

## **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, 2021, and the Statement of Profit and Loss and 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, 2021, and its loss and 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 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

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the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

## **Management's Responsibility 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 of these 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 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.

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- Obtain an understanding of internal financial 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 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, based on our audit 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, and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.

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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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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 B" 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)

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Date: 2021.11.22  
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Vikas Khurana  
(Partner)  
(Membership No. 503760)  
UDIN: 21503760AAAADF2784

Place: Gurugram  
Date: November 22, 2021

## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

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

We have audited the internal financial controls over financial reporting of Statkraft Markets Private Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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## Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting 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.

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

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Vikas Khurana  
(Partner)  
(Membership No. 503760)  
UDIN: 21503760AAAADF2784

Place: Gurugram  
Date: November 22, 2021

## **ANNEXURE B 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 Equipment at reasonable intervals. According to the information and explanations 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 not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the Order is not applicable.
- (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 regular in depositing Income-tax (Tax deducted at source) and Provident Fund with the appropriate authorities.

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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, and other material statutory dues in arrears as at March 31, 2021 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 Sales Tax, Excise Duty, Value Added Tax, Custom Duty, Goods and Services Tax and Provident Fund which have not been deposited as on March 31, 2021 on account of disputes. Details of dues of Income Tax which has not been deposited as on March 31, 2021 on account of dispute is give below:

Name of Statute	Nature of dues	Form where dispute is pending	Period to which the amount pertains	Amount involved (Amount in INR '000)	Amount under protest (paid/adjusted) (Amount in INR '000)	Amount unpaid (Amount in INR '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 the Order 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 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 Order 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 the Order 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)

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Vikas Khurana  
(Partner)

(Membership No. 503760)  
UDIN: 21503760AAAADF2784

Place: Gurugram  
Date: November 22, 2021

Statkraft Markets Private Limited  
Balance Sheet as at March 31, 2021

Particulars		Note No.	As at March 31, 2021 (Rs. '000)	As at March 31, 2020 (Rs. '000)
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	3	1,419,068	1,419,068
	(b) Reserves and surplus	4	(558,947)	(395,573)
			860,121	1,023,495
<b>2</b>	<b>Non-current liabilities</b>			
	Long-term provisions	5	28,900	30,936
			28,900	30,936
<b>3</b>	<b>Current liabilities</b>			
	(a) Trade payables	6		
	(i) Total outstanding dues of micro enterprises and small enterprises; and		469	84
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		51,287	34,934
	(b) Other current liabilities	7	261,332	148,430
	(c) Short-term provisions	8	1,598	1,174
			314,686	184,622
	<b>TOTAL</b>		<b>1,203,707</b>	<b>1,239,053</b>
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Property, plant and equipment			
	(i) Tangible assets	9 (a)	14,666	21,465
	(ii) Intangible assets	9 (b)	14,667	19,529
	(b) Non current investments	10	-	-
	(c) Long-term loans and advances	11	44,567	48,324
			73,900	89,318
<b>2</b>	<b>Current assets</b>			
	(a) Trade receivables	12	27,351	46,068
	(b) Cash and bank balances	13	885,917	879,084
	(c) Short-term loans and advances	14	23,550	138,844
	(d) Other current assets	15	192,989	85,739
			1,129,807	1,149,735
	<b>TOTAL</b>		<b>1,203,707</b>	<b>1,239,053</b>
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		For and on behalf of the Board of Directors		
<b>VIKAS KHURANA</b> Vikas Khurana Partner		<div> Digitally signed by  <b>MEHRA SANJEEV</b>  Date: 2021.11.22  18:22:19 +05'30' </div> <div> Digitally signed by  <b>MANEESH BHARTIA</b>  Date: 2021.11.22  18:11:18 +05'30' </div>		
		<div> <b>Sanjeev Mehra</b>  Managing Director  DIN : 02626778  Place: Delhi  Date: Nov 22,2021 </div> <div> <b>Maneesh Bhartia</b>  Director  DIN : 06949674  Place: Delhi  Date: Nov 22,2021 </div>		
		<div> Digitally signed by  <b>GAURI SHANKAR MISHRA</b>  Date: 2021.11.22 18:38:40 +05'30' </div> <div> <b>Gauri Shankar Mishra</b>  Company Secretary  Place: Delhi  Date: Nov 22,2021 </div>		
Place : Gurugram Date : November 22, 2021				

Statkraft Markets Private Limited  
Statement of Profit and Loss for the year ended March 31, 2021

Particulars		Note No.	For the year ended March 31, 2021 (Rs. '000)	For the year ended March 31, 2020 (Rs. '000)
1	Revenue from operations	16	392,978	881,342
2	Other income	17	41,546	74,047
3	Total revenue (1+2)		434,524	955,389
4	Expenses			
	(a) Purchase of power	18	276,796	735,224
	(b) Employee benefits expense	19	139,297	127,138
	(c) Finance costs	20	414	840
	(d) Depreciation and amortization expense	9	17,503	16,428
	(e) Other expenses	21	163,888	129,391
	Total expenses		597,898	1,009,021
5	Loss before tax (3 - 4)		(163,374)	(53,632)
6	Tax expense			
	Current tax		-	-
	Tax related to earlier years		-	634
7	Net loss after tax for the year (5 - 6)		(163,374)	(54,266)
8	Loss per share [nominal value of Rs 10 each] Basic/ Diluted	25	(1.15)	(0.38)
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		For and on behalf of the Board of Directors		
<b>VIKAS KHURANA</b> Digitally signed by VIKAS KHURANA Date: 2021.11.22 20:57:23 +05'30' <b>Vikas Khurana</b> Partner		<b>MEHRA SANJEEV</b> Digitally signed by MEHRA SANJEEV Date: 2021.11.22 18:22:41 +05'30' <b>Sanjeev Mehra</b> Managing Director DIN : 02626778 Place: Delhi Date: Nov 22, 2021 <b>GAURI SHANKAR MISHRA</b> Digitally signed by GAURI SHANKAR MISHRA Date: 2021.11.22 18:39:13 +05'30' <b>Gauri Shankar Mishra</b> Company Secretary Place: Delhi Date: Nov 22, 2021		
<b>MANEESH BHARTIA</b> Digitally signed by MANEESH BHARTIA Date: 2021.11.22 18:11:49 +05'30' <b>Maneesh Bhartia</b> Director DIN : 06949674 Place: Delhi Date: Nov 22, 2021				
Place : Gurugram				
Date : November 22, 2021				

Statkraft Markets Private Limited  
Cash Flow Statement for the year ended March 31, 2021

Particulars	For the year ended March 31, 2021 (Rs. '000)	For the year ended March 31, 2020 (Rs. '000)
<b>A. Cash flow from operating activities</b>		
Loss before tax	(163,374)	(53,632)
<u>Adjustments for:</u>		
Depreciation and amortization expense	17,503	16,428
Interest on fixed deposits	(39,323)	(66,878)
Interest on Income tax refund	(763)	(1,124)
Interest on loans and advances	(1,249)	(15,516)
Interest on deposit with IEX (incl in misc income)	(71)	(169)
Interest on delayed payment of statutory dues	27	27
Interest on deposits from customers	387	813
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	56	-
Operating loss before working capital changes	(186,807)	(121,070)
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Long-term provisions	(2,036)	9,045
Short-term provisions	424	3
Trade payables	16,738	5,139
Other current liabilities	132,425	72,270
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Trade receivables	18,716	(35,140)
Long-term loans and advances	13	(210)
Short-term loans and advances	115,293	(18,177)
Other current assets	(107,249)	(42,084)
Cash used in operating activities	(12,483)	(130,224)
Income taxes (Net of refund)	3,744	(3,730)
Net cash used in operating activities (A)	(8,739)	(133,954)
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipments including intangible asset	(25,438)	(8,746)
Proceeds from sale of property, plant and equipments	18	42
FD placed during the year	(2,870,341)	(1,884,948)
FD matured during the year	2,881,273	1,954,703
Interest received	41,406	83,687
Net cash from investing activities (B)	26,918	144,738
<b>C. Cash flow from financing activities</b>		
Interest on delayed payment of statutory dues	(27)	(27)
Interest on deposits from customers	(387)	(813)
Net cash used in financing activities (C)	(414)	(840)
Net increase in cash and cash equivalents (A+B+C)	17,765	9,944
Cash and cash equivalents at the beginning of the year	30,685	20,742
Cash and cash equivalents at the end of the year	48,450	30,685
<b>Reconciliation of cash and cash equivalents with the Balance Sheet:</b>		
Cash and bank balances (Refer Note 13)	885,917	879,084
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	707,791	631,966
(ii) In earmarked account - held as security against bank guarantee	129,676	216,433
Net cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 13	48,450	30,685
Cash and cash equivalents at the end of the year	48,450	30,685

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

**VIKAS**  
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Vikas Khurana  
Partner

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For and on behalf of the Board of Directors

**MEHRA**  
**SANJEEV**

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Date: 2021.11.22  
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Sanjeev Mehra  
Managing Director  
DIN : 02626778  
Place: Delhi  
Date: Nov 22, 2021

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Maneesh Bhartia  
Director  
DIN : 06949674  
Place: Delhi  
Date: Nov 22, 2021

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**MISHRA**

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Date: 2021.11.22 18:39:32 +05'30'

Gauri Shankar Mishra  
Company Secretary  
Place: Delhi  
Date: Nov 22, 2021

Place : Gurugram  
Date : November 22, 2021

**Statkraft Markets Private Limited**  
**Notes forming part of the financial statement for the year ended March 31, 2021**

**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, to provide manpower support services to its group companies and to provide forecasting and scheduling services to solar and wind generators. The Company is a subsidiary of Statkraft Holding Singapore Pte Limited. Registered office of the company is situated at Unit 401, 4<sup>th</sup> 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 equipment 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. 5,000 each which are fully depreciated in the year of purchase and for assets costing more than Rs. 5,000 each and 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 for the year ended March 31, 2021**

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

Intangible assets represent computer software and is 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 capitalized 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.

**Statkraft Markets Private Limited**  
**Notes forming part of the financial statement for the year ended March 31, 2021**

**(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 recognized 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) Deviation Settlement Mechanism (DSM) Charges**

As per Forecasting and Scheduling (F&S) regulations, the Company is acting as Qualified Coordinating Agency (QCA) where the Company depools the DSM (Deviation Settlement Mechanism) charges raised by State Load Despatch Centre (SLDC) to the various generators under the respective Pooling Sub-stations. As a QCA, the Company is responsible to collect the DSM charges from the respective generators and pay to the SLDC only when this amount has been collected from the generators. The amount payable to SLDC (State Load Dispatch Centre) and receivable from generators is shown separately in the financial statements.

**Statkraft Markets Private Limited**

**Notes forming part of the financial statement for the year ended March 31, 2021**

**(l) 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 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 realizability.

**(m) 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.

**(n) 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.

**(o) 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.

**(p) Operating cycle**

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realization 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.

**(q) 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, if required.



Statkraft Markets Private Limited

Notes forming part of the financial statements for the year ended March 31, 2021

3. SHARE CAPITAL

Particulars	As at March 31, 2021		As at March 31, 2020	
	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
<b>Total</b>	<b>141,906,790</b>	<b>1,419,068</b>	<b>141,906,790</b>	<b>1,419,068</b>

# 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, 2021		As at March 31, 2020	
	Number	Amount (Rs in '000)	Number	Amount (Rs in '000)
<b>Issued, subscribed and paid up equity shares</b>				
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, 2021		As at March 31, 2020	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares with voting rights</b>				
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, 2021		As at March 31, 2020	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares with voting rights</b>				
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 statements for the year ended March 31, 2021

4. RESERVES AND SURPLUS

(Rs. in '000)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Deficit in Statement of Profit and Loss</b>		
Opening balance	(395,573)	(341,307)
Add: Net loss after tax for the year	(163,374)	(54,266)
Closing balance	(558,947)	(395,573)

5. LONG-TERM PROVISIONS

(Rs. in '000)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Provision for employee benefits</b>		
Provision for gratuity (refer Note 22)	18,852	20,987
Provision for compensated absences - Earned leave (refer Note 22)	10,048	9,949
<b>Total</b>	<b>28,900</b>	<b>30,936</b>

6. TRADE PAYABLES

(Rs. in '000)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Trade Payables (Other than acceptances)</b>		
(a) total outstanding dues of micro enterprises and small enterprises; and (refer Note I below)	469	84
(b) total outstanding dues of creditors other than micro enterprises and small enterprises (refer Note II below)	51,287	34,934
<b>Total</b>	<b>51,756</b>	<b>35,018</b>

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, 2021	As at March 31, 2020
(i) The principal amount remaining unpaid to any supplier as at the end of the year	469	84
(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 16 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.	-	-
	469	84

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. 36,969 ('000) (Previous year Rs.14,574 ('000)) payable to related parties (refer note 24).

7. OTHER CURRENT LIABILITIES

(Rs. in '000)

Particulars	As at March 31, 2021	Place: Delhi
Statutory dues	13,587	9,760
Payable for purchase of property, plant and equipment including intangible assets **	2,224	21,746
Advance received from customers	10,716	8,570
Security deposits	34,440	29,673
Amount payable to customers *	18,700	10,397
Amount payable to SLDCs (State Load Dispatch Centre)*** (Also, refer note 15)	181,665	68,284
<b>Total</b>	<b>261,332</b>	<b>148,430</b>

\* Includes an amount of Rs. 18,651 payable on account of amount recovered/recoverable on behalf of customers (refer Note 24 and 33).

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

\*\*\*As per Forecasting and Scheduling (F&S) regulations, the Company is acting as Qualified Co-ordinating Agency (QCA) where the Company depools the DSM (Deviation Settlement Mechanism) charges raised by State Load Despatch Centre (SLDC) to the various generators under the respective Pooling Sub-stations. As a QCA, the Company is responsible to collect the DSM charges from the respective generators and pay to the SLDC only when this amount has been collected from the generators. The corresponding amount recoverable from customers (i.e. generators) is shown under Note 15 to the financial statements.

8. SHORT-TERM PROVISIONS

(Rs. in '000)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Provision for employee benefits</b>		
Provision for gratuity (refer Note 22)	549	480
Provision for compensated absences - Earned leave (refer Note 22)	579	265
Provision for compensated absences - Medical Leave	470	429
<b>Total</b>	<b>1,598</b>	<b>1,174</b>

## Statkraft Markets Private Limited

Notes forming part of the financial statements for the year ended March 31, 2021

## 9. PROPERTY, PLANT AND EQUIPMENT

Description	Gross block				Accumulated Depreciation/ Amortisation			(Rs. in '000)	
	As at April 01, 2020	Additions	Deductions/ Adjustments	As at March 31, 2021	As at April 01, 2020	For the year	Deductions/ Adjustments	As at March 31, 2021	Net Block As at March 31, 2021
(a) Tangible assets									
Computers - hardware	12,121	5,182	464	16,839	8,093	2,617	441	10,269	6,570
Furniture and fixtures	4,008	113	113	4,008	839	495	113	1,221	2,787
Leasehold improvement	20,963	-	-	20,963	9,855	8,048	-	17,903	3,060
Office equipment	8,705	621	985	8,341	5,545	1,483	936	6,092	2,249
<b>Total</b>	<b>45,797</b>	<b>5,916</b>	<b>1,562</b>	<b>50,151</b>	<b>24,332</b>	<b>12,643</b>	<b>1,490</b>	<b>35,485</b>	<b>14,666</b>
(b) Intangible assets									
Computers - software	27,598	-	27	27,571	8,069	4,860	26	12,904	14,667
<b>Total</b>	<b>27,598</b>	<b>-</b>	<b>27</b>	<b>27,571</b>	<b>8,069</b>	<b>4,860</b>	<b>26</b>	<b>12,904</b>	<b>14,667</b>
<b>Grand Total (a) + (b)</b>	<b>73,395</b>	<b>5,916</b>	<b>1,589</b>	<b>77,722</b>	<b>32,401</b>	<b>17,503</b>	<b>1,516</b>	<b>48,389</b>	<b>29,333</b>

## 9. PROPERTY, PLANT AND EQUIPMENT (contd.)

Description	Gross block				Accumulated Depreciation/ Amortisation			(Rs. in '000)	
	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	Net Block As at March 31, 2020
(a) Tangible assets									
Computers	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
<b>Total</b>	<b>42,842</b>	<b>3,214</b>	<b>259</b>	<b>45,797</b>	<b>13,000</b>	<b>11,567</b>	<b>236</b>	<b>24,332</b>	<b>21,465</b>
(b) Intangible assets									
Computers - software	3,468	24,130	-	27,598	3,208	4,861	-	8,069	19,529
<b>Total</b>	<b>3,468</b>	<b>24,130</b>	<b>-</b>	<b>27,598</b>	<b>3,208</b>	<b>4,861</b>	<b>-</b>	<b>8,069</b>	<b>19,529</b>
<b>Grand Total (a) + (b)</b>	<b>51,369</b>	<b>27,344</b>	<b>5,318</b>	<b>73,395</b>	<b>16,208</b>	<b>16,428</b>	<b>236</b>	<b>32,401</b>	<b>40,994</b>

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

Statkraft Markets Private Limited

Notes forming part of the financial statements for the year ended March 31, 2021

10. NON CURRENT INVESTMENTS

(Rs. in '000)

Particulars	As at March 31, 2021	As at March 31, 2020
Investments in Equity Instruments (carried at cost)		
- 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, 2021	As at March 31, 2020
<b>Unsecured, considered good</b>		
Security deposits	11,608	11,621
Advance income tax (net of provision of NIL, PY NIL) (Rs '000)	22,859	26,603
Balance with government authorities - Income Tax		
-Amount paid under protest *	10,100	10,100
<b>Total</b>	<b>44,567</b>	<b>48,324</b>

\* Order received from ITAT in favour of the company, dated April 26, 2021.

12. TRADE RECEIVABLES

(Rs. in '000)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Unsecured and considered good</b>		
Trade receivables outstanding for a period exceeding six months from the due date.	2,219	1,811
Trade receivables outstanding for a period not exceeding six months from the due date.	25,132	44,237
	<b>27,351</b>	<b>46,068</b>

\*Includes an amount of Rs.5,089 (Rs '000) (Previous year Rs.5,234 (Rs '000)) receivable from related parties (refer note 24).

13. CASH AND BANK BALANCES

(Rs. in '000)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	13	13
Balances with banks		
(i) In current accounts	25,937	30,672
(ii) In deposit accounts (original maturity of 3 months or less)	22,500	-
<b>Cash and cash equivalents (as per AS 3 cash flow statement)</b>	<b>48,450</b>	<b>30,685</b>
Other Bank Balances		
(ii) In earmarked account - held as security against bank guarantee *	129,676	216,433
(iii) In other deposit accounts	707,791	631,966
	<b>837,467</b>	<b>848,399</b>
<b>Total</b>	<b>885,917</b>	<b>879,084</b>

\* Guarantees issued in favour of 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, 2021	As at March 31, 2020
<b>Secured and considered good</b>		
Loans and advances given *	-	116,000
<b>Unsecured and considered good</b>		
Security deposits	19,646	16,707
Prepaid expenses	3,210	4,593
Balance with government authorities - GST	358	650
Earnest money deposit	-	265
Advance to vendors	336	629
<b>Total</b>	<b>23,550</b>	<b>138,844</b>

\* Secured by pledge on the assets. The loan has been squared off during the year on 2nd May 2020

15. OTHER CURRENT ASSETS

(Rs. in '000)

Particulars	As at March 31, 2021	As at March 31, 2020
Interest accrued on deposits	5,228	6,294
Interest accrued on loans and advances #	-	6,706
Amount recoverable from customers **	181,172	68,284
Amount recoverable from power exchange *	2,358	2,064
Unbilled revenue (refer Note 24) S	4,231	2,391
<b>Total</b>	<b>192,989</b>	<b>85,739</b>

\* Includes Rs.2,598 (in '000) (previous year Rs.1,288 ('000)) recoverable on behalf of customers (Refer Note 33), netted off by Rs. 637 (in '000) (previous year NIL) as payable against margin money deducted.

# Represents Interest on loan given to NSL Renewable Power Pvt. Ltd.

\*\*As per Forecasting and Scheduling (F&S) regulations, the Company is acting as Qualified Co-ordinating Agency (QCA) where the Company depots the DSM (Deviation Settlement Mechanism) charges raised by State Load Dispatch Centre (SLDC) to the various generators under the respective Pooling Sub-stations. As a QCA, the Company is responsible to collect the DSM charges from the respective generators and pay to the SLDC only when this amount has been collected from the generators. The corresponding amount payable to SLDC (State Load Dispatch Centre) is shown under Note 7 to the financial statements.

S Includes Rs. 4231 (in '000) (previous year Rs. 2391 (in '000)) receivable from related parties

Statkraft Markets Private Limited

Notes forming part of the financial statements for the year ended March 31, 2021

16. REVENUE FROM OPERATIONS

(Rs. in '000)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of power - trading *	332,513	836,400
Management service fees #	27,993	16,628
Professional services for sale of power	8,970	10,253
Professional services for power forecasting & scheduling	23,502	18,061
<b>Total</b>	<b>392,978</b>	<b>881,342</b>

\* net of penalties of Rs. 3,829 ('000) (Previous year Rs. 3,435 ('000)).

# includes sales to related parties of an amount of Rs.27,993 ('000) (Previous year Rs.16,628 ('000)) (refer note 24).

17. OTHER INCOME

(Rs. in '000)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on fixed deposits	39,323	56,930
Interest on income tax refund	763	1,124
Interest on loans and advances	1,249	14,742
Gain on disposal of property, plant and equipment	-	19
Provision written back	-	1,000
Miscellaneous income	211	232
<b>Total</b>	<b>41,546</b>	<b>74,047</b>

18. PURCHASE OF POWER

(Rs. in '000)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Purchase of power- Trading *	276,796	735,224
<b>Total</b>	<b>276,796</b>	<b>735,224</b>

\* Includes Rs. 11,495 ('000) (Previous year Rs. 1,800 ('000)) purchase from Related parties

19. EMPLOYEE BENEFITS EXPENSE

(Rs. in '000)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages and allowances	123,101	108,082
Contributions to provident fund (refer Note 22)	8,194	7,165
Gratuity expense (refer Note 22)	2,680	7,091
Staff welfare expenses	5,322	4,800
<b>Total</b>	<b>139,297</b>	<b>127,138</b>

Statkraft Markets Private Limited

Notes forming part of the financial statements for the year ended March 31, 2021

20. FINANCE COSTS

(Rs. in '000)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on delayed payment of statutory dues	27	27
Interest on deposits from customers	387	813
<b>Total</b>	<b>414</b>	<b>840</b>

21. OTHER EXPENSES

(Rs. in '000)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Legal and professional	64,542	38,078
Information system support services	37,369	19,013
Rent	19,492	19,216
Office maintenance charges	6,088	5,759
Repair and maintenance - other	1,106	1,540
Travelling and conveyance	1,006	11,408
Foreign exchange loss (net)	2,929	32
Auditor's remuneration (refer Note 28)	1,096	1,037
Meetings and seminars expenses	208	2,277
Recruitment expenses	707	1,697
Communication charges	1,696	1,616
Licence fees	4,000	4,001
Newspapers and magazines	731	962
Goods and Services Tax (GST) credit written off	17,904	16,608
Power exchange membership fees #	1,324	2,844
Bank charges	637	604
Loss on disposal of property, plant and equipments	56	-
Deviation settlement charges	1,596	515
Miscellaneous expenses (including open access charges, sponsorships, office supplies etc)	1,401	2,184
<b>Total</b>	<b>163,888</b>	<b>129,391</b>

# Net of reimbursements Rs.1,100 ('000) (Previous Year Rs.500 ('000))

Statkraft Markets Private Limited

Notes forming part of the financial statements for the year ended March 31, 2021

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.8,194 ('000) (Previous year Rs.7,165 ('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, 2021	March 31, 2020	March 31, 2021	March 31, 2020			
<b>A. Expenses recognized in the Statement of Profit and Loss</b>							
Current service cost	4,212	4,318	3,244	2,431			
Amount paid to affiliate entity	4,589	-	-	-			
Interest cost on benefit obligation	1,451	1,131	691	616			
Net actuarial (gain)/loss recognised in the year	(7,572)	1,642	(3,385)	(558)			
<b>Total expenses</b>	<b>2,680</b>	<b>7,091</b>	<b>550</b>	<b>2,489</b>			
<b>B. Actual contribution and benefit payments for the year</b>							
Actual benefit payments	156	393	137	313			
<b>C. Net liabilities recognized in the Balance Sheet</b>							
Present value of obligation as at the end of the year	19,401	21,467	10,627	10,214			
Funded deficit / difference	(19,401)	(21,467)	(10,627)	(10,214)			
<b>Net Liability recognised in Balance Sheet</b>	<b>(19,401)</b>	<b>(21,467)</b>	<b>(10,627)</b>	<b>(10,214)</b>			
<b>D. Change in the obligation during the year ended</b>							
Present value of defined benefit obligation at the beginning of the year	21,467	14,768	10,214	8,038			
Current service cost	4,212	4,318	3,244	2,431			
Interest cost	1,451	1,131	691	616			
Benefits paid	(156)	(393)	(137)	(313)			
Actuarial (gains)/losses	(7,572)	1,643	(3,385)	(558)			
<b>Present value of obligation at the end of the year</b>	<b>19,402</b>	<b>21,467</b>	<b>10,627</b>	<b>10,214</b>			
<b>E. Main actuarial assumptions (refer Note 1 below)</b>							
Discount rate	6.76%	6.76%	6.76%	6.76%			
Future salary increase	10.00%	10.00%	10.00%	10.00%			
Mortality rate					IALM (2012-14)		
Withdrawal rate	10.00%	10.00%	10.00%	10.00%			
Estimate of amount of contribution in the immediate next year	6,645	6,707	2,041	1,686			
<b>F. Experience Adjustments (refer Note 2)</b>	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
Present value of obligation at the end of the year	19,402	21,467	14,768	10,212	8,576	5,199	5,774
Experience adjustment on plan liabilities gain/(loss)	3,460	1,578	(659)	(139)	189	530	738

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 for the year ended March 31, 2021****(r) 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.

**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, 2021.

(In Rs.000)		
Particulars	As at March 31, 2021	As at March 31, 2020
Claims against the Company not acknowledged as debts - Income tax (including interest to the extent indicated in the order)	-	15,227

The company has derecognized the contingent liability of Rs. 15,227 (in '000) in current year, which represented income tax demand for AY 2014-15. The company had filed an appeal in The Income Tax Appellate Tribunal (ITAT) against the order of the CIT (A). The ITAT has pronounced the decision in favour of the company vide its order # 4536/Del/2017 dated 26<sup>th</sup> April 2021

**(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 AS, Norway	Ultimate holding company
Statkraft Holding Singapore Pte. Ltd.	Holding company
Statkraft India Private Ltd.	Fellow subsidiary
Tidong Power Generation Pvt. Ltd.	
Statkraft Markets GmbH	
Statkraft Germany GmbH	
Statkraft Energi AS	
Statkraft Markets B.V.	



**Statkraft Markets Private Limited****Notes forming part of the financial statement for the year ended March 31, 2021**

Statkraft Solar Solutions Private Limited	
AD Hydro Power Ltd.	Enterprise over which holding company's significant influence exists
Malana Power Co. Ltd.	
Maneesh Bhartia	Key management personnel
Sanjeev Mehra, w.e.f March 01, 2021	
Marthe Hoff	
Pooja Malhotra, upto March 01, 2021	

Statkraft Markets Private Limited  
Notes forming part of the financial statement for the year ended March 31, 2021

25. EARNINGS PER SHARE

(In Rs. '000)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Loss for the year (Rs.)	(1,63,374)	(54,266)
Weighted average number of equity shares (in absolute Nos.)	14,19,06,790	14,19,06,790
Nominal value per equity share (Rs./share)	10	10
Basic and diluted loss per share (in Rs.)	(1.15)	(0.38)

26. EXPENDITURE IN FOREIGN CURRENCY

(In Rs. ' 000)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Professional charges	52,815	20,518
Other expenses	8,965	9,454
Reimbursement of expenses	328	25
<b>Total</b>	<b>62,108</b>	<b>29,997</b>

27. INCOME IN FOREIGN CURRENCY

(In Rs.000)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Professional fees	12,313	4,876
Reimbursement received	1,200	938
<b>Total</b>	<b>13,513</b>	<b>5,814</b>

28. AUDITOR'S REMUNERATION

(In Rs. '000)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Payment to the auditors comprises (excluding GST):		
- For statutory audit	879	833
- For taxation related matters	203	192
- For out-of-pocket expenses	14	12
<b>Total</b>	<b>1,096</b>	<b>1,037</b>

**Statkraft Markets Private Limited**  
**Notes forming part of the financial statement for the year ended March 31, 2021**

**29. SEGMENT REPORTING**

The Company is engaged in the services of a single segment "Power trading, power forecasting and scheduling services and energy management" 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, 2021	As at March 31, 2020
<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	(143,174)	(100,129)
- Expenses deductible on payment basis	(9,383)	(9,843)
- Difference in written down value of property, plant and equipment	(4,864)	(3,501)
<b>Deferred Tax Assets (net)</b>	<b>(1,57,421)</b>	<b>(1,13,473)</b>

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, 2021	For the year ended March 31, 2020
- not later than one year	15,822	18,903
- later than one year and not later than five years	3,717	5,163
- later than five years	--	--
Lease payments recognized in the Statement of Profit and Loss	19,492	19,216

**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. Based on the transfer pricing assessment done by the specialist for previous year and due to no change in any facts for the current year, the management is of the opinion that its international transactions are at arm's length and the transfer pricing legislation under Section 92-92F of the Income-tax Act, 1961 will not have any impact on the financial statements.

**Statkraft Markets Private Limited****Notes forming part of the financial statement for the year ended March 31, 2021**

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:

(In Rs.000)		
Particulars	As at March 31, 2021	As at March 31, 2020
Amounts payable to customers (being the amount received/recoverable on sale of power on their behalf) (included under other current liabilities)	(18,651)	(10,335)
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)	2,598	1,288
<b>Net amount payable to the customer</b>	<b>(16,053)</b>	<b>(9,047)</b>

**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, 2021.

35. The Company has incurred net loss of Rs. 1,63,374 ('000) during the current year and has accumulated losses aggregating Rs. 5,58,947 ('000) as on March 31, 2021. The Company's business model is to purchase, sell, distribute, trade, import, export, generate or accumulate all forms of electrical power, to provide manpower support services to its group companies and to provide forecasting and scheduling services to solar and wind generators. In view of the positive net worth amounting Rs. 8,60,121 ('000), huge fixed deposits, ideal 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

MEHRA  
SANJEEV

Digitally signed by  
MEHRA SANJEEV  
Date: 2021.11.22  
18:21:26 +05'30'

Sanjeev Mehra  
Director  
DIN: 02626778

MANEESH  
BHARTIA

Digitally signed by  
MANEESH BHARTIA  
Date: 2021.11.22  
18:14:25 +05'30'

Maneesh Bhartia  
Director  
DIN: 06949674

GAURI SHANKAR  
MISHRA

Digitally signed by GAURI  
SHANKAR MISHRA  
Date: 2021.11.22 18:40:50  
+05'30'

Gauri Shankar Mishra  
Company Secretary

Place : Delhi

Date : November 22, 2021