
Company Secretary
PAN:ALIPK1718L
Mumbai
Dated: 13thAugust 2022

For and on behalf of the Board of Directors

C S Krishnakumar
Director
DIN:06990687

Vishnu Dutt Mutha
Director
DIN:08366070

Kush
Chief Executive Officer
PAN:AIFPK4987M
Mumbai
Dated: 13thAugust 2022

Kapil Singla
Chief Financial Officer
PAN:ACLPS1749R
Mumbai
Dated: 13thAugust 2022

ESSAR POWER LIMITED
STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED MARCH 31, 2022

A. Equity share capital

	Rs. in Crore
As at April 1, 2020	**460.92**
Changes in equity share capital	4,413.62
As at March 31, 2021	**4,874.54**
Changes in equity share capital	-
As at March 31, 2022	**4,874.54**

B. Other equity

Rs. in Crore

	Equity component of compulsorily convertible cumulative preference shares	Reserve and surplus						Other reserves	Equity Attributable to owners	Non-Controling interest	Total
		Securities premium account	Debenture redemption reserve	Preference Redemption Reserve	Securities premium Reserve - for premium payable on redemption of preference shares	Capital reserve on Consolidation	Retained Earnings	Foreign currency translation reserve			
Balance as at March 31, 2020	**5,440.20**	**1,632.05**	**49.64**	**267.98**	**868.23**	**107.62**	**(20,672.76)**	**(64.34)**	**(12,371.38)**	**(5,117.31)**	**(17,488.69)**
Adjustment to Opening Retained Earnings due to subsidiaries reinsta	-	-	-	-	-	-	(3,405.58)	-	(3,405.58)	3,278.96	**(126.62)**
Profit / (Loss) for the year	-	-	-	-	-	-	8,491.91	-	8,491.91	34.75	**8,526.66**
Other comprehensive income for the year	-	-	-	-	-	-	(0.72)	39.10	38.38	-	**38.38**
Total comprehensive income for the year	-	-	-	-	-	-	**8,491.19**	**39.10**	**8,530.29**	**34.75**	**8,565.04**
Transfer to Securities Premium - for premium payable on redemption of preference shares	-	(28.70)	-	-	28.70	-	-	-	-	-	-
Adjustment to Retained earnings	-	-	-	-	-	-	-	-	-	-	-
Issue of Cumulative Convertible Preference Shares	(2,643.60)	-	-	-	-	-	-	-	(2,643.60)	-	**(2,643.60)**
Balance as at March 31, 2021	**2,796.60**	**1,603.35**	**49.64**	**267.98**	**896.93**	**107.62**	**(15,587.16)**	**(25.24)**	**(9,890.28)**	**(1,803.60)**	**(11,693.88)**
Adjustment to Opening Retained Earnings	-	-	-	-	-	(22.55)	73.17	-	50.62	-	**50.61**
Profit / (Loss) for the year	-	-	-	-	-	-	(363.80)	-	(363.80)	(862.18)	**(1,225.98)**
Other comprehensive income for the year	-	-	-	-	-	-	0.13	(124.08)	(123.95)	-	**(123.95)**
Total comprehensive income for the year	-	-	-	-	-	-	**(363.67)**	**(124.08)**	**(487.75)**	**(862.18)**	**(1,349.94)**
Dividends	-	-	-	-	-	-	-	-	-	-	-
Transferred to retained earnings upon loss of control on subsidiaries	-	-	-	-	-	-	(8.41)	-	(8.41)	167.36	**158.96**
Transfer to Securities Premium - for premium payable on redemption	-	(28.70)	-	-	28.70	-	-	-	-	-	-
Issue of Cumulative Convertible Preference Shares	(0.05)	-	-	-	-	-	-	-	(0.05)	-	**(0.05)**
Balance as at March, 2022	**2,796.55**	**1,574.65**	**49.64**	**267.98**	**925.63**	**85.07**	**(15,886.06)**	**(149.32)**	**(10,335.87)**	**(2,498.42)**	**(12,834.30)**

@ = Rs. 100

Rishabh Chaturvedi
Partner
Membership No. 124465
Mumbai
Dated: 13th August 2022

C S Krishnakumar
Director
DIN:06990687

Vishnu Dutt Mutha
Director
DIN:08366070

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Dated: 13thAugust 2022

Kapil Singla
Chief Financial Officer
PAN:ACLPS1749R
Mumbai
Dated: 13thAugust 2022

ESSAR POWER LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED March 31, 2022

Rs. in Crore

	For the year ended March 31, 2022		For the year ended March 31, 2021	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Loss before tax		(1,202.83)		8,764.76
Adjustment for :				
Depreciation and amortisation	113.22		347.98	
Impairment / Loss / (Profit) on sale of fixed assets/CWIP	510.84		94.45	
Profit from sale of investment/ Loss of control in subsidiary	(18.70)		(9,840.37)	
Exceptional - Others	815.00		(441.51)	
Loss/ (Gain) on Settlement with Lenders	(697.49)		(1,081.10)	
Finance costs	1,521.55		2,615.99	
Write back of Liabilities	(171.43)		(142.04)	
Asset Written off	0.40		-	
Unwinding of discount / adjustment on R&R provisions	(0.19)		0.35	
Reversal of Interest on optionally convertible redeemable preference shares	-		(1.21)	
Reversal of Provision Others	(469.81)		-	
Reversal of provision for doubtful debts	(0.05)		-	
Bad Debts written off	439.13		120.50	
Reversal of Provision of ICD	-		(20.00)	
Reversal of Provision of ICD & Int	-		(5.42)	
Miscellaneous Income	(2.52)		(1.41)	
Interest income	(3.05)		(6.99)	
Reinstate of Liability	102.23			
Reversal of Interest on optionally convertible redeemable preference shares	(776.37)			
Unwinding of Interest expense of financial liability - IND-AS				
Unrealised forex (gain)/loss	0.81		0.65	
		1,363.57		(8,360.21)
Operating profit before working capital changes		160.74		404.55
Movement in working capital:				
Decrease in trade receivables	14.75		(125.28)	
Increase in inventories	(1.20)		225.38	
Increase / (Decrease) in loans, financial assets and other assets	(128.32)		(98.00)	
Increase / (Decrease) in trade payable, financial liabilities, provisions and other liabilities	934.51		(288.30)	
		819.74		(286.20)
Cash generated from / (used in) operations		980.48		118.35
Direct taxes paid (including interest on short fall of advance tax), net of refund		1.19		8.17
Net cash from / (used in) operating activities		981.67		126.52
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property plant and equipment, (increase) / decrease in capital work in progress, expenditure during construction period including capital advances and creditors	(4.59)		(22.32)	
Proceeds from sale of property plant and equipment	0.01		-	
Purchase of units of mutual fund	-		(84.61)	
Proceeds from sale of units of mutual fund	1.92		82.66	
Proceeds from Sale of Subsidiaries	10.30		-	
Investment towards equity	0.05		-	
Fixed / margin deposits placed with banks	(35.35)		(25.77)	
Fixed / margin deposits matured / withdrawn	12.88		21.87	
Change in Inter corporate deposit (placed)/Refund	(11.84)		7.90	
Assets Classified as held for Sale (Net of Liabilities)	(742.18)		-	
Interest received	2.22		4.99	
		(766.58)		(15.28)
Direct taxes paid		-		-
Net cash from investing activities		(766.58)		(15.28)

ESSAR POWER LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED March 31, 2022

Rs. in Crore

	For the year ended March 31, 2022		For the year ended March 31, 2021	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from borrowings	185.23		175.00	
Repayment of borrowings	(220.00)		(721.40)	
Changes in short term borrowings (net)	(48.88)		7.68	
Inter Corporate Deposits taken Net	(19.76)		(74.22)	
Interest and finance charges paid	(117.19)		(502.67)	
Proceeds from issue of share capital (including premium) and share application	2.10		393.95	
Interest, lease and Finance charges	(2.00)		(2.00)	
Guarantee expenses	(30.00)		529.89	
Net cash used in financing activities		(250.50)		(193.77)
Net increase in cash and cash equivalents (A+B+C)		(35.41)		(82.53)
Cash and cash equivalents at the beginning of the year	95.98		178.51	
Cash and cash equivalents at the end of the year [4]	60.57		95.98	
		(35.41)		(82.53)

Notes:

1. The above cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 'Statement of Cash Flows'.
2. Investments in fixed deposits having maturity of more than three months and margin deposits have been shown under the cash flow from investing activities. Cash and cash equivalents included in the cash flow statement comprise of the following balance sheet amounts:

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Balances with banks in		
Current accounts	53.49	74.09
Fixed deposits	7.08	21.89
Cash and cash equivalents as restated	60.57	95.98

In terms of our report attached

For M. M. Chaturvedi & Co.

Chartered Accountants

Firm Registration No. 112941W

Rishabh Chaturvedi

Partner

Membership No. 124465

Dated: 13th August 2022

Prakash Khedekar

Company Secretary

PAN:ALIPK1718L

Mumbai

Dated: 13th August 2022

For and on behalf of the Board

C S Krishnakumar

Director

DIN:06990687

Vishnu Dutt Mutha

Director

DIN:08366070

Kush

Chief Executive Officer

PAN:AIFPK4987M

Mumbai

Dated: 13thAugust 2022

Kapil Singla

Chief Financial Officer

PAN:ACLPS1749R

Mumbai

Dated: 13thAugust 2022

Essar Power Ltd.

ESSAR POWER LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 1

CORPORATE INFORMATION

Essar Power Limited (the ''Company'' / "EPOL") is a public company incorporated in the year 1991 and domiciled in India. The registered office and principal place of business of the Company is located at 27km, Surat Hazira Road, Hazira, Surat 394270, Gujarat. Debentures issued by the Company are listed on recognised stock exchange in India.

The Company, its subsidiaries, associates and joint ventures (collectively, the Group) currently has power projects, transmission lines. The Group primarily engaged to sell the power generated from these projects under a combination of long term Power Purchase Agreements and on merchant basis. The Group is also engaged in the business of transmission and trading of power / electricity. Information of the subsidiaries, joint ventures and associates are provided in Note 43.

NOTE: 2

SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

(i) Compliance with Ind AS

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provision of the Act.

The consolidated financial statements up to year ended March 31, 2022 were prepared in accordance with accounting standards as notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act.

During the period, the Company has decided to change its accounting policy for Investments from Amortised Cost Basis to Fair Value. The management believes that the change results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance or cash flows.

Since the data have not been collected in the prior period(s) in a way that allows retrospective application of the change in accounting policy, the Company has applied the change in accounting policy to the carrying amounts of assets and liabilities as at 31st March 2022.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities (including derivative instruments) which have been measured at fair value.

The Group, one of the largest private power producer's in the country, owns a 515 MW gas based power plant. Further, the company also owns and operates two power plants with aggregate capacity of 1500 MW and a 464 Km long Inter State Transmission System through its subsidiaries.
The subsidiaries like Essar Power Hazira Limited and Essar Power Transmission Company Limited have shown robust performance and classified as standard assets with the lenders. CRISIL has assigned "BBB" credit rating to Essar Power Hazira Limited. EPHL and EPTCL has been showing continuous & significant improvement and achieved decent profits.
Management has given careful consideration to going concern of Company due to ongoing challenges faced by the Company and subsidiaries and has taken / is taking following steps:-
a. Preservation of Equipments - The Company is maintaining the plant under preservation and all the key equipments are well preserved. The Company has also refurbished its plant and all equipments are in good condition.
As Natural Gas prices are declining continuously, adjoining gas based power plant (500 MW capacity) earlier owned by BPOL is running with almost full capacity.
In view of same, the Company is in discussion with various parties for generating and supply power on the competitive terms either on IEX or bilateral agreements. The Company has been refurbishing its assets and has taken some actions also in this regard.

b. Monetisation Plans
In the endeavour to become debt free completely, the Company plans to monetise some of its investments and utilise the proceeds for repayment of debt obligations in near future.

Essar Power Ltd.

c. OTS with Lenders -
The Company has offered One Time Settlement (OTS) to all the lenders to resolve the irregularity with the lenders. Most of the lenders and debenture holders, namely Axis Bank, PNB and Yes Bank etc., had approved the OTS proposals and payments have already been made to them in full / part. LIC has already given in-principle approval for the OTS proposal and the Company is hopeful of getting final approval soon. The Company is hopeful to settle its entire liabilities to the lenders and NCD holders in FY 2022-23.

d. New Business Initiatives
Essar Group is planning for energy transition to decarbonise its entire portfolio. Accordingly, Essar Power is planning to foray into renewable energy sector mainly in Solar, Wind, Energy Storage etc. The company is currently exploring the various new opportunities available in these areas.

e. The Company has made comprehensive plans to address the long term as well as short term issues faced by the subsidiaries including debt restructuring, debt refinancing, interest rate rationalization, buying raw-material in e-auction or through traders.

f. Update on Subsidiaries
Essar Power Gujarat Limited, a subsidiary of the Company, is in advanced stage of implementation of resolution plan with its lenders either through restructuring or one time settlement and thereby bringing down the debt to a sustainable level to make the operations fully viable. In the meanwhile, in view of severe power crisis in the country, Ministry of Power (MoP) has invoked section 11 of Electricity Act, 2003 and directed all imported coal based power plant including EPGL to start the power plant immediately. MoP has directed Government of Gujarat, GUVNL, SBI (lead lender) and EPGL to sign Tripartite Agreement and restart the plant.

The above steps will ensure continuous operations and the Company will be able to meet all its operational liabilities and financial liabilities. In view of above, the management has concluded to prepare financials on a going concern basis."

2.2 Fair value Hierarchy

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 on the measurement date. The Company uses valuation techniques that are appropriate in the circumstances for which sufficient data is 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.

The Group measured its investments in equity/CCPS/CRPS shares of subsidiaries at fair value and certain financial assets and liabilities for financial reporting purposes.

The fair values of investments in subsidiaries are not quoted in an active market and are determined by using valuation techniques, primarily earnings multiples and discounted cash flows. The models used to determine fair values including estimates/ judgements involved are validated and periodically reviewed by the management. The inputs used in the valuation models include unobservable data of the Companies which are categorised within level III fair value measurements. They are based on historical experience, technical evaluation and other factors, including expectations of future events. Considering the level of estimation involved and unobservable inputs, the Company has engaged a third party qualified valuer to perform the valuation. Based on the actual performance of respective subsidiaries project, the inputs considered for valuation may vary materially and could cause a material adjustment to carrying amount of investments.

2.3 Basis of consolidation

The consolidated financial statements have been prepared by following consolidation procedures as laid down in Ind AS 110 "Consolidated Financials Statements".

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from it involvement with the entity and has ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group, they are deconsolidated from the date that control ceases.

Essar Power Ltd.

Consolidation procedure

(a Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill or capital reserve.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (unrealised profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. Significant influence is the power to participate in the financial and operating policy decisions of the investee. This is generally the case where the Group holds 20% or more of the voting power of the investee. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost in accordance with Ind AS 28 "Investments in Associates and Joint Ventures".

(iii) Joint arrangements

Incase of Joint operations, the Group recognises it direct rights to the assets, liabilities, revenue and expenses of joint operations and its share of jointly held or incurred assets, liabilities, revenue and expenses.

Incase of joint venture, the Group recognises its interest using the equity method, after initially being recognised at cost in the consolidated balance sheet.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other event in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements, appropriate adjustments are made to the group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The results and financial position of foreign operations/ subsidiaries that have a functional currency different from the presentation currency of the group are translated into the presentation currency as follows;

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates
- All resulting translation exchange differences are recognised in Foreign Currency Translation Reserve (FCTR) through other comprehensive income (OCI).

When a foreign operation is sold , the associated exchange differences are reclassified to profit and loss, as part of gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing exchange rate.

2.4 Significant accounting judgements, estimates and assumptions

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

The Company prepared its financial statements based on assumptions and estimates on parameters available at that time. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility risk. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Essar Power Ltd.

2.5 Foreign currencies

(i) Functional and presentation currency

The consolidated financial statements are presented in "Indian Rupees" (INR), which is also the Company's functional currency. All values are rounded to the nearest Crore (INR 0,000,000), except when otherwise indicated.

(ii) Transaction and balances

Transactions in foreign currencies are initially recorded at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

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

2.6 Revenue recognition

The Group recognises revenue when it satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when the customer obtains control of that asset and it is probable that the group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. Revenue is measured at the transaction price. The transaction price is the amount of consideration, taking into account contractually defined terms of payment and its customary business practice, to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties i.e. excluding taxes or duties collected on behalf of the government.

(i) Income from operations

- Revenue from power supply is recognised on an accrual basis in accordance with the terms of respective Power Purchase Agreements (PPA) and Intra-State Availability Based Tariff order including Delayed Payment Charges as per PPA.

- Trading of electricity- Value of units sold comprises value of electricity sold and recovery of transmission and other charges as per the agreed terms with the customers. Value of units purchased comprises cost of electricity purchased is netted off with recovery of transmission and other charges paid as per the agreed terms with the power producers.

- Revenue is currently being recognised based on the provisional tariff / final order approved by CERC for stage - I of the project. Difference, if any, will be considered in the year of issuance of final notification of tariff ordered by CERC. The Transmission system Incentive / disincentive is accounted for based on certification of availability by the respective Regional Power Committees and in accordance with the norms notified / approved by CERC.

(ii) Income from services

Revenues from maintenance contracts are recognised pro-rata over the period of the contract as and when services are rendered.

(iii) Interest and dividend income

Interest income is recorded using the effective interest rate (EIR) for all debt instruments measured either at amortised cost or at fair value through other comprehensive income. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

2.7 Borrowing costs

Borrowing costs attributable to the acquisition and construction of the qualifying assets are capitalised as part of the cost of such assets up to the date when such asset is ready for its intended use. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Essar Power Ltd.

2.8 Employee benefits

(i) Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid within twelve months, in exchange for the services rendered by employees is recognised during the period when the employee renders the services. These benefits includes salaries, allowances and bonuses etc., compensated absences such as paid annual leave and performance incentives.

(ii) Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation determined actuarially by using Projected Unit Credit Method at the balance sheet date.

(iii) Post-employment benefit plans

Contribution to defined contribution plans such as provident fund, are recognised as expense in the statement of profit and loss or expenditure during construction period, as applicable, when employees have rendered services entitling them to contributions.

The Group operates a defined benefit gratuity plan in India. For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss or expenditure during construction period, as applicable,

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements;

- Net interest expense or income

Net interest expenses or income is calculated by applying the discount rate to the net balance of defined benefit obligation and the fair value of plan assets.

The employee benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of the related plan assets. Any asset resulting from this calculation is limited to the reductions in future contributions to the plan.

2.9 Income tax

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

The current income tax charges is calculated on the basis of the tax laws enacted at the end of the reporting period in India. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

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

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

Essar Power Ltd.

2.10 Business combinations

Ind AS 103 Business Combinations is applied on business combinations' recognition and measurement. The acquisition of subsidiaries and businesses from third parties are accounted for using the acquisition method. The cost of acquisition is measured at the aggregate value of the identifiable assets, liabilities incurred or assumed and equity instruments issued by the Group on the basis of fair value at the date of acquisition in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under Ind AS 103 "Business Combinations" are recognised at their fair value at the date of acquisition as per the provisions provided under Ind AS 103. Acquisition-related costs are expensed as incurred.

Business combinations involving entities or business under common control shall be accounted for using the pooling of interest method as per the para 8 to 12 of Appendix C to the Ind AS 103.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

For each business combination, the Group elects whether to measure the non -controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Where it is not possible to complete the determination of fair values by the date on which the first post-acquisition financial statements are approved, a provisional assessment of fair values is made and any adjustments required to those provisional fair values, and the corresponding adjustments to purchased goodwill, are finalised within twelve months of the acquisition date.

Goodwill arising on consolidation is subsequently measured at cost less any accumulated impairment losses. Goodwill which is recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately in profit or loss and is not subsequently reversed. For the purpose of impairment testing goodwill is allocated to each of the Group's cash generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. On disposal of a subsidiary, associate or joint controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.11 Property, plant and equipment (PPE)

Freehold land is carried at historical cost. All other item of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes purchase price, borrowing costs and all other applicable expenses incurred to bring the assets to its present location and condition. Cost also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Payments / provision towards compensation, rehabilitation and resettlement (R & R) activities and other expenses relatable to land in possession are treated as cost of land. Provision for R&R costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the land. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the R&R liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss or expenditure during construction period, as applicable. The estimated future costs of R&R are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss or expenditure during construction period, as applicable.

Essar Power Ltd.

All the expenditure during construction period (net of income) attributable to construction/acquisition of fixed assets are shown as capital work in progress until the relevant assets are ready for its intended use. When a major inspection or major maintenance is undertaken, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognised in the profit or loss as incurred.

Leasehold land is amortised on a straight line basis over the period of lease. Depreciation on other item of property, plant and equipment is provided as per straight line method (SLM) based on useful life specified in Schedule II to the Companies Act, 2013, except as noted herein after.

Depreciation on plant & machinery and buildings is provided as per Straight Line Methed (previous year Written down Value methed) on the basis of useful life assessed by an independent engineer and on other assets at the rates and in the manner permitted / specified in Schedule II to the Companies Act, 2013. Depreciation on additions/deductions to property, plant and equipment made during the year is provided on a pro-rata basis from/up to the date of such additions/deductions, as the case may be for Company and its subsidiaries. In case of Essar Power Transmission Company Limited, depreciation is provided on Straight Line Method (SLM) considering the rates as provided in Appendix III of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations or based on the estimated useful lives of the assets, whichever is higher.

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

2.12 Capital work in progress and intangible assets under development

All the expenditure during construction period (net of income) attributable to construction / acquisition of fixed assets are shown as capital work in progress until the relevant assets are ready for its intended use.

Expenditure incurred in respect of coal mine are shown under 'Intangible assets under development' until the coal mine is ready for its intended use. The same is / will be allocated to appropriate head under intangible assets on said mine becoming ready for its intended use.

2.13 Intangible assets

Intangible assets are recognised only when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the assets can be measured reliably. Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any. Intangible assets are amortised over the best estimate of their useful lives. Capitalised software cost is equally amortised over a period of five years.

Coal mine intangible assets are / will be amortised over a period of twenty five years starting from the date of said mine becoming ready for its intended use or the future expected extraction period of the reserves based on actual extraction till date, whichever is shorter.

Right of Way (ROW) are amortised at the rates provided in Appendix III of Central Electricity Regulatory Commission (Terms and Conditions
The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.
On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as at April 1, 2015 measured as per the previous GAAP i.e. Indian GAAP and use that carrying value as the deemed cost of the intangible assets.

2.14 Impairment of non-financial assets

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised in the statement of profit and loss when the carrying amount of an asset exceeds its estimated recoverable amount. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount but limited to the carrying amount that would have been determined (net of depreciation / amortisation) had no impairment loss been recognised in prior accounting periods.

Essar Power Ltd.

2.15 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present legal or constructive obligation, as a result of past events, and it is probable that an outflow of resources, that can reliably be 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 balance sheet date and are adjusted to reflect the current best estimate.

Contingent liabilities are not recognised but disclosed where the existence of an obligation will only be confirmed by future events or where the amount of the obligation cannot be measured reliably. Contingent assets are not recognised, but are disclosed where an inflow of economic benefits is probable.

2.16 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.

(i) Financial assets

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit and loss.

Subsequent measurement of debt instruments depends on the Company's business model for managing the assets and the cash flow characteristics of the assets. There are three measurement categories into which the Company classifies its debt instruments;

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payment of principal and interest (SPPI) are measured at amortised cost. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 in other income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent Solely Payment of Principal and Interest (SPPI), are measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gain and losses which are recognised in profit and loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit and loss (FVPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Debt instruments included within the FVPL category are measured at fair value with all changes recognized in the statement in profit and loss. Interest income from these financial assets is included in other income using the effective interest rate method.

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVPL. For all other equity instruments, the Company may classify the same either as at FVOCI or FVPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Equity instruments which are classified as FVOCI, all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the profit or loss.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Essar Power Ltd.

MUMBAI

The Company applies the '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 "Expected Credit Losses" (ECL) at each reporting date, right from its initial recognition.

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 on a financial instrument 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. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit or loss. This amount is reflected in a separate line in the profit or loss as an impairment gain or loss.

(ii) Financial liabilities

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and trade and payables, net of directly attributable transaction costs. The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. For liabilities designated as FVPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss 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.

Financial liabilities at amortized cost

Financial liabilities classified and measured at amortised cost such as loans and borrowings, trade and other payable are initially recognized at fair value, net of transaction cost incurred. After initial recognition, financial liabilities are subsequently measured at amortised cost using the Effective interest rate (EIR) method. Gains and losses are recognised in profit or 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 guarantee contracts

The Group provides certain guarantees in respect of the indebtedness of subsidiary undertakings, claims under contract and other arrangements in the ordinary course of business. The Group evaluates each arrangement to determine whether it is an insurance or a financial guarantee contract. Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of the amount of the obligation under the contract and the amount initially recognised less cumulative amortisation over period of guarantee is provided.

Once the arrangements are designated as insurance contracts, these are disclosed as contingent liabilities unless the obligations under guarantee become probable.

Essar Power Ltd.

De-recognition

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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

2.17 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, short-term deposits with banks with original maturity of less than three months and short-term highly liquid investments, that are readily convertible into cash and which are subject to insignificant risk of changes in the principal amount. Bank overdrafts, which are repayable on demand and form an integral part of the operations are included in cash and cash equivalents.

2.18 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

(i) Group as a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand -alone price of the lease component and the aggregate stand-alone price of the non-lease components. The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right -of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantl ing and removing the underlying asset or restoring the underlying asset or site on which it is located. The right -of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight -line method from the commencement date over the shorter of lease term or useful life of right -of-use asset. The estimated useful lives of right-of-use assets are determined on the same basi s as those of property, plant and equipment. Right -of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis,

Essar Power Ltd.

may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.

For transition, the Group has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Group has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

(ii) Group as a lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies Ind AS 115 Revenue to allocate the consideration in the contract.

(iii) Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Group has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, from the date of initial application (April 1, 2019). This lease was previously classified as finance lease applying Ind AS 17 and thereby the carrying amount of the right-of-use asset and lease liability at the date of initial application has been equal to the carrying amount of the lease asset and lease liability immediately before that date measured applying Ind AS 17. Accordingly, the Group has not restated comparative information as on April 1, 2019.

2.19 Inventories

Inventories are valued at lower of cost and net realisable value. The cost of inventory is determined using the weighted average cost formulae.

2.20 Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and currency swap contracts, to hedge its foreign currency risks, interest rate risks. 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.

Essar Power Ltd.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in cash flows of the hedged item.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income at that time is accumulated in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

2.21 Convertible preference shares

Convertible preference shares are separated into liability and equity components based on the terms of the contract. On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

2.22 Earnings per share

Basic earnings per share are computed by dividing the profit / (loss) attributable to equity share holders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share are the profit / (loss) for the year after deducting preference dividends and attributable taxes attributable to equity shareholders. The weighted average number of equity shares outstanding during the year and for all years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the profit / (loss) for the year are adjusted for the effects of changes in income, expenses, tax and dividends that would have occurred had the dilutive potential equity shares been converted into equity shares. Such adjustments after taking account of tax include preference dividends or other items related to convertible preference shares, interest on convertible debt and any other changes in income or expense that would result from the conversion of dilutive potential ordinary shares. The weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

2.23 Government Grant

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Group will comply with the conditions attached to them, and (ii) the grant/subsidy will be received. When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in statement of profit or loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset and presented within other income. When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to statement of profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

Essar Power Ltd.

NOTE: 3
PROPERTY, PLANT AND EQUIPMENT

Rs. in Crore

Description of the assets	Gross block						Depreciation and amortisation							Net block	
	Balance as at April 1, 2021	Additions during the year	Deletions / Adjustments during the year	Assets Held for Sale	Translation adjustments	Balance as at March 31, 2022	Balance as at April 1, 2021	For the year*	Deletions / Adjustments during the year	Impairment During the year	Assets Held for Sale	Translation adjustments	Balance as at March 31, 2022	Balance as at March 31, 2022	Balance as at March 31, 2021
Right to Use Assets	16.19	-		(0.30)	(15.89)	0.00	15.90	0.52			(0.02)	(16.40)	0.00	0.00	0.29
Freehold land	761.71	11.98		(0.05)	0.03	773.66	545.39			39.56	-	0.01	584.96	188.70	216.31
Leasehold land	(5.41)	-			5.41	-	(5.41)					5.41	-	-	0.00
Buildings	299.42	0.77		(10.69)	(1.17)	288.33	172.72	7.84		15.83	(3.79)	(3.34)	189.25	99.08	126.70
Plant and machinery	14,081.58	19.66	0.36	(2,345.50)	(1.66)	11,753.72	8,674.05	103.96		475.29	(394.24)	0.46	8,859.53	2,894.19	5,407.52
Furniture and fixtures	0.08	-		(0.02)	2.36	2.42	(0.47)	0.22			(0.01)	2.31	2.05	0.37	0.56
Office equipments	(3.98)	0.24	0.05	(0.01)	5.31	1.51	(4.63)	0.15			(0.00)	5.37	0.89	0.62	0.65
Computers	0.59	0.46		(0.23)	2.60	3.42	(0.42)	0.46			(0.08)	2.60	2.56	0.86	1.00
Vehicles	(0.26)	-	0.00		1.17	0.91	(0.43)	0.01				1.21	0.79	0.12	0.18
Total	**15,149.91**	**33.12**	**0.41**	**(2,356.80)**	**(1.85)**	**12,823.97**	**9,396.70**	**113.16**	**-**	**530.68**	**(398.15)**	**(2.36)**	**9,640.03**	**3,183.93**	**5,753.21**

Refer Note 54 for detailed explanation on impairment of Property Plant and Equipment.
EPHL- Right of use created on long term operating lease on first time adoption of Ind AS 116.
EPHL: The Company has not undertaken any revaluation of PPE during current year and during previous year
EPGL- 'The Rupee term loan together with interest are secured by a first ranking charge on the whole of Company's immovable and movable properties.
EPGL - Major overhauling expenses Rs. 5.22 Crore, capitalised during the year in EPGL, as addition during the year.
EPGL- 'Impairment loss has been charged to statement of profit and loss and disclosed as an exceptional item during the year.

Description of the assets	Gross block						Depreciation and amortisation							Net block	
	Balance as at April 1, 2020	Additions during the year	Deletions / Adjustments during the year	Assets Held for Sale	Translation adjustments	Balance as at March 31, 2021	Balance as at April 1, 2020	For the year	Deletions / Adjustments during the year	Impairment During the year	Assets Held for Sale	Translation adjustments	Balance as at March 31, 2021	Balance as at March 31, 2021	Balance as at March 31, 2020
Freehold land	904.43	2.11	(144.83)		-	761.71	553.95	-	(54.70)	46.15		-	545.39	216.31	350.48
Right to Use Assets	-	0.30	15.89		-	16.19	-	4.34	11.56	-		-	15.90	0.29	-
Leasehold land	33.30	-	(38.71)		-	(5.41)	(2.75)	0.43	(3.09)	-		-	(5.41)	0.00	36.05
Buildings	867.62	6.04	(574.24)		-	299.42	527.80	18.17	(389.82)	16.57		-	172.72	126.70	339.82
Plant and machinery	24,447.07	(9.64)	(10,355.86)		-	14,081.58	16,011.20	317.12	(7,882.83)	228.56		-	8,674.05	5,407.52	8,435.87
Furniture and fixtures	6.99	0.00	(6.91)		-	0.08	5.04	0.48	(5.99)	-		-	(0.47)	0.56	1.95
Office equipments	4.13	0.39	(8.50)		-	(3.98)	3.26	0.10	(7.99)	-		-	(4.63)	0.65	0.87
Computers	4.89	0.79	(5.09)		-	0.59	2.99	0.59	(3.99)	-		-	(0.42)	1.00	1.90
Vehicles	2.66	-	(2.92)		-	(0.26)	2.13	0.03	(2.59)	-		-	(0.43)	0.18	0.53
Railway Siding	15.10	-	(15.10)		-	(0.00)	9.20	-	(9.20)	-		-	0.00	-	5.90
Total	**26,286.19**	**0.00**	**(11,136.28)**	**-**	**-**	**15,149.91**	**17,112.82**	**341.25**	**(8,348.64)**	**291.28**	**-**	**-**	**9,396.70**	**5,753.22**	**9,173.37**

Note 3.1
Other Intangible assets

Rs. in Crore

Description of the assets	Gross block						Amortisation							Net block	
	Balance as at April 1, 2021	Additions during the year	Deletions / Adjustments during the year	Assets Held for Sale	Translation adjustments	Balance as at March 31, 2022	Balance as at April 1, 2021	For the year	Deletions / Adjustments during the year	Impairment During the year	Assets Held for Sale	Translation adjustments	Balance as at March 31, 2022	Balance as at March 31, 2022	Balance as at March 31, 2021
Computer software	1.10					1.10	1.06	-	-	-			1.06	0.04	0.04
Right of way	101.12			(101.12)		-	40.38	(0.00)	-	-	(40.38)		-	-	60.74
Total	**102.22**	**-**	**-**	**(101.12)**	**-**	**1.10**	**41.44**	**(0.00)**	**-**	**-**	**(40.38)**	**-**	**1.06**	**0.04**	**60.78**

Description of the assets	Gross block						Amortisation							Net block	
	Balance as at April 1, 2020	Additions during the year	Deletions / Adjustments during the year		Translation adjustments	Balance as at March 31, 2021	Balance as at April 1, 2020	For the year	Deletions / Adjustments during the year	Impairment During the year		Translation adjustments	Balance as at March 31, 2021	Balance as at March 31, 2021	Balance as at March 31, 2020
Computer software	1.10	-	-		-	1.10	1.01	0.04	(0.01)	-		-	1.06	0.04	0.09
Right of way	101.12	-	-		-	101.12	33.64	6.74	-	-		-	40.38	60.74	67.48
Total	**102.22**	**-**	**-**		**-**	**102.22**	**34.65**	**6.78**	**(0.01)**			**-**	**41.44**	**60.78**	**67.57**

Essar Power Ltd.

ESSAR POWER LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR YEAR ENDED MARCH 31, 2022

NOTE: 4.1

RIGHT -OF USE ASSETS

(Amount In crores)

Description of the assets	Gross block			Depreciation and amortisation			Net block	
	Balance as at April 1, 2021	Deletions / Adjustments during the year	Balance as at March 31, 2022	Balance as at April 1, 2021	Deletions / Adjustments during the year	Balance as at March 31, 2022	Balance as at March 31, 2022	Balance as at March 31, 2021
Leasehold land *	18.49	0.05	**18.44**	1.15	0.51	**1.66**	**16.78**	17.34
Total	**18.49**	**0.05**	**18.44**	**1.15**	**0.51**	**1.66**	**16.78**	**17.34**

* Right to use is created in previous year on long term operating Lease on first time adoption of INDAS 116 . Company has taken Land in Bhuj (related to Solar plant) premises on lease. The lease period for land is 30 years (From March 2012 to March 2042).

Essar Power Ltd. *

ESSAR POWER LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR YEAR ENDED MARCH 31, 2022

NOTE: 4

CAPITAL WORK IN PROGRESS

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Capital work in progress	7.69	794.94
Projects temporarily suspended - Amount in CWIP for a period of > 3 years	378.52	-
Expenditure during construction period	2.79	13.99
Less: Capitalised during the year #	(10.49)	(5.18)
Less: Sold & written off during the year	-	(30.36)
Less: Provision for impairment ##	(378.52)	(764.26)
Balance at the end of the year	-	9.13

'Provision for Impairment/Write off of Capital Work in Progress of Subsidiaries:

\# **Capitalisation** : 'In EPHL- Building & others of Rs. 10.49 Crore (Previous year Rs 5.18 Crores) & EPTCL Rs. 1.42 Crore (Previous year Nil Crore) has been capitalised during the current year.

\## **Impairment** : EPGL CWIP includes 'Projects temporarily suspended - to be completed in > 3 years of Rs. 378.52 Core.

NOTE: 5

INVESTMENTS

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Other Investments (at Cost)		
Unquoted Investments		
Equity instruments		
(i) 196,100,000 (Previous year 196,100,000) Fully paid up equity shares of Rs.10 each of Essar Power M. P. Ltd - Note-(a)	-	1,572.30
(ii) 1,725,744,417 (Previous year 1,725,744,417) Fully paid up equity shares of Rs.10 each of Essar Power (Jharkhand) Ltd.- Note (b)	1,725.74	1,725.74
(iii) 1,055,775 (Previous year 1,055,775) fully paid up equity shares of Rs. 10 each of Essar Bulk Terminal Salaya Limited - Refer note (c)	1.06	1.06
(iv) 50,000 (Previous year NIL) Equity Shares of Rs. 10 Each of Lucent Bio-Green Fuels Limited	0.05	-
Investment in preference shares		
(i)1,904,159,978 (Previous year 1,904,159,978) 0.01% Compulsory redeemable preference shares of Rs.10 each of Essar Power M.P. Ltd. - Note (a)	-	527.96
(ii) 82,37,04,100 (Previous year 82,37,04,100)* 0.1% Compulsorily Convertible participating preference shares of Rs.10 each of Essar Power M.P. Ltd. Note-(a)	-	823.70
(iii) 442,800,000 (Previous year 442,800,000) Fully paid up 0.1% cumulative redeemable preference shares of Rs. 10 each of Essar Power M. P. Limited- Note (a)	-	104.01
(iv) 14,500,000 (Previous year 14,500,000) 5% OCRPS of Rs.10 each of Essar Power (Jharkhand) Limited -- Refer note (b) (ii)	14.50	14.50
(v) 39,000,000 fully paid up 11% cumulative redeemable preference shares of Rs. 100 each of Brahmani Thermal Power Private Limited - Refer note (d)	-	390.00
Other Investments		
900 (P.Y .900) Zero Interest Fully Convertible Debentures of ` 100 each of Nano Flortech Pvt. Ltd	0.01	-
Less: Provision for diminution in value of investment	(1,741.31)	(5,159.27)
	0.06	0.00

(1) 517,723,325 (Previous year 517,723,325) equity shares are pledged for loan taken by Essar Power (Jharkhand) Limited

Essar Power Ltd. *

ESSAR POWER LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR YEAR ENDED MARCH 31, 2022

Notes on Investments :

(a) **Investment of Rs 1572.30 crore in equity shares, Rs.527.96 crore in compulsory redeemable preference shares and Rs. 823.70 crore in compulsory convertible preference shares of Essar Power M.P. Ltd ("EPMPL"):** EPMPL was admitted for CIRP under the Insolvency and Bankruptcy Code, 2016 by the NCLT on 29th September, 2020. EPMPL was admitted for CIRP under the Insolvency and Bankruptcy Code, 2016 by the NCLT on 29th September, 2020. Resolution plan by Adani Power was approved by NCLT on 01.11.2021. The documentation and handover of EPMPL to Adani Power was closed in March, 2022.Pursuant to resolution proceedings all the corporate guarantees issued to the lenders of EPMPL were assigned to Adani Power Limited. Subsequently these corporate guarantees were released by Adani Power Limited vide release deed dated 7th June 2022 in consideration of co-operation provided by the Company to Adani Power Limited." With the change of control to the successful Resolution Applicant, the investment in EPMPL had been recategories to Other Investment and 100% provision had been made for diminution in value of investments.The company did not get the fair valuation done since company does not expect to recover anything, fair value is considered as Nil. Accordingly the diminution in the value of investments is now being renamed as change in fair value of investments due to change in accounting policy. During the year Entire investment in EPMPL is Extinguished. For accoounting purpose the company has reversed the provision for investment created in earlier year of Rs.2923,96 Crore and the company booked Loss on Extinguishment of Non Trade Long Term Investments of Rs.2923.96 Cr in EPMPL.

(b) (i) **Investment of Rs. 1,725.74 crore in equity shares of Essar Power (Jharkhand) Limited ("EPJHL"):** EPJHL was admitted for CIRP under the Insolvency and Bankruptcy Code, 2016 by the NCLT on 5th April, 2020. Following the IBC process, EPJHL was admitted for liquidation on 3rd January, 2020. The assets now vests with the liquidator and all realizations from the asset will be apportioned to the Financial Creditors of the EPJHL.

Moreover as EPJHL is under liquidation, the Guarantors has also signed a Settlement Agreement with Financial Creditors in July 2020 under which an amount of Rs 1,215 Crores will be paid to securered lenders to release all Corporate Guarantees extended for the debt facilities of EPJHL.

Based on the above,100% provision has been made for diminution in value of its investments in the equity shares of EPJHL, inter corporate deposits and interest receivable on ICD from EPJHL. EPJHL has not got the fair valuation done since company does not expect to recover anything. Fair value is considered as Nil. Accordingly the diminution in the value of investments is now being renamed as change in fair value of investments due to change in accounting policy.

EGFL, EEL & EPL are the guarantors of EPJHL facilities.

The Company has recognised guarantee expenses of Rs.815 Crores payable to the lenders of Essar Power Jharkhand Limited (subsidiary of the Company) (EPJHL). EPJHL had been referred to NCLT and a liquidation order was passed by the Hon'ble NCLT on 3rd January 2020. The Company, Essar Global Fund Limited (EGFL) and Essar Energy Limited (EEL) are the guarantors for the debt facilities of EPJHL. As per the settlement deed executed between the lenders of EPJHL and the guarantors, a one time settlement amount (OTS) of Rs.1215 Crores has been agreed towards settlement of entire dues of EPJHL and release of guarantees. OTS amount is payable by any of the guarantor. In view of same, EGFL has already paid the first & second instalment amounting to Rs.400 Crores. The Company has paid Rs. 30 Crores and balance amount of Rs.785 Crores is payable alongwith interest to the lenders of EPJHL. The guarantors have sought extension of time for payment of balance OTS amount.The time provided for payment under OTS is lapsed and the company is in discussion with lenders for extension of time for payment.

(b) (ii) **Major terms of Optionally Convertible Redeemable Preference Shares (OCRPS)**

i. The OCRPS shall be redeemed at the end of 7 (seven) years from the date of allotment of CRPS upto the end of 20 (twenty) years from the date of allotment of CRPS, however the holder of OCRPS shall have first preference to convert the OCRPS into equity shares.

ii. In the event of conversion, issuer will issue 1 equity share of Rs. 10 each for every 1 OCRPS of Rs. 10 each held on date of conversion.

iii. OCRPS shall carry a dividend of 5 % per annum in preference to any other class of shares of the issuer. The dividend shall be paid out of the profits of the issuer and the declaration of the same shall be at the discretion of the issuer. The dividend shall be non-cumulative.

Change in fair value of investment in preference shares in Essar Power Jharkhand Limited ("EPJHL")

1. EPJHL has been declared as insolvent in FY 2018-19 and the insolvency proceedings against the EPJHL were initiated in the National Company Law Tribunal and an interim resolution professional has been appointed to carry out the proceedings.

2. The current financial condition of the company is such that it is unable to pay the existing dues of its secured creditors.

3. The investment being an equity investment, is unsecured in nature and will be at the bottom of the priority in the order of payments after the secured and other creditors.

Keeping in view the above, there is almost no probability of the realization of the investment of Rs 14.50 Crores in 5% Optionally Convertible Redeemable Preference shares of Rs.10 each of Essar Power (Jharkhand) Limited.

(c) **Investment in Equity shares of Essar Bulk Terminal Salaya Limited of Rs. 1.06 Crore :** As per EPGL's estimates, the fair value of its investments in EBTSL is estimated as NIL, as EBTSL is having losses during the previous years. EPGL is holder of 26% equity share of the of EBTSL.

Essar Power Ltd.

(d) **Investment of Rs. 390 crore in Cumulative Redeemable Preference shares of Brahmani Thermal Power Private Limited (formerly known as Navabharat Power Private Limited) ("BTPPL")** : Allocation of Rampia Coal block to Rampia Coal Mine & Energy Private Limited (Joint venture of BTPPL) has been cancelled by the Hon'ble Supreme Court in September, 2014. In view of the uncertainty over the speed of progress of the project, BPOL had created provision in earlier years for diminution of investment in BTPPL of Rs. 390 crore considering net assets of BTPPL. During the year, entire stake held by the company in Bhander power limited share capital has been transferred to Essar Steel Metal Trading Limited

(e) The Group sold investments in two subsidiaries, i.e., BPOL and EPORSL. During the year, entire stake held by the company in Bhander power limited share capital has been transferred to Essar steel metal trading limited vide agreement dated 28th December, 2021 The company received full & final consideration of Rs. 10.28 Crore against all his investment in BPOL. In view of this, the company has reversed the provision for investment created in earlier year of Rs. 288.54 Crore and booked Loss of Rs.278.26 Crore.

Beneficial interest held by the Company in Essar power Orissa limited share capital has been transferred to Essar steel metal trading limited vide agreement dated 3rd March, 2022. Thus, The company do not have any control on Essar power orissa limited. All the operations and activities of EPORL are controlled by Essar steel Metal trading company.The company received full & final consideration of Rs. 0.01 Crore against all his investment in EPORL. In view of this, the company has reversed the provision for investment created in earlier year of Rs. 642.75 Crore and booked Loss of Rs.642.74 Crore. (read with note no. 59)

NOTE: 6
LOANS
(Unsecured considered good, unless otherwise stated)

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Security deposits- Others	24.78	28.81
	24.78	28.81

NOTE: 7
OTHER FINANCIAL ASSETS

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Fixed / margin bank deposits*	1.12	0.31
Prepaid lease expenses	-	5.16
	1.47	5.47

* Fixed/margin deposits having original maturity of more than 12 months of Rs.1.12 Crore (Previous year Rs 0.31 Crore)

NOTE: 8
DEFERRED TAX ASSETS (NET)

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Deferred tax asset		
Carry forward business losses	0.39	0.35
Unabsorbed depreciation	-	0.00
Gross deferred tax asset	0.39	0.35
Gross deferred tax liability	0.00	0.00
Net deferred tax asset	0.39	0.35

Movement in deferred tax assets

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	0.35	146.43
(charged) / credited to statement of profit and loss	0.04	(145.94)
(charged) / credited to other comprehensive income	-	(0.14)
Balance at the end of the year	0.39	0.35

Essar Power Ltd.

ESSAR POWER LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR YEAR ENDED MARCH 31, 2022

NOTE: 9
OTHER NON-CURRENT ASSETS

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Capital advances (Refer note below)	**16.75**	16.75
	16.75	16.75
Security deposits	**4.77**	0.51
Prepaid expenses	**1.99**	0.09
	23.51	**17.34**

In EPGL : The power plant has been designed to use sea water and it has been proposed that the plant will meet its water requirement from Arabian Sea. Sea water is proposed to be pumped from the sea water intake pump house to the cooling tower forebay for makeup of closed loop circulation system. Fresh water is required for other services viz. DM plant, fire protection system, cooling water make up for air-conditioning and ventilation system and plant potable water system, service water, auxiliary cooling (bearing cooling) etc. would be supplied from Desalination plant.
The acquisition of the land required for construction of Sea Water Intake System land is completed. EPGL has simultaneously commenced construction of sea water intake system pipeline, but the construction of the same is not yet completed because of non-availability of funds for completion of the facility. The completion of this project will favorably impact the profitability of EPGL. Total capital expenditure expected to be incurred is approximately Rs.120.00 crore. The funding requirement for the sea water intake system will be tied up shortly after implementation of restructuring. The management expects water intake system to be operational within 9 months from the date of availability of funds.

NOTE: 10
INVENTORIES
(At lower of cost and net realisable value)

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Fuel	**1.31**	1.71
Stores and spares *	**92.11**	92.15
	93.42	**93.86**

*Inventories have been valued at the Balance Sheet date and the items wherein the Net Realisable Value ("NRV") has been found to be lower than the cost, the same has been brought down to the NRV.

NOTE: 11
INVESTMENTS

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Unquoted		
Investment in subsidiaries		
Equity instruments		
1,330,363,716 (Previous year 1,330,363,716) Fully paid up equity shares of Rs.10 each of Essar Power Gujarat Ltd. @	**1,330.36**	1,330.36
Provision for diminution in value of long term investments	**(1,330.36)**	(1,330.36)
Investments in mutual funds	**0.23**	2.13
	0.23	**2.13**

@ 1,330,363,716 (Previous year 1,330,363,716) equity shares were pledged for loans taken by subsidiary company Essar Power Gujarat Limited (EPGL) :- on 16th October 2017 Lenders of EPGL invoked the pledge of 51% of shares of EPGL shares and have got the same transferred in demat mode in the name of IDBI Trusteeship Services Limited (ITSL), Security Trustee on behalf of the Lenders. However, in the Company's books EPGL holding is shown as 100% due to the following reasons:

Essar Power Limited (EPOL), the promoter Company of EPGL requested ITSL / Lenders of EPGL to give effect to the above sale of shares and accordingly reduce the debt payable by EPGL to the Lenders (to the extent of book value of those shares as on 31st March 2017). However, ITSL has stated that these shares are only held as collateral and there has been no acquisition of these shares by them or EPGL Lenders. Therefore, pending resolution of the matter between the Company and ITSL / lenders of EPGL as to sale of shares and suitable consideration for the same, necessary adjustments have not been done in the investments held by the Company.
In view of the above, the Company had created provision for diminution of investment in EPGL of Rs. 1330.36 Crore.

Besides aforesaid reply of ITSL the Company continues to control and exercise power over EPGL by virtue of its ability to direct the relevant and important activities of EPGL. The company has control over EPGL by way of constitution of its board of directors and participates in direction of its decisions. The board continues to be same as appointed by the company and KMP's of the company are involved in decision making process of EPGL and the company is exposed to the variable returns from its investment in the EPGL. Hence in the current financials EPGL continues to show company as its holding company." in spite of not having majority voting rights in the EPGL.

Essar Power Ltd.

ESSAR POWER LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR YEAR ENDED MARCH 31, 2022

NOTE: 12

TRADE RECEIVABLES

(Unsecured considered good, unless otherwise stated)

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Trade receivable from		
Related parties	-	74.91
Others	1,293.72	1,426.83
Less : Provision for doubtful trade receivables (e)	-	(91.27)
	1,293.72	1,410.46

Rs. in Crore

Break-up of security details	As at March 31, 2022	As at March 31, 2021
Secured, considered good		
Unsecured, considered good	1,293.72	1,501.74
Doubtful		
Less: Allowance for bad and doubtful debts	-	(91.27)
	1,293.72	1,410.46

TRADE RECEIVABLES AGEING SCHEDULE

Rs. in Crore

		Outstanding for following periods from due date of payment					As at
		Less than 6 months	6 months- 1 year	1-2 yrs.	2-3 yrs.	More than 3 yrs.	March 31, 2022
(i)	Undisputed Trade receivables- considered good	171.23	0.30	3.18	1.63	-	176.35
(ii)	Undisputed Trade Receivables- which have significant increase in Credit Risk	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv)	Disputed Trade Receivables considered good	-	-	50.51	-	1,066.86	1,117.37
(v)	Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
(vi)	Disputed Trade Receivables- credit impaired	-	-	-	-	-	-
		171.23	0.30	53.69	1.63	1,066.86	1,293.72

Rs. in Crore

TRADE RECEIVABLES AGEING SCHEDULE

		Outstanding for following periods from due date of payment					As at
		Less than 6 months	6 months- 1 year	1-2 yrs.	2-3 yrs.	More than 3 yrs.	March 31, 2021
(i)	Undisputed Trade receivables- considered good	289.62	51.92	1.80	0.26	-	343.60
(ii)	Undisputed Trade Receivables- which have significant increase in Credit Risk	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv)	Disputed Trade Receivables considered good	-	-	-	-	1,066.86	1,066.86
(v)	Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
(vi)	Disputed Trade Receivables- credit impaired	-	-	-	-	-	-
		289.62	51.92	1.80	0.26	1,066.86	1,410.46

Essar Power Ltd.

ESSAR POWER LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR YEAR ENDED MARCH 31, 2022

(a) A. GUVNL has deducted a large sum of principal amount aggregating to Rs.234 Crores from the monthly invoices of Essar Power Limited over a period of 2003 to 2013 under the following heads:-

- Ø Delayed Payment Charges (DPC) / Interest;
- Ø Depreciation;
- Ø Foreign Exchange Variation;
- Ø Interest on UTI – Non-convertible Debentures;
- Ø Bill Discounting Charges;
- Ø Wrongful Deduction of Rebate by GUVNL; and
- Ø Interest on Working Capital.

GERC has, vide its Orders dated 22nd October 2014 and 21st November 2014, approved EPOL's claim of Rs.234 Crores towards principal amount alongwith interest of Rs.447 Crores from 2004 to 2014. Further interest shall be payable till the date of actual payment.
GUVNL has filed an Appeal (No.2 of 2015) in APTEL against the above order of GERC. APTEL has, vide its Order dated 7th April 2022 dismissed the GUVNL appeal and directed GERC to compute the amounts wrongfully withheld by GUVNL. The Company has filed its claim of ~Rs.1556 Crores at GERC as per directives of APTEL.
GUVNL has filed a SLP in Hon'ble Supreme Court appealing against the APTEL Order dated 7th April 2022.
Based on the favourable orders by GERC and APTEL, the management believes that GUVNL appeal would not be tenable and the Company is confident of realizing the claim amount.

B. GUVNL – Alleged diversion of power
The Company had signed separate Power Purchase Agreement with Gujarat Urja Vikas Nigam Limited (GUVNL) and Essar Steel India Limited (now known as ArcelorMittal Nippon Steel India Limited) (ESIL) for 300 MW and 215 MW capacity respectively

In the matter, Hon'ble Supreme Court, vide its order dated 9th August 2016, has set aside the APTEL order and restore the order dated 18th February 2009 of GERC. In the order, GERC has directed that the Company was required to declare the entire plant availability to GUVNL and ESIL in 300:215 ratio. It further directed that any excess supply to ESIL in deviation to above ratio shall be deemed to be supplied by GUVNL and to be compensated by the Company. GERC, vide this order, has directed both the parties to file their calculations based on the method of compensation determined in the order. The Company had filed claim of Rs.437 Crores receivable from GUVNL. GUVNL filed its calculations of Rs.2274 Crores as receivables from EPOL. Later, as per directions of GERC, GUVNL revised its claim to Rs.789 Crores as receivable from EPOL.
GERC analysed the calculations and vide its order dated 27th December 2019 directed the Company to pay Rs.201.18 Crores (including interest amount of Rs.137.14 Crores).
In view of some of the apparent errors in the order like arithmetic calculation, calculations on half-hourly basis instead of hourly basis, delayed payment charges etc, a review petition has been filed by the Company in GERC praying for rectification in the order and stay on its impugned order dated 27th December 2019.
The Company has filed an appeal in APTEL against the impugned order of GERC. Pleading in the matter have been completed. Next date of hearing is not scheduled in the Appeal.
GUVNL has also filed execution petition in GERC and an appeal in APTEL in the matter. GUVNL appeal has been admitted and included in the list of finals. Next date of hearing is not scheduled in the petition and appeal.

Based on the favourable orders in the above matters, the management believes that the claims by GUVNL would not be tenable and hence is confident of realizing the total amount of Rs 1,066.86 crores.

Essar Power Ltd.

(b) EPTCL :

Trade receivable includes Rs.23.39 Crore unbilled amount of LILO and 10% pending approval for Gandhar Hazira Line. Invoice of Rs 10.01 Crore pertaining to LILO for the period from July 2020 to March 2021 and Rs. 13.38 Crore pertaining to the year FY 2021-22, the billing for entire tariff of phase 1 will be done, when the approval will be received.

EPTCL Phase -1 Tariff

'For Stage I of the project i.e. (Loop In Loop Out) LILO line at Mahan, GIS substation at Hazira and Gandhar Hazira Line, CERC had approved a provisional annual tariff of Rs. 89.58 Crore, which EPTCL had been earning since April 2013.CERC vide its order dated 15.06.2016 granted the final annual transmission tariff to Rs 64.84 Crore, approving a capital cost of Rs. 292.91 Crore, (against Rs.503.31Crore requested by the Company). Company filed a review petition with CERC requesting review of the aforementioned final tariff order on account of errors of law and errors of facts in the order. CERC vide its final order dated 19.12.2018, allowed additional capital cost of Rs.63 Crores. The capital cost was revised to Rs. 366.23 Crs and annual tariff was revised to Rs.79.92 Crore. Furthermore, the Company had filed an appeal with Appellate Tribunal for Electricity (APTEL), against the CERC review order.

In January 2020, CERC, in a petition filed by CTU held that LILO line is the dedicated line of Essar Power MP Limited (EPMPL). Accordingly, EPMPL is liable to pay transmission tariff for LILO to EPTCL. EPTCL has filed an appeal at APTEL against the CERC order. The matter is under adjudication.

Pursuant to CERC Order, 2nd Meeting of Validation Committee (VC), held that since EPTCL didn't have separate tariff for LILO in Stage-1 in Rs.79.92 Crore, entire Stage-1 asset i.e. LILO at Mahan, GIS substation at Hazira and Gandhar Hazira Line would be excluded from the POC tariff disbursement pool and EPTCL would not receive tariff for entire stage-1. The VC also directed EPTCL to approach CERC for determination of tariff of the LILO line, so that only tariff for LILO line would be excluded from POC computations. Pursuant to the order by VC, the entire Stage-1 tariff of EPTCL had been stopped by CTU since July'2020. EPTCL filed a petition at CERC for determination of separate tariff for LILO line. CERC vide order dated 04.06.2021 has determined provisional tariff for Stg-1 assets excluding the LILO line at Rs. 66.54 Crore. EPTCL has started receiving Stg-1 tariff at Rs. 66.54 Crore. Annually.

EPTCL has accrued the revenue for Stage -1, although actual invoicing will be done based on determination of the above matters as to the separate amount of tariff for LILO Line and the party to be invoiced i.e. whether EPMPL or PGCIL.

EPTCL has received the order from CERC regarding provisional tariff of Stage I for GH line (except LILO line) on 04-06-2021 and PGCIL, upon request of CERC has submitted its report and have mentioned that LILO line is required in the system under various contingency conditions and to improve system reliability.

Stage -2 Tariff

Post achievement of Commercial Operation Date (COD) for Phase II of the project, EPTCL has filed tariff petition for Stage II before Central Electricity Regulatory Commission (CERC) in October 2018 and the completed project cost claimed is Rs.1981 crore & annual tariff sought was Rs.416 Crore. CERC vide its order dated 14.03.2022 has issued the final tariff order for control period 2018-19 for Stage-II assets and determined tariff in two parts i.e. Rs 262 Crore through Point of Connection (POC) and Rs 73.70 Crore through Mahan Energy Ltd (formerly Known as Essar Power MP Ltd) MEL, totalling to Rs 335.70 Crores. The MEL part of Tariff is on account of undertaking provided by MEL on account of conductor modification from triple to quad and accordingly EPTCL has installed a quad conductor configuration for the transmission assets.

As per the CERC regulations, the billing procedure would be such that EPTCL would raise the bill upon Central Transmission Utility (CTU) and CTU would be responsible to collect the amount from MEL and further disburse it to the Company. Regarding recovery of bills through CTU, Regulation 20(2) of the 2020 CERC Sharing Regulations provides to Company to recover amount from EPMPL, which is covered under clause 9 of regulations 13 that imply CTU would collect the amount from EPMPL and disburse it to the Company directly.

Since the line was available and the Company is Inter State Transmission Licensee, therefore, the company is entitled to receive the complete tariff for all the period over which transmission line was available. This is in line with the clause 46 of CERC (Terms and Conditions of Tariff) Regulations, 2019. The transmission license of the Company is not modified by CERC in any manner. This has been further supported by legal view taken for technical aspects.

Essar Power Ltd.

(c) In EPHL- AM/NS, the sole off-taker as per the Power Purchase Agreement (PPA), had invoked force majeure on 24th March 2020, due to outbreak of Covid-19 and consequential lockdown imposed by the Government as Covid-19 was classified as a pandemic and a natural calamity. Subsequently, AM/NS has considered force majeure period from 1st April 2020 to 9th May 2020, since then the plant is fully operational. Since AM/NS had continued to source power from other sources during force majeure period, thus invocation of force majeure was not in consonance with the PPA as per legal opinion obtained and the amount of Rs.50.51 crores from force majeure is recoverable. The discussions are underway with AM/NS for recovery of the said amount, hence no provision for same has been created. C2

NOTE: 13

CASH AND CASH EQUIVALENTS — **Rs. in Crore**

	As at March 31, 2022	As at March 31, 2021
Balances with banks in:		
Current accounts	**53.49**	74.09
Fixed deposits	**7.08**	21.89
Cash on hand (@ 1 = Rs. Nil and @ 2 = Rs. 4,899)	**@ 1**	@ 2
	60.57	**95.98**

NOTE: 14

BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS — **Rs. in Crore**

	As at March 31, 2022	As at March 31, 2021
Other bank balances		
Balances with banks in:		
Fixed deposits*	-	31.88
Deposit in Escrow A/c**	-	105.00
Margin deposits ***	**67.21**	13.67
		-
	67.21	150.55

* In EPHL ; Fixed Deposits are lien marked against debt service reserve account (DSRA)

** In EPTCL Rs.141 Crore deposited in Debt service reserve account (DSRA).

*** EPGL Margin deposits Rs.2.88 crore are lien marked for working capital facility

Essar Power Ltd.

ESSAR POWER LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR YEAR ENDED MARCH 31, 2022

NOTE: 15

LOANS

(Unsecured considered good, unless otherwise stated) **Rs. in Crore**

	As at March 31, 2022	As at March 31, 2021
Security deposits	0.05	1.14
Loans and advances to related parties	(39.47)	16.62
Inter corporate deposits to other parties	57.54	22.71
Others	57.35	0.15
Inter corporate deposits (ICD)	158.45	356.31
Less: Provision for doubtful ICD ##	(149.45)	(356.31)
Other advances	0.21	0.02
		-
	84.68	40.63

\## **(a) Inter corporate deposits of Rs. 356.31 crore and interest on ICD of Rs. 153.50 crore to Essar Power (Jharkhand) Limited ("EPJHL"):** EPJHL was admitted for CIRP under the Insolvency and Bankruptcy Code, 2016 by the NCLT on 5th April, 2020. Following the IBC process, EPJHL was admitted for liquidation on 3rd January, 2020.The assets now vests with the liquidator and all realizations from the asset will be apportioned to the Financial Creditors of the EPJHL.

Moreover as EPJHL is under liquidation, the Guarantors has also signed a Settlement Agreement with Financial Creditors in July 2020 under which an amount of Rs 1215 Crores will be paid to secure release all Corporate Guarantees extended for the debt facilities of the EPJHL.

Based on the above,100% provision had been made during the earlier years for inter corporate deposits of Rs. 356.31 Crore. and interest receivable on ICD from EPJHL of Rs. 153.50 Crore

During the year Rs.40.34 Cr received from Ministry of coal relating to chakla coal mines. As per Recent order in respect of coal mines, Balance Estimated amount receivable would be around Rs.40 Crore from Ministery of coal. In view of above after keeping balance to the extent amount of Rs.40 Crore , the company has reversed the balance provision to the extent of Rs.469.81 Crore (ICD Principal - Rs.316.31 & ICD Interest- Rs.153.50) created in earlier years towards ICD Given to Essar power Jharkhand Limited and susequently written off Rs.429.43 Crore (ICD Principal - Rs.275.93 & ICD Interest- Rs.153.50).

NOTE: 16

OTHER FINANCIAL ASSETS **Rs. in Crore**

	As at March 31, 2022	As at March 31, 2021
Interest receivable	0.08	156.03
Less: Provision for doubtful interest receivable	(1.06)	(155.40)
	(0.98)	0.63
Receivables from related parties	-	1.08
Claim receivables	4.29	3.21
Security deposits	1.90	1.90
Other receivables	0.21	2.40
Less: Provision for doubtful receivables	(3.21)	(4.84)
	2.22	4.37

NOTE: 17

CURRENT TAX ASSETS (NET) **Rs. in Crore**

	As at March 31, 2022	As at March 31, 2021
Advance tax and tax deducted at source	91.57	249.75
Less: Set-off of current tax liabilities pursuant to set-off provisions	(58.02)	(191.46)
	33.54	58.28

Essar Power Ltd.

NOTE: 18
OTHER CURRENT ASSETS

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Security deposits	-	4.35
Others	-	0.07
Advances to suppliers		
Related parties	(0.29)	-
Others	2.52	5.19
Prepaid expenses	2.99	15.59
Advance interest paid	0.01	0.01
Recoverable amount related to de-allocated coal block	11.23	11.23
Other receivables	21.88	38.54
Less: Provision for doubtful receivable	(6.34)	(6.34)
	31.99	68.63

NOTE: 19
SHARE CAPITAL

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Authorised		
25,000,000,000 (Previous year 25,000,000,000) equity shares of Rs. 4 each	10,000.00	10,000.00
4,750,000,000 (Previous year 4,750,000,000) preference shares of Rs. 20 each	9,500.00	9,500.00
500,000,000 (Previous year 500,000,000) preference shares of Rs. 10 each	500.00	500.00
	20,000.00	20,000.00
Issued, subscribed and fully paid up		-
Equity share capital		-
12,18,63,37,527 (Previous year 12,186,337,527) equity shares of Rs. 4 each	4,874.54	4,874.54
	4,874.54	4,874.54
Equity components of convertible preference shares		-
1,39,87,97,788 (Previous year 1,39,87,97,788) 0.01% compulsorily convertible cumulative preference shares of Rs. 20 each	2,796.55	2,796.60
	2,796.55	2,796.60
	7,671.09	7,671.14

(a) **Reconciliation of number of shares**

	As at March 31, 2022		As at March 31, 2021	
	No of Shares	Rs. in Crore	No of Shares	Rs. in Crore
Equity shares				
Shares outstanding at the beginning of the year	12,18,63,37,527	4,874.54	1,15,22,98,192	460.92
Shares issued during the year	-	-	98,48,54,700	393.94
Conversion of preference shares into equity shares		-	10,04,91,84,635	4,019.67
Shares outstanding at the end of the year	12,18,63,37,527	4,874.54	12,18,63,37,527	4,874.54

	As at March 31, 2022		As at March 31, 2021	
	No of Shares	Rs. in Crore	No of Shares	Rs. in Crore
0.01% Compulsorily convertible cumulative preference shares				
Shares outstanding at the beginning of the year	1,39,87,97,788	2,795.53	2,72,11,34,715	5,440.20
Shares issued during the year		-	-	-
Conversion of Cumulative redeemable preference shares		-	51,25,00,000	1,025.00
Conversion of preference shares into equity shares		-	(1,83,48,36,927)	(3,669.67)
Shares outstanding at the end of the year	1,39,87,97,788	2,795.53	1,39,87,97,788	2,795.53

Essar Power Ltd.

(b) Details of shareholders holding more than 5% in the Company and details of share held by holding/ultimate holding company and /or their subsidiaries/associates

	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
	% of Shareholding		No of Shares	
Equity shares				
Essar Power Holdings Limited, a holding company	**59.34%**	59.34%	**7,23,18,27,737**	7,23,18,27,737
Essar Power Hazira Holdings Limited, a subsidiary of holding compa	**31.68%**	31.68%	**3,86,05,09,783**	3,86,05,09,783
Essar Steel Metal Trading Limited	**1.74%**	1.74%	**21,25,00,000**	21,25,00,000
SREI Infrastructure Finance Limited	**1.80%**	1.80%	**21,90,00,000**	21,90,00,000
M.B. Finmart Private Limited	**1.81%**	1.81%	**22,08,33,332**	22,08,33,332
Puran Associates Private Limited	**1.81%**	1.81%	**22,08,33,333**	22,08,33,333
V I C Enterprises Private Limited	**1.81%**	1.81%	**22,08,33,335**	22,08,33,335
0.01% Compulsorily convertible cumulative preference shares - Non Participating				
Essar Power Holdings Limited, a holding company	**65.12%**	65.12%	**91,08,44,596**	91,08,44,596
Essar Power Hazira Holdings Limited, a subsidiary of holding compa	**34.88%**	34.88%	**48,79,53,192**	48,79,53,192
			13,58,51,35,308	13,58,51,35,308

(c) Right, preferences and restrictions attached to shares

Equity shares:

The Company has only one class of equity shares having a par value of Rs. 4 each. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the Previous Year 98,48,54,700 Nos. Right shares issued to Essar Power Holding having par value of Rs. 4 each. For this the company had received Rs. 393.94 Cr from Holding company for proceed from issue of Right shares.

Compulsorily convertible cumulative preference shares (Previous Year Status)

(i) 1,398,797,788 0.01% compulsorily convertible cumulative preference shares (CCPS) issued by the Company shall have a coupon rate of 0.01 % per annum. The CCPS issued by the Company shall be convertible into Equity Shares anytime after a period of 6 (six) months and up to a period of 10 (ten) years from the date of allotment of the CCPS. Each CCPS will be convertible into 5 (five) Equity Shares in the Company of face value of INR 4 (Indian Rupees Four) each. The CCPS shall be compulsorily converted at the end of 10 (ten) years from the date of allotment in the ratio of 5 (five) Equity Shares with face value of INR 4 (Indian Rupees Four) per Equity Share to 1 (one) CCPS. The scheduled date for compulsory conversion from the date of issue of such preference shares is as below:

Number of CCPS held as on the balance sheet date	Scheduled date of compulsory conversion
46,33,35,648	March 31, 2022
30,88,05,000	March 31, 2022
14,53,40,012	March 31, 2022
14,07,75,357	March 31, 2022
34,05,41,771	July 30, 2023

(ii) During the Previous year 5,125,00,00,00 (Numbers) having face value of Rs. 20 convertible cumulative redeemable preference shares (CRPS) held by Essar Steel Metal Trading Limited have been converted to Compulsorily Convertible Cumulative Preference Shares (CCPS) having face value of Rs. 20/-

During the Previous year 1,83,48,36,927 (Numbers) having face value of Rs. 20 convertible cumulative redeemable preference shares (CCPS) have been coverted to Equity Shares having face value of Rs.4/- .All necessary approvals from lenders and other class of shareholders were taken for purpose of coversion of CRPS to CCPS and CCPS to Equity as required under section 48 of the companies act.

Essar Power Ltd.

0.01% Compulsorily convertible cumulative preference shares:
1,398,797,788 0.01% compulsorily convertible cumulative preference shares (CCPS) issued by the Company shall have a coupon rate of 0.01 % per annum. The CCPS issued by the Company shall be convertible into Equity Shares anytime after a period of 6 (six) months and up to a period of 10 (ten) years from the date of allotment of the CCPS. Each CCPS will be convertible into 5 (five) Equity Shares in the Company of face value of INR 4 (Indian Rupees Four) each. The CCPS shall be compulsorily converted at the end of 10 (ten) years from the date of allotment in the ratio of 5 (five) Equity Shares with face value of INR 4 (Indian Rupees Four) per Equity Share to 1 (one) CCPS. The scheduled date for compulsory conversion from the date of issue of such preference shares is as below:

Number of CCPS held as on the balance sheet date	Scheduled date of compulsory conversion
46,33,35,648	March 31, 2023
30,88,05,000	March 31, 2023
14,53,40,012	March 31, 2023
14,07,75,357	March 31, 2023
34,05,41,771	July 30, 2023

NOTE: 20
RESERVES AND SURPLUS

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Securities premium account	**1,574.65**	1,603.35
Debenture redemption reserve	**49.64**	49.64
Preference redemption reserve	**267.98**	267.98
Securities premium - reserve for premium payable on redemption of preference shares	**925.63**	896.93
Capital reserve on consolidation	**85.07**	107.62
Retained earnings	**(15,886.06)**	(15,587.15)
	(12,983.09)	(12,661.62)

Securities premium account
Securities premium account represents the premium received on issue of shares over and above the face value of equity shares. The reserve is available for utilisation in accordance with the provisions of the Companies Act, 2013.

Debenture redemption reserve
The company is required to create a debeture redemption reserve out of the profits which is available for payment of dividend for the purpose of redemption of debentures.

Preference redemption reserve
The company is required to create a preference redemption reserve out of the profits which is available for payment of dividend for the purpose of redemption of optionally convertible preference shares.

Securities premium - reserve for premium payable on redemption of preference shares
The Company is required to create a reserve for the premium on preference shares redemption out of the profits which is available for payment of dividend for the purpose of redemption of optionally convertible preference shares.

Essar Power Ltd. *

NOTE: 21

OTHER RESERVES

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Foreign currency translation reserve	**(149.32)**	(25.24)
Money received against share warrants (@ = Rs. 100)	@	@
	(149.32)	(24.23)

Foreign currency translation reserve

Exchange difference arising on translation of the foreign operations are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit and loss when net investment is disposed off.

Money received against share warrants

Share warrant has been issued to investor of optionally convertible cumulative redeemable preference shares (OCPRS) by the Company for a consideration of Rs. 100/- entitling the investor to subscribe to the equity shares of the Company anytime before the IPO for an amount equivalent to 20% of OCPRS (Rs. 70 Crore) at an exercise price linked to a predetermined valuation of the Company.

NOTE: 22

BORROWINGS

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Secured		
Rupee term loans		
From banks	**186.37**	314.04
From others	**393.92**	1,935.71
	580.29	2,249.75
Unsecured		
Loan from related party	**11.37**	11.37
Lease Liability for adoption of Ind AS 116	**18.92**	19.02
Liability component of compulsorily convertible cumulative preference share	**3.31**	2.87
Optionally Convertible Cumulative Redeemable Preference shares	**-**	63.40
Fair Value Gain on Restructuring Loan liability	**-**	(74.30)
	33.60	**22.36**
	613.89	**2,272.12**
Less: Unamortised upfront fee	**0.32**	**4.85**
	613.57	**2,267.27**

Essar Power Ltd. *

A. Essar Power Transmission Company Limited (EPTCL)

(a) Securities provided to lenders

Subsequent to receiving Stage II provisional tariff order on 14.03.2019 from the Central Electricity Regulatory Commission, EPTCL had submitted a debt restructuring proposal to its lenders on 28.03.2019. Lenders to EPTCL approved the restructuring proposal vide their respective sanction letters in the month of March 2020. The debt restructuring has been implemented under RBI guidelines dated 07.06.2019. Restructuring is effective with a cut-off date of 15.04.2019. EPTCL has executed the Master Debt Restructuring Agreement with its lenders on 04.06.2020 and has issued Optionally Convertible Debentures (OCD) across all the three series on 18.06.2020. Restructured amount comprises of principal outstanding of Rs. 1682 crore and interest dues of Rs.322 crore as on cut off date, totalling to Rs 2004 Crore. During the FY 219-20 EPTCL has made payment of Rs 149.97 crores towards overdue interest and Rs 101.20 crores towards principal outstanding. As on 31st March 2021 the outstanding debt with revised restructured components are as follows:-

Restructured Debt	Original Dues	Rs. Crore	Coupon	Current	Non Current
Term Loan	Principal O/S	1,043.99	14.50%	76.82	967.17
OCD Series 1		270.14	3.00%	19.88	250.26
OCD Series 2		114.64	3.00%	8.44	106.20
OCD Series 3		26.30	0.00%	-	26.30
Total		**1,455.07**		**105.14**	**1,349.93**

(b) Terms of repayment for loans/borrowings

Rupee Term Loan

The restructured debt including OCD Series 1 and OCD Series 2, together with interest are secured by a first ranking charge on the EPTCL's immovable and movable properties, both present and future, and other movable assets, tangible and intangible assets, book debts, receivables, current assets, bank accounts, assignment of project documents, insurance policies and security interest in favour of security trustee. The facilities are additionally secured by corporate guarantees issued, by pledge of 50 crore Compulsory Convertible Preference Shares (CCPS) of Rs.20 each, held by Essar Power Holding Limited in Essar Power Limited and by pledge of 100% equity shares of the company held by the holding company. OCD series 3 are secured only in case the final tariff order is received for Stage II is more than Rs 333 Crores.

Term of repayment for loans/ borrowings

(i) The rupee term loan facility repayable in 94 structured quarterly instalments beginning from December 31, 2019.

(ii) The OCD Series 1 and OCD Series 2 debentures are repayable in 92 structured quarterly instalments beginning from June 30,2020

(iii) The OCD Series 3 debentures are repayable only in the eventuality of stage 2 final tariff being higher than Rs 333 crores. In such a case, OCD series 3 shall be repaid from the surplus cash (Cash available after meeting all operating expenses, capex requirement and debt service obligations) after the end of the year proportionately along with Term loan, OCD Series 1 and OCD Series 2.

(c) EPTCL has accounted in financial year 2020-21 for gain on modification in terms of debts.

B. Essar Power Hazira Limited (EPHL)

(a) Securities provided to lenders

The rupee term loans taken by EPHL, together with interest are secured / to be secured by a first ranking pari-passu charge on the whole of EPHL's movable and immovable properties, both freehold and leasehold, Leasehold right, present and future, and other movable assets, tangible and intangible assets, book debts, receivables, current assets, bank accounts, assignment of project documents and insurance policies. The facilities are additionally secured by corporate guarantee and pledge of certain equity shares and cumulative convertible participating preference shares of EPHL held by holding company.

(b) Terms of repayment

The rupee term loan facility is repayable in 40 structured quarterly instalments beginning from October 23, 2016.

(c) The classification of loans between current liabilities and non-current liabilities continues based on repayment schedule under respective agreements. Loans had been recalled due to non-compliance of conditions under any of the loan agreements in the previous year . Lenders of the EPHL had classified the EPHL's account as sub standard. During current year all the Company has paid all its overdues and all the loan accounts have been clasified as standard by lenders.

(d) With respect to rupee term loan from bank and others, principal installment overdue for Nil days (Previous year Nil days) and interest accrued and due is outstanding for Nil days (Previous year Nil days) as at March 31, 2022.

(e) EPHL has not availed any fresh term loan during current year and during previous year.

(f) During the previous year,EPHL availed moratorium on the repayment due during April 2020 to May 2020. Accordingly, entire repayment schedule got shifted by three months and last repayment is due on October 23, 2026.

Essar Power Ltd.

ESSAR POWER LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR YEAR ENDED MARCH 31, 2022

NOTE: 23

OTHER FINANCIAL LIABILITIES

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Others (specify nature)	-	11.99
	-	11.99

NOTE: 24

PROVISIONS

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
Gratuity (Refer Note 45)	1.93	3.74
Compensated absences	0.78	0.95
	2.71	4.70

NOTE: 25

DEFERRED TAX LIABILITIES (NET)

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities		
Property, plant and equipment	157.98	1,115.15
Intangible assets	3.95	12.57
Provision for employee benefits	0.13	4.08
Fair valuation of financial assets and liabilities	2.05	155.93
Gross deferred tax liability	164.10	1,287.73
Deferred tax asset		-
Carry forward business losses	-	16.79
Unabsorbed depreciation	55.56	1,142.32
Provision for employee benefits	0.82	1.08
Fair valuation of financial assets and liabilities	-	0.41
MAT Credit entitlement	-	0.07
Others	4.79	32.55
Gross deferred tax assets	61.17	1,193.23
Net deferred tax liability	102.94	94.49

Movement in deferred tax liabilities

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	56.14	227.64
charged / (credited) to statement of profit and loss	46.84	91.99
charged / (credited) to other comprehensive income	(0.06)	-
Transfer to Retained Earnings	0.01	(225.13)
Balance at the end of the year	102.94	94.49

Essar Power Limited, Essar Power, Essar Power Transmission Company Ltd have recognised deferred tax assets to the extent of the corresponding deferred tax liability due to the uncertainty over the realisation of the future probable profits.

Essar Power Ltd.

NOTE: 26
OTHER NON CURRENT LIABILITIES

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Deferred government grants#	36.75	38.01
	36.75	38.01

Represents government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme on purchase of property, plant and equipments accounted for as govenmnent grant being amortised over useful life of underlying capital good.

NOTE: 27
BORROWINGS

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Secured		
Loan repayable on demand		
From banks	126.44	-
From others	572.29	-
Rupee term loans		
From banks	2,659.57	3,078.40
From others	400.49	575.49
Working capital facility		
From banks		
Cash credit facilities	886.93	726.84
Loan from related parties	-	127.04
Other loans (Specify nature)	0.01	-
Fair Value Gain on Restructuring Loan liability	-	(10.46)
	4,645.73	4,497.30
Unsecured		
Inter corporate deposits		
From related parties	272.11	302.65
From others	42.50	37.43
Bank guarantee devolvement from bank	-	225.33
	314.60	565.42
	4,960.33	5,062.72
Less: Unamortised upfront fee	3.06	26.69
	4,957.27	5,036.03

Securities provided to lenders and terms of repayment

A. Essar Power Limited (EPOL)

(a) Term loan facility of Rs. 49.99 Crore (Previous year Rs. 49.99 Crore) from Yes Bank Limited is secured/to be secured by first pari passu charge on all present and future movable and immovable fixed assets and current assets of the Company and its subsidiaries Essar Power Gujarat Limited and Essar Power (Orissa) Limited, pledge of certain shares of the Company held by Essar Power Hazira Holdings Limited., Pledge to be created on certain shares of Essar Power (Orissa) Limited and Essar Power Gujarat Limited held by the Company (to be created) and personal guarantee of Shri Prashant Ruia. The facility is additionally to be secured by Debt Service Reserve Account (to be created in the form of Fixed Deposit). The facility is additionally secured by second charge on surplus cash flows on sale of investments in Essar Power Hazira Limited and Essar Power (Orissa) Limited.It is pertinent to note that the facility has been closed in July 2022 and all the securities including pledge, corporate guarantee, third party securities have been released in August 2022.

(b) Term loan facility of Rs. 302.84 Crore (Previous year Rs. 386.84 Crore) from Yes Bank Limited is secured/to be secured by first pari passu charge on present and future movable and immovable fixed assets of the Company and its subsidiary namely Essar Power Hazira Limited, escrow and exclusive charge on all cash flows arising from ICDs or sub-debt given by the Company to Essar Power Hazira Limited, first pari passu charge on all current assets of the Company except cash flows arising from ICDs or sub-debt given by the Company to Essar Power Hazira Limited on which Yes Bank Limited would have exclusive charge, pledge of certain shares of the Company held by Essar Power Hazira Holdings Limited, and personal guarantee of Shri Prashant Ruia. The facility is additionally to be secured by Debt Service Reserve Account (to be created in the form of Fixed Deposit). The facility is additionally secured by second charge on surplus cash flows on sale of investments in Essar Power Hazira Limited and Essar Power (Orissa) Limited.It is pertinent to note that the facility has been closed in July 2022 and all the securities including pledge, corporate guarantee, third party securities have been released in August 2022.

Essar Power Ltd.

(i) **Previous year** :- The term loan facility of Rs. 49.99 Crore (sanction amount of Rs.650 Crores) from Yes Bank Limited is repayable in six annual
35% on May 23, 2024 (Partly paid)

21% on May 23, 2023 (Prepaid)

14% on May 23, 2022 (Prepaid)

15% on May 23, 2019 (Prepaid)

9% on May 23, 2018 (Prepaid)

6% on May 23, 2017 (Prepaid)

(ii) **Previous year** :- The term loan facility of Rs. 302.84 Crore (sanction amount of Rs.475 Crores) from Yes Bank Limited is repayable in six annual instalments as mentioned below

35% on September 30, 2024

21% on September 30, 2023

14% on September 30, 2022

15% on September 30, 2019 (Partly paid)

9% on September 30, 2018 (Prepaid)

6% on September 30, 2017 (Prepaid)

(c) With respect to rupee term loans from banks and financial institutions, principal instalment due is outstanding for 912 days (Previous year 547 days) and interest accrued and due on borrowings outstanding for 912 days (Previous year 547 days) as at March 31, 2022.

Securities provided to lenders

d) Working capital facility of Rs. 41.99 Crore (previous year Rs. 38.79 Crore) including interest amount and non fund bank guarantees of Rs.68 Crores (previous year Rs.68 Crores) from banks is secured by a first pari passu charge by hypothecation of inventories and receivables and a second pari passu charge on fixed assets of the Company and also guaranteed by Aaradhna Realities Limited (formerly known as Essar Investments Limited).
Working Capital Facility of Rs. 89.48 Crore (previous year Rs. 76.95 Crore) including interest amount for Pallivasal Project is guaranteed by EPC Constructions India Limited.

e) With respect to working capital facility from banks is overdrawn for 2554 days (previous year 2189 days) as on March 31, 2022.

(f) During the previous year the company had entered a term loan agreement with Essar Steel Metal Trading Limited (ESMTL) for payment towards guarantee obligations under facilities availed by one of its subsidiaries i.e. Essar Power Gujarat Limited.
The Loan has been secured / to be secured subject to existing charges on its following assets:-
- movable & immovable fixed assets
- current assets ,receivables & book debts , bank accounts , inventory
- pledge of 20 % of paid up capital of EPOL
- all amount owing to, and received and/ or receivable by the company and / or any person (s) on its behalf in relation to sale, transfer, disposition of shares and / or invocation of shares (both equity & preference shares) held by the company in Essar Power Hazira Limited, both present and future

During the year the company had amended the First supplemental Deed of Hypothecation executed with ESMTL. The unsecured amount upto Rs.130 Crore shall be secured vide this amendment.The Assets, Security and receivables (both present and future) ("the Secured Assets") of the company which was hypothecated in favour of the Lender to secure amount of Rs. 175 Cr shall stand extended also for amount of Rs. 130 Cr in favour of the ESMTL in the same manner in which the said assets were hypothecated for Rs.175 C .By this First supplemental Deed of Hypothecation, the charge amount shall stand modified and extended from Rs. 175 Cr to Rs 305 Cr by addition of Rs.130 Cr. All other terms and conditions of the Original Deed (i.e. Deed of Hypothecation executed on 30th November 2020) shall remain the same. As per supplemental agreement, the total charge created (old and new) is subservient to existing charge holders.

(g) During the year, the company entered a term loan agreement with Logan Advisors Limited for payment of towards settlement obligations of its existing debt. The company received Loan of Rs.185.23 Cr during the current year.The Loan has been secured / to be secured subject to existing charges on its following assets: -
- movable plant & machinery
- current assets, receivables & book debts, bank accounts, inventory
- pledge on 21,25,00,000 equity share capital of EPOL held by ESMTL
- all amount owing to, and received and/ or receivable by the company and / or any person (s) on its behalf in relation to sale, transfer, disposition of shares and / or invocation of shares (both equity & preference shares) held by the company in Essar Power Hazira Limited, both present and future.

Axis Bank Limited has approved the One Time Settlement (OTS) of its dues under NCDs facilities and certain exposures under Bank Guarantees. As per the OTS terms, the Company has paid part OTS amount till March 2022. The Company has paid the balance OTS amount alongwith interest till May 2022 on 31st May 2022 towards the agreed OTS amount for full and final settlement of NCDs subscribed by Axis Bank & certain exposure under Bank Guarantees. Accordingly, an OTS gain of Rs. 340.79 Crores has been considered in the books of accounts.

Yes Bank has approved the One Time Settlement (OTS) of its dues . As per the OTS terms, the Company has paid part OTS amount till March 2022. The Company has paid the balance OTS amount alongwith interest till June 2022 on 29th June 2022 towards the agreed OTS amount for full and final settlement of term loan of Yes Bank and No Dues Certificate have been received dated July 25,2022. Accordingly, an OTS gain of Rs. 350.38 Crores has been considered in the books of accounts.

Essar Power Ltd.

B. Essar Power Gujarat Limited (EPGL)

(a) Securities provided for Rupee Term Loan

The Rupee term loan together with interest are secured / to be secured by a first ranking charge on the whole ofEPGL's immovable and movable properties and other movable assets, tangible and intangible assets, book debts, receivables, current assets, bank accounts, assignment of project documents and insurance policies. The facilities are additionally secured by pledge of certain equity shares of EPGL held by the holding company which was subsequently invoked by lenders in October 2017. Part of rupee term loan facility are also secured by corporate guarantees of the holding companies and personal guarantee.

Securities provided for working capital facility

Working Capital facilities from Banks are secured by a first ranking pari passu charge with long term lenders on the whole of EPGL's immovable and movable properties and other movable assets, tangible and intangible assets, book debts, receivables, current assets, bank accounts, assignment of project documents account and insurance policies. The facilities are additionally secured by pledge of certain equity shares of the EPGL held by holding company, which was subsequently invoked by lenders in October 2017.

		Outstanding as on	
(b)	**Terms of repayment**	**March 31, 2022**	**March 31, 2021**
(i)	The Rupee term loan facilities from various banks is repayable in quarterly instalments till March 31, 2033.	2,336.13	2,336.13
(ii)	The Rupee term loan facilities from financial institution is repayable in quarterly instalments till March 31, 2033.	390.52	390.95
(iii)	The Additional Loan facility from bank is repayable in quarterly instalments till March 31, 2026.	270.00	270.00
(iv)	The Additional Loan facility from various banks is repayable quarterly instalments till June 30, 2025.	53.45	53.45
(v)	The Additional Loan facility from financial institution is repayable in quarterly instalments till June 30, 2025.	9.97	9.97

(c) Interest rate of most of the lenders is linked to SBI Base rate + Spread, in other cases it is linked to that bank's base rate + spread.

(d) EPGL is engaged with Consortium Lenders led by SBI since formation of HPC in 2018 for restructuring of debt at a sustainable level. EPGL has complied with two pre-conditions to restructuring stipulated by Consortium Lenders, namely

a. Settlement of Unsecured Lenders without recourse to cash flows of EPGL; and

b. Execution of SPPA for coal cost pass through.

EPGL has submitted

a. Restructuring proposal and

b. One time settlement proposal to all the consortium lenders.

The above proposals are being discussed with Lenders.

In the meantime, EPGL has filed a writ petition in High Court against Government of Gujarat, GUVNL and SBI requesting the following:

a. Coal ceiling removal as done for Adani

b. Stay on the NCLT proceedings till the above

(e) With respect to the rupee term loans from banks and financial institution, principal instalments in default and overdue are for 1795 day (Previous year for 1450 day) and interest accrued and in default and over due are for 1795 days (Previous year for 1450 day) as at March 31, 2022.

(f) Dues of YES Bank, Axis Bank, IDBI Bank and L&T from the Company have been settled under One Time Settlement (OTS) by Promoter Company without recourse to the cash flows of EPGL as stipulated by the Consortium Lenders as a pre-condition to restructuring. No Dues Certificates and Release of Securities have been completed in respect of Axis Bank, IDBI Bank and L&T. Yes Bank No Dues Certificate have been received dated July 25,2022 and all securities have been released, which was after the date of EPGL Balance Sheet that was signed on 18th May 2022.

Essar Power Ltd. *

D. Essar Power Hazira Limited (EPHL)

(a) Securities provided to lenders

The rupee term loans taken by EPHL, together with interest are secured / to be secured by a first ranking pari-passu charge on the whole of EPHL's movable and immovable properties, both freehold and leasehold, Leasehold right, present and future, and other movable assets, tangible and intangible assets, book debts, receivables, current assets, bank accounts, assignment of project documents and insurance policies. The facilities are additionally secured by corporate guarantee and pledge of certain equity shares and cumulative convertible participating preference shares of EPHL held by holding company.

(b) Terms of repayment

The rupee term loan facility is repayable in 40 structured quarterly installments beginning from October 23, 2016.

(c) The classification of loans between current liabilities and non-current liabilities continues based on repayment schedule under respective agreements. Loans had been recalled due to non-compliance of conditions under any of the loan agreements in the previous year . Lenders of EPHL had classified EPHL's account as sub standard. During current year, EPHL has paid all its overdues and all the loan accounts have been clasified as standard by lenders.

(d) With respect to rupee term loan from bank and others, principal installment overdue for Nil days (Previous year Nil days) and interest accrued and due is outstanding for Nil days (Previous year Nil days) as at March 31, 2022.

(e) EPHL has not availed any fresh term loan during current year and during previous year.

(e) During the previous year, EPHL availed moratorium on the repayment due during April 2020 to May 2020. Accordingly, entire repayment schedule got shifted by three months and last repayment is due on October 23, 2026

NOTE: 28

TRADE PAYABLES **Rs. in Crore**

	As at March 31, 2022	As at March 31, 2021
Trade payables		
Total outstanding of micro and small enterprises	**6.61**	11.06
Others*	**188.85**	206.72
		-
	195.47	217.78

*Trade payable includes an amount of Rs. 7.10 Crore assigned from one of the subsidiary payable by them towards their capex.

TRADE PAYABLES (CREDITORS) AGEING SCHEDULE **(Rs. in Crore)**

	Outstanding for following periods from due date of payment				**As at**
	< 1 year	**1-2 years**	**2-3 years**	**More than 3 yrs.**	**March 31, 2022**
MSME	**6.50**	**1.54**	**0.02**	**0.30**	**8.36**
Others	**62.26**	**86.00**	**5.29**	**32.95**	**186.50**
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	**0.60**	**0.01**	**0.61**
	68.76	**87.54**	**5.91**	**33.26**	**195.47**

TRADE PAYABLES (CREDITORS) AGEING SCHEDULE (Rs. in Crore)

	Outstanding for following periods from due date of payment				As at
	< 1 year	1-2 years	2-3 years	More than 3 yrs.	March 31, 2021
MSME	8.65	1.33	0.08	0.78	10.85
Others	158.86	15.68	3.66	28.13	206.33
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	0.60	-	0.60
	167.52	17.01	4.34	28.91	217.78

Essar Power Ltd.

NOTE: 29

OTHER FINANCIAL LIABILITIES

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Current maturities of long term borrowings (Refer Note 22)	-	239.78
Less: Unamortised upfront fee	-	(0.59)
	-	939.19
Interest accrued but not due on borrowings from banks and other institutions	-	9.64
Interest accrued and due on borrowings from banks and other institutions	2,903.48	3,620.90
Interest accrued but not due on borrowings from related parties	-	69.07
Interest accrued and due on borrowings from related parties	0.03	0.03
Interest accrued but not due on borrowings from others	6.03	-
Interest on optionally convertible cumulative redeemable preference shares	-	776.37
Unpaid matured debentures and interest accrued thereon (Refer Note 22)	3,772.86	2,118.55
Capital creditors		
Total outstanding of micro and small enterprises	-	0.79
Others	-	17.01
Gurantee Expenses Payment under Corporate Gurantee	785.00	-
Other payables	235.26	87.06
	7,702.66	6,938.61

**Including of Rs. Nil (PY 0.52 Crores) of Holding company (EPOL)

(A) Essar Power Limited (The Company / EPOL)

(a) Security provided to lenders

10.25% and 12.00% non convertible Debentures of Rs. 249.26 Crore (Previous year Rs. 293 Crore) are secured by a first ranking charge in favour of Axis Trustee Securities Limited on all present and future fixed assets (including movable and immovable) of the Company.

(b) Terms of redemption of non convertible debentures and terms of repayment of rupee loan facility

(i) Redemption of 10.25% and 12.00% non convertible debentures is in eight annual instalments as mentioned below:

20% each on March 31, 2018 and March 31, 2017

15% each on March 31, 2016 and March 31, 2015

10% each on March 31, 2014 and

5% each on March 31, 2012 and

(c) Security provided to lenders

12.50% Non convertible debentures of Rs. 65.00 Crore (Previous year Rs. 74.00 Crore) is secured / to be secured by first pari passu charge on all present and future fixed assets (including movable and immovable) of the Company, Essar Power M. P. Limited, Essar Power (Orissa) Limited and its subsidiaries Essar Power Gujarat Limited, pledge of certain shares held by Essar Power Holdings Limited, escrow and pari-passu charge over the entire cash flows of the Company including cash flows arising out of the loans given to its subsidiaries by the Company and cash flows arising out of debentures issued by the Company and subscribed by various debenture holders and personal guarantee of Shri Prashant Ruia. The facility is additionally secured / to be secured by Debt Service Reserve Account (to be created in the form of Fixed Deposit). The facility is additionally secured by second charge on surplus cash flows on sale of investments in Essar Power Transmission Company Limited

(d) Terms of redemption of non convertible debentures

(i) Redemption of 12.50% non convertible debentures is in three annual instalments as mentioned below:

Rs. 250.00 Crore on July 5, 2024 (Partly prepaid)

Rs. 250.00 Crore on July 5, 2023 (Prepaid)

Rs. 135.00 Crore on July 5, 2022 (Prepaid)

Essar Power Ltd.

(e) With respect to non convertible debenture principal overdue for 1 day to 2805 days (Previous year 1 day to 2440 days) and interest accrued and due thereon for 1 day to 1914 days (Previous year 1 day to 1649 days) as at March 31, 2022.

(f) **12.50% Non convertible debentures of Rs. 1,000.00 Crore (Previous year Rs. 1,000.00 Crore)** is secured/to be secured by way of first pari passu charge on the fixed assets (freehold land, buildings and plant and machinery) of the Company and its subsidiaries. These debentures have been recalled by the holders thereof and legal proceedings have been initiated in the DRT-I, Mumbai during May 2017 in respect of the claim. The Company is contesting the claim and is taking appropriate steps to defend the proceedings before the DRT –I, Mumbai. The matter is being heard by DRT from time to time. In FY 2017-18 the debenture holder had filed two interim applications preventing the company from disposing off its certain assets. The DRT had passed an interim releif order directing the company not to dispose off its certain assets. The Company has submitted to the tribunal that it will comply with the interim relief order except for the assets that have been disposed prior to the date of the order. The matter is presently sub-judice.

Redemption of 12.50% non convertible debentures is in six annual instalments as mentioned below:
35% on September 11, 2024
21% on September 11, 2023
14% on September 11, 2022
15% on September 11, 2019
9% on September 11, 2018
6% on September 11, 2017

(g) The Company has recognised guarantee expenses of Rs.815 Crores payable to the lenders of Essar Power Jharkhand Limited (subsidiary of the Company) (EPJHL). EPJHL had been referred to NCLT and a liquidation order was passed by the Hon'ble NCLT on 3rd January 2020. The Company, Essar Global Fund Limited (EGFL) and Essar Energy Limited (EEL) are the guarantors for the debt facilities of EPJHL. As per the settlement deed executed between the lenders of EPJHL and the guarantors, a one time settlement amount (OTS) of Rs.1215 Crores has been agreed towards settlement of entire dues of EPJHL and release of guarantees. OTS amount is payable by any of the guarantor. In view of same, EGFL has already paid the first & second instalment amounting to Rs.400 Crores. The Company has paid Rs. 30 Crores and balance amount of Rs.785 Crores is payable alongwith interest to the lenders of EPJHL. The guarantors have sought extension of time for payment of balance OTS amount..
The time provided for payment under OTS is lapsed and the company is in discussion with lenders for extension of time for payment.

(h) Axis Bank Limited has approved the One Time Settlement (OTS) of its dues under NCDs facilities and certain exposures under Bank Guarantees. As per the OTS terms, the Company has paid part OTS amount till March 2022. The Company has paid the balance OTS amount alongwith interest till May 2022 on 31st May 2022 towards the agreed OTS amount for full and final settlement of NCDs subscribed by Axis Bank & certain exposure under Bank Guarantees. Accordingly, an OTS gain of Rs. 340.79 Crores has been considered in the books of accounts.

(i) Punjab National Bank has approved the One Time Settlement (OTS) of its dues under NCDs facilities. As per the OTS terms, the Company has paid the approved OTS amount of towards full and final settlement. The Company has paid the agreed OTS amount by 31st May 2022 for full and final settlement of NCDs subscribed by PNB and No Dues Certificate have been received dated June 16 ,2022 Accordingly, an OTS gain of Rs. 6.31 Crores has been considered in the books of accounts.

(j)Yes Bank has approved the One Time Settlement (OTS) of its dues . As per the OTS terms, the Company has paid part OTS amount till March 2022. The Company has paid the balance OTS amount alongwith interest till June 2022 on 29th June 2022 towards the agreed OTS amount for full and final settlement of term loan of Yes Bank and No Dues Certificate have been received dated July 25,2022. Accordingly, an OTS gain of Rs. 350.38 Crores has been considered in the books of accounts.

(k) During the year Rs.776.38 Cr Interest on optionally convertible redeemable preference shares reversed as per confirmation received from respective companies dated 29th July 2022 that no amount is due or outstanding towards redemption premium and accumulated dividend for the optionally convertible redeemable preference shares converted into equity shares.

NOTE: 30
PROVISIONS

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
Compensated absences	**0.15**	0.14
	0.15	0.14

NOTE: 31
CURRENT TAX LIABILITIES (NET)

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Provision for taxation	**0.08**	6.30
Less: Set-off of current tax assets pursuant to set-off provisions	-	(6.26)
	0.08	0.04

Essar Power Ltd.

ESSAR POWER LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR YEAR ENDED MARCH 31, 2022

NOTE: 32

OTHER CURRENT LIABILITIES Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Revenue received in advance		
Advance from customers*	0.16	2.59
Statutory dues	6.86	22.58
Other payables	0.08	0.85
Deferred government grants	-	0.06
Advance from Related party	0.23	-
Deferred Liability##	1.26	1.26
Others (specify nature)	0.01	-
	8.62	27.33

* **Essar Power Transmission Company Limited (EPTCL) : Advance from customers**

1 The Board of Directors of Essar Power Transmission Company Limited at its meeting held on 22nd October, 2019 had passed resolution pertaining to a proposal received from Railways informing that the Railway Department would be installing new Railway lines and Bullet Train Lines in the state of Chhattisgarh and Gujarat. These lines would be passing through the Transmission Towers of EPTCL. In order to provide passage for these lines the height of EPTCL's Transmission Towers would be required to increase accordingly.

2 In connection with the said proposal EPTCL has received advance amount from National High Speed Rail Corporation Limited for execution of project . part of the afoeresaid advance remain unutilized for the period of more than three hundred and sixty five days.

3 In this regard it is to be noted that National High Speed Rail Corporation Limited is a Company incorporated under the Companies Act, 1956 / 2013. In terms of the definition of the term "Deposit" given under sub clause vi of The Companies (Acceptance of Deposits) Rules, 2014, any amount received by a Company from any other Company is exempted from the definition of Deposit. Accordingly the provisions relating to acceptance of deposit would not apply to amount received from National High Speed Rail Corporation Limited and remained remain unutilized for the period of more than three hundred and sixty five days

Represents government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme on purchase of property, plant and equipments accounted for as government grant being amortised over useful life of underlying capital good.

Non Current value for Previous year amounting to Rs.38.01 Crore being regrouped under note no. 26 - Other non Current liabilities.

NOTE: 33

REVENUE FROM OPERATIONS Rs. in Crore

	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of power and charges*	418.08	2,203.91
Rebate	(0.00)	(35.93)
Operation and maintenance charges (net of service tax)	50.85	-
Charges for lower availability		22.99
Revenue from transmission charges	-	410.84
Sale of services	-	(0.12)
Trading in electricity		
Value of units sold	955.97	130.84
Less: Value of units purchased	(954.91)	(130.04)
	1.06	0.80
Sale of traded goods	0.59	12.44
Other operating revenues	3.85	7.39
	474.43	2,622.32

*Includes delayed payment charges of Rs. NIL (Previous year Rs. 2.2 Crore) on overdue recoverable from customers as per the terms of Power Purchase Agreement.

ESSAR POWER LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR YEAR ENDED MARCH 31, 2022

EPGL - Note on Sale of power and charges

The Government of Gujarat vide Resolution dated December 1, 2018 allowed pass through of actual fuel cost with effect from October 15, 2018, among other things, and further as per the provision contained in the Supplemental PPA dated March 01, 2019, EPGL being liable to forego all its losses prior to January 15, 2018, it has withdrawn its petition that was pending before the GERC on August 19, 2019.

Thereafter, the GERC, vide its Order dated April 27, 2020 has approved the Supplemental PPA with GUVNL with certain amendments.
Aggrieved by the GERC order, EPGL approached APTEL on June 2, 2020, for adjudication of disputes that was disallowed by GERC. However, the Govt of Gujarat vide its resolution dated June 12,2020 revoked the earlier government resolution dated December 1, 2018 and further vide its letter to GUVNL dated June 12, 2020 has accepted all the conditions of GERC order dated April 27, 2020 for EPGL and has asked GUVNL to implement the same for other generators. Accordingly, the appeal filed before APTEL was withdrawn based on discussions with the lenders.

The Government of Gujarat had issued new Government Resolution (GR) dated June 5, 2021 accepting few modifications to its earlier GR dated June 12, 2020 based on the representations and discussions done between EPGL, GUVNL and GoG.

Based on the new GR, revised SPPA has been signed on August 12, 2021. Final Supplementary PPA (SPPA) was executed between EPGL and GUVNL in August 2021 and GERC approved the same on November 20, 2021 making coal cost a pass through in accordance with Government Resolutions dated June 12, 2020 and June 5, 2021. With the SPPA being effective, the entire capacity of EPGL is tied up with GUVNL.
On April 12, 2022, Ministry of Power (MoP) had called a meeting with the Hon'ble Minister of Power & NRE, Government of Gujarat, GUVNL and SBI CAPS. As per the meeting, EPGL is allowed complete coal cost pass through till December 31, 2022.
Based on the order, EPGL had accrued/recognized revenue Rs. 150.73 Crore during the financial year 2020-21. During the current year, the same was increased by Rs 0.28 Crore based on the actual data published by the state load dispatch centre.

NOTE: 34
OTHER INCOME — **Rs. in Crore**

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income on deposits with banks and others	3.13	6.99
Unwinding of discount on security deposits	4.19	3.42
Deferred government grant	1.26	1.26
Profit on sale of mutual fund units	0.00	0.16
Fair value gain on financial instrument at fair value through profit and loss	0.01	0.01
Lease income	-	0.01
Interest income on financial assets at amortised cost	-	0.00
Miscellaneous income	2.52	5.34
Profit on sale of shares	0.01	-
Miscellaneous balances written back	6.03	2.07
Scrap sales	2.15	0.31
	19.31	19.60

NOTE: 35
COST OF FUEL — **Rs. in Crore**

	For the year ended March 31, 2022	For the year ended March 31, 2021
Cost of fuel	-	1,340.81

NOTE: 36
EMPLOYEE BENEFIT EXPENSES — **Rs. in Crore**

	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and wages	64.86	106.54
Contribution to provident and other fund	3.62	4.92
Gratuity (Refer Note 45)	0.96	1.30
Staff welfare expenses	2.25	3.52
		-
	71.70	116.29

Essar Power Ltd.

NOTE: 37
OTHER EXPENSES

Rs. in Crore

	For the year ended March 31, 2022	For the year ended March 31, 2021
Production consumables	**10.41**	34.89
Consumption of water and water treatment	**8.55**	64.30
Warehouse charges	-	0.47
Transmission and scheduling charges	**0.28**	31.46
Repairs and maintenance		
Buildings	**2.18**	4.30
Plant and machinery	**22.81**	49.19
Others	**43.94**	9.47
Net loss on account of foreign currency transaction and translation	**0.81**	6.16
Lease charges	-	(8.44)
Rent	**3.25**	14.95
Rates and taxes	**1.33**	3.78
Directors' fees	**0.28**	0.32
Insurance	**7.43**	14.40
Communication expenses	**0.21**	0.67
Travelling and conveyance	**5.75**	8.66
Impairment / loss on disposal of property, plant and equipment	**0.40**	0.03
Legal and professional fees	**15.01**	16.75
Administration charges	**0.00**	0.00
Corporate social responsibility expenses	-	1.00
Securities and contract charges	**1.53**	2.96
Business promotion (refer note below)	**2.43**	6.61
Charges for lower availability	**124.56**	13.89
Payments to Auditors (including tax)		
As auditor	**1.09**	1.50
For taxation matters	-	0.06
For company law matters	-	0.01
For other services	**0.01**	0.01
Sundry balance written off (net)	**1.14**	18.31
Miscellaneous expenses	**5.32**	7.34
	258.72	303.03

1. Business promotion expenses includes brand fees accounted based on the provision as per the agreement and invoices raised during year

2. In EPGL: 'Repairs and maintenance and Spares consumption excludes major over hauling expenses of RS. Nil (Previous year Rs. 5.22 Crore) amortised by the EPGL. EPGL has capitalised the total expenditure and the same will be debited to Statement of Profit and Loss over the balance useful life of the Property, plant and equipment by way of Depreciation.

NOTE: 38
FINANCE COSTS

Rs. in Crore

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest	**1,487.38**	2,434.06
Interest on shortfall in payment of advance tax	-	1.76
Interest on preference shares	**0.70**	137.69
Interest on lease liability	**1.91**	2.11
Other borrowing costs	**31.56**	40.37
	1,521.55	2,615.99

Essar Power Ltd.

NOTE: 39

EXCEPTIONAL ITEMS

Rs. in Crore

	For the year ended March 31, 2022	For the year ended March 31, 2021
Provision for impairment of property, plant and equipment -refer note (i)	**510.84**	291.28
Provision for impairment of CWIP	-	(385.74)
Reversal of Interest on compound financial instruments		(1.21)
Provision of doubtful Inter corporate deposits	-	6.34
Provision for doubtful trade receivables	**(1.63)**	0.29
Guarantee Expenses Payment under Corporate Guarantee refer note no. (v)	**815.00**	569.73
Gain on loss of control on subsidiaries -refer note no. (iv)	**(18.70)**	(9,840.37)
Gain on settlement with Lenders	**(697.49)**	(1,081.10)
Written Back of balance - refer note no. (ii)	**(171.43)**	(150.32)
Reversal of Interest on compound financial instruments	**(0.05)**	-
Bad Debts written off refer note no. (iii)	**439.13**	120.50
Reversal of Provision for doubtful debtors	**(0.05)**	(0.08)
Reversal of Provision Others refer note no. (vi)	**(469.81)**	-
Reversal of trade receivable credit impaired	-	(4.12)
Reversal of impairments of Assets	-	(196.83)
Amortisation of NCD Fee	-	4.53
Reinstate of Liability	**102.23**	-
Reversal of Provision	**(0.65)**	(108.53)
Fair Value Gain on Restructuring Loan liability	-	(84.76)
Reversal of Interest on optionally convertible redeemable preference shares	**(776.37)**	-
	(268.98)	(10,860.39)

(i) As per requirement of Ind AS, at the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there are any indications that the plant and machinery have suffered an impairment loss. If any such indication exists, the recoverable amount of asset is estimated in order to determine the extent of the impairment loss (if any). The Group thereby has assessed the recoverable amounts and also obtained the assessment by independent technical experts. The assessment by technical expert is based on replacement value and present market scenario. The group companies have estimated the recoverable amount of Property, Plant and Equipment (PPE) and Capital Work in Progress (CWIP) to be lower than its corresponding carrying values and accordingly the Group has made a provision of Rs. 510.84 Cr (Previous Year: Rs. -94.46 Crores) on account of impairment of PPE and CWIP as on 31st March 2022.(read with note no. 54)

(ii) **Written Back of Balances :** The Company has balance of Rs.160.81 Crores Inter Corporate deposits (ICDs) from its subsidiaries/other companies as at 31st March 2022. As reviewed by the Company management there is no demand notice from these companies.Therefore the Company has written back the unsecured amount payable.

(iii) **Bad Debts Written Off :**

(a) As per Recent order in respect of coal mines, During the year Rs.40.34 Cr received from Ministry of coal relating to chakla coal mines , Balance Estimated amount receivable would be around Rs.40 Crore from Ministery of coal. In view of above after keeping balance to the extent amount of Rs.40 Crore , the company has written off the balance of Rs.429.43 Crore (ICD Principal - Rs.275.93 & ICD Interest- Rs.153.50) towards ICD Given to Essar power Jharkhand Limited

(b) During the year the company has written off Rs.6 Cr ICD receivable ,Rs.1.96 Cr security deposit to Essar services Limited and Rs.0.04 Cr Advanees to vendors as per management approval.

Gain on loss of control on subsidiaries

(iv) BPOL entire stake held by Essar Power Limited in Bhander Power Limited i.e.73.69% of paid up equity capital has been transferred to Essar Steel Metals Trading Limited on 21st January'2022 & EPORL beneficial interest has been transferred to Essar Steel Metal Trading Limited w.e.f. 03/03/2022

The net gain on disposal of aforementioned Indian subsidiay is Rs. 18.70 Crore (P.Y.- Rs. 9840.37 Crore). (Read with note no. 60)

(v) **Payment under Guarantee Obligation :** Rs. 815 crore recognised as guarantee expenses for lenders of Essar Power Jharkhand Limited (subsidiary of the Company) (EPJHL) made in earlier quarter. The provision had been made pursuant to liquidation order passed by the Hon'ble NCLT against the said subsidiary on 3rd Jan 2020. The Company was a guarantor of EPJHL term loan facilities along with Essar Globe Capital Fund (EGFL) and Essar Energy Limited . During the previous year a settlement deed was signed with ICICI bank wherein an one time settlement amount (OTS) of Rs.1215 cr has been arrived for liabilities in respect of the EPJHL Guarantees. As per the settlement deed, the amount is payable by any of the guarantor. EGFL has paid the first & second instalment amounting to Rs.400 crore and upon paying the balance amount of Rs.815 cr, all the guarantees provided for EPJHL will be released. In view of the same, the company has recognised as liability of Rs.815 Cr towards Guarantee Expenses.

(vi) **Reversal of Provision Others**

During the year Rs.40.34 Cr received from Ministry of coal relating to chakla coal mines. As per Recent order in respect of coal mines , Balance Estimated amount receivable would be around Rs.40 Crore from Ministery of coal. In view of above after keeping balance to the extent amount of Rs.40 Crore , the company has reversed the balance provision to the extent of Rs.469.81 Crore (ICD Principal - Rs.316.31 & ICD Interest- Rs.153.50) created in earlier years towards ICD Given to Essar power Jharkhand Limited

(vii) **One time settelement gain**

(a) Axis Bank Limited has approved the One Time Settlement (OTS) of its dues under NCDs facilities and certain exposures under Bank Guarantees. As per the OTS terms, the Company has paid part OTS amount till March 2022. The Company has paid the balance OTS amount alongwith interest till May 2022 on 31st May 2022 towards the agreed OTS amount for full and final settlement of NCDs subscribed by Axis Bank & certain exposure under Bank Guarantees. Accordingly, an OTS gain of Rs. 340.79 Crores has been considered in the books of accounts.

(b) Yes Bank has approved the One Time Settlement (OTS) of its dues . As per the OTS terms, the Company has paid part OTS amount till March 2022. The Company has paid the balance OTS amount alongwith interest till June 2022 on 30th June 2022 towards the agreed OTS amount for full and final settlement of term loan of Yes Bank and No Dues Certificate have been received dated July 25,2022. Accordingly, an OTS gain of Rs. 350.38 Crores has been considered in the books of accounts.

(c) Punjab National Bank has approved the One Time Settlement (OTS) of its dues under NCDs facilities. As per the OTS terms, the Company has paid the approved OTS amount of towards full and final settlement. The Company has paid the agreed OTS amount by 31st May 2022 for full and final settlement of NCDs subscribed by PNB nd No Dues Certificate have been received dated June 16 ,2022. Accordingly, an OTS gain of Rs. 6.31 Crores has been considered in the books of accounts.

(vii) **Reversal of Interest on optionally convertible redeemable preference shares**

During the year Rs.776.38 Cr Interest on optionally convertible redeemable preference shares reversed as per confirmation received from respective companies dated 29th July 2022 that no amount is due or outstanding towards redemption premium and accumulated dividend for the optionally convertible redeemable preference shares converted into equity shares.

(viii) **Reinstate of Liability**

During the year The company has reinstate the liability of Rs.102.23 Cr Brahmani Thermal Power Limited which were written back in earlier years as vendor was continouos demanding of said amount.

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Essar Power

ESSAR POWER LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR YEAR ENDED MARCH 31, 2022

NOTE: 40

TAX EXPENSE

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

Rs. in Crore

	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax	7.67	0.04

Rs. in Crore

	For the year ended March 31, 2022	For the year ended March 31, 2021
Accounting profit / (loss) before tax	(1,202.83)	8,764.76
Tax at the Indian statutory tax rate of 34.944% (Previous year 34.944%)	(54.44)	(446.17)
Non-deductible expenses for tax purpose:		
Interest on shortfall in payment of advance tax	-	0.01
IND AS Adjustments	-	40.05
Other non-deductible expenses	130.30	279.12
Minimum alternate tax (MAT), net of entitlement	-	5.36
Interest on Loans	-	165.73
Impact of change in tax rates	-	0.09
Deferred tax assets not recognised	(0.04)	595.18
Deferred Tax on Business Loss	(0.06)	263.03
Recognition of previously unrecognised deferred tax on unabsorbed depreciation	-	23.62
Deferred Tax on Provision for Doubtful Debtors and Capital Advances	-	32.93
Accelerated depreciation for tax purpose	-	13.94
Deferred Tax Reversals	0.41	-
Others	(0.11)	(115.45)
Tax expenses recognised in the statement of profit and loss	76.06	857.44

(b) Deferred tax recognised in statement of profit and loss

Rs. in Crore

	For the year ended March 31, 2022	For the year ended March 31, 2021
Property, plant and equipment	(22.48)	7.87
Intangible assets	-	0.58
Unabsorbed depreciation	67.93	199.43
Employee benefit expenses	0.46	0.60
Provision for doubtful debtors	0.41	(97.04)
Carry forward business losses	(0.04)	-
Fair valuation of financial assets	0.44	124.38
Lease Liability	0.02	-
Others	0.06	2.26
	46.81	238.07

Essar Power Ltd.

NOTE: 41

Following subsidiary companies and joint ventures have been considered in the preparation of consolidated financial statements:

Sr. no.	Name of the company	Country of incorporation	% voting right held by the Group		% Effective ownership by the Group	
			March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	Subsidiaries:					
1	Essar Power Transmission Company Limited (1)	India	**100.00**	100.00	**100.00**	100.00
2	Essar Power Overseas Limited	British Virgin Islands (BVI)	**100.00**	100.00	**100.00**	100.00
3	Essar Electric Power Development Corporation Limited	India	**100.00**	100.00	**100.00**	100.00
4	Essar Power Hazira Limited	India	**74.00**	74.00	**99.60@**	99.60@
5	Ultra LNG Urja Limited	India	**100.00**	100.00	**100.00**	100.00
6	Essar Power (Jharkhand) Limited [2]	India	**100.00**	100.00	**100.00**	100.00
7	Essar Power Tamilnadu Limited	India	**100.00**	100.00	**100.00**	100.00
8	Essar Power Gujarat Limited [3]	India	**49.00**	49.00	**57.82@**	57.82@
9	Integrate Offshore Private Limited (IOPL) (w.e.f.Aug 04, 2021)	India	**100.00**	-	**100.00**	-
10	Kumudini Power Limited (KPL) (w.e.f Aug 04,2021)	India	**100.00**	-	**100.00**	-
11	Metanergy Powerex Ltd (MPL) (w.e.f. Jan 18,2022)	India	**100.00**	-	**100.00**	-
12	Essar Power (Orissa) Limited	India	-	74.00	-	99.60@
13	Bhander Power Limited	India	-	73.69	-	73.69
	Joint controlled entities:					
1	Mahan Coal Limited (Joint Operation)	India	**50.00**	50.00	**50.00**	50.00

1 Adani Transmission Limited (ATL) has signed definitive agreement with Essar power Ltd (EPOL) on 2 June 2022 for 100% stake in Inter-state trannission project owned , developed ,and operated by Essar power Transmission Ltd (EPTCL). The proposed transaction will be executed through transactions steps which shall be subject to necessary regulatory approval and other consents.

2 Under liquidation.
ICICI Bank Limited who is the sole lender of Essar Power (Jharkhand) Limited (EPJHL), has referred it for Insolvency Proceedings under Insolvency and Bankruptcy Code, 2016 (IBC). Hon'ble National Company Law Tribunal, New Delhi Principal Bench via its order dated 5th April 2018 allowed initiation of Corporate Insolvency Resolution Process of EPJHL under IBC. Mr. Huzefa Fakhri Sitabkhan was appointed as the Interim Resolution Professional ("IRP") of EPJHL. Subsequently, he has been confirmed as the Resolution Professional ("RP") in the first Committee Creditors meeting held on May 11, 2018. Thus, In previous year, post the Balance Sheet date (31 March 2018), the Company has lost control over EPJHL. NCLT – New Delhi had issued liquidation order of EPJL on 03.01.2020.

3 51% of the shares have been invoked by IDBI Trusteeship Services Ltd in the FY 2018-19.

Essar Power Ltd.

M. M. CHATURVEDI & CO. ★ MUMBAI ★ CHARTERED ACCOUNTANTS

ESSAR POWER LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR YEAR ENDED MARCH 31, 2022

NOTE: 42

CONTINGENT LIABILITIES AND COMMITMENTS

Rs. in Crore

		As at March 31, 2022	As at March 31, 2021
(i) Contingent liabilities			
(a)	Claims against the Group not acknowledged as debts:		
	(i) Liquidated damage - Ref note(i)	**179.75**	179.75
	(ii) Penalty for Phase II Power Purchase agreement performance (Refer note -vii)	**80.00**	80.00
	(iii) Liability towards ship or pay charges not provided due to matter under litigation #a	**15.44**	15.44
	(iv) Entry tax including assessment tax on stores and spares and raw material as per "Madhya Pradesh Entry Tax Act, 1976"	**5.90**	5.90
(b)	Disputed tax of electricity duty (excluding interest)	**45.91**	45.91
(c)	Income tax/sales tax liability not charged to statement of profit and loss due to pending appeal cases	**117.98**	152.99
(d)	Custom duty not provided due to pending appeal cases Ref note (iii)	**605.66**	605.50
(e)	Water charges liability / interest on water charges outstanding not provided due to dispute/ pending appeal cases Ref note (iv)	**-**	8.41
(f)	Relinquishment charges levied by PGCIL Ref note (ii)	**554.88**	554.88
(h)	Service tax liability not charged to statement of profit and loss due to pending appeal cases.	**2.15**	4.62
		1,607.66	**1,653.40**
(ii)	**Capital Committement**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**5.47**	**5.67**
		5.47	**5.67**

i. Contingent liabilities

Note (i) EPGL - GUVNL had deducted an aggregate sum of Rs.221.25 Crore towards liquidated damages from the invoice amount of tariff payable by it to EPGL under the PPA for delay in scheduled commercial operation. As regards the pending appeal filed by GUVNL before the Hon'ble Supreme Court, the same would be decided by the Hob'ble Court in due course. However, as aforesaid, in the opinion of the EPGL, the said appeal of GUVNL is unlikely to succeed as it does not involve any substantial question of law.

EPGL has writtern off Rs. 41.50 Crore following the expected credit loss model and hence the contingent liability has been shown at balance only.

EPGL - GUVNL had levied a penalty of Rs.47.51 Crore under minimum plant availability head and recovered the same from the bills raised on GUVNL by EPGL. GUVNL had started recovering this amount from the monthly billing which was challenged by EPGL before the GERC inter alia contending that the reason for such failure was solely on account of Force Majeure conditions which are covered under the PPA. The hearing in the said matter was completed and was reserved for orders by the GERC. However, the orders could not be pronounced before the term of the bench ended and therefore needs to be heard afresh by the new Bench of the GERC, which is yet to commence.EPGL has written off Rs.47.51 Crore following the expected credit loss model and hence the contingent liability has been shown at balance only.

Note (ii) EPGL - To meet the expansion plan from 1200 MW to 3840 MW, M/s EPGL had taken connectivity for 2240 MW & Long Term Open access (LTOA) for 250 MW from PGCIL. The expansion plan could not materialize because of Force Majeure affecting sea water and imported Indonesia coal. Consequently, it relinquished both the Connectivity and LTOA to PGCIL. By an Order dated March 8, 2019, the CERC has laid down principles/guidelines in the matter of determination of 'stranded capacity' by PGCIL, which may arise due to relinquishment of LTOA rights by its long term customers for the purpose of levy and recovery of relinquishment charges. PGCIL had uploaded a Circular on May 20, 2019 for Rs. 554.88 Crore is due from EPGL towards relinquishment charges.

The Association of Power Producers and others, which include EPGL, have filed an appeal before the Appellate Tribunal for Electricity, New Delhi (APTEL) challenging the said order of the CERC as there were similar cases across India. EPGL then made an application to APTEL for stay of the impugned Order. EPGL has also filed Rejoinder to the reply filed by PGCIL. The matter is under hearing stage and the amount, if any, payable by EPGL to PGCIL towards relinquishment charges is not finally decided and, therefore, the same is not ascertainable at present.

Note (iii) (a) EPGL has imported capital goods for the Project at nil rate of duty pending issue of Project Registration Certificate in pursuance of Mega status Policy. The goods so imported were warehoused in a Custom bonded warehouse and were cleared after receipt of the Project Registration Certificate and is accordingly not liable to pay merit rate of duty. The Commissioner of Customs & Excise has disallowed such clearances and levied Rs. 555.29 Crore for merit rate of duty and fine thereon apart from interest vide order dated April 29, 2015. EPGL has filed an appeal before Custom Excise & Service Tax Appellate Tribunal (CESTAT) challenging the said order and the same is pending for hearing.

(b) EPGL has imported coal during the financial year 2012-13 and cleared consignments as Steam Coal. Customs Department has classified these consignments as bituminous coal and has assessed basic custom duty at higher rate as compared to rate declared by EPGL and raised demand of Rs. 22.76 Crore.EPGL is of the view that it is not required to pay any portion of this demand and has filed appeal before the appropriate forum and is confident that matter will be resolved in the EPGL's favor. The matter is pending to be heard by a larger bench of CESTAT where along with other various consumers who have suffered because of this classification issue. In case, the matter is decided against EPGL, EPGL is entitled to claim the same from GUVNL.

(c) EPGL had imported steam coal with exemption on duty to be used for the purpose of power generation. Additional commissioner of customs, Jamnagar denied exemption available on steam coal by classifying the imported coal as bituminous coal imposing fine and penalty of Rs. 2.25 Crore. The matter is pending with the CESTAT, Chennai

(d) EPGL imports coal at bedi port as a fuel used for power generation. When coal is imported in gearless vessels it needs to be discharged at anchorage and floating cranes are used for discharging the coal to barges. EPGL pays floating crane charges to stevedores for the same. As per customs authority these charges need to be added in the assessable value for computation of customs duty. As per EPGL these charges are part of unloading charges and need not be added as freight charges in assessable value. Total duty and penalty levied by the department is Rs. 0.94 Crore. An appeal was filed with Commissioner appeals, Ahmedabad which was subsequently rejected by commissioner appeals. Matter is currently lying with commissioner of customs and CESTAT.

(e) EPGL has ordered capital goods for 1200 MW power plant at Salaya. Goods were kept in customs bonded warehouse before clearing for intended use. As per section 61(2) interest is payable on the amount of duty payable at the time clearance of goods from warehouse if the period of storage exceed 90 days from the date of warehousing the goods. CBEC has empowered Chief Commissioner to waive of the interest on the case to case basis. EPGL has applied for waiver of interest. The matter is lying with Additional Commissioner of Customs, Gujarat Zone as per approval note received on May 25, 2014 from chief commissioner of central excise, Ahmedabad. Matter is pending for the order.

Note (iv) EPGL - During June 2009, EPGL has made application for requirement of 80 MLD Narmada Water for its Power plant to the Gujarat Water Infrastructure Limited (GWIL), but erroneously mentioned in the water schedule as starting from Feb 2010 instead of Feb 2011. As per their rules, GWIL has started the billing from July 2010. EPGL has not accepted the billing from July 2010 to March 2011 and contested for the same. The matter has been lying with the trial court. The court has directed GWIL and EPGL to appoint an arbitrator for the resolution of this case. GWIL aid to appoint a mutually suitable arbitrator to resolve this case / matter, which is still pending. We have reminded them a number of time to appoint an arbitrator, so that, a closure is arrived at on this case

During December 2016, GWIL has recovered Rs 8.41 Crore (Invoice value Rs 4.04 Crore & interest Rs 4.37 Crore). During the year, EPGL has booked the liablity.

Note (v) EPGL had entered into an offshore supply contract for the implementation of 1200 MW at Salaya with Global Supplies FZE, UAE (GS). DRI had issued a show cause notice in the matter during financial year 2016.Subsequently reassessment proceedings under income tax were initiated . After final assessment order was received,EPGL had filed appeal before CIT (A). Subsequently, the Transfer Pricing Officer had passed penalty order on April 30, 2019 and had not accepted our contention and levied penalty @ 2% on transaction value ie Rs.49.42 Crore. EPGL had filed appeal against penalty order before CIT (A) On May 14, 2019 and file stay application for penalty demand. The matters are yet to be decided.

Note (vi) EPTCL-Entry tax including assessment tax on stores and spares and raw material : 'EPTCL is having Right of Way (ROW) legal cases for additional compensation demanded by farmers pending in Civil Court for Gandhar-Hazira and Mahan site. The amount of final liability, if any, will be ascertained at the time of resolution of matters pending in various district courts.

Note (vii) EPGL had planned the implementation of Phase II of the project which is 1320 MW, thermal coal fired power plant adjacent to the operational 1200 MW Phase I of the project at Salaya, Gujarat. Significant portion (800 MW) of the Phase II capacity was tied up under a fixed price long term Power Purchase Agreement (PPA) with Gujarat Urja Vikas Nigam Limited (GUVNL). However, the Phase II suffered significant delay due to lack of regulatory approvals and consequent lack of financial tie up. Considering the prevailing power scenario, EPGL has decided not to pursue the said project further and terminated some of the contracts during the previous year. Remaining contracts were entered into for more than 10 years back and they have not approached EPGL to pursue these contracts for last more than 5 years. These contractors are facing the insolvency proceedings. EPGL does not expect any liability or commitment arising out of the same as no work took place under these contracts. As EPGL does not expect to execute any contracts in the near future, no capital commitment is shown.

The Company had furnished a bank guarantee of Rs 240.00 Crore towards the contract performance obligations in terms of the PPA dated May 15, 2010. The Company had filed a Petition before GERC praying inter alia for revision of tariff, extension of dates for compliance of the Conditions Subsequent and meeting the Scheduled Commercial Operation Date. But GUVNL wide its notice dated 8 February, 2017 terminated the said PPA and invoked and encashed the said bank guarantee on May 30, 2017. The said amount has been debited to the Cash Credit account of the Company rendering the account irregular. GUVNL also filed a petition seeking directions for enhancement of the Bank Guarantee amount by Rs. 80 Crore which is being contested by the Company. The challenge to the said termination notice as well as the adjudication of the main petition seeking various reliefs filed before GERC on account of Force majeure conditions is pending.

GUVNL has invoked the Bank Guarantee and the interim application filed before GERC to direct GUVNL not to encash the Bank Guarantee was dismissed by GERC. Thereafter an appeal challenging the same before the APTEL was also dismissed wide order dated May 29, 2017 on the basis that the Bank Guarantee is an independent contract and is unconditional. Both GERC and APTEL had not opined on the main matter filed before the GERC.

The management is of the considered opinion that the petition of the Company is sustainable and there can be no liability on account of liquidated damages in terms of the said PPA and therefore no provision is considered in the books of accounts.

iv. Other commitments

(a) Essar Power Gujarat Limited has entered into Power Purchase Agreement (PPA) with Gujarat Urja Vikas Nigam Limited (GUVNL) on February 26, 2007 for the period of 25 years to supply power of 1000 MW from the date of start of operations. As per the PPA, if EPGL declares availability to GUVNL less than 75% in a contract year, EPGL has to pay 20% of the capacity charge (applicable for that year) on the number of units declared less.

Further as per Supplemental Power Purchase Agreement (SPPA) dated August 12, 2021, EPGL has to supply additional 122 MW and if the availability declared to GUVNL for the contract year is more than 75%, however less than 90%, a penalty of 10% of the capacity charge (applicable for that year) shall be applicable for the number of units declared less.

NOTE: 43

JOINTLY CONTROLLED ENTITIES

(a) The Company was alloted a coal mine block at Mahan, District Singrauli, Madhya Pradesh jointly with Hindalco Industries Limited. The Mahan Coal Limited (MCL) was formed for mining of coal from the Mahan Coal block jointly awarded to the Company and Hindalco Industries Limited. The Company has an investment of Rs. 32.25 Crore (Previous year Rs. 32.25 Crore) as at March 31, 2022, representing 50.00% (Previous year 50.00%) shareholding in MCL. The Mahan Coal mine was cancelled vide Hon'ble Supreme Court in September, 2014. The Company has made a provision for diminution in the value of its investments in MCL amounting to Rs. 20.72 Crore.

Disclosure in respect of above joint control entity "Mahan Coal Limited" i.e a joint operations is as under:

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Country of incorporation	**India**	India
Percentage (%) of share in joint venture	**50%**	50%
a) Assets		
Cash and cash equivalents	**0.04**	0.00
Bank balances other than cash and cash equivalents	**-**	-
Loans	**0.22**	0.15
Current tax assets (net)	**0.00**	0.00
Other current assets	**11.14**	11.14
b) Liabilities		
Trade Payables	**0.03**	0.06
Other current liabilities (@2 = Rs. 58,800)	**-**	0.01
d) Expenses	**0.02**	0.19

(b) MCL filed application Before the National Company Law Tribunal, Western Region Bench, at Ahmadabad for subscribed, issued and paid up equity share capital of MCL be reduced from Rs. 1,905,000,000 (Rupees One Hundred Ninety Crore Fifty Lacs only) divided into 19,05,00,000 (Nineteen Crore Five Lacs) equity shares of Rs. 10/- each, fully paid up to Rs. 825,000,000 (Rupees eighty two crorefifty lakh only) divided into 82,500,000 (Eight crore twenty five lakh only) equity shares of Rs. 10/- each and the surplus amount, i.e. 108,00,00,000 (Rupees One hundred and eight crore only) , being in excess of the wants of MCL be paid to the shareholders. The case is disposed by the NCLT Ahmedabad with no deviation from the scheme.

NOTE: 44

RELATED PARTY DISCLOSURE

A. Holding Companies

1) Ultimate Holding Company: Essar Global Fund Limited, Cayman Islands (EGFL)
2) Intermediate Holding Company: Essar Energy Limited (EEL) {formerly known as Essar Energy PLC (till July 21, 2014)}
3) Holding Company: Essar Power Holdings Limited (EPOHL)

B. Intermediate Holding Companies

1) Essar Energy Limited (EEL), w.e.f. July 22, 2014 {formally known as Essar Energy PLC (EEPLC)}
2) Essar Power Holdings Limited, Mauritius (EPHOL)

C. Fellow Subsidiaries

1) Essar Wind Power Private Limited (EWPPL)
2) Essar Power Hazira Holdings Limited (EPHHL)

D. Enterprises commonly controlled or influenced by major shareholders / directors of the Company:

1) EPC Constructions India Limited (formerly known as Essar Projects (India)
2) Aegis Limited (Aegis)
3) Essar Ports Limited (formerly known as Essar Africa Holdings Limited)
4) Essar Minerals Resources Limited (EMRL)
5) Tirunelveli Wind Farms Limited (TWFL)
6) Essar Oil Limited (EOL) (Ceased to wef 18.08.2017)
7) Essar Energy Services Mauritius Limited (EESML)
8) Essar Power Canada Limited (EPCL)
9) Ambeshwar Engineering Hydro Project Limited (AEHP)
10) Aaradhna Realities Limited (formerly known as Essar Investments Limited)
11) Essar Steel Metal Trading Limited (ESMTL)

Essar Power Ltd.

E. Key Management Personnel

1) Shri Kush CEO (w.e.f. October 01, 2020)
2) Shri Vinod Jain , CFO (Till. Feb 08, 2022)
3) Shri Kapil Singla , CFO (w.e.f March 26 ,2018)
4) Shri C S Krishnakumar , Director (w.e.f March 25 ,2022)
5) Ms. Priya Chakravarty , Director (Till Aug 03 ,2022)
6) Shri Vishnu Dutt Mutha , Director (w.e.f May 17 ,2022)
7) Shri Pratik Garg , Director (Till September 17, 2021)
8) Shri Vaibhav Angel , Director (Till September 17, 2021)
9) Smt Rachna Luharuka , Director (Till June 08, 2021)
10) Shri Prakash Khedekar, Company Secretary (w.e.f. Sept 20 2018)

Refer **Annexure A** for details of transactions and outstanding balances with related parties.

NOTE: 45
Opting New Tax Regime

In EPHL - The Government has inserted a new section 115BAA in the Income-tax Act 1961 through Taxation Laws (Amendment) Ordinance, 2019.The insertion of new section 115BAA providing an option to reduce the basic corporate tax rate from 30% to 22% along with no MAT under section 115JB from assessment year 2020-21.To avail the benefit of section 115BAA EPHL need to waive off MAT credit. Under section 115BAA no bar on set off of brought forward business loss other than one attributable to deduction in specified section.

Essar Power Ltd.

NOTE: 46
EMPLOYEE BENEFITS

i. Defined contribution plans

The amount of contribution to provident fund debited to statement of profit and loss is Rs. 3.69 Crore (Previous year Rs. 4.05 Crore) and to expenditure during construction period is Rs. Nil Crore (Previous year Rs. Nil Crore).

ii. Defined benefit plans

Gratuity

The Group provide for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Under the act, employees who are in continuous service for a period of five years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the last drawn basic salary per month computed proportionately for 15 days salary for each completed year of service. The plan is funded through Gratuity Scheme administrated by Life Insurance Corporation of India and SBI Life Insurance. The Group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

The following tables summaries the components of net benefit expense recognised in statement of profit and loss, other comprehensive income or expenditure during construction period and the unfunded status and amounts recognised in the balance sheet for the respective plans.

Statement of profit and loss / expenditure during construction period:

Rs. in Crore

	For the year ended March 31, 2022	For the year ended March 31, 2021
Net benefit expense / (gain) recognised in statement of profit and loss / expenditure during construction period:		
Current service cost	**0.93**	0.86
Past service cost - plan amendments	**-**	-
Net interest expenses / (income)	**0.15**	0.23
	1.08	**1.09**
Debited / (Credited) to statement of profit and loss	**1.08**	1.00
Debited / (Credited) to expenditure during construction period	**-**	-
Other comprehensive income		
Remeasurement		
Return on plan assets {excluding amounts included in net interest expense / (income)}	**(0.18)**	0.30
(Gain) / loss in changes in financial assumptions	**(0.19)**	0.05
Experience (gains) / losses	**0.31**	0.42
	(0.06)	**0.77**
Debited / (Credited) to other comprehensive income	**0.04**	0.77
Debited / (Credited) to expenditure during construction period	**-**	-
Total defined benefit costs	**1.02**	**1.86**

Net Assets / (Liability) recognised in the balance sheet **Rs. in Crore**

	As at March 31, 2022	As at **March 31, 2021**
Present value defined benefit obligation	**(11.62)**	(16.50)
Fair value of plan assets	**9.79**	6.82
Surplus / (Deficit)	**(1.83)**	**(9.68)**
Less: Effect of asset ceiling	**-**	-
Net Assets / (liability) recognised in the balance sheet	**(1.83)**	**(9.68)**

Changes in the present value of the defined benefit obligation are as follows: **Rs. in Crore**

	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening defined benefit obligation	**16.50**	16.04
Current service cost	**0.93**	0.86
Interest expenses	**0.64**	0.56
Past service cost - plan amendments	**-**	-
Acquisition (Credit) / cost	**(0.40)**	-
(Gain) / loss in changes in demographic assumptions	**(0.12)**	-
(Gain) / loss in changes in financial assumptions	**(0.09)**	0.06
Experience (gains) / losses	**0.33**	0.16
Benefits paid	**(0.29)**	(1.26)
Sale of Subsidiaries	**(5.88)**	0.08
Closing balance of unfunded obligation	**11.62**	**16.50**

Essar Power Ltd.

Changes in the fair value of plan assets are as follows: **Rs. in Crore**

	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening fair value of plan assets	**6.82**	5.01
Interest income on plan assets	**0.51**	0.35
Acquisition adjustment	**-**	0.25
Return on plan assets excess / (less)	**0.02**	0.01
Benefits paid	**(0.69)**	(1.26)
Employer contributions	**2.91**	1.54
Sale of Subsidiaries	**0.22**	0.92
Closing fair value of plan assets	**9.79**	**6.82**

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	As at March 31, 2022	**As at March 31, 2021**
Funded with insurer	**100%**	100%

The details of plan assets from the insurer are not available and hence the disclosure thereof is not made.

The principal assumptions used in determining gratuity obligations for the Group's plans are shown below:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Discount rate	**6.50%**	6.20%
Expected rate of return on assets	**7.00%**	8.50%
Increase in compensation cost	**7.00%**	7.00%
Employee turnover	**10.00%**	10.00%
Mortality table - Indian Assured Lives Mortality (2006-08) Ult. Modified		

(i) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(ii) The expected rate of return on plan asset is based on market expectation for the entire life of related obligation.

(iii) The discount rate is based on the prevailing market yields of government of India securities as at the balance sheet date for the estimated term of the obligations.

Risk exposure

The Gratuity scheme is a final salary defined benefit plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bonds yields fall, the defined benefit obligation will tend to increase

Salary inflation risk: Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discounts rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

The scheme is funded by way of a separate irrevocable Trust and the Company is expected to make contributions to the trust. The fund is managed by insurance companies and the assets are invested in their conventional group gratuity product. The fund provides a capital guarantee of the balance accumulated and declares interest periodically that is credited to the fund account. The fund manager invests the funds as per products approved by IRDA and investment guidelines as stipulated under section 101 of IT Act, the exact asset mix is unknown and not publically available. The Trust assets managed by the fund manager are highly liquid in nature and there is no significant liquidity risks.

The expected contribution to be made by the Group during the financial year 2019-20 is Rs. 2.77 Crore.
The weighted average duration of the defined benefit obligation is 7 years (Previous year 7 years).
The expected maturity analysis of undiscounted gratuity benefit is as follows:

Rs. in Crore

	As at March 31, 2022	**As at March 31, 2021**
Less than a year	**2.77**	1.13
Between 1 - 2 years	**2.72**	1.76
Between 2 - 5 years	**5.73**	4.49
Over 5 years	**11.11**	7.30
	22.33	14.68

Essar Power Ltd.

Effect of defined benefit obligation due to change in discount rates and salary escalation rate is not material for the Group, hence sensitivity analysis not disclosed.

iii. Compensated absences

The amount (credited) / debited to statement of profit and loss on account of compensated absences is Rs. 0.04 Crore {Previous year Rs. 0.24 Crore}.

NOTE: 47
FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities, other than derivatives, comprise loans, buyer's credit and overdrafts, debentures, capital creditors and trade payables. The main purpose of these financial liabilities is to raise finance for the Group's operations and capital expenditures. The Group has various financial assets such as trade receivables, cash, other receivables and short-term deposits, which arise directly from its operations. In order to minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contract, foreign currency options contracts are entered to hedge certain foreign currency exposures and interest rate swaps to hedge variable interest rate exposures. derivatives are used exclusively for hedging purpose and not as trading or speculative instruments.

The management of the Group agrees and reviews policies for managing different type of risks associates with the nature of the business and operations of the Group. Significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the consolidated financial statements.

Interest rate risk

The Group's main interest rate risk arises from long term borrowings with variable rates, which exposes the Group to cash flow interest rate risk. The Group has maintained external commercial borrowings at fixed rate using interest rate swaps to achieve this. The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future interest cash flows will fluctuate because of a change in market interest rates. The Group's policy is to manage its interest cost using a mix of fixed, floating rate debts and interest rate derivatives.

The following table provides a breakdown of the Group's fixed and floating rate borrowings:

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Fixed rate borrowings	1,966.94	1,833.72
Floating rate borrowings	7,151.02	7,030.39
	9,117.96	8,864.11

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, being a 0.5% increase or decrease in interest rate, with all other variables held constant, of the Group's profit before tax due to the impact on floating rate borrowings.

Rs. in Crore

	For the year ended March 31, 2022	For the year ended March 31, 2021
Effect of 0.5% increase in interest rate on profit before tax:	22.54	(35.76)

The impact of a 50 bps increase in interest rates on profit before tax will be as disclosed above with the exception that gains would be converted to losses.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's foreign currency borrowings and foreign capital creditors. The Group entered into foreign exchange forward contract or foreign currency options contracts to hedge certain foreign currency exposures.

(a) The Group's exposure to unhedged foreign currency risk at the end of the reporting date are as follows;

	As at March 31, 2022		As at March 31, 2021	
	Rs. in Crore	Foreign currency in millions	Rs. in Crore	Foreign currency in millions
Import creditors	91.84	US$ 12.11	88.98	US$ 12.11
	0.06	SGD 0.01	0.06	SGD 0.01
External Commercial Borrowings (ECB)	-	-	-	-
Interest accrued on ECB and buyer's credit	-	-	-	-

The Group's exposure to foreign currency arises in part where it holds financial assets and liabilities denominated in a currency different from its functional currency. US dollar being the major non-functional currency of the Group, below is the impact of a 5% movement in the US dollar on profit before tax arising as a result of the revaluation of the Group's foreign currency financial assets and liabilities:

Essar Power Ltd.

Rs. in Crore

	For the year ended March 31, 2022	For the year ended March 31, 2021
Effect of 5% strengthening of US Dollars against INR on profit before tax:	(4.59)	(4.56)

The impact of a 5% weakening of the US Dollar on profit before tax will be the same as disclosed above except that losses would be converted to gains.

Credit risk

Credit risk is the risk of financials loss to the Group, if a counterparty to a financial instrument fails to meet it contractual obligations, and arises from trade receivables, cash and cash equivalents, bank deposits as well as credit exposures to other outstanding receivables.

The Group conducts a majority of its trade with recognised and creditworthy third parties. Cash, liquid investments and term deposits are held and derivatives are dealt with in banks either international or domestic with high credit ratings reflecting the needs of the Group to operate in territories where international credit ratings are limited by the credit rating of the relevant territory. In addition, receivable balances are monitored on an on-going basis.

Ageing of past due but not impaired trade receivables is as follows:

Rs. in Crore

	As at March 31 2021	As at March 31 2020
Not due	19.82	19.62
with in 1 year	192.12	323.99
1 - 5 years	14.92	2.17
More than 5 years	1,066.86	1,066.86
Less: Expected Credit Loss	-	(2.19)
	1,293.72	1,410.45

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financials liabilities that are settled by delivering cash or another financials asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows.

The table below analyze the Company financial liabilities into relevant maturity grouping based on their contractual maturities;

Rs. in Crore

As at March 31, 2022	Less than 1 year	More than 1 year	Total
Borrowings	4,957.27	613.57	5,570.84
Trade payables	195.47	-	195.47
Other financial liabilities	7,702.66	-	7,702.66
	12,855.40	613.57	13,468.96

Rs. in Crore

As at March 31, 2021	Less than 1 year	More than 1 year	Total
Borrowings	13,949.10	4,507.34	18,456.44
Trade payables	892.81	-	892.81
Other financial liabilities	9,089.06	-	9,089.06
	23,930.97	4,507.34	28,438.32

Capital management

The Group's objectives while managing capital are to safeguard its ability to continue as a going concern and to provide adequate returns for its shareholders and benefits for other stakeholders. The Group's policy is generally to optimise borrowings at an operating company level within an acceptable level of debt. Equity funding for existing operations / capex or new acquisitions is raised centrally, first from excess cash and then from new borrowings while retaining on an acceptable level of debt as per approved financing plans. The Group's policy is to borrow using a mixture of long-term and short-term debts from both local and international financial markets as well as multi-lateral organisations together with cash generated to meet anticipated funding requirements.

The Group monitors capital using a gearing ratio, which is calculated as underlying net debt divided by total equity including other equity plus underlying net debt. The Company measures its underlying net debt as total debt including current maturities of long term borrowings but excluding short term working capital facilities, inter corporate deposits and preference shares reduced by cash and cash equivalents and bank deposits. Total equity includes equity attributable to the equity holders of the Company.

Essar Power Ltd.

ESSAR POWER LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR YEAR ENDED MARCH 31, 2022

Rs. in Crore

	As at March 31, 2022	As at March 31, 2021
Interest-bearing loans and borrowings	5,570.84	8,233.44
Less: cash and cash equivalents	(127.78)	(95.98)
	5,443.06	8,137.46
Less:		
Short term inter corporate deposits	314.60	340.09
Liability component of preference shares	3.31	2.87
Short term working capital loan	886.93	952.17
Underlying net debt	4,238.21	6,842.33
Total equity	(7,959.76)	6,819.35
Equity and underlying net debt	(3,721.55)	23.49
	-114%	29137%

NOTE: 48
EARNINGS PER SHARE (EPS)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit / (Loss) as disclosed in statement of profit and loss (Rs. in Crore)	(1,257.31)	8,526.65
Less: Preference share dividend on compulsory convertible cumulative preference shares (CCCPS) (Rs.	(2.82)	0.34
Loss for calculation of Basic EPS (Rs. in Crore)	(1,254.49)	8,526.32
Weighted average number of equity shares outstanding during the year for the calculation of Basic EPS	12,18,63,37,527	12,18,63,37,527
Basic EPS (in Rs.)	(1.03)	7.00
Loss for calculation of Basic EPS (Rs. in Crore)	(1,254.49)	8,526.32
Add: Preference share dividend on CCCPS (Rs. in Crore)	-	0.34
Loss for calculation of Diluted EPS (Rs. in Crore)	(1,254.49)	8,526.65
Weighted average number of equity shares outstanding	12,18,63,37,527	12,18,63,37,527
Add: CCCPS	6,99,39,91,736	6,99,39,94,380
Weighted average number of equity shares outstanding during the year for the calculation of Diluted EPS	19,18,03,29,263	19,18,03,31,907
Diluted EPS (in Rs.)	(1.03)	4.45
Nominal value per share (in Rs.)	4.00	4.00

NOTE: 49
SEGMENT INFORMATION
The operations of the Group are limited to one business segment namely, Sale of Electrical Energy and other related activities. The Group operates in two geographical segments namely "Within India" and "Outside India". Information in respect of its geographical segment is as under:

Rs. in Crore

	March 31, 2022		March 31, 2021	
	Within India	Outside India	Within India	Outside India
Segment revenue	474.43	-	2,641.92	-
Carrying amount of segment assets	7,115.65	0.00	7,804.59	12.73
Additions to tangible and intangible fixed assets	-2,525.92	-	-3,448.50	-

Essar Power Ltd.

NOTE: 50

Since December, 2019 COVID-19, a new strain of coronavirus has spread globally including India. This along with subsequent lockdowns announced by Government authorities significantly affects economic activity and could affect the operations and results of the Group. The Group has been monitoring the situation closely and has taken proactive measures to comply with various directions / regulations / guidelines issued by Government and local bodies to ensure safety of workforce across all its plants and offices. The Group has made initial assessment of the likely adverse impact on economic environment in general and operational and financial risks on account of COVID-19. Vide notification dated March 24, 2020 issued by Ministry of Home Affairs, a nation-wide lockdown was announced to contain COVID-19 outbreak and same has been extended later. However, Power generation, transmission & distribution units, being essential services, are allowed to continue operation during the period of lockdown. The Group has made every possible effort to sustain its power plant operations and honour commitments under the various Power Purchase Agreements, despite facing all odds in sustaining the power plant operations. The Power Ministry has also clarified on April 6, 2020 that Discoms will have to comply with the obligation to pay fixed capacity charges as per PPA. Further, the Reserve Bank of India has granted relief to borrowers by way of moratorium of interest and principal instalments falling due to Indian banks and financial institutions till Aug 31, 2020.

In EPHL- AM/NS, the sole off-taker as per the Power Purchase Agreement (PPA), had invoked force majeure on 24th March 2020, due to outbreak of Covid-19 and consequential lockdown imposed by the Government as Covid-19 was classified as a pandemic and a natural calamity. Subsequently, AM/NS has considered force majeure period from 1st April 2020 to 9th May 2020, since then the plant is fully operational. Since AM/NS had continued to source power from other sources during force majeure period, thus invocation of force majeure was not in consonance with the PPA as per legal opinion obtained and EPHL has disputed the same. The discussions are underway with AM/NS for recovery of the disputed dues.

The extent to which the COVID-19 pandemic will impact the Group's results will depend on future developments, which are highly uncertain, including, among Other things, any new information concerning the severity of the COVID-19 pandemic; any action to contain its spread or mitigate impact whether government-mandated or elected by the Group and further evolving impact on distribution utilities in terms of demand for electricity; consumption mix; resultant average tariff realization; bill collections from consumers; and support from respective State Governments and banks & financial institutions, including those focused on power sector financing. The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables and other assets. The Group expects to fully recover the carrying amount of these assets. The impact of the coronavirus on our business will depend on future developments that cannot be reliably predicted, including actions to contain or treat the disease.
Further the Lockdown has been relaxed partially from 3rd June 2020 and Demand for Power is likely to increase gradually. Therefore, the Group does not expect any material impact on its operations and results. The impact of global health pandemic might be different from that estimated as at the date of approval of these financial results and the Group will closely monitor any material changes to future economic conditions.

NOTE: 51
RECOVERABLE EXPENSES RELATED TO DE-ALLOCATED COAL BLOCK & OTHERS

Mahan coal block, allocated jointly to EPOL and Hindalco Industries Limited (Hindalco) for the captive consumption of EPMPL has been cancelled by Hon'ble Supreme Court decision in September 2014. In view of the same, going concern concept followed by Mahan Coal Limited (MCL), has been vitiated and accordingly, necessary provisions have been made in the financial statements of MCL to bring down the assets and liabilities to their realisable value. In FY 2015-16, MCL has received an adhoc amount of Rs. 200.45 Crore from CAMPA (Compensatory Afforestation Fund Management And Planning Authority) Account maintained by Ministry of Environment And Forests, Govt. of India. The Board of Directors of MCL at their meeting dated March 18, 2016 decided to distribute the amount of Rs. 200.45 Crore by a capital reduction scheme pursuant to sections 100-104 of the Companies Act, 1956. Subsequently MCL has filed a petition for reduction of capital by Rs. 201 Crore before the Hon'ble High Court of Madhya Pradesh which has since been confirmed by the High Court on July 18, 2016.

It is expected that MCL will be able to realise balance amount deposited with various Government authorities and investment in other tangible assets as per details given below;

Rs. in Crore

	As at March 31, 2022	As at March 31, 2020
Opening recoverable expenses related to de-allocated Mahan coal block	11.23	11.23
	11.23	11.23

Essar Power Ltd.

NOTE:52

Corporate Social Responsibility:

EPGL- Section 135 of the Companies Act, 2013, related to Corporate Social Responsibility is applicable to EPGL, however in view of the losses in the immediately preceding three financial years, EPGL is not required to spend any sum on Corporate Social Responsibility activities for the current year.

EPHL was required to incurred expenditure on specified Corporate Social Responsibility (CSR) activities as per the terms of Section 135 of the Companies Act, 2013 and related rules. During the year EPHL incured an amount of Rs.1.97 crore.

Disclosure regarding Corporate Social Responsibility (CSR) activities : **(Rs. in Crore)**

		For the year ended March 31, 2022	For the year ended March 31, 2021
i	Amount required to be spent by the company during the year	2.02	0.21
ii	Amount of expenditure incurred on		
	a) Education & Health Care	1.54	0.30
	b) Training Centers for Physically Disabled	0.23	-
	c) Women,Orphans,Sports & Poverty	0.20	-
iii	Excess /(Shortfall) at the end of the year	(0.05)	0.09
iv	Total of previous years Excess / (shortfall)	0.09	-
v	Reason for shortfall	NA	NA
vi	Nature of CSR activities	Health & Education, Facilities for Senior Citizens, Women & Physically Disabled	Expansion of old age home
vi	Details of related party transactions, e.g., contribution to a trust controlled by the	-	-
vii	Where a provision is made with respect to a liability incurred by entering into a	-	-

NOTE:53

(a) As the company was unable to carry its main business activity of power generation due to higher gas prices rendering the operations unviable and the plant being un-operational throughout the year, it resulted in the interest income (before waiver) on amounts extended to its SPVs involved in power generation business becoming along with the gain generated from the sale of its investments, higher than the operational income, triggering the requirement for registration as Non Banking Financial Company (NBFC). Since the company never carried on the business of NBFC, it applied for and and is awaiting the RBI exemption from registration as a NBFC for FY 2016-17, FY 2017-18 , FY 2018-19 , FY 2019-20 , FY 2020-21 & FY 2021-22.The company had earlier received similiar exemption from RBI for the FY 2015-16.

(b) The remuneration paid by Company to its ex-Managing Director of Rs. 4.76 crore in FY 15-16 and Rs. 4.44 crore in FY 14-15 was in excess of limits specified under section 197 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013. The Company is considering recovery of the excess remuneration.The company has made various efforts to recover Rs. 9.20 Crore However in view of non recovery, the company has written off this amount during the year as part of Operation & maintenace Expenses.

NOTE:54

Impairment of Plant & Machinary & other assets

During the year the company has carried out impairment testing by Valuer of property plant & equipment as at 31 March 2022 , following factors considered for valuation of property plant & equipment

i. Land is valued at the adopted rate of land parcel based on Gujarat Industrial Development corporation (GIDC) allotment rate

ii. The Fair Value of movable assets including Plant & Machinery and other movable assets, namely, electrical equipment, has been estimated by using depreciated replacement cost (DRC) method under cost approach of valuation. The DRC is derived from the Gross Current Reproduction / Replacement Cost (GCRC) which is reduced by considering depreciation. The Depreciated Replacement Cost is adjusted towards the Obsolescence, Potential Profitability and Service Potential in order to estimate the Market Value 'In-Situ' of the plant & machinery. In view of the above Valuation report dated 31st March 2022 issued by an Independent valuer. The valuer has considered Rs.255.61 Crores value for the property, plant and equipment as at 31st March 2022.

In view of the above factors the company has reversed impairment of property plant & equipment to the extent of Rs. 19.84 Cr.

Essar Power Ltd.

(ii) In Essar Power Gujarat Ltd (EPGL) : As on March 31, 2022 EPGL has carried out an assessment of Impairment as per Ind AS 36 - Impairment of Assets of its plant. The fair value of EPGL has been assessed based on Sales comparison valuation technique for land. The assumption used for the valuation of land is prevailing market rate for private and government land. In case of land due weightage is given to the factor like right to sell/ transfer / lease and demand for such prospective land etc. The fair value measurement of the land is categorised at Level 2.

In case of buildings and plant and machineries depreciated replacement cost (DRC) method has been used. The factors which have been looked at are Utility & Design of building, actual physical condition, remaining useful life etc. Assumption is the cost expected to replace existing asset with similar or equivalent new asset as on date of valuation is considered for the valuation. The cost of disposal is assumed @ 2% of the fair value of the assets to arrive at fair value less cost of disposal. Income Approach was not applicable in case of EPGL as because of uncertainty in imported coal prices and high debt level the carrying value of EPGL is very less. The fair value measurement of the Building and Plant and machineries is categorised at Level 3.
The report assesses the fair value of the plant as Rs. 1,428.01 Crore (fair value less cost of disposal being Rs. 1,399.52 Crore) which is lower than the book value of the plant of Rs. 1,930.30 Crore. Hence, EPGL has considered an Impairment loss of Rs. 530.68 Crore. EPGL is following cost model for accounting of the Property, plant & equipments. As EPGL has adopted the cost model for the accounting of the Property, plant and equipments, the impairment loss has been debited to the Statement of Profit and Loss and the same has been disclosed as an exceptional item during the year.
EPGL has taken the valuation report from N P Associates. N P Associates is a registered valuer with IBBI for valuation of Plant and Machinery.
For financial year 2020-21, based on the valuation report of N P Associates only, the Company had booked the Impairment loss as exceptional items.
The fair value can be changed consequent to future conditions. There could be adverse or favourable effect on the assets. The underlying assumptions will continue to be monitored periodically by the management.

(ii) In Essar Power Orissa Ltd (EPORL) : The property, plant and equipment has been taken over and sold by lenders of EPORL are part of debt settlement agreement.

(iv) In BPOL -The property, plant and equipment has been taken over and sold by EARC are part of debt settlement agreement. Hence provision for impairment of Assets of Rs.112.92 Crore been reversed in the books.

Essar Power Ltd.

NOTE:55
FINANCIAL INSTRUMENTS
i. **The classification of each category of financial instruments and their carrying amounts are as below;**

Rs. in Crore

	As at March 31, 2022			As at March 31, 2021		
	FVPL	FVOCI	Amortised costs	FVPL	FVOCI	Amortised costs
A. Financial assets						
Non current						
Investments	-	-	0.06	-	-	-
Loans	-	-	24.78	-	-	28.81
Other financial assets			1.47	-	-	5.47
Current						
Investments	-	-	0.23	-	-	2.13
Trade receivables	-	-	1,293.72	-	-	1,410.46
Cash and cash equivalents	-	-	60.57	-	-	95.98
Bank balances other than cash and cash equivalents	-	-	67.21	-	-	150.55
Loans	-	-	84.68	-	-	40.63
Other financial assets						
Others	-	-	2.22	-	-	4.37
	-	-	1,534.94	-	-	1,738.40
B. Financial liabilities						
Non current						
Borrowings	-	-	613.57	-	-	2,248.25
Other financial liabilities	-	-	-	-	-	11.99
Lease Liability			-			19.02
Current						
Borrowings	-	-	4,957.27	-	-	5,046.49
Trade payables	-	-	195.47	-	-	217.78
Lease Liability			0.27			0.27
Other financial liabilities						
Current maturities of long term borrowings	-	-	-	-	-	939.19
Others	-	-	7,702.66	-	-	5,988.97
	-	-	13,469.22	-	-	14,471.95

Essar Power Ltd.

ESSAR POWER LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR YEAR ENDED MARCH 31, 2022

ii. Fair value of financial assets and liabilities measured at amortised cost are as below;

Rs. in Crore

	As at March 31, 2022		As at March 31, 2021	
	Carrying value	Fair value	Carrying value	Fair value
A. Financial assets				
Non current				
Investments	0.06	0.06	-	-
Loans	24.78	24.78	28.81	28.81
Other financial assets	1.47	1.47	5.47	5.47
			-	
Current			-	
Investments	0.23	0.23	2.13	2.13
Trade receivables	1,293.72	1,293.72	1,410.46	1,410.46
Cash and cash equivalents	60.57	60.57	95.98	95.98
Bank balances other than cash and cash equivalents	67.21	67.21	150.55	150.55
Loans	84.68	84.68	40.63	40.63
Other financial assets	2.22	2.22	4.37	4.37
	1,534.94	1,534.94	1,738.40	1,738.40
B. Financial liabilities				
Non current				
Borrowings	613.57	613.57	2,248.25	2,248.25
Other financial liabilities	-	-	11.99	11.99
Lease Liability	-	-	19.02	19.02
Current				
Borrowings	4,957.27	4,957.27	5,046.49	5,046.49
Trade payables	195.47	195.47	217.78	217.78
Lease Liability	0.27	0.27	0.27	0.27
Other financial liabilities				
Current maturities of long term borrowings	-	-	939.19	939.19
Others	7,702.66	7,702.66	5,988.97	5,988.97
	13,469.23	13,469.23	14,471.96	14,471.96

(a) The carrying amounts of current financial assets and current financial liabilities are considered to be the same as their fair values, due to short-term nature.

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

(c) The fair values of long term loans, security deposits and investments in preference shares were calculated based on cash flows discounted using as current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk

(d) The fair values of non current borrowings are based on discounted cash flows using as current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs including own credit risk

ESSAR POWER LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR YEAR ENDED MARCH 31, 2022

iii. Fair value hierarchy

Quantitative disclosure of fair value measurement hierarchy of financial assets and liabilities of the Company are as below;

Rs. in Crore

	As at March 31, 2022			As at March 31, 2021		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
A. Financial assets						
Non current						
Investments	-	-	0.06	-	-	-
Loans	-	-	24.78	-	-	28.81
Other financial assets						
Others	-	-	1.47	-	-	5.47
Current						
Investments	-	-	0.23	-	-	2.13
Trade receivables	-	-	1,293.72	-	-	1,410.46
Cash and cash equivalents	-	-	60.57	-	-	95.98
Bank balances other than cash and cash equivalents	-	-	67.21	-	-	150.55
Loans	-	-	84.68	-	-	40.63
Other financial assets						
Others	-	-	2.22	-	-	4.37
	-	-	1,534.94	-	-	1,738.40
B. Financial liabilities						
Non current						
Borrowings	-	-	613.57	-	-	2,248.25
Other financial liabilities			-			11.99
Lease Liability	-	-	-	-	-	19.02
Current						
Borrowings	-	-	4,957.27	-	-	5,046.49
Trade payables	-	-	195.47	-	-	217.78
Lease Liability			0.27			0.27
Current maturities of long term borrowings	-	-	-	-	-	939.19
Others	-	-	7,702.66	-	-	5,988.97
	-	-	13,469.22	-	-	14,471.95

ESSAR POWER LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR YEAR ENDED MARCH 31, 2022

NOTE: 56

Additional Information, as required under Schedule III to the Companies Act, 2013, of entities consolidated as Subsidiary / Joint Ventures.

Sr. No	Name of the Company	Net Assets i.e. total assets minus total liabilities March 31, 2022		Share in profit or loss March 31, 2022		Share in other comprehensive income March 31, 2022		Share in Total other comprehensive income March 31, 2022	
		As % of consolidated net assets	Amount (Rs. in Crore)	As % of consolidated Profit / (Loss)	Amount (Rs. in Crore)	As % of consolidated other comprehensive income	Amount (Rs. in Crore)	As % of total comprehensive income	Amount (Rs. in Crore)
	Parent								
1	Essar Power Limited	11.46	(912.27)	25.26	309.70	0.13	0.16	22.95	309.86
	Indian Subsidiaries								
1	Bhander Power Limited	(0.07)	5.73	(0.03)	(0.39)	-	-	(0.03)	(0.39)
2	Essar Electric Power Development Corporation Limited	(0.25)	20.09	0.02	0.30	-	-	0.02	0.30
3	Ultra LNG Urja Limited	0.00	(0.37)	(0.03)	(0.39)	-	-	(0.03)	(0.39)
4	Essar Power (Orissa) Limited	0.18	(14.14)	(0.14)	(1.68)	-	-	(0.12)	(1.68)
5	Essar Power Gujarat Limited	72.07	(5,736.66)	(124.37)	(1,524.73)	0.12	0.14	(112.94)	(1,524.59)
6	Essar Power Hazira Limited	(12.02)	956.47	13.06	160.13	(0.14)	(0.18)	11.85	159.95
7	Essar Power Tamilnadu Limited	(0.07)	5.67	-	-	-	-	-	-
8	Essar Power Transmission Company Limited (1)	(9.32)	742.18	2.55	31.31	(0.00)	(0.00)	2.32	31.31
9	Integrate Offshore Private Limited (IOPL) (w.e.f.Aug 04, 2021)	0.00	(0.04)	0.00	0.00	-	-	0.00	0.00
10	Kumudini Power Limited (KPL) (w.e.f Aug 04,2021)	0.00	(0.06)	(0.01)	(0.10)	-	-	(0.01)	(0.10)
11	Metanergy Powerex Ltd (MPL) (w.e.f. Jan 18,2022)	(0.03)	2.03	(0.00)	(0.02)	-	-	(0.00)	(0.02)
12	Renjoules International Limited	0.01	(0.67)	(0.05)	(0.62)	-	-	(0.05)	(0.62)
	Foreign Subsidiaries								
1	Essar Power Overseas Limited	5.65	(449.39)	13.43	164.66	(36.84)	(45.67)	8.81	118.99
	Consolidation adjustments / eliminations	32.39	(2,578.37)	(29.70)	(364.16)	(63.25)	(78.41)	(32.78)	(442.58)
	Total	**100.00**	**(7,959.80)**	**(100.00)**	**(1,225.99)**	**(100.0)**	**(123.96)**	**(100.00)**	**(1,349.96)**
	Minority interest in all subsidiaries	31.39	(2,498.44)	(70.33)	(862.18)	(0.00)	(0.00)	(63.87)	(862.18)
	Equity attributable to owners	**68.61**	**(5,461.36)**	**(29.67)**	**(363.81)**	**(99.99)**	**(123.97)**	**(36.13)**	**(487.78)**

Adani Transmission Limited (ATL) has signed definitive agreement with Essar power Ltd (EPOL) on 2 June 2022 for 100% stake in Inter-state tranmission project owned , developed ,and operated by Essar power Transmission Ltd (EPTCL). The proposed transaction will be executed through transactions steps which shall be subject to necessary regulatory approval and other consents.

Essar Power Ltd.

ESSAR POWER LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR YEAR ENDED MARCH 31, 2022

NOTE:57

GOING CONCERN

(A) EPOL- The Company, one of the largest private power producer's in the country, owns a 515 MW gas based power plant. Further, the company also owns and operates two power plants with aggregate capacity of 1500 MW and a 464 Km long Inter State Transmission System through its subsidiaries.

The subsidiaries like Essar Power Hazira Limited (EPHL) and Essar Power Transmission Company Limited (EPTCL) have shown robust performance and classified as standard assets with the lenders. EPHL credit rating has upgraded to "A- / Stable" from "BBB+ / Stable" and EPTCL has been rated as "A / Stable". EPHL and EPTCL has been showing continuous & significant improvement and achieved decent profits. The Company expect return on its investments in the subsidiaries.

The Company has huge amounts receivable from GUVNL in wrongful deduction matter. Hon'ble APTEL has, vide its order dated 7th April 2022, has dismissed the GUVNL appeal and directed GERC to compute claim within 60 days of its above order. Earlier, GERC had also pronounced the favourable order in the matter in 2014. The Company has already filed its claim of ~Rs.1556 Crores at GERC as per directives of APTEL.

GUVNL has filed a SLP in Hon'ble Supreme Court appealing against the APTEL Order dated 7th April 2022.
Based on the favourable orders by GERC and APTEL, the management believes that GUVNL appeal would not be tenable and the Company is confident of realizing the claim amount. The company was unable to carry its main business activity of power generation due to higher gas prices rendering the operations unviable and the plant being un-operational through out the year.

Management has given careful consideration to going concern of Company due to ongoing challenges faced by the Company and subsidiaries and has taken / is taking following steps: -

a. Preservation of Equipments - The Company is maintaining the plant under preservation and all the key equipments are well preserved. The Company has also refurbished its plant and all equipments are in good condition.

b. Monetisation Plans
In the endeavour to become debt free completely, the Company plans to monetise some of its investments and utilise the proceeds for repayment of debt obligations in near future.

c. OTS with Lenders -
The Company has offered One Time Settlement (OTS) to all the lenders to resolve the irregularity with the lenders. Lenders and debenture holders, namely Axis Bank, PNB and Yes Bank etc., had approved the OTS proposals and Full payments have already been made towards the agreed OTS amount for full and final settlement to them and No Dues certificate have also been received for Yes Bank and PNB Bank.The company LIC has already given in-principle approval for the OTS proposal and the Company is hopeful of getting final approval soon. The Company is hopeful to settle its entire liabilities to the lenders and NCD holders in FY 2022-23.

d. New Business Initiatives
Essar Group is planning for energy transition to decarbonise its entire portfolio. Accordingly, Essar Power is planning to foray into renewable energy sector mainly in Solar, Wind, Energy Storage etc. The company is currently exploring the various new opportunities available in these areas.

e. The Company has made comprehensive plans to address the long term as well as short term issues faced by the subsidiaries including debt restructuring, debt refinancing, interest rate rationalization, buying raw-material in e-auction or through traders.

f. Update on Subsidiaries
Essar Power Gujarat Limited (EPGL), a subsidiary of the Company, EPGL has been under shut down since March 2021 on account of very high coal prices and an unviable SPPA which does not allow complete coal cost pass through. In April 2022, on account of severe power shortage in the country, Ministry of Power (MoP), GoI conducted various meetings with State Governments, Discoms, Generators and Lenders for restarting the various shut power plants. MoP even notified section 11 of the Electricity Act 2033 making plant operations mandatory. EPGL situation was discussed threadbare and a Tripartite Agreement (TPA) was proposed to executed between EPGL, GUVNL and SBI for plant restart. However subsequent to finalisation of the draft, Lenders led by SBI backed out from TPA execution and therefore plant could not start.

Recently through further follows up meetings between GoG, GUVNL and EPGL, GUVNL has agreed to release Rs 100 crore as advance towards plant restart and EPGL promoters have agreed to infuse Rs 25 crore promoter support. Company is awaiting No Objection from Lenders based on which GUVNL will take necessary approvals and release Rs 100 crore to EPGL. Once the funds are released, EPGL will restart plant operations.

EPGL has submitted a One Time Settlement (OTS) offer to its consortium of Lenders of Rs 1600 crores towards full and final settlement of entire Rupee Term Loans and working capital loans along with all interests, charges and penalties (if any). Out of Rs 1600 crores, 10% upfront amount constituting to Rs 160 crore has already been arranged and offered to lenders. EPGL is awaiting confirmation from Lenders that the OTS process is in progress and is awaiting suspension of NCLT proceedings from the Lenders side.

Further Adani Transmission Limited (ATL) has signed definitive agreement with Essar power Ltd (EPOL) on 2 June 2022 for 100% stake in Inter-state tranmission project owned , developed ,and operated by Essar power Transmission Ltd (EPTCL). The Enterprise Value for the transaction is INR 1913 Crore. The proposed transaction will be executed through transactions steps which shall be subject to necessary regulatory approval and other consents.
The Company has received Rs.469.17 Cr on 30th June 2022 from Adani Transmission Limited (ATL) as advance payment towards sale of stake in Essar power Transmission Ltd (EPTCL).

The above steps will ensure continuous operations and the Company will be able to meet all its operational liabilities and financial liabilities.
In view of above, the management has concluded to prepare financials on a going concern basis."

Essar Power Ltd.

(B) EPGL uses imported coal for generation of electricity. Imported coal price depends on demand supply dynamics, geo political factors and climate changes.

Revised SPPA allowing coal cost pass through with certain caveats was executed between the Company and GUVNL on August 12, 2021 and was approved by GERC on November 20, 2021. The revised SPPA covers the entire capacity of the Company and is effective from November 20, 2021.

Russia- Ukraine war, demand dynamics in China and prolonged rainfall in Indonesia have created surge in Indonesian coal prices. EPGL did not have capacity to bear this coal price risk despite the Supplemental PPA being effective from November 20, 2021. Last 1 year HBA price has been much higher than the ceiling of USD 90/MT put by GERC in the SPPA. Hence, EPGL plant could not operate due to exceptionally high imported coal prices which made the operations commercially unviable during the entire year.

On April 12, 2022, Ministry of Power (MoP) had called a meeting with the Hon'ble Minister of Power & NRE, Government of Gujarat, GUVNL and SBI CAPS. As per the meeting, the Company is allowed complete coal cost pass through till December 31, 2022. MoP has asked GUVNL to immediately release Rs 150 crore as advance against Change in Law payments and recover the dues of Rs 110 crores in six equal monthly instalments starting from June 2022 onwards. GUVNL, Lenders and the Company to sign a tripartite agreement capturing all the understanding.

EPGL is in advance stage of finalization of coal supply contracts with various vendors and will take specific confirmation of GUVNL before ordering any consignment. Plan of EPGL is technically ready to generate power at full capacity and generation can commence based on coal availability
SBI had filed an application under section 7 of the Insolvency and Bankruptcy Code, 2016 in NCLT Ahmadabad Bench against the Company in May, 2021. Management is in discussion with SBI and Consortium for resolution of debt based on which the NCLT application will be withdrawn. Last NCLT Hearing date was 27 July 2022. Next hearing date is awaited.

In the meantime, EPGL has filed a writ petition in High Court against Government of Gujarat, GUVNL and SBI requesting the following:
a. Coal ceiling removal as done for Adani
b. Stay on the NCLT proceedings till the above

Further, the Company is in discussion with the lenders for resolution of its debt.
Based on the above, it is clear that a joint effort is being made by the all the concerned stake holders.
Therefore, the Directors of the Company have given careful consideration to the steps being taken to find a long term solution for the Company, further Management is of the view that all the steps as highlighted above will help to improve the viability of the Company.

Based on the above and assessment of the management on account of:
• anticipated removal of coal price ceiling
• anticipated withdrawal of NCLT
• anticipated future performance of business
• its capital investment plans
• support from the Government
• support from the holding company, fellow
these accounts have been prepared on a going concern basis.

(C)' BPOL- The Company has made investment in Bhander Power Limited ("BPOL") which implemented a 500 MW combined cycle power plant. The power plant was sold in previous year and entire dues to secured lenders of BPOL have been paid. Since BPOL does not have any assets, 100% provision has been made for diminution in value of investments.
During the year Entire stake held by the company in Bhander power limited share capital has been transferred to Essar steel metal trading limited vide agreement dated 28th December, 2021 The company received full & final consideration of Rs. 10.28 Crore against all his investment in BPOL.

(D)' EPORL- The Company has made investment in Essar Power (Orissa) Limited ("EPORL") which implemented a 60 MW coal based power plant in Phase I and 60 MW capacity was under construction. The power plant was sold in current year and entire dues to secured lenders of EPORL were settled. Since EPORL does not have any assets,100% provision has been made for diminution in value of investments. During the year entire beneficial interest held by the company in Essar power Orissa limited share capital has been transferred to Essar steel metal trading limited vide agreement dated 3rd March, 2022 . Thus The company do not have any control on Essar power orissa limited. All the operations and activities of EPORL are controlled by Essar steel Metal trading company.The company received full & final consideration of Rs. 0.01 Crore against all his investment in EPORL.

Material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, the company has taken certain steps interalia restructuring / settlement of subsidiary debts, settlement of loans of the Company etc will ensure continuous operations and the Company will be able to meet all its operational liabilities and financial liabilities. Therefore, the management has concluded to prepare financials results on a going concern basis.

NOTE:58

ADDITIONAL DISCOSURES AS PER AMENDED SCHEDULE III

(i) Title deeds of Immovable Property not held in name of the Company

All the immovable property are duly executed in favour of the Company.

(ii) Loans granted to promoters, directors, key managerial personals and the related parties

No amount in the nature of loans or advances in the nature of loan are granted to promoters, directors, key managerial personals and the related parties.

Essar Power Ltd.

Intangible assets under development

No Intangible assets are under development.

Wilful Defaulter

No lender has declared the Company as wilful defaulter.

Compliance with approved Scheme(s) of Arrangements

No schemes in terms of sections 230 to 237 of the Companies Act, 2013, has been approved for the Company.

Utilisation of Borrowed funds and share premium

During the year, no additional loans has been granted for the Company. The company has not advanced or loaned or invested funds directly or indirectly in other persons or entities identified in any manner and whatsoever by or on behalf of the company. The Company has not provided any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company has not received any fund from any person(s) or entity(ies), including foreign entities with the understanding that the company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

The Company does not have any transactions with companies struck off.

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

Compliance with number of layers of companies

The company has fully complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017

The Company has not advanced or loaned or invested funds in any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company

(b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

Essar Power Ltd.

ESSAR POWER LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR YEAR ENDED MARCH 31, 2022

NOTE:59

DISPOSAL OF SUBSIDIARIES/LOSS OF CONTROL

(i) Disposal and loss of control of Indian Subsidiaries

Current Year (2021-22)

Investment of Rs 282.79 Crore in equity share and Rs. 5.75 Crore in preference share in Bhander Power Limited: The Company has made investment in Bhander Power Limited ("BPOL") which implemented a 500 MW combined cycle power plant. The power plant was sold in previous year and entire dues to secured lenders of BPOL have been paid. Since BPOL does not have any assets, 100% provision has been made for diminution in value of investments. BPOL has not got the fair valuation done since company does not expect to recover anything, fair value is considered as Nil. Accordingly the diminution in the value of investments is now being renamed as change in fair value of investments due to change in accounting policy.

During the year, entire stake held by the company in Bhander power limited share capital has been transferred to Essar Steel Metal Trading Limited. The company received full & final consideration of Rs. 10.28 Crore against all its investment in BPOL. In view of this, the company has reversed the provision for investment created in earlier year of Rs. 288.54 Crore and booked Loss of Rs.278.26 Crore.

Investments of Rs. 7.40 Crore in equity share and Rs. 635.35 Crore in preference share in Essar Power (Orissa) Ltd. ("EPORL") :
The Company has made investment in Essar Power (Orissa) Limited ("EPORL") which implemented a 60 MW coal based power plant in Phase I and 60 MW capacity was under construction. The power plant was sold in current year and entire dues to secured lenders of EPORL were settled. Since EPORL does not have any assets, 100% provision has been made for diminution in value of investments. EPORL has not got the fair valuation done since company does not expect to recover anything, fair value is considered as Nil. Accordingly the diminution in the value of investments is now being renamed as change in fair value of investments due to change in accounting policy.
During the year, entire beneficial interest held by the company in Essar Power Orissa Limited has been transferred to Essar steel metal trading limited. Thus The company do not have any control on Essar Power Orissa Limited. All the operations and activities of EPORL are controlled by Essar Steel Metal Trading Company. The company received full & final consideration of Rs. 0.01 Crore against all his investment in EPORL. In view of this, the company has reversed the provision for investment created in earlier year of Rs. 642.75 Crore and booked Loss of Rs.642.74 Crore

BPOL entire stake held by Essar Power Limited in Bhander Power Limited i.e.73.69% of paid up equity capital has been transferred to Essar Steel Metals Trading Limited on 21st January'2022 & EPORL beneficial interest has been transferred to Essar Steel Metal Trading Limited w.e.f. 03/03/2022
The net gain on disposal of aforementioned Indian subsidiay is Rs. 8.41 Crore (P.Y.- Rs. 9840.37 Crore) which is shows as 'Gain on loss of control on Subsidiaries' (net of Fair value of investment) under Note 39 (Exceptional items).

Details of net assets disposed off and profit/(loss) on disposal/loss of control is as below

(Rs. in crore)

	As at 31 March 2022		As at 31 March 2021
	BPOL	EPORL	
Current assets			
Cash and cash equivalents	0.02	0.02	-
Current Tax Assets	11.74	3.15	-
Other current assets	0.02	0.01	-
Total(B)	11.78	3.18	-
Total Asset (A+B)	11.78	3.18	-
Non-current liabilities			
Total(C)	-	-	-
Current liabilities			
Financial Liabilities			
Borrowings	0.30	-	-
Trade payables	-	1.33	-
Other financial liabilities	5.75	-	-
Other current liabilities	-	15.99	
Total(D)	6.05	17.32	-
Total liabilities (C+D)	6.05	17.32	-
Net Asset Disposed off	5.74	(14.14)	-

(Rs. in crore)

	As at 31 March 2022		As at 31 March 2021
	BPOL	EPORL	
Consideration	10.28	0.01	-
Net Assets disposed off	5.74	(14.14)	-
	4.54	14.15	-
Adjustments in respect of:			
Investment by EPOL in BPOL & EPORL	288.54	642.75	-
Change in fair value of investment	(288.54)	(642.75)	-
Profit/ (Loss) on disposal	4.54	14.15	-

Essar Power Ltd.

ESSAR POWER LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR YEAR ENDED MARCH 31, 2022

NOTE:60

Adani Transmission Limited (ATL) has signed definitive agreement with Essar power Ltd (EPOL) on 2 June 2022 for 100% stake in Inter-state tranmission project owned , developed ,and operated by Essar power Transmission Ltd (EPTCL). The Enterprise Value for the transaction is INR 1913 Crore. The proposed transaction will be executed through transactions steps which shall be subject to necessary regulatory approval and other consents. Hence as on 31.03.2022 of entire Assets & Liabilitiles of EPTCL
shown as Assets classifed as Held for Sale- Discontinued Operations in Consolidated Balance sheet of the Company.

ASSETS Classifed as Held for Sale- Discontinued Operations
Result of Essar Power Transmission Company Limited for the year are presented as below:

	EPTCL
INCOME	
Revenue from operations	426.03
Other income	4.99
	431.03
EXPENSES	
Employee benefit expenses	9.24
Other expenses	17.49
	26.73
Profit / (Loss) before finance costs, depreciation, amortisation, exceptional item and tax	**404.30**
Finance costs	187.68
Profit / (Loss) before depreciation, amortisation, exceptional item and tax	**216.62**
Depreciation and amortisation	133.58
Profit / (Loss) before exceptional item and tax	**83.04**
Exceptional items	30.84
Profit / (Loss) before tax	**52.20**
Tax expense	
Current tax	-
Deferred tax	20.88
Net tax expense/(benefit):	**20.88**
Profit/(loss) after tax for the year before share in profit/(loss) of jointly controlled entities and associates	**31.31**
Profit / (Loss) for the year	**31.31**

Assests & Liabilites of Subsidiary Essar Power Transmissions Company Limited (EPTCL), which is classified as held for Sale are as follows:

Essar Power Transmission Company Limited	**31-Mar-22**
ASSETS	
Non-current assets	
Property, plant and equipment	1,831.79
Intangible assets	54.01
Financial assets:	
Investments	0.03
	1,885.83
Current assets	
Inventories	2.22
Financial assets:	
Trade receivables	93.52
Cash and cash equivalents	65.31
Bank balances other than cash and cash equivalents	141.01
Loans	0.24
Other financial assets	4.91
Current tax assets (net)	1.27
Other current assets	2.79
	311.27
Assets Classified as held for Sale	**2,197.10**

Essar Power Ltd.

ESSAR POWER LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR YEAR ENDED MARCH 31, 2022

LIABILITIES	
Non-current liabilities	
Financial liabilities:	
Borrowings	1,281.18
Provisions	0.09
Deferred tax liabilities (net)	59.21
	1,340.47
Current Liabilities	
Financial Liabilities:	
Borrowings	95.56
Lease Liability	0.01
Trade payables	6.49
Other financial liabilities	10.17
Other current liabilities	2.21
	114.44
Liabilities directly associated with Assets Classified as Held For Sale	**1,454.91**
Net Assets directly associated with held for Sale	**742.18**

Essar Power Ltd.

ESSAR POWER LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 62

RATIOS

The following are analytical ratios

	Particulars	Numerator	Denominator	As at March 31,2022	As at March 31,2021	Reasons
a	**Current Ratio**	Current Assets	Current Liabilities	12.96%	15.75%	
b	**Debt Equity Ratio**	Total Long term borrowings+Total	Shareholders Equity	-168.55%	-211.03%	
c	**Debt service coverage ratio**	Earnings before Interest, Tax and Exceptional Items	Interest Expense + Principal repayments made during the period for long term loans	-16.83%	4.29%	
d	**Return on Equity**	Net Income	Shareholders Equity	-2.05%	-12.73%	
e	**Inventory Turnover Ratio**	Cost of Goods Sold	Average Inventories of Finished Goods, Stock-in process and	0.37%	4.75%	Being power manufacutrer, there is no finished goods
f	**Trade Receivables Turnover Ratio**	Net Credit Turnover	Average Trade Receivables	38.16%	187.31%	
g	**Trade Payables Turnover Ratio**	Net Credit Purchases	Average Trade Payables	125.21%	54.57%	
h	**Net Capital Turnover Ratio**	Total Sales	Shareholder's Equity	-6.20%	-38.74%	
i	**Net Profit ratio**	Profit after Tax	Value of Sales & Services	-254.65%	322.75%	
g	**Return on Capital Employed**	Earnings before interest and tax (EBIT)	Capital Employed	-4.00%	-166.89%	
h	**Return on Investment**	Net income on sale of investment/Investment gain	Cost of investment/investment base	12.25%	22.61%	

Essar Power Ltd. *

Annexure A

Details of transactions and outstanding balances with related parties:

	Name of the Company	Holding Company	Fellow Subsidiary	Associate	Enterprises Commonly Controlled or Influenced by Major Shareholders / Directors of the Company	Joint Venture	Key Management Personnel	Total	Holding Company	Fellow Subsidiary	Associate	Enterprises Commonly Controlled or Influenced by Major Shareholders / Directors of the Company	Joint Venture	Key Management Personnel	Total
Transactions during the year ended		**March 31, 2022**							March 31, 2021						
ISSUE OF EQUITY SHARES	ESTL														-
	EPOHL								393.94						393.94
	ESTL														-
	EPHHL														-
CONVERSION OF CCPS INTO EQUITY SHARES	ESMTL	-	-	-	-	-	-	-	-	-	-	-1,642.49			(1,642.49)
	EPHHL	-	-	-	-	-	-	-	-1,357.54	-	-	-	-	-	(1,357.54)
	EPOHL	-	-	-	-	-	-	-	-669.64	-	-	-		-	(669.64)
Advances/deposit taken	PT Essar Indonesia	-	-	-	-	-	-	-	-	-	-	-		-	-
Inter corporate deposits obtained	EPIL	-	-	-	-	-	-	-	-	-	-	-		-	-
Conversion of OCRPS into CCPS	ESMTL	-	-	-	-	-	-	-	-	-	-	-1,025.00			(1,025.00)
Conversion of OCRPS into Equity	ESMTL	-	-	-	-	-	-	-	-	-	-	-85.00			(85.00)
conversion of Inter corporate deposit	ESMTL	-	-	-	-				-	-	-	1.94			1.94
Inter corporate deposits given	ESMTL				**80.60**			**80.60**	-	-	-	6.10			6.10
	EIHL														
Inter corporate deposits received	ESMTL	-	-	-	**23.01**		-	**23.01**	-	-	-	273.43		-	273.43
	EIHL	-	-	-	**38.38**		-	**38.38**	-	-	-	-		-	-
Inter corporate deposit refunded	VPCL	-	-	-	-		-	-	-	-	-	-		-	-
	ESMTL	-	-	-	**77.07**		-	**77.07**	-	-	-	160.13		-	160.13
	Aegis				-			-				5.00			5.00
	EPMPL											28.40			28.40
	EIHL				**1.20**			**1.20**				-			
	MCL				-	**0.01**		**0.01**				-	-		-
Advance written off	EPMPL				-			-		0.40		-			0.40
	EBTL				-			-				0.08			0.08
	EPJHL		**429.46**					**429.46**							
Liability written back	ESMTL	-	-	-	-		-	-	-	-	-	1.03		-	1.03
Purchase of electricity	EPMPL	-	-	-	-		-	-	-	448.36	-	-		-	448.36
Sale of Electricity	EVTL	-	-	-	**3.87**		-	**3.87**	-	-	-	4.27		-	4.27
Operation & maintenance income	EBTSL	-	-	-	-		-	-	-	-	-	2.43		-	2.43
Professional / other services / rent / travelling and other expenses	BBC	-	-	-	**1.11**		-	**1.11**	-	-	-	1.08		-	1.08
	EBTSL	-	-	-	-		-	-	-	-	-	78.60		-	78.60
Directors Sitting Fees		-	-	-	-		-	-	-	-	-	-		0.05	0.05
Remuneration (Refer footnote 1,2,3)		-	-	-	-		**4.81**	**4.81**	-	-	-	-		4.74	4.74
Balances as at end of the year		**March 31, 2022**							March 31, 2021						
Inter corporate deposit received	Arkay Logistics				**11.37**			**11.37**				11.37			11.37
	EVTL				**4.90**			**4.90**				4.90			4.90
	EIHL				**54.75**			**54.75**				-			
	ESMTL	-	-	-	**535.10**		-	**535.10**	-	-	-	486.92		-	486.92
Trade receivables	EPIL	-	-	-	-		-	-	-	-	-	0.10		-	0.10
	EHES	-	-	-	-		-	-	-	-	-	0.11		-	0.11
Advance received from customers	EVTL	-	-	-	-		-	-	-	-	-	0.15		-	0.15
Trade Payables	Aegis	-	-	-	**0.21**		-	**0.21**	-	-	-	0.11		-	0.11
	EBTSL	-	-	-	**23.38**		-	**23.38**	-	-	-	23.38		-	23.38
	EOGEPL	-	-	-	**0.02**		-	**0.02**	-	-	-	0.02		-	0.02
Inter corporate deposit given	EPJHL	-	**40.00**	-	-		-	**40.00**	-	356.31	-	-		-	356.31
	EIHL				**56.03**			**56.03**				-			
	ESMTL				**26.83**			**26.83**				6.10			6.10
Interest receivable on inter corporate deposit given	EPJHL	-	-	-	-		-	-	-	153.50	-	-		-	153.50
Interest accrued on inter corporate deposit obtained	MCL	-	-	-	-	**0.01**		**0.01**					0.16		0.16
Advances Given	ECIL	-	-	-	**0.10**		-	**0.10**	-	-	-	-		-	-
Guarantees Given	EPJHL	-	-	-	-	-	-	-	-	815.00	-	-	-	-	815.00
Guarantees received	EEL, EGFL	**3,060.06**	-	-	-		-	**3,060.06**	3,060.06	-	-	-		-	3,060.06
	Aaradhna Realities Limited				**94.71**			**94.71**				94.71			94.71
	EPIL	-	-	-	**89.51**		-	**89.51**	-	-	-	76.99		-	76.99