

INDEPENDENT AUDITOR'S REPORT

To The Members of Statkraft Markets Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Statkraft Markets Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its loss, its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's management and Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, cash flows of the Company in accordance with the Accounting Standards and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

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- f) With respect to the adequacy of Internal Financial Control Over Financial Reporting of the Company and the operating effectiveness of such controls, under section 143(3)(i) of the Act is not applicable in view of the exemption available to the Company in terms of the notification no. G.S.R. 583(E) dated June 13, 2017 issued by the Ministry of Corporate Affairs, Government of India, read with general circular No. 08/2017 dated July 25, 2017.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 23(i) of the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. Refer Note 23(ii) of the financial statements
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Refer Note 34 of the financial statements
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

VIKAS Digitally signed by
KHURANA VIKAS KHURANA
Date: 2020.12.04
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Vikas Khurana
Partner
(Membership No. 503760)
UDIN: 20503760AAAACK5815

Place: Gurugram
Date: December 04, 2020

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT-

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (b) The Property, Plant and Equipment were physically verified during the year by the Management in accordance with a regular programme of verification, which, in our opinion, provides for physical verification of all the Property Plant and Equipments at reasonable intervals. According to the information and explanation given to us, no discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us, the Company does not have immovable properties of freehold or leasehold land and building and hence reporting under clause (i) (c) of the order is not applicable.
- (ii) As explained to us, the Company does not have any inventory and hence reporting under clause (ii) of the order is not applicable.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) According to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans and the Company has not made any investments or provided guarantees and securities.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. The Company does not have any unclaimed deposits and accordingly the provisions of Section 73 to 76 or any other relevant provision of the Companies Act 2013 are not applicable to the Company.
- (vi) The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed statutory dues including Goods and Services Tax, and other material statutory dues applicable to it to the appropriate authorities and generally been

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regular in depositing Income Tax (tax deducted at source) and Provident Fund with the appropriate authorities.

We are informed that Employees' State Insurance, Customs Duty, Excise Duty and Cess are not applicable to the Company.

- (b) There were no undisputed amounts payable in respect of Goods and Services Tax, Income Tax, Provident Fund, Employees' State Insurance and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

We are informed that Employees' State Insurance, Customs Duty, Excise Duty and Cess are not applicable to the Company.

- (c) There are no dues of Goods and Services Tax, Service Tax, Excise Duty, Sales Tax, Customs Duty, Provident Fund and Value Added Tax which have not been deposited as on March 31, 2020 on account of disputes. Details of dues of Income Tax which has not been deposited as on March 31, 2020 on account of dispute is given below:

Name of Statute	Nature of dues	Forum where dispute is pending	Period to which the amount pertains	Amount involved (INR in '000)	Amount under protest (paid/adjusted) (INR in '000)	Amount unpaid (INR in '000)
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	Assessment Year 2014-15	15,227	Paid - 5,749 Adjusted - 4,349	5,129

- (viii) According to the information and explanations given to us, the Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures, hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.
- (ix) In our opinion and according to the information and explanation given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company is a private company and hence the provisions of Section 197 of the Companies Act, 2013 does not apply to the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.

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- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties entered during the year and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards. The Company is a Private Limited, hence the provision of the section 177 of the Companies Act, 2013 is not applicable to the Company.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiaries or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

VIKAS
KHURANA

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Date: 2020.12.04
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Vikas Khurana
(Partner)
(Membership No. 503760)
UDIN: 20503760AAAACK5815

Place: Gurugram
Date: December 04, 2020

Statkraft Markets Private Limited

Balance Sheet as at March 31, 2020

Particulars		Note No.	As at March 31, 2020 (Rs. '000)	As at March 31, 2019 (Rs. '000)
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	3	1,419,068	1,419,068
	(b) Reserves and surplus	4	(395,573)	(341,307)
			1,023,495	1,077,761
2	Non-current liabilities			
	Long-term provisions	5	30,936	21,891
			30,936	21,891
3	Current liabilities			
	(a) Trade payables	6		
	(i) Total outstanding dues of micro enterprises and small enterprises; and		84	171
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		34,934	29,708
	(b) Other current liabilities	7	148,430	62,622
	(c) Short-term provisions	8	1,174	2,171
			184,622	94,672
	TOTAL		1,239,053	1,194,324
B	ASSETS			
1	Non-current assets			
	(a) Property, plant and equipments			
	(i) Tangible assets	9 (a)	21,465	29,842
	(ii) Intangible assets	9 (b)	19,529	260
	(iii) Intangible assets under development	9 (c)	-	5,059
	(b) Non current investments	10	-	-
	(c) Long-term loans and advances	11	48,324	45,018
			89,318	80,179
2	Current assets			
	(a) Trade receivables	12	46,068	10,928
	(b) Cash and bank balances	13	879,084	938,896
	(c) Short-term loans and advances	14	138,844	120,666
	(d) Other current assets	15	85,739	43,655
			1,149,735	1,114,145
	TOTAL		1,239,053	1,194,324

See accompanying notes forming part of the financial statements
As per our report of the even date attached

1-36

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

VIKAS
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Vikas Khurana
Partner

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Pooja Malhotra
Managing Director
DIN : 07343901

Place: Delhi
Date: December 04, 2020

MANEESH
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Maneesh Bhartia
Director
DIN : 06949674

Place: Delhi
Date: December 04, 2020

GAURI
SHANKAR
MISHRA

Gauri Shankar Mishra
Company Secretary

Place: Delhi
Date: December 04, 2020

Place : Gurugram
Date : December 04, 2020

Statkraft Markets Private Limited

Statement of Profit and Loss for the year ended March 31, 2020

Particulars		Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
			(Rs. '000)	(Rs. '000)
1	Revenue from operations	16	881,342	366,671
2	Other income	17	74,047	85,065
3	Total revenue (1+2)		955,389	451,736
4	Expenses			
	(a) Purchase of power	18	735,224	346,579
	(b) Employee benefits expense	19	127,138	91,923
	(c) Finance costs	20	840	652
	(d) Depreciation and amortization expense	9	16,428	6,739
	(e) Other expenses	21	129,391	102,632
	Total expenses		1,009,021	548,525
5	Loss before tax (3 - 4)		(53,632)	(96,789)
6	Tax expense			
	Current tax		-	-
	Tax related to earlier years		634	-
7	Net loss after tax for the year (5 - 6)		(54,266)	(96,789)
8	Loss per share [nominal value of Rs 10 each] Basic/ Diluted	25	(0.38)	(0.68)

See accompanying notes forming part of the financial statements
As per our report of the even date attached

1-36

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

VIKAS
KHURANA

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Date: 2020.12.04
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Vikas Khurana
Partner

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Pooja Malhotra
Managing Director
DIN : 07343901

Place: Delhi
Date: December 04, 2020

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Maneesh Bhartia
Director
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Place: Delhi
Date: December 04, 2020

GAURI SHANKAR
MISHRA

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Gauri Shankar Mishra
Company Secretary

Place: Delhi
Date: December 04, 2020

Place : Gurugram
Date : December 04, 2020

Statkraft Markets Private Limited
Cash Flow Statement for the year ended March 31, 2020

Particulars	For the year ended March 31, 2020 (Rs. '000)	For the year ended March 31, 2019 (Rs. '000)
A. Cash flow from operating activities		
Loss before tax	(53,632)	(96,789)
<u>Adjustments for:</u>		
Depreciation and amortization expense	16,428	6,739
Interest on fixed deposits	(66,878)	(76,670)
Interest on Income tax refund	(1,124)	-
Interest on loans and advances	(15,516)	-
Interest on deposit with IEX (incl in misc income)	(169)	-
Interest on delayed payment of statutory dues	27	12
Interest on deposits from customers	813	640
Gain on disposal of property, plant and equipments	(19)	-
Provision for contingency written back	(1,000)	-
Net Loss on disposal of property, plant and equipments	-	1,531
Operating loss before working capital changes	(121,070)	(164,537)
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Long-term provisions	9,045	6,697
Short-term provisions	3	(26,675)
Other current liabilities	72,270	27,104
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Trade receivables	(35,140)	(1,354)
Long-term loans and advances	(210)	(8,911)
Short-term loans and advances	(18,177)	(112,454)
Other current assets	(42,084)	(25,109)
Cash used in operating activities	(130,224)	(296,871)
Income taxes (Net of refund)	(3,730)	(10,105)
Net cash used in operating activities (A)	(133,954)	(306,976)
B. Cash flow from investing activities		
Purchase of property, plant and equipments including intangible asset	(8,746)	(27,973)
Proceeds from sale of property, plant and equipments	42	295
FD placed during the year (net of maturities)	69,755	208,846
Interest received	83,687	76,670
Net cash used in investing activities (B)	144,738	257,838
C. Cash flow from financing activities		
Interest on delayed payment of statutory dues	(27)	(12)
Interest on deposits from customers	(813)	(640)
Net cash used in financing activities (C)	(840)	(652)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	9,944	(49,790)
Cash and cash equivalents at the beginning of the year	20,742	70,532
Cash and cash equivalents at the end of the year	30,685	20,742
Reconciliation of cash and cash equivalents with the Balance Sheet:		
Cash and bank balances (Refer Note 13)	879,084	938,896
Less: Bank balances not considered as cash and cash equivalents as defined in AS 3 Cash Flow Statements:		
(i) In other deposit accounts		
- original maturity more than 3 months	631,966	714,303
(ii) In earmarked account - held as security against bank guarantee	216,433	203,851
Net cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 13	30,685	20,742
Cash and cash equivalents at the end of the year	30,685	20,742

See accompanying notes forming part of the financial statements 1-36
As per our report of the even date attached

For Deloitte Haskins & Sells
Chartered Accountants

VIKAS
KHURANA

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Date: 2020.12.04
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Vikas Khurana
Partner

Place: Gurugram
Date: December 04, 2020

For and on behalf of the Board of Directors

POOJA
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Pooja Malhotra
Managing Director
DIN: 07343901
Place: Delhi
Date: December 04, 2020

MANEESH
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Maneesh Bhartia
Director
DIN: 06919674
Place: Delhi
Date: December 04, 2020

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Gauri Shankar Mishra
Company Secretary
Place: Delhi
Date: December 04, 2020

Statkraft Markets Private Limited

Notes forming part of the financial statements

3. SHARE CAPITAL

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount (Rs in '000)	Number of shares	Amount (Rs in '000)
(a) Authorised Equity shares of Rs.10 each with voting rights	175,000,000	1,750,000	175,000,000	1,750,000
(b) Issued, Subscribed and fully paid up # Equity shares of Rs.10 each	141,906,790	1,419,068	141,906,790	1,419,068
Total	141,906,790	1,419,068	141,906,790	1,419,068

Refer Notes (i) to (iv) below

Notes:

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

Particulars	Equity Share Capital			
	As at March 31, 2020		As at March 31, 2019	
	Number	Amount (Rs in '000)	Number	Amount (Rs in '000)
Issued, subscribed and paid up equity shares				
Shares outstanding at the beginning of the year	141,906,790	1,419,068	141,906,790	1,419,068
Movement during the year	-	-	-	-
Shares outstanding at the end of the year	141,906,790	1,419,068	141,906,790	1,419,068

(ii) Rights, preferences and restrictions attached to the equity shareholders:

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

Class of shares / Name of shareholder	As at March 31, 2020		As at March 31, 2019	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Statkraft Holding Singapore Pte Limited, holding company	141,906,789	99.99%	141,906,789	99.99%

(iv) Details of shares held by the holding company and the subsidiary of the holding company:

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Statkraft Holding Singapore Pte Limited, holding company	141,906,789	99.99%	141,906,789	99.99%
Statkraft Holding Peru Pte Limited, subsidiary of the holding company	1	0.01%	1	0.01%

Statkraft Markets Private Limited
Notes forming part of the financial statement

1. Corporate Information

Statkraft Markets Private Limited ("the Company") incorporated on December 13, 2011 to purchase, sell, distribute, trade, import, export, generate or accumulate all forms of electrical power and to provide manpower market services support to its group companies. The Company is a subsidiary of Statkraft Holding Singapore Pte Limited. Registered office of the company is situated at Unit 401, 4th Floor, Salcon Rasvilas Building, Saket District Centre, New Delhi-110017.

2. Significant accounting policies

(a) Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

(b) Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known/materialize.

(c) Cash and bank balances

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

(d) Cash flow statement

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

(e) Depreciation and amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible property, plant and equipments has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013, except for assets costing upto Rs.40,000 each which are fully depreciated net of residual value (i.e. 5%) in the year of purchase. Leasehold improvements are depreciated over the period of the lease.

Statkraft Markets Private Limited
Notes forming part of the financial statement

Class of Assets	Useful life (in years)
(a) Tangible Assets – owned	
Computers – hardware	3-6
Furniture and Fixtures	10
Office Equipment	5
Leasehold improvements	Period of lease
(b) Intangible Assets – owned	3-5

Intangible assets represent computer software and are amortized over their estimated useful life i.e. three to five years, on straight-line method. The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

(f) Revenue recognition

Sale of power- Trading

Revenue from sale of power is accounted for based on rates agreed with the customers and is inclusive of trading margin on transfer of significant risks and rewards of ownership to the buyer and when there is a reasonable certainty to expect ultimate collection, net of any penalties arising on account of non- performance of contract.

Sale of services

Revenue from professional services are recognized as per the terms of the contract with customers when the related services are rendered and when there is certainty of collection.

Other income

Interest income is recognized using the time-proportion method, based on rates implicit in the transaction.

(g) Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation/ amortization and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Subsequent expenditure on property, plant and equipment after its purchase/ completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

(h) Foreign currency transactions and translations

Initial recognition: Transactions in the foreign currency are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transactions.

Measurement of foreign currency monetary items at the Balance Sheet date: Monetary items denominated in foreign currencies at the year-end are restated at the exchange rates prevailing on the date of the Balance Sheet.

Treatment of exchange differences: The exchange difference arising on the settlement of monetary items or on reporting these items at rate different from the rates at which these were initially recorded are recognized as income/expense in the Statement of Profit and Loss in the period in which they arise.

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Notes forming part of the financial statement

(i) Employee benefits

Employee benefits include provident fund, gratuity and compensated absences.

Defined contributions plans: The Company's contribution to provident fund is considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans: Gratuity liability, is defined benefit obligations, is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost.

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 service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences (including medical leave) which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

(j) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For calculating diluted earnings per share, the net profit or loss after tax for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(k) Taxes on income

Tax Expense comprises current tax and deferred tax.

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income-tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized

Statkraft Markets Private Limited
Notes forming part of the financial statement

as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax assets in respect of unabsorbed depreciation, carry forward of losses and items relating to capital losses are recognized only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realize such assets. Deferred tax assets are reviewed at each balance sheet date for their realisability.

(l) Provisions and contingencies

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes.

(m) Operating leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating leases. Lease rentals under operating leases are recognized in the Statement of Profit and Loss on a straight-line basis over the lease term.

(n) Impairment of assets

The carrying values of assets/ cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the Statement of Profit and Loss.

(o) Operating cycle

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

(p) Trade Receivables and Loans and advances

Trade receivables and Loans and advances are stated after making adequate provisions for doubtful receivables and loans and advances

(q) Subsequent Events

Based on the nature of the event, the Company identifies the events occurring between the balance sheet date and the date on which the financial statements are approved as 'Adjusting Event' and 'Non-adjusting event'. Adjustments to assets and liabilities are made for events occurring after the balance sheet date that provide additional information materially affecting the determination of the amounts relating to conditions existing at the balance sheet date or because of statutory requirements or because of their special nature. For non-adjusting events, the Company may provide a disclosure in the financial statements considering the nature of the transaction

Statkraft Markets Private Limited

Notes forming part of the financial statements

4. RESERVES AND SURPLUS

(Rs. in '000)		
Particulars	As at March 31, 2020	As at March 31, 2019
Deficit in Statement of Profit and Loss		
Opening balance	(341,307)	(244,518)
Add: Net loss after tax for the year	(54,266)	(98,789)
Closing balance	(395,573)	(341,307)

5. LONG-TERM PROVISIONS

(Rs. in '000)		
Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
Provision for gratuity (refer Note 22)	20,987	14,200
Provision for compensated absences - Earned leave (refer Note 22)	9,949	7,691
Total	30,936	21,891

6. TRADE PAYABLES

(Rs. in '000)		
Particulars	As at March 31, 2020	As at March 31, 2019
Other than acceptance		
(a) total outstanding dues of micro enterprises and small enterprises; and (refer Note I below)	84	171
(b) total outstanding dues of creditors other than micro enterprises and small enterprises (refer Note II below)	34,934	29,708
Total	35,018	29,879

Notes:

(I) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(Rs. in '000)		
Particulars	As at March 31, 2020	As at March 31, 2019
(i) The principal amount remaining unpaid to any supplier as at the end of the year	84	171
(ii) The interest due on principal amount remaining unpaid to any supplier as at the end of the year	-	-
(iii) The amount of interest paid by the Company in terms of section 76 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the year	-	-
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the MSMED Act	-	-
	84	171

Dues to Micro Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

(II) Includes an amount of Rs.14,574 ('000) (Previous year Rs.6,994 ('000)) payable to related parties (refer note 24).

7. OTHER CURRENT LIABILITIES

(Rs. in '000)		
Particulars	As at March 31, 2020	As at March 31, 2019
Statutory dues (PF, TDS and GST)	9,760	9,402
Payable for purchase of property, plant and equipments including intangible assets **	21,746	8,207
Advance received from customers	8,570	11,067
Security deposits	29,673	12,742
Amount payable to customers *	10,197	21,204
Amount payable to SLDCs (State Load Dispatch Centre) (Refer note 15)	68,284	-
Total	148,430	62,622

* On account of amount recovered/recoverable on behalf of customers (refer Note 24 and 33).

** Includes an amount of Rs. 21,717 ('000) (Previous year Rs. 4,553 ('000)) payable to related parties (refer note 24)

8. SHORT-TERM PROVISIONS

(Rs. in '000)		
Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
Provision for gratuity (refer Note 22)	480	568
Provision for compensated absences - Earned leave (refer Note 22)	265	347
Provision for compensated absences - Medical Leave	429	256
Provision- Others		
Provision for contingencies # (also refer Note 23(i))	-	1,000
Total	1,174	2,171

Details of provision for Contingencies:

(Rs. in '000)					
Particulars	As at April 1, 2019	Additions	Utilisation	Reversal	As at March 31, 2020
Provision for contingencies	1,000	-	-	1,000	-
	(1,000)	(-)	(-)	(-)	(1,000)
Total	1,000	-	-	1,000	-

Note: Figures in brackets relate to the previous year.

9. PROPERTY, PLANT AND EQUIPMENTS

Description	Gross block				Accumulated Depreciation/ Amortisation			Net Block	
	As at April 01, 2019	Additions	Deductions/ Adjustments	As at March 31, 2020	As at April 01, 2019	For the year	Deductions/ Adjustments	As at March 31, 2020	As at March 31, 2020
(a) Tangible assets- (owned)									
Computers - hardware	10,659	1,471	9	12,121	6,435	1,667	9	8,093	4,028
Furniture and fixtures	4,008	-	-	4,008	457	382	-	839	3,169
Leasehold improvement	20,103	860	-	20,963	1,910	7,944	-	9,855	11,108
Office equipment	8,072	883	250	8,705	4,198	1,574	227	5,545	3,160
Total	42,842	3,214	259	45,797	13,000	11,567	236	24,332	21,465
(b) Intangible assets - owned									
Computers - software	3,468	24,130	-	27,598	3,208	4,861	-	8,069	19,529
Total	3,468	24,130	-	27,598	3,208	4,861	-	8,069	19,529
(c) Intangible assets under development									
SAP software	5,059	-	5,059	-	-	-	-	-	-
Total	5,059	-	5,059	-	-	-	-	-	-
Grand Total (a) + (b)	51,369	27,344	5,318	73,395	16,208	16,428	236	32,401	40,994

9. PROPERTY, PLANT AND EQUIPMENTS (contd..)

Description	Gross block				Accumulated Depreciation/ Amortisation			Net Block	
	As at April 01, 2018	Additions	Deductions/ Adjustments	As at March 31, 2019	As at April 01, 2018	For the year	Deductions/ Adjustments	As at March 31, 2019	As at March 31, 2019
(a) Tangible assets- (owned)									
Computers	6,732	4,073	146	10,659	4,746	1,828	139	6,435	4,224
Furniture and fixtures	3,369	3,299	2,660	4,008	899	400	842	457	3,551
Leasehold improvement	11,547	20,103	11,547	20,103	10,427	3,029	11,546	1,910	18,193
Office equipment	4,536	3,536	-	8,072	2,961	1,237	-	4,198	3,874
Total	26,184	31,011	14,353	42,842	19,033	6,494	12,527	13,000	29,842
(b) Intangible assets - owned									
Computers - software	3,358	110	-	3,468	2,963	245	-	3,208	260
Total	3,358	110	-	3,468	2,963	245	-	3,208	260
(c) Intangible assets under development									
SAP software	-	5,059	-	5,059	-	-	-	-	5,059
Total	-	5,059	-	5,059	-	-	-	-	5,059
Grand Total (a) + (b)	29,542	36,180	14,353	51,369	21,996	6,739	12,527	16,208	35,161

* With effect from April 1, 2014, depreciation on Property, plant and equipments is computed in accordance with Schedule II of the Companies Act, 2013.

Statkraft Markets Private Limited

Notes forming part of the financial statements

10. NON CURRENT INVESTMENTS

(Rs. in '000)

Particulars	As at March 31, 2020	As at March 31, 2019
Other Investments		
Investments in Equity Instruments		
- Investment in fellow subsidiary *	-	-
	-	-

* Investment in 1 share of Statkraft Solar Solutions Pvt. Ltd. at INR 11.60

11. LONG - TERM LOANS AND ADVANCES

(Rs. in '000)

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Security deposits	11,621	11,411
Advance income tax (net of provision of Nil, PY Rs.13,052) (Rs '000)	26,603	23,233
Balance with government authorities - Income Tax		
-Amount paid under protest	10,100	10,374
Total	48,324	45,018

12. TRADE RECEIVABLES

(Rs. in '000)

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured and considered good		
Trade receivables outstanding for a period exceeding six months from the due date.	1,811	275
Trade receivables outstanding for a period not exceeding six months from the due date.	44,257	10,653
	46,068	10,928

* Includes an amount of Rs.5,234 (Rs '000) (Previous year Rs.7,707 (Rs '000)) receivable from related parties (refer note 24).

13. CASH AND BANK BALANCES

(Rs. in '000)

Particulars	As at March 31, 2020	As at March 31, 2019
Cash on hand	13	2
Balances with banks		
(i) In current accounts	30,672	20,740
Cash and cash equivalents (as per AS 3 cash flow statement)	30,685	20,742
Other Bank Balances		
(ii) In earmarked account - held as security against bank guarantee *	216,433	203,851
(iii) In other deposit accounts	631,966	714,303
	848,399	918,154
Total	879,084	938,896

* Guarantee given to SLDC (State Load Dispatch Centre) for DSM (Deviation Settlement Mechanism) charges

14. SHORT-TERM LOANS AND ADVANCES

(Rs. in '000)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured and considered good		
Loans and advances given *	116,000	116,000
Unsecured and considered good		
Security deposits	-	69
Prepaid expenses	4,593	3,416
Balance with government authorities - GST	650	-
Earnest money deposit	265	60
Advance to vendors	17,336	1,121
Total	138,844	120,666

* Secured by Pledge on the assets. The loan has been squared off subsequent to year ended March 31, 2020

15. OTHER CURRENT ASSETS

(Rs. in '000)

Particulars	As at March 31, 2020	As at March 31, 2019
Interest accrued on deposits	6,294	16,242
Interest accrued on loans and advances #	6,706	7,480
Amount recoverable from customers **	68,284	10,880
Amount recoverable from power exchange *	2,064	9,053
Unbilled revenue (refer Note 24)	2,391	-
Total	85,739	43,655

* Includes Rs.1,288 (in '000) (previous year Rs.8,983 ('000)) recoverable on behalf of customers (Refer Note 33)

Represents Interest on loan given to NSL Renewable

** Represents amount recoverable from customers for DSM (Deviation Settlement Mechanism) charges. The amount is secured by way of guarantees received from customers. Corresponding amount payable to SLDC (State Load Dispatch Centre) is shown under Note 7.

Statkraft Markets Private Limited

Notes forming part of the financial statements

16. REVENUE FROM OPERATIONS

(Rs. in '000)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of power - trading *	836,400	333,856
Management service fees #	16,628	11,851
Professional services for sale of power	10,253	7,777
Professional services for power forecasting & scheduling	18,061	13,187
Total	881,342	366,671

* net of penalties of Rs.3,435 ('000) (Previous year Rs.54,858 ('000)).

includes sales to Related parties of an amount of Rs.16,628 ('000) (Previous year Rs.11,851 ('000)) (refer note 24).

17. OTHER INCOME

(Rs. in '000)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on fixed deposits	56,930	77,480
Interest on income tax refund	1,124	-
Interest on loans and advances	14,742	7,480
Gain on disposal of property, plant and equipments	19	-
Foreign exchange gain (net)	-	71
Provision written back	1,000	-
Miscellaneous income (incl interest on security deposit with IEX)	232	34
Total	74,047	85,065

18. PURCHASE OF POWER

(Rs. in '000)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Purchase of power- Trading	735,224	373,579
Less: Reversal of provision for foreseeable losses	-	-27,000
Total	735,224	346,579

19. EMPLOYEE BENEFITS EXPENSE

(Rs. in '000)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, wages and allowances	108,082	77,624
Contributions to provident fund (refer Note 22)	7,165	5,481
Gratuity expense (refer Note 22)	7,091	4,556
Staff welfare expenses	4,800	4,262
Total	127,138	91,923

Statkraft Markets Private Limited

Notes forming part of the financial statements

20. FINANCE COSTS

(Rs. in '000)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on delayed payment of statutory dues	27	12
Interest on deposits from customers	813	640
Total	840	652

21. OTHER EXPENSES

(Rs. in '000)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Legal and professional	38,078	22,129
Information system support services	19,013	11,322
Rent	19,216	19,160
Office maintenance charges	5,759	6,276
Repair and maintenance - other	1,540	1,669
Travelling and conveyance	11,408	8,331
Auditor's remuneration (refer Note 28)	1,037	987
Meetings and seminars expenses	2,277	1,670
Recruitment expenses	1,697	3,677
Communication charges	1,616	1,415
Licence fees	4,001	4,826
Newspapers and magazines	962	1,242
Goods and Services Tax (GST) credit written off	16,608	11,340
Power exchange membership fees #	2,844	1,832
Bank charges	604	1,215
Loss on disposal of property, plant and equipments	-	1,531
Deviation settlement charges	515	396
Miscellaneous expenses (incl open access charges, sponsorships, office supplies etc)	2,184	3,614
Total	129,391	102,632

Net of reimbursements Rs.500 ('000)(Previous Year Rs.400 ('000))

Statkraft Markets Private Limited

Notes forming part of the financial statements

22. Disclosures under Accounting Standard - 15 "Employee Benefits"

(a) Defined contribution plan

The Company makes provident fund contributions to defined contribution plans for employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs.7,165 ('000) (Previous year Rs.5,481 ('000)) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Scheme.

(b) Defined benefit plans

Gratuity scheme (Unfunded)

The amount of gratuity has been computed based on respective employee's salary and the years of employment with the Company. Gratuity has been accrued based on actuarial valuation as at the Balance Sheet date, carried out by an independent actuary.

(c) Long term employee benefits

Compensated absence (Unfunded)

The amount of compensated absence has been computed based on respective employee's salary and the years of employment with the Company. Compensated absence has been accrued based on actuarial valuation as at the Balance Sheet date, carried out by an independent actuary.

(Rs. in '000)							
Particulars	Gratuity		Earned Leave				
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019			
A. Expenses recognized in the Statement of Profit and Loss							
Current service cost	4,318	2,982	2,431	1,930			
Interest cost on benefit obligation	1,131	787	616	431			
Net actuarial (gain)/loss recognised in the year	1,643	787	(558)	95			
Total expenses	7,092	4,556	2,489	2,456			
B. Actual contribution and benefit payments for the year							
Actual benefit payments	393		313	10			
C. Net liabilities recognized in the Balance Sheet							
Present value of obligation as at the end of the year	21,467	14,768	10,214	8,038			
Funded deficit / difference	(21,467)	(14,768)	(10,214)	(8,038)			
Net Liability recognised in Balance Sheet	(21,467)	(14,768)	(10,214)	(8,038)			
D. Change in the obligation during the year ended							
Present value of defined benefit obligation at the beginning of the year	14,768	10,212	8,038	5,592			
Current service cost	4,318	2,982	2,431	1,930			
Interest cost	1,131	787	616	431			
Benefits paid	(393)	-	(313)	(10)			
Actuarial (gains)/losses	1,643	787	(558)	95			
Present value of obligation at the end of the year	21,467	14,768	10,214	8,038			
E. Main actuarial assumptions (refer Note 1 below)							
Discount rate	6.76%	7.66%	6.76%	7.66%			
Future salary increase	10.00%	10.00%	10.00%	10.00%			
Mortality rate							
Withdrawal rate							
Estimate of amount of contribution in the immediate next year	6,707	5,169	1,686	1,213			
F. Experience Adjustments (refer Note 2)	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Present value of obligation at the end of the year	21,467	14,768	10,212	8,576	5,199	5,774	4,261
Experience adjustment on plan liabilities gain/(loss)	1,578	(659)	(139)	189	530	738	(239)

Notes:

(1) The discount rate is based upon the market yields available on Government Bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate that takes account of inflation, seniority, promotion and other relevant factors on long term basis.

(2) Experience adjustments given above is to the extent the information is available.

Statkraft Markets Private Limited
Notes forming part of the financial statement

23. CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for):

(i) Contingent liabilities:

There are no contingent liabilities/ pending litigation except the following as at March 31, 2020.

(In Rs.000)

Particulars	As at March 31, 2020	As at March 31, 2019
Claims against the Company not acknowledged as debts - Income tax (including interest to the extent indicated in the order)	15,227	15,227

(ii) Other commitments #

The company does not anticipate any foreseeable losses on existing contracts which might be material to effect the financial position and going concern.

24. RELATED PARTY DISCLOSURES

In accordance with the requirement of Accounting Standard (AS) -18 on Related Party Disclosures, the names of the related parties where control exists and /or with whom transactions have taken place during the period in the ordinary course of business and description of relationships are:

(a) Name of related parties and their relationships

Name of related party	Nature of relationship
Statkraft Holding Singapore Pte. Ltd.	Holding company
Statkraft AS, Norway	Ultimate holding company
Statkraft India Private Ltd.	Fellow subsidiary
Tidong Power Generation Pvt. Ltd.	
Statkraft Markets GmbH	
Statkraft Germany GmbH	
Statkraft Energi AS	
Statkraft IH Holding AS	
Statkraft Solar Solutions Private Limited	
AD Hydro Power Ltd.	Enterprise over which Ultimate holding company's significant influence exists
Malana Power Co. Ltd.	
Maneesh Bhartia	Key management personnel
Marthe Hoff	
Pooja Malhotra	

Statkraft Markets Private Limited
Notes forming part of the financial statement

25. EARNINGS PER SHARE

(In Rs.000)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Loss for the year (Rs.)	(54,266)	(96,789)
Weighted average number of equity shares (Nos.)	141,906,790	141,906,790
Nominal value per equity share (Rs./share)	10	10
Basic and diluted loss per share (in Rs.)	(0.38)	(0.68)

26. EXPENDITURE IN FOREIGN CURRENCY

(In Rs.000)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Professional charges	20,518	17,453
Other expenses	9,454	693
Capital WIP (Software License)	-	5,059
Reimbursement of expenses	25	-
Total	29,997	23,205

27. INCOME IN FOREIGN CURRENCY

(In Rs.000)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Professional fees	4,876	5,933
Reimbursement received	938	137
Total	5,814	6,070

28. AUDITOR'S REMUNERATION

(In Rs.000)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Payment to the auditors comprises (excluding GST):		
- For statutory audit	833	774
- For taxation related matters	192	190
- For out-of-pocket expenses	12	23
Total	1,037	987

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Notes forming part of the financial statement

29. SEGMENT REPORTING

The Company is engaged in the services of a single segment "Power trading in all electrical forms" in India. Accordingly, the separate primary and secondary segment reporting disclosure as envisaged in AS-17 on Segment Reporting notified under Companies (Accounting Standards) Rules, 2006 is not applicable to the Company.

30. DEFERRED TAXATION

(In Rs.000)		
Particulars	As at March 31, 2020	As at March 31, 2019
<u>Deferred Tax Liability (DTL) arising on:</u>		
- Difference in written down value of Property, plant and equipment	--	--
<u>Deferred Tax Assets (DTA) arising on:</u>		
- Unabsorbed depreciation and losses carried forward	(100,129)	(79,786)
- Expenses deductible on payment basis	(9,843)	(7,179)
- Provision for foreseeable loss	(-)	(-)
- Difference in written down value of property, plant and equipment	(3,501)	(3,405)
Deferred Tax Assets (net)	(1,13,473)	(90,370)

The Company has not recognized deferred tax assets in absence of virtual certainty that sufficient taxable income will be available in future years, against which such deferred tax asset could be realized.

31. OPERATING LEASE

The Company has entered into operating lease arrangements for certain facilities and office premises. The leases for office premises are non-cancellable and are for a period of upto 3 years and may be renewed for a further period of 3 years based on mutual agreement of the parties. The office premises lease agreement provide for an increase in the lease payments by 15% every 3 years.

(In Rs.000)		
Future minimum lease payments	For the year ended March 31, 2020	For the year ended March 31, 2019
- not later than one year	18,903	18,483
- later than one year and not later than five years	5,163	23,104
- later than five years	--	--
Lease payments recognized in the Statement of Profit and Loss	19,216	18,764

32. TRANSFER PRICING

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by such date as required under law. The management is of the opinion that its international transactions are at arm's length and the

Statkraft Markets Private Limited
Notes forming part of the financial statement

transfer pricing legislation under Section 92-92F of the Income-tax Act, 1961 will not have any impact on the financial statements.

33. Pursuant to the terms agreed with its certain customers, the Company is acting as an agent and is providing professional services to its customer in relation to sale of power through power exchange and earn the professional charges from their customer based on the total value of transaction occurred. In view of this, the Company bills to power exchange for sale of power on customer's behalf and on receipt of such amount from the power exchange, transfers it to customers account. As at year end, the following balances pertaining to customers are included in other current liabilities/ other current assets:

Particulars	(In Rs.000)	
	As at March 31, 2020	As at March 31, 2019
Amounts payable to customers (being the amount received/recoverable on sale of power on their behalf) (included under other current liabilities)	(10,335)	(21,158)
Amounts recoverable from power exchange on behalf of customers (being the amount receivable on sale of power on their behalf) (included under other current assets)	1,288	8,983
Net amount payable to the customer	(9,047)	(12,175)

34. INVESTOR EDUCATION AND PROTECTION FUND

There were no amounts which were required to be transferred to the Investor Education and Protection Fund as at March 31, 2020

35. The Company has incurred net loss of INR 54,266 ('000) during the current year and has accumulated losses aggregating Rs 3,95,573 ('000) as on March 31, 2020. The Company's business model is to purchase, sell, distribute, trade, import, export or accumulate all forms of electrical power. In view of the positive network, fixed deposits, current ratio and ability to fund the operations and intention to continue as going concern in the next twelve months, the management has prepared the financial statements on a going concern basis.

36. Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.

For and on behalf of the Board of Directors

POOJA
MALHOTRA

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POOJA MALHOTRA
Date: 2020.12.04
15:22:21 +05'30'

Pooja Malhotra
Director
DIN: 07343901

MANEESH
BHARTIA

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Maneesh Bhartia
Director
DIN: 06949674

GAURI
SHANKAR
MISHRA

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GAURI SHANKAR
MISHRA
Date: 2020.12.04
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Gauri Shankar Mishra
Company Secretary

Place : Delhi

Date : December 04, 2020