

Independent Auditors' Report

To the Members of Rosa Power Supply Company Limited

Report on the Financial Statements

Opinion

1. We have audited the Financial Statements of **Rosa Power Supply Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "the financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to Note 15 to the financial statements regarding the application made by the Company before the National Company Law Tribunal (NCLT) for revision of its financial statements for the year ended March 31, 2018, which was approved by NCLT on February 13, 2020. The Company is in the process of preparing the revised financial statements for the financial year 2017-18. Our opinion on the financial statements is not modified in respect of this matter.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Corporate Social Responsibility Report & Shareholder's Information, but does not include the financial statements and our auditor's report thereon.
6. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial

statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the financial statements

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the financial statements

9. 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.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the

Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

11. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
12. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
- 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 has not paid any remuneration to any of its directors during the year. Hence, the requirement of the Company for compliance under this section 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, 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 litigation as at March 31, 2020 on its financial position in its financial statements – Refer Note 4 on contingent liabilities to the financial statements.
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020.

For Pathak H. D. & Associates LLP
Chartered Accountants
Firm Registration No. 107783W/W100593

Vishal D. Shah
Partner
Membership No. 119303
UDIN: 20119303AAAADA7643

Place : Mumbai
Date : May 7, 2020

Annexure 'A' to Independent Auditors' Report

Referred to under the section "Report on Other Legal and Regulatory Requirements" of our Independent Auditor's Report of even date to the members of Rosa Power Supply Company Limited on the financial statements for the Year ended March 31, 2020

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of its Property, Plant and Equipment.
 - (b) As informed to us, the Property, Plant and Equipment are physically verified by the Management according to a phased program designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, a portion of the property plant and equipment has been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
 - (c) The title deed of immovable property, as disclosed in Note 3.1 on the Property, Plant and Equipment and Immovable property classified under the Finance lease receivable in note 3.3 (c) to the financial statements, are held in the Company.
- (ii) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to the book records were not material. In our opinion, the frequency of verification is reasonable.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to any company, firm, limited liability partnerships or other party covered in the register maintained under Section 189 of the Act. Accordingly, the provisions stated in paragraph 3(iii) (a), (b) & (c) of the Order are not applicable.
- (iv) Based on information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186(1) of the Act. Further, as the Company is engaged in the business of providing infrastructural facilities, hence the provisions of Section 186 [except for sub-section (1)] are not applicable to it.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and rules framed there under.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of sale of electricity where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under sub-section (1) of Section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance,

goods and service tax, customs duty, cess and other material statutory dues as applicable, with the appropriate authorities.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, Goods and Service tax, customs duty, cess and other material statutory dues except for Income tax as at March 31, 2020 amounting for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of Income Tax as at March 31, 2020 which has not been deposited on account of dispute as under :

(Rupees in Lakhs)				
Name of the Statute	Nature of Dues	Amount	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	66	AY 2013-2014	Income Tax Appellate Tribunal, Mumbai
Income Tax Act, 1961	Income Tax	65	AY 2014-2015	Income Tax Appellate Tribunal, Mumbai
Income Tax Act, 1961	Income Tax	582	AY 2014-2015	Commissioner of Income Tax (Appeals), Mumbai
Income Tax Act, 1961	Income Tax	709	AY 2016-2017	Commissioner of Income Tax (Appeals), Mumbai
Income Tax Act, 1961	Income Tax	140	A.Y 2017-2018	Assistant Commissioner of Income Tax, Mumbai
Income Tax Act, 1961	Income Tax	9	A.Y 2008-2009 to A.Y 2020-2021	Assistant Commissioner of Income Tax (TDS) , Mumbai

- (viii) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank. Further, the Company has not availed any loans from debenture holders and Government.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), in our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were raised.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) The Company has not paid managerial remuneration. Therefore, provision of clause 3(xi) of the order is not applicable to the Company.

- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to the provision of Clause 3(xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and section 188 of the Act where applicable.
- The details of related party transactions as required under Ind AS 24, Related Party Disclosures specified under Section 133 of the Act, have been disclosed in the financial statements.
- (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 the provision of clause 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected to its directors. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, the provisions of Clause 3 (xvi) of the Order are not applicable to the Company.

For Pathak H. D. & Associates LLP
Chartered Accountants
Firm's Registration No.107783W/W100593

Vishal D. Shah
Partner
Membership No.119303
UDIN: 20119303AAAADA7643

Place: Mumbai
Date: May 7, 2020

Annexure 'B' to Independent Auditors' Report

Referred to in paragraph "12(f)" under the heading "Report on other legal and regulatory requirements" of our Independent Auditors' Report of even date to the members of Rosa Power Supply Company Limited on the financial statements for the year ended March 31, 2020

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

1. We have audited the internal financial controls with reference to the financial statements of **Rosa Power Supply Company Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to the financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the financial statements included obtaining an understanding of internal financial controls with reference to the financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to the financial statements.

Meaning of Internal Financial Controls with reference to the financial statements

6. A company's internal financial control with reference to the financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to the financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to the financial statements

7. Because of the inherent limitations of internal financial controls with reference to the financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the financial statements to future periods are subject to the risk that the internal financial control with reference to the financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls With reference to the financial statements issued by the Institute of Chartered Accountants of India.

For Pathak H. D. & Associates LLP

Chartered Accountants

Firm Registration Number: 107783W/W100593

Vishal D. Shah

Partner

Membership Number: 119303

UDIN: 20119303AAAADA7643

Place: Mumbai

Date: May 7, 2020

Rosa Power Supply Company Limited
Balance Sheet as at March 31, 2020

Particulars	Note	Rupees In lakhs	
		As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	596	611
Intangible assets	3.2	1	1
Financial assets :			
Investments	3.3(a)	1	47,849
Loans	3.3(b)	2	2
Finance lease receivables	3.3(c)	424,085	453,131
Other non-current assets	3.4	4,535	163
Total		429,220	501,757
Current assets			
Inventories	3.5	33,779	32,481
Financial assets			
Trade receivables	3.6(a)	53,800	80,204
Cash and cash equivalents	3.6(b)	596	629
Bank balances other than cash and cash equivalents	3.6(c)	3,392	3,089
Loans	3.6(d)	301,788	300,890
Finance lease receivables	3.3(c)	29,876	29,972
Other current assets	3.7	1,809	6,682
Total		425,040	453,947
Total Assets		854,260	955,704
EQUITY AND LIABILITIES			
Equity			
Equity share capital	3.8	42,441	42,441
Other equity			
Instruments entirely equity in nature	3.9	42	42
Reserves and surplus	3.10	384,071	412,008
Total		426,554	454,491
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	3.11	115,657	181,891
Provisions	3.12	755	711
Deferred tax liabilities (net)	3.13	86,105	83,426
Other non-current liabilities	3.14	2,099	2,699
Total		204,616	268,727
Current liabilities			
Financial liabilities			
Borrowings	3.15(a)	124,860	127,180
Trade payables			
(i) Total outstanding dues of micro and small enterprises		129	-
(ii) Total outstanding dues of other than (i) above	3.15(b)	7,344	8,081
Other financial liabilities	3.15(c)	75,321	75,111
Other current liabilities	3.16	816	731
Provisions	3.17	120	77
Current tax liabilities	3.18	14,500	21,306
Total		223,090	232,486
Total Equity and Liabilities		854,260	955,704
Significant accounting policies	2		
Notes to financial statements	1 to 26		

The accompanying notes are an integral part of these financial statements.

Rosa Power Supply Company Limited

As per our attached Report of even date

For Pathak H.D. & Associates LLP

Chartered Accountants

Firm Registration No. 107783W / W 100593

For and on behalf of the Board of Directors

Vishal D.Shah

Partner

Membership No. 119303

Shrikant D Kulkarni

Director

DIN 05136399

Place: Mumbai

Date: May 07, 2020

D J Kakalia

Director

DIN 00029159

Rashna Hoshang Khan

Director

DIN 06928148

Karunesh Mishra

Chief Financial Officer

Amit Jangid

Company Secretary and Manager

Membership No. A29018

Place: Mumbai

Date: May 07, 2020

Rosa Power Supply Company Limited
Statement of Profit and Loss for the year ended March 31, 2020

Particulars	Note	Rupees in lakhs	
		Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations	3.19	276,762	241,462
Other income	3.20	396	571
Total Income		277,159	242,033
Expenses:			
Cost of fuel consumed	20	155,703	102,939
Employee benefits expense	3.21	5,924	4,054
Finance costs	3.22	38,189	43,884
Depreciation and amortisation expenses	3.1	72	90
Other expenses	3.23	51,130	16,575
Total expenses		251,020	167,542
Profit before exceptional items and tax		26,139	74,491
Exceptional Items			
Expenses	5	-	49,205
Provision for Impairment of investment	5	47,848	-
Profit / (loss) before tax		(21,709)	25,286
Tax expense:			
Current tax		4,486	5,440
Deferred tax		2,679	(1,277)
Profit / (loss) for the year (A)		(28,874)	21,114
Other Comprehensive Income/(expenses)			
Items that will not be reclassified to profit or loss			
Remeasurements net defined benefit plan (net)		(130)	(23)
Other Comprehensive Income / (expenses) for the year (B)		(130)	(23)
Total Comprehensive Income / (expenses) for the year (A+B)		(29,004)	21,091
Earnings per equity share: (Face value of Rs. 10 each)	10		
- Basic		(6.80)	4.98
- Diluted		(6.79)	4.97
Significant accounting policies	2		
Notes on financial statements	1 to 26		

The accompanying notes are an integral part of these financial statements.

Rosa Power Supply Company Limited

As per our attached Report of even date

For Pathak H.D. & Associates LLP

Chartered Accountants

Firm Registration No. 107783W / W 100593

For and on behalf of the Board of Directors

Vishal D.Shah

Partner

Membership No. 119303

Shrikant D Kulkarni

Director

DIN 05136399

Place: Mumbai

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DIN 08928148

Karunesh Mishra

Chief Financial Officer

Amit Jangid

Company Secretary and Manager

Membership No. A29018

Place: Mumbai

Date: May 07, 2020

Rosa Power Supply Company Limited
Cash Flow Statement for the year ended March 31, 2020

Particulars	Rupees in lakhs	
	Year ended March 31, 2020	Year ended March 31, 2019
(A) Cash flow from Operating Activities		
Net Profit before tax	(21,709)	25,286
Adjusted for :		
Interest and Other finance cost	38,189	43,884
Depreciation and amortisation expenses	72	90
Bad debt written off	29,150	-
Advance written off	-	183
Interest Income	(238)	(208)
Inter corporate deposit written off	-	49,205
Provision for Impairment of investment	47,848	-
Amortisation of forex loss	6,789	5,727
Operating Profit before working capital changes	100,101	124,167
Changes in Working Capital:		
(Increase) / decrease in trade receivables	(2,746)	(5)
(Increase) / decrease in inventories	(1,298)	(21,684)
(Increase) / decrease in financial and other assets	4,875	(6,028)
Increase / (decrease) in trade and other liabilities	(509)	(6,001)
Increase / (decrease) in provision for gratuity and leave encashment	86	160
(Increase) / decrease in lease receivables	29,142	28,201
	29,549	(5,357)
Taxes paid (net of refunds)	(11,292)	(23)
Net cash generated from operating activities	118,358	118,787
(B) Cash flow from Investing Activities		
Payments for Property, plant and equipment	(5,428)	(1,851)
Inter corporate deposits given to the Holding Company	(700)	(17,251)
Inter corporate deposits refunded by the Holding Company	-	23,619
Inter corporate deposits given to Associate Company	(200)	(220)
Inter corporate deposits refunded by Associate Company	-	180
Margin Money / Deposits for a period of more than three months	(299)	(141)
Interest received	234	208
Net cash generated from/(used in) investing activities	(6,393)	4,544
(C) Cash flow from financing Activities		
Repayment of long term borrowings	(71,526)	(80,746)
Proceeds/(repayment) of short term borrowings	(2,320)	640
Interest and other finance cost paid	(38,151)	(42,927)
Net cash generated from/(used in) financing activities	(111,996)	(123,033)
Net Increase/(decrease) in Cash and Cash equivalents (A+B+C)	(32)	298
Cash and Cash equivalents at the beginning of the year:		
Bank Balance - Current Account	629	331
Cash and Cash equivalents at the end of the year:		
Bank Balance - Current Account	596	629

The accompanying notes are an integral part of these financial statements

Note:

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) "Statement of cash flows".

Rosa Power Supply Company Limited

As per our attached Report of even date

For Pathak H.D. & Associates LLP
Chartered Accountants
Firm Registration No. 107783W / W 100593

For and on behalf of the Board of Directors

Vishal D.Shah
Partner
Membership No. 119303

Shrikant D Kulkarni
Director
DIN 05136399

Place: Mumbai
Date: May 07, 2020

D J Kakalia
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Karunesh Mishra
Chief Financial Officer

Amit Jangid
Company Secretary and Manager
Membership No. A29018

Place: Mumbai
Date: May 07, 2020

Rosa Power Supply Company Limited
Statement of Changes in Equity for the year ended March 31, 2020

A. Equity share capital (Refer note 3.8)	Rupees in lakhs
Balance as at March 31, 2019	42,441
Changes in equity share capital	-
Balance as at March 31, 2020	42,441

B. Instrument entirely equity in nature (Refer Note 3.9)	
Compulsory convertible redeemable non-cumulative preference shares (CCRPS)	Rupees in lakhs
Balance as at March 31, 2019	42
Changes in CCRPS	-
Balance as at March 31, 2020	42

C. Other Equity

Particulars	Reserves and surplus			Rupees in lakhs
	Securities premium	Foreign currency monetary item translation difference account	Retained earnings	Total
Balance as at April 1, 2018	116,088	(7,713)	283,427	391,802
Profit / (loss) for the year	-	-	(26,030)	(26,030)
Other Comprehensive Income for the year (net)	-	-	60	60
Total Comprehensive Income / (expenses) for the year	-	-	(25,970)	(25,970)
Additions during the year	-	(5,975)	-	(5,975)
Amortisation during the year	-	5,000	-	5,000
Balance as at March 31, 2019	116,088	(8,598)	304,518	412,007
Profit for the year	-	-	(28,874)	(28,874)
Other Comprehensive Income / (expenses) for the year	-	-	(130)	(130)
Additions during the year	-	(5,211)	-	(5,211)
Amortisation during the year	-	6,278	-	6,278
Balance as at March 31, 2020	116,088	(7,531)	275,514	384,071

Rosa Power Supply Company Limited

As per our attached Report of even date

For Pathak H.D. & Associates LLP

Chartered Accountants

Firm Registration No. 107783W / W 100593

For and on behalf of the Board of Directors

Vishal D.Shah

Partner

Membership No. 119303

Shrikant D Kulkarni

Director

DIN 05136399

Place: Mumbai

Date: May 07, 2020

D J Kakalia

Director

DIN 00029159

Rashna Hoshang Khan

Director

DIN 06928148

Karunesh Mishra

Chief Financial Officer

Amit Jangid

Company Secretary and Manager

Membership No. A29018

Place: Mumbai

Date: May 07, 2020

Rosa Power Supply Company Limited

Notes to the financial statements as of and for the year ended March 31, 2020

1) General information

Rosa Power Supply Company Limited, a wholly owned subsidiary of Reliance Power Limited, has set up a Power Project of 1,200 Mega Watt (MW) at Shahjahanpur district, Uttar Pradesh. The entire power generated is being sold to Uttar Pradesh Power Corporation Limited (UPPCL) as per the terms of Power Purchase Agreement (PPA) read with the regulation issued by Uttar Pradesh Electricity Regulatory Commission (UPERC).

The Company is a public limited Company and is incorporated and domiciled in India under the provisions of the Companies Act. The registered office of the Company is located at 3rd Floor, South Wing, Reliance Centre, Near Prabhat Colony, Off Western Express Highway, Santacruz (East), Mumbai – 400055.

These financial statements were authorised for issue by the Board of Directors on May 7, 2020.

2) Significant accounting policies and critical accounting estimates and judgements:

2.1 Basis of preparation, measurement and significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation:

Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant provisions of the Companies Act, 2013 ("the Act"). The policies set out below have been consistently applied during the year presented, unless otherwise stated.

Functional and presentation currency

The financial statements are presented in 'Indian Rupees', which is also the Group's functional currency. All amounts are rounded to the nearest lakhs, unless otherwise stated.

Historical cost convention

The financial statements have been prepared under the historical cost convention, as modified by the following:

- Certain financial assets and financial liabilities at fair value;
- Defined benefit plans – plan assets that are measured at fair value.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

Current vis-à-vis non-current classification

The assets and liabilities reported in the balance sheet are classified on a "current/non-current basis", with separate reporting of assets held for sale and liabilities. Current assets, which include cash and cash equivalents, are assets that are intended to be realised, sold or consumed during the normal operating cycle of the Company or in the 12 months following the balance sheet date; current liabilities are liabilities that are expected to be settled during the normal operating cycle of the Company or within the 12 months following the close of the financial year. The deferred tax assets and liabilities are classified as non-current assets and liabilities.

(b) Property, plant and equipment:

All Items of Property, plant and equipment (PPE) are stated at cost net of recoverable taxes, duties, trade discounts and rebates, less accumulated depreciation and impairment loss, if any. The cost of PPE comprises of its purchase price and capitalised borrowing costs, including any cost directly attributable to bringing the assets to their working condition for their intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All repairs and maintenance are charged to Statement of Profit and Loss during the reporting period in which they are incurred.

Spare parts are recognised when they meet the definition of PPE, otherwise, such items are classified as inventory.

Depreciation methods, estimated useful lives and residual value:

Depreciation on PPE is provided to the extent of depreciable amount on Straight Line Method (SLM) based on useful lives of the following assets as prescribed in Part C of Schedule II to the Companies Act, 2013.

Particulars	Estimated useful lives
Buildings	60 years
Motor vehicles	8 years
Office Equipment	5 Years
Computers	3 Years
Furniture and Fixture	10 Years

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

(c) Intangible assets:

(i). Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization / depletion and impairment loss, if any. The cost comprises of purchase price, borrowing costs and any cost directly attributable to bringing the asset to its working condition for the intended use.

(ii). Expenditure incurred on acquisition of intangible assets which are not ready to use at the reporting date is disclosed under "Intangible assets under development".

Amortisation:

Amortisation is charged on a straight-line basis over the estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

Computer software is amortised over an estimated useful life of 3 years.

(d) Leases

The Company as a Lessor

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is (or contains) a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

These leases are analysed based on the situations and indicators set out in Ind AS-116 - Leases in order to determine whether they constitute operating leases or finance leases.

A finance lease is defined as a lease which transfers substantially all the risks and rewards incidental to the ownership of the related asset to the lessee. All leases which do not comply with the definition of a finance lease are classified as operating leases.

The following main factors are considered by the Company to assess if a lease transfers substantially all the risks and rewards incidental to ownership: whether

Rosa Power Supply Company Limited
Notes to the financial statements for the year ended March 31, 2020 (continued)

- (i) the lessor transfers ownership of the asset to the lessee by the end of the lease term;
- (ii) the lessee has an option to purchase the asset and if so, the conditions applicable to exercising that option;
- (iii) the lease term is for the major part of the economic life of the asset;
- (iv) the asset is of a highly specialized nature; and
- (v) the present value of minimum lease payments amounts to at least substantially all of the fair value of the leased asset.

Ind AS 116 "Leases" deals with the identification of services and take-or-pay sales or purchasing contracts that do not take the legal form of a lease but convey rights to customers / suppliers to use an asset or a group of assets in return for a payment or a series of fixed payments. Contracts meeting these criteria are identified as either operating leases or finance leases. In the later case, a finance lease receivable is recognized to reflect the financing deemed to be granted by the Company where it is considered as acting as lessor and its customers as lessees.

The Company has assessed finance lease with respect to the terms of PPA, where the agreement conveys to the purchaser of the energy an exclusive right to use generated energy.

In case of finance leases, where assets are leased out under a finance lease, the amount recognised under finance lease receivables is an amount equal to the net investment in the lease.

Minimum lease payment made under finance lease is apportioned between the finance income and the reduction of the outstanding receivables. The finance income is allocated to each period during the lease terms so as to produce a constant periodic rate of interest on the remaining balance of the lease receivable.

The Company is the lessee

The Company has taken office premises and guests houses on lease which are of short term lease with the term of twelve months or less and low value leases. For these short term and low value leases, the Company recognizes the lease payments as an expense in the Statement of Profit and Loss on a straight line basis over the term of lease.

Transition

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the retrospective with cumulative effect method of initially applying the standard recognized at the date of initial application without any adjustment to opening balance of retained earnings. The Company did not have any material impact on the financial statement on application of the above standard.

(e) Impairment of non-financial assets:

Assets which are subject to depreciation or amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which, they are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(f) Trade Receivable:

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(g) Financial Instruments:

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

i. Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. The Company has elected to account for investments in equity instruments of fellow subsidiaries at cost in its financial statements.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

ii. Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

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

Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises. Interest income from these financial assets is included in other income.

Equity investments

The Company subsequently measures all equity investments in fellow subsidiaries at cost. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

iii. Impairment of Financial Assets:

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

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 'Financial Instruments', which require expected lifetime losses to be recognised from initial recognition of the receivables.

iv. Derecognition of Financial Assets:

A financial asset is derecognised only when:

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v. Income recognition:

Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. While calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividend

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

(h) Contributed equity:

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(i) Financial liabilities:

i. Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

ii. Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

iii. Subsequent measurement

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

Borrowings:

Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade and other payables:

These amounts represents obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. These payable are classified as current liabilities if payment is due within one year or less otherwise they are presented as non-current liabilities. Trade and payables are subsequently measured at amortised cost using the effective interest method.

iv. Derecognition:

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses). When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

(j) Borrowing costs:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

(k) Provisions, Contingent Liabilities and Contingent Assets:

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made, is termed as contingent liability.

Contingent Assets:

A contingent asset is disclosed, where an inflow of economic benefits is probable.

(l) Foreign currency translation:

i. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Indian Rupees' (Rs.), which is the Company's functional and presentation currency.

ii. Transactions and balances

- (i) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.
- (ii) All exchange differences arising on reporting of short term foreign currency monetary items at rates different from those at which they were initially recorded are recognised in the Statement of Profit and Loss.
- (iii) In respect of foreign exchange differences arising on revaluation or settlement of long term foreign currency monetary items, the Company has availed the option available in the Ind AS 101 to continue the policy adopted in Previous GAAP for accounting of exchange differences arising from translation of long-term foreign currency monetary items outstanding as on March 31, 2016, wherein:
 - Foreign exchange differences on account of depreciable asset, is adjusted in the cost of depreciable asset and would be depreciated over the balance life of asset.
 - In other cases, foreign exchange difference is accumulated in "foreign currency monetary item translation difference account" and amortised over the balance period of such long term asset / liabilities.
- (iv) Non-monetary items denominated in foreign currency are stated at the rates prevailing on the date of the transactions / exchange rate at which transaction is actually effected.

(m) Revenue from Contracts with Customers and Other Income

The company derives revenue primarily from sale of energy to Uttar Pradesh Power Corporation Limited (UPPCL). Effective April 1, 2018 the Company has applied Ind AS 115 – "Revenue from Contracts with Customers", which establish a comprehensive framework for determining whether, how and when revenue is to be recognized. Ind AS 115 replace Ind AS-18 – "Revenue" and Ind AS-11 – "Construction Contracts". The Company recognises revenue when it transfers control over a product or service to a customer. The Company has applied Ind AS 115 using the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under Ind AS 18 and Ind AS 11.

There is no impact on application of Ind AS 115 on the financial statements.

Sale of energy

Revenue from sale of energy is recognised on an accrual basis as per the tariff rates approved by Uttar Pradesh Electricity Regulatory Commission (UPERC) in accordance with the provisions of Power Purchase Agreement (PPA) with UPPCL. In case where final tariff rates are yet to be approved / agreed, provisional tariff is adopted based on provisional tariff order issued by UPERC. Further, the revenue is also recognised towards truing up of fixed charges as per the petitions filed based on the principles enunciated in the PPA and UPERC (Terms & Condition of Generation Tariff) Regulations, 2014.

Revenue from sale of energy referred to above includes fixed charges considered as minimum lease payments in accordance with Ind AS-116 'Leases', which is apportioned between finance income and reduction of finance lease receivables and finance income is disclosed as 'Finance Income' under "Other Operating Revenue" (Refer note 2.1 (d)). Revenue towards truing up of fixed charges is recognized as operating income in the Statement of Profit and Loss in the year of truing up. In case of difference between the revenue recognized based on provisional tariff order/petitions filed and final tariff order, minimum lease payments is adjusted to the extent of difference for balance period of lease to arrive at revised internal rate of return based on which minimum lease payments is apportioned between finance income and reduction of finance lease receivables.

(n) Employee Benefits:

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post employee obligations

The Company operates the following post-employment schemes:

- defined benefit plans such as gratuity
- defined contribution plans such as provident fund.
- superannuation fund

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in Rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

Provident fund

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Superannuation fund

Certain employees of the Company are participants in a defined contribution plan. The Company has no further obligations to the plan beyond its monthly contributions which are contributed to a trust fund, the corpus of which is invested with Reliance Life Insurance Company Limited.

(o) Income taxes:

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period on taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Rosa Power Supply Company Limited
Notes to the financial statements for the year ended March 31, 2020 (continued)

Deferred income tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

(p) Cash and cash equivalents:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less from date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(q) Earnings per share:

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(r) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit 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.

(s) Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision-Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer and the Chief Financial Officer that makes strategic decisions.

(t) Dividends:

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(u) Inventories:

Inventories of tools, stores, spares parts, consumable supplies and fuel are valued at lower of weighted average cost, which includes all non refundable duties and charges incurred in bringing the goods to their present location and condition, and net realizable value after providing for obsolescence and other losses.

(v) Government grant:

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

The benefit of interest free government loan in form of deferred payments of local sales tax and entry tax is treated as government grant. The deferred payment liabilities are recognised and measured in accordance with Ind AS 109, "Financial Instruments" where the benefit of the below market rate of interest shall be measured as the difference between the initial carrying value determined in accordance with Ind AS 109, and the proceeds received.

2.2 Critical accounting estimates and judgements

The preparation of the financial statements under Ind AS requires management to take decisions and make estimates and assumptions that may impact the value of revenues, costs, assets and liabilities and the related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Useful lives of assets and plants given on finance lease classified as finance lease receivables:

The Company has independently estimated the useful life of property, plant and equipment based on the expected wear and tear, industry trends etc. In actual, the wear and tear can be different. It is possible that the estimates made based on existing experience are different to the actual outcomes within the next financial period and could cause a material adjustment to the carrying amount of Property, plant and equipment and unguaranteed finance lease receivables. (Refer note 3.1 and 3.3(b))

(b) Impairment of assets:

At the end of each reporting period, the Company reviews the carrying amounts of its Property, plant and equipment and the unguaranteed residual value of assets given on lease to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset / residual value is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of an asset or a cash-generating unit is determined based on value-in-use calculations prepared on the basis of management's assumptions and estimates.

(c) Defined benefit obligations:

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post employment plans include the discount rate. Any changes in these assumptions will impact the carrying amount of such obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds of maturity approximating the terms of the related plan liability.

(d) Income taxes:

There are transactions and calculations for which the ultimate tax determination is uncertain and would get finalized on completion of assessment by tax authorities. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. (Refer note 12)

(e) Deferred tax

The Company has deferred tax liabilities which are expected to be realised through the Statement of Profit and Loss over the extended periods of time in the future. In calculating the deferred tax items, the Company is required to make certain assumptions and estimates regarding the future tax consequences attributable to

differences between the carrying amounts of liabilities as recorded in the financial statements and their tax bases. Assumptions made include the expectation that future operating performance will be consistent with historical levels of operating results and that existing tax laws and rates will remain unchanged into foreseeable future. (Refer note 3.13 and 12)

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the same can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

According to management's estimate, MAT credit balances will expire and may not be used to offset taxable income. The Company neither has any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these MAT credit entitlement as deferred tax assets. On this basis, the Company has determined that it cannot recognise deferred tax assets on these balances.

(f) Revenue Recognition:

Revenue from Sale of Energy is recognised on an accrual basis as per the tariff rates approved by Uttar Pradesh Electricity Regulatory Commission (UPERC) in accordance with the provisions of power purchase agreement (PPA) with Uttar Pradesh Power Corporation Limited (UPPCL). [In case where tariff rates are yet to be approved/agreed, provisional rates are adopted based on the principals enunciated in PPA and UPERC regulations. Deviation from such estimate could result in significant adjustment to the revenue recognition/receivables of the Company. (Refer note 15)]

(g) Fair value measurement and valuation process

The Company has measured certain assets and liabilities at fair value for financial reporting purposes. The management determines the appropriate valuation technique and inputs for fair value measurement.

Estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. (Refer Note 16)

(h) Application of lease accounting:

Significant judgement is required to apply lease accounting rules under Ind AS 116 "Leases". In assessing the applicability to arrangements entered into by the Company, management has exercised judgement to evaluate customer's right to use the underlying assets, substance of the transaction including legally enforced arrangements and other significant terms and conditions of the arrangement to conclude whether the arrangements meet the criteria under Finance Lease.

Classification of lease

Significant judgement has been applied by the Company in determining whether substantially all the significant risks and rewards of ownership of the lease assets are transferred to the other entities.

(i) Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19)

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues, tangible and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information on the expected future performance of the Company. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company financial statements may differ from that estimated as at the date of approval of these financial statements.

Rosa Power Supply Company Limited
Notes to the financial statements for the year ended March 31, 2020 (Continued)

3.1 Property, plant and equipment

	Buildings	Furniture & fixtures	Motor vehicles	Office equipment	Computers	Rupees in lakhs Total
Gross Carrying amount as at April 1, 2018	396	-	232	5	10	643
Additions during the year	-	8	56	29	21	114
Carrying amount as at March 31, 2019	396	8	288	34	31	757
Accumulated depreciation						
Balance as at April 1, 2018	48	-	7	@	1	56
Depreciation for the year	16	1	67	3	3	90
Balance as at March 31, 2019	64	1	74	3	4	146
Net Carrying Amount						
As at March 31, 2019	332	7	214	31	27	611
Gross Carrying amount as at April 1, 2019	396	8	288	34	31	757
Additions during the year	-	10	12	22	13	57
Carrying amount as at March 31, 2020	396	18	300	56	44	814
Accumulated depreciation						
Balance as at April 1, 2019	64	1	74	3	4	146
Depreciation for the year	16	3	37	7	8	72
Balance as at March 31, 2020	80	4	112	10	12	218
Net Carrying Amount						
As at March 31, 2019	332	7	214	31	27	611
As at March 31, 2020	316	14	188	46	32	596

Notes :

- 1) Amount is below the rounding off norm adopted by Company.
- 2) All the above property, plant and equipment Rs. 596 lakhs (March 31, 2019: Rs. 611 Lakhs) has been pledged as security. (Refer note 8)

Rosa Power Supply Company Limited
Notes to the financial statements for the year ended March 31, 2020 (Continued)

3.2 Intangible assets

Particulars	Rupees in lakhs Computer Software
Gross Carrying amount as at April 1, 2018 Additions during the year	44 -
Carrying amount as at March 31, 2019	44
Accumulated amortisation as at April 1, 2018 For the year	43 -
Balance as at March 31, 2019	43
Net carrying amount As at March 31, 2019	1
Gross Carrying amount as at April 1, 2019 Additions during the year	44 -
Carrying amount as at March 31, 2020	44
Accumulated amortisation as at April 1, 2019 For the year	43 -
Balance as at March 31, 2020	43
Net carrying amount As at March 31, 2019 As at March 31, 2020	1 1

Note: Intangible assets are other than internally generated

Rosa Power Supply Company Limited
Notes to the financial statements for the year ended March 31, 2020 (Continued)

	As at March 31, 2020	Rupees in lakhs As at March 31, 2019
3.3 Non-current Financial assets		
3.3(a) Non-current Investments		
A) Equity share (unquoted, fully paid-up) (at cost)		
In Associate Company:		
Vidarbha Industries Power Limited - 364,970 (March 31, 2019: 364,970) shares at face value Rs. 10 each	3,650	3,650
Less: Provision for Impairment	(3,650)	-
In Joint Venture:		
Reliance Geothermal Power Private Limited - 5,000 (March 31, 2019: 5,000) shares at face value Rs. 10 each	1	1
B) Preference shares (unquoted, fully paid up) (at cost):¹		
In Associate Company:		
Vidarbha Industries Power Limited - 4,020,202 (March 31, 2019: 4,020,202) shares at face value of Rs. 10 each	40,202	40,202
Less: Provision for Impairment	(40,202)	-
In Fellow Subsidiary:		
Kalal Power Private Limited - 1,000,000 (March 31, 2019: 1,000,000) shares at face value of Re. 1 each	3,996	3,996
Less: Provision for impairment	(3,996)	-
	1	47,849
Aggregate book value of unquoted investments	1	47,849
Aggregate provision for impairment	47,848	-
¹7.5% Compulsory Convertible Redeemable Non-Cumulative Preference Shares (CCRPS)		
The issuer companies shall have a call option on CCRPS which can be exercised by them in one or more tranches and in part or in full before the end of agreed tenure (20 years) of the said shares. In case the call option is exercised, CCRPS shall be redeemed at an issue price (i.e face value and premium). The Company, however, shall have an option to convert CCRPS into equity shares at any time during the tenure of such CCRPS. At the end of tenure and to the extent the issuer companies or the CCRPS holder thereof have not exercised their options, the CCRPS shall be compulsorily converted into equity shares. On conversion, in either case, each CCRPS shall be converted into equity share of corresponding value (including the premium applicable thereon). In case the issuer companies declare dividend on their equity shares, the CCRPS holders will also be entitled to the equity dividend in addition to the coupon rate of dividend.		
3.3(b) Loans		
(Unsecured and considered good)		
Security deposits	2	2
	2	2
3.3(c) Finance Lease Receivable		
Finance Lease Receivable (Refer Note 21)	453,961	483,103
	453,961	483,103
Finance Lease Receivable -Non current	424,085	453,131
Finance Lease Receivable -current	29,876	29,972
3.4 Other non-current assets		
(Unsecured and considered good)		
Capital advances	4,535	163
	4,535	163

Rosa Power Supply Company Limited
Notes to the financial statements for the year ended March 31, 2020 (Continued)

	As at March 31, 2020	Rupees in lakhs As at March 31, 2019
3.5 Inventories		
Fuel (Including material in transit of Rs. nil (March 31, 2019: Rs. 70 lakhs)	25,718	23,984
Stores and spares (including material in transit of Rs. nil (March 31, 2019: Rs. 2 lakhs)	8,061	8,497
	33,779	32,481
(Inventories are stated at lower of cost and net realisable value)		
3.6 Current financial assets		
3.6(a) Trade receivables (Unsecured and considered good)		
Trade Receivables (Including Rs.26,107 lakhs (March 31, 2019: Rs. 18,306 lakhs) billed subsequent to the year end.	53,800	80,204
	53,800	80,204
3.6(b) Cash and cash equivalents		
Balance with banks In current accounts	596	629
	596	629
3.6(c) Bank balances other than cash and cash equivalents		
Deposits with maturity period of more than three months but less than twelve months	3,117	3,059
Fixed deposits with bank towards margin money	275	30
	3,392	3,089
3.6(d) Loans (Unsecured and considered good)		
Inter corporate deposits to Holding Company (Refer note 9G(ii)) (interest free deposit repayable on demand)	301,529	300,829
Advances to employees	9	11
Inter corporate deposits to related party (Refer note 9G(ii)) (interest free deposit repayable on demand)	250	50
	301,788	300,890
3.7 Other current assets (Unsecured and considered good unless stated otherwise)		
Balance with Government authorities	115	87
Advance to vendors	1,212	6,346
Prepaid expenses	482	249
	1,809	6,682

3.8 Equity Share capital

Authorised

1,400,000,000 (March 31, 2019: 1,400,000,000;) equity shares of Rs. 10 each

	As at March 31, 2020	Rupees in lakhs As at March 31, 2019
	140,000	140,000
	<u>140,000</u>	<u>140,000</u>

Issued, subscribed and paid up capital

424,405,000 (March 31, 2019: 424,405,000;) equity shares of Rs. 10 each fully paid up

	42,441	42,441
	<u>42,441</u>	<u>42,441</u>

3.8.1 Reconciliation of number of shares

Equity shares

Balance at the beginning of the year - 424,405,000 (March 31, 2019: 424,405,000;) shares of Rs. 10 each fully paid up

	42,441	42,441
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Balance at the end of the year - 424,405,000 (March 31, 2019: 424,405,000;) shares of Rs. 10 each fully paid up

	<u>42,441</u>	<u>42,441</u>
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3.8.2 Rights, preference and restriction attached to equity shares

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of the equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts.

3.8.3 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Percentage of shareholding	No. of shares	Percentage of shareholding
Equity shares				
Reliance Power Limited	297,083,500	100%	424,405,000	100%
Equity shares of Rs. 10 each fully paid up held by Reliance Power Limited-Holding Company				
Yos Bank Limited	127,321,500	30%	-	-
Equity shares of Rs. 10 each fully paid up				

3.8.4 Shares held by Holding Company

Equity shares

Reliance Power Limited - 297,083,500 (March 31, 2019: 424,405,000;) shares of Rs. 10 each fully paid up

	As at March 31, 2020	As at March 31, 2019
	29,709	42,441

(Out of shares held, 297,083,494 (March 31, 2019: 424,404,994) shares are held by Reliance Power Limited, the holding Company and 6 shares are jointly held by Reliance Power Limited and its nominees)

	<u>29,709</u>	<u>42,441</u>
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	As at March 31, 2020	Rupees in lakhs As at March 31, 2019
Other Equity		
3.9 Instruments entirely equity in nature		
3.9.1 Preference share capital		
Authorised		
1,000,000,000 (March 31, 2019: 1,000,000,000) preference shares of Re. 1 each	10,000	10,000
	10,000	10,000
Issued, subscribed and paid up capital		
Compulsory Convertible Redeemable Non-Cumulative Preference Shares¹⁾		
4,183,000 (March 31, 2019: 4,183,000) Preference Shares of Re 1 each fully paid up	42	42
	42	42
3.9.2 Reconciliation of number of shares		
Preference shares (Refer note 3.9.3 below)		
Balance at the beginning of the year - 4,183,000 (March 31, 2019: 4,183,000) shares of Re. 1 each	42	42
Balance at the end of the year - 4,183,000 (March 31, 2019: 4,183,000) shares of Re. 1 each	42	42
3.9.3 Rights, preference and restriction attached to preference shares		

¹⁾7.5% Compulsory Convertible Redeemable Non-Cumulative Preference Shares (CCRPS)

The Company has only one class of 7.5 % Compulsory Convertible Redeemable Non-Cumulative Preference Shares (CCRPS) having par value of Re.1 per share which have been issued at a premium of Rs.999 per share.

The Company shall have a call option on CCRPS which can be exercised by the Company in one or more tranches and in part or in full before the end of agreed tenure (20 years) of the said shares. In case the call option is exercised, CCRPS shall be redeemed at an issue price (i.e face value and premium). The holders of CCRPS however, shall have an option to convert CCRPS into equity shares at any time during the tenure of such shares. At the end of tenure and to the extent the Company or the shareholder has not exercised their options, CCRPS shall be compulsorily converted into equity shares. On conversion, in either case, each CCRPS shall be converted into one fully paid equity share of Rs. 10 each at a premium of Rs. 999 share. If during the tenure of CCRPS, the Company declares equity dividend, CCRPS holders shall also be entitled to dividend on their shares at the same rate as the equity dividend and this dividend will be over and above the coupon rate of 7.5%. These preference shares shall be non cumulative."

3.9.4 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Percentage of shareholding	No. of shares	Percentage of shareholding
Preference shares (Refer note 3.9.3)				
Reliance Power Limited	4,183,000	100%	4,183,000	100%
Preference shares of Re 1 each fully paid up held by Reliance Power Limited- Holding Company				

3.9.5 Shares held by Holding Company

	As at March 31, 2020	As at March 31, 2019
Preference shares (Refer note 3.9.3)		
Reliance Power Limited - 4,183,000 (March 31, 2019: 4,183,000) shares of Re. 1 each fully paid up	42	42
	42	42

Rosa Power Supply Company Limited

Notes to the financial statements for the year ended March 31, 2020 (Continued)

	As at March 31, 2020	Rupees in lakhs As at March 31, 2019
3.10 Reserve and Surplus		
Balance at the end of the year		
3.10.1 Securities premium	116,088	116,088
3.10.2 Foreign Currency Monetary Item translation difference account	(7,531)	(8,598)
3.10.3 Retained earnings	275,514	304,518
Total	384,071	412,008
3.10.1 Securities premium		
Balance at the beginning of the year	116,088	116,088
Additions during the year	-	-
Balance at the end of the year	116,088	116,088
3.10.2 Foreign Currency Monetary Item translation difference account		
Balance at the beginning of the year	(8,598)	(7,713)
Addition during the year	(5,211)	(5,975)
Less: Amortisation during the year	6,278	5,090
Balance at the end of the year	(7,531)	(8,598)
3.10.3 Retained earnings		
Balance at the beginning of the year	304,518	283,427
Add: Profit / (loss) for the year	(28,874)	21,114
Remeasurements net defined benefit plan (net) (Refer note 7(c)(ii))	(130)	(23)
Balance at the end of the year	275,514	304,518
	384,071	412,008

Nature and purpose of other reserves:

a) Securities premium

Securities premium is created to record premium received on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

b) Foreign currency monetary item translation difference account

The Company has opted to continue the previous GAAP policy for accounting of foreign exchange differences on long term monetary items. This reserve represents foreign exchange accumulated on long term monetary items which are for other than depreciable assets. The same is amortised over the balance period of such long term monetary assets.

	As at March 31, 2020	Rupees in lakhs As at March 31, 2019
3.11 Non-current financial liabilities		
3.11 Long-term borrowings		
Secured		
Term Loans:		
Rupee loans from banks	63,884	102,139
Foreign currency loans from banks	32,736	54,792
	<u>96,620</u>	<u>156,931</u>
Unsecured		
Deferred payment liabilities:		
Deferred entry tax (Refer note 11)	18,479	23,217
Deferred value added tax (Refer note 11)	558	1,743
	<u>19,037</u>	<u>24,960</u>
	<u>115,657</u>	<u>181,891</u>

3.11.a.1 Nature of security for Term Loans

- Term loans from banks of Rs. 156,645 lakhs (March 31, 2019: Rs. 210,687 lakhs) is secured / to be secured by first charge on all the immovable and movable assets and intangible asset of the Company on pari passu basis.
- Term loans from banks of Rs. 5,000 lakhs (March 31, 2019: Rs. 15,000 lakhs) is secured / to be secured by residual charge on all the movable assets and current assets of the Company on pari passu basis.
- The Holding Company has given financial commitments/guarantee to the lender of the Company. (Refer note 9 G(ii)).
- Current maturities of long term borrowings have been classified as other current financial liabilities (Refer note 3.15(c)).
- A negative lien by Reliance Power Limited (Holding Company) on 51% of its equity shares in the Company.
- The amortised cost disclosed above is net off incidental cost of borrowings aggregating of Rs. 246 lakhs (March 31, 2019: Rs. 549 lakhs).

3.11.a.2 Terms of Repayment and Interest

- Rupee Term Loans outstanding as at the year end Rs.78,962 lakhs (March 31, 2019: Rs.108,176 lakhs) has been obtained from Banks Phase I and Phase II of the project. The loans are repayable in 48 quarterly installments commenced from October 1, 2010 and January 1, 2012, respectively, and carry an average rate of interest 13.47% per annum payable on a monthly basis.
- Rupee term loan outstanding as at the year end Rs. 18,411 lakhs (March 31, 2019: Rs. 22,503 lakhs) has been obtained from Bank towards making investments in fellow subsidiaries. The loan is repayable in 46 quarterly installments commenced from June 30, 2013 and carry an interest rate of 12.40 % per annum payable on a monthly basis.
- Rupee term loan outstanding as at the year end Rs. 5,000 lakhs (March 31, 2019: Rs. 15,000 lakhs) has been obtained for onlending as subordinate debt / Inter Corporate Deposit / Loans and advances to its holding Company. The loan is repayable in 12 equal quarterly installments starting from December 2017 and carries an interest rate of 11.30 % per annum payable on a monthly basis.
- Foreign currency loan outstanding as at the year end Rs.7067 lakhs (March 31, 2019: Rs. 10,087 lakhs) has been obtained for Phase I of the project . The loan is repayable in 48 quarterly installments commenced from October 1, 2010 and carries an interest rate of USD LIBOR plus 460 basis points per annum, payable on a quarterly basis.
- Foreign currency loan outstanding as at the year end Rs. 19,553 lakhs (March 31, 2019: Rs. 22,841 lakhs) has been obtained for Phase II of the project. The loan is repayable in 48 quarterly installments commenced from January 1, 2012 and carries an interest rate of USD LIBOR plus margin ranging from 415 basis points to 475 basis points per annum, payable on a quarterly basis.
- Foreign currency loan outstanding as at the year end Rs. 32,652 lakhs (March 31, 2019: Rs. 47,080 lakhs) has been obtained for Phase II of the project. The loan is repayable in 16 quarterly installments commenced from February 2018, and carries an interest rate of USD LIBOR plus 454 basis points per annum, payable on a quarterly basis.
- The amortised cost disclosed above is net off incidental cost of borrowings aggregating of Rs. 246 lakhs (March 31, 2019: Rs. 549 lakhs).

Rosa Power Supply Company Limited

Notes to the financial statements for the year ended March 31, 2020 (Continued)

	As at March 31, 2020	Rupees in lakhs As at March 31, 2019
3.12 Provisions (Refer note 7)		
Provision for Employee Benefits		
Gratuity (Refer note 7)	225	321
Leave encashment	530	390
	755	711
3.13 Deferred tax liabilities (net)		
Net deferred tax (asset) / liability (Refer note 12)	86,105	83,426
	86,105	83,426
3.14 Other non-current liability		
Government Grant (Refer note 11)	2,099	2,699
	2,099	2,699
3.15 Current financial liabilities		
3.15(a) Current borrowings		
Secured		
Working Capital loan from banks	124,860	127,180
	124,860	127,180

3.15.a.1 Nature of security for short term borrowings

- a) Working Capital facilities from banks is secured pari passu with term loan lenders by first mortgage/hypothecation/charge on all the Immovable and movable assets and intangible assets of the Company.
- b) A negative lien by Reliance Power Limited (Holding Company) on 51% of its equity in the Company.

3.15.a.2 Interest

Working Capital facilities have a tenure of twelve months from the date of sanction and are repayable on demand and carry an average rate of Interest 12.86 % per annum.

Rosa Power Supply Company Limited

Notes to the financial statements for the year ended March 31, 2020 (Continued)

	As at March 31, 2020	Rupees in lakhs As at March 31, 2019
3.15 Current financial liabilities (continued)		
3.15(b) Trade payables		
(i) Total outstanding dues of micro and small enterprises; and (Refer note 14)	129	-
(ii) Total outstanding dues of other than (i) above	7,343	8,081
	7,472	8,081
3.15(c) Other financial liabilities		
Current maturities of long-term borrowings	72,774	71,159
Interest accrued but not due on borrowings	713	1,315
Creditors for capital expenditure	85	470
Employee benefit payable	921	881
Retention money payable	828	1,260
Earnest money Deposit	-	26
	75,321	75,111
3.16 Other current liabilities		
Statutory liabilities (including Provident fund, tax deducted at source and other miscellaneous payables)	216	131
Government Grant (Refer note 11)	600	600
	816	731
3.17 Provisions		
Provision for employee benefits:		
Leave encashment (Refer note 7)	120	77
	120	77
3.18 Current tax liabilities		
Provision for income tax (Net of advance tax of Rs. 5270 lakhs) (March 31, 2019: 15 lakhs)	14,500	21,306
	14,500	21,306

	Year ended March 31, 2020	Rupees in lakhs Year ended March 31, 2019
3.19 Revenue from operations		
Sale of energy	217,200	178,067
Other operating revenues:		
- Finance Income	59,563	63,395
	276,762	241,462
3.20 Other income		
Interest:		
- on bank deposits	238	208
Miscellaneous income	158	363
	396	571
3.21 Employee benefit expenses		
Salaries, wages and other allowances	5,202	3,514
Contribution to provident and other funds (Refer note 7)	177	135
Gratuity and leave encashment (Refer note 7)	275.12	144
Staff welfare expenses	270	261
	5,924	4,054
3.22 Finance costs		
Interest expenses on:		
- Rupee term loans	16,465	21,547
- Foreign currency loans	4,875	6,719
- Working capital loans	16,208	14,922
Other finance charges	640	696
	38,189	43,884
3.23 Other expenses		
Stores and spares consumed	3,068	2,604
Rent expenses (including rent to related party (Refer note 9 (G)(i))	231	217
Bad debts Written off	29,150	-
Repairs and maintenance:		
- Plant and machinery	5,225	4,563
- Building	209	171
- Others	36	24
Legal and professional charges	3,528	436
Travelling and conveyance	292	200
Directors sitting fees	6	6
Rates and taxes	208	58
Insurance	976	782
Loss on foreign exchange fluctuations (net)	511	637
Amortisation of Foreign currency monetary item translation difference account	6,278	5,090
Expenditure towards Corporate Social Responsibility (Refer Note 22)	368	456
Miscellaneous expenses	1,044	1,331
	51,130	16,575

4) **Contingent liabilities and commitments:**

(i) **Contingent liabilities**

Claims against the Company not acknowledged as debt:

Disputed income tax dues for Assessment Year 2013-14 is Rs.66 lakhs (March 31, 2019: Rs. 66 lakhs), Assessment Year 2014-15 is Rs.647 lakhs (March 31, 2019: Rs. 65 lakhs), Assessment Year 2016-17 is Rs.709 lakhs (March 31, 2019: Rs. 900 lakhs), Assessment Year 2017-18 is Rs.140 lakhs (March 31, 2019: Rs. Nil) and Assessment Year 2008-2009 to Assessment Year 2020-21 Rs. 9 lakhs (March 31, 2019: Rs. Nil)

(ii) **Capital commitments:**

Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs.219 lakhs (March 31, 2019: Rs. 2,626 lakhs).

5) **Exceptional item:**

The Company has made impairment provision of its investment in equity and preference shares of its associate companies aggregating Rs. 47,848 lakhs by way of exceptional items to the Statement of Profit and Loss for the year ended March 31, 2020.

The Company has written off certain receivables aggregating Rs. 49,205 lakhs in view of the financial creditors and operating creditors having filed for debt resolution process through NCLT and comprehensive review of recovery, out of prudence, by way of exceptional items to the Statement of Profit and Loss for the year ended March 31, 2019.

6) **Details of remuneration to auditors:**

Particulars	Rupees in lakhs	
	Year ended March 31, 2020	Year ended March 31, 2019
As auditors :		
For statutory audit	55	55
For others	9	5

7) **Employee benefit obligations:**

The Company has classified various employee benefits as under:

(a) **Leave obligations**

The leave obligations cover the Company liability for sick and privileged leave.

Provision for leave encashment	Rupees in lakhs	
	March 31, 2020	March 31, 2019
Current*	120	77
Non-current	530	390

* The Company does not have an unconditional right to defer the settlements.

(b) **Defined contribution plans**

- (i) Provident fund
- (ii) Superannuation fund
- (iii) State defined contribution plans
 - Employer's Contribution to Employees' Deposit Linked Insurance
 - Employer's Contribution to Employees' Pension Scheme, 1995

The provident fund and the state defined contribution plan are operated by the Regional Provident Fund Commissioner and the superannuation fund is administered by the Trustees of the Reliance Life Insurance Company Limited. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits.

The Company has recognised the following amounts in the Statement of Profit and Loss for the year:

Particulars	Rupees in lakhs	
	Year ended March 31, 2020	Year ended March 31, 2019
Contribution to provident fund	119	84
Contribution to employees' superannuation fund	8	5
Employer's contribution to Employees' Deposit Linked Insurance	3	-
Employer's contribution to Employees' Pension Scheme 1995	42	39

(c) Post employment obligations

Gratuity:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

(i) Significant estimates: actuarial assumptions

Valuations in respect of gratuity have been carried out by an independent actuary, as at the Balance Sheet date, based on the following assumptions:

Particulars	March 31, 2020	March 31, 2019
Discount rate (per annum)	6.3%	7.10%
Rate of increase in compensation levels	7.50%	7.50%
Rate of return on plan assets	6.3%	7.10%
Expected average remaining working lives of employees in number of years	5.25	5.53

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

(ii) Gratuity Plan

Rupees in lakhs			
Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at April 01, 2019	505	(184)	321
Current service cost	66	-	66
Interest on net defined benefit liability / assets	34	(12)	22
Total amount recognised in Statement of Profit and Loss	100	(12)	88
Remeasurements			
Return on plan assets, excluding amount included in interest expense / (income)		(15)	(15)
(Gain) / loss from change in financial assumptions	38	-	38
Experience (gains) / losses	84	-	84
(Gain) / loss from change in demographic assumptions	-	-	-
Total amount recognised in Other Comprehensive Income	122	(15)	107
Employer contributions	-	324	324
Benefit payments	(14)	(14)	-
As at March 31, 2020	713	(491)	222

Rupees in lakhs			
Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at April 01, 2018	412	(187)	225
Current service cost	60	-	60
Interest on net defined benefit liability / assets	30	(17)	13
Total amount recognised in Statement of Profit and Loss	90	(17)	73
Remeasurements			
Return on plan assets, excluding amount included in interest expense / (income)		@	@
(Gain) / loss from change in financial assumptions	19	-	19
Experience (gains) / losses	4	-	4
(Gain) / loss from change in demographic assumptions	@	-	@
Total amount recognised in Other Comprehensive Income	23	@	23
Benefit payments	(20)	(20)	-

Rosa Power Supply Company Limited
Notes to the financial statements for the year ended March 31, 2020 (continued)

As at March 31, 2019	505	(184)	321
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The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	Rupees in lakhs	
	March 31, 2020	March 31, 2019
Present value of funded obligations	713	505
Fair value of plan assets	(491)	(184)
Deficit of funded plan	222	321
Unfunded plans		
Deficit of gratuity plan	222	321
Current portion	-	-
Non-current portion	222	321

(iii) Sensitivity analysis

The sensitivity of the provision for defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Change in assumptions		Impact on closing balance of provision for defined benefit obligation			
			Increase in assumptions		Decrease in assumptions	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Discount rate	0.50%	0.50%	-2.56%	-2.70%	2.69%	2.84%
Rate of increase in compensation levels	0.50%	0.50%	2.65%	2.81%	-2.54%	-2.70%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. While calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(iv) The above defined benefit gratuity plan was administrated 100% by Life Insurance Corporation of India (LIC) as at March 31, 2020 and as at March 31, 2019.

(v) Defined benefit liability and employer contribution :

The Company will pay based on demand raised by LIC towards gratuity liability on time to time basis to eliminate the deficit in defined benefit plan.

The weighted average duration of the defined benefit obligation is 6.26 years (2019 – 6.94 years).

(vi) The actuarial valuation of gratuity liability does not include liability of seconded employees, as the gratuity will be paid by the Holding Company as per the terms of Secondment.

8) Assets pledged as security:

Particulars	Note No.	Rupees in lakhs	
		March 31, 2020	March 31, 2019
Non-current			
First charge			
Financial assets			
Investments	3.3(a)	1	47,849
Finance lease receivables	3.3(b)	424,085	453,131
Loans	3.3(c)	2	2
Non-financial assets			
Property, plant and equipment	3.1	596	611
Other Intangible assets	3.2	1	1
Other non-current assets	3.4	4535	163
Total Non-current assets pledged as security (A)		429,220	501,757
Current			
First charge			
Financial assets			
Trade receivables	3.6(a)	53,800	80,204
Cash and bank balances	3.6(b)	3,988	3,718
Loans	3.6(c)		
Finance lease receivables	3.6(d)	301,766	300,890
	3.3(b)	29,876	29,972
Non-financial assets			
Inventories	3.5	33,779	32,481
Other current assets	3.7	1,809	6,682
Total Current assets pledged as security (B)		425,040	453,947
Total assets pledged as security (A+B)		854,260	955,704

9) Related party transactions:

A. Parties where control exists:

Holding Company:

Reliance Power Limited (R Power)

B. Fellow Subsidiaries

Vidarbha Industries Power Limited (VIPL)¹

Siyom Hydro Power Projects Limited (SHPPL)

Kalai Power Private Limited (KPPL)

Rajasthan Sun Technique Energy Power Limited (RSTEPL)

C. Joint venture

Reliance Geothermal Power Private Limited (RGTPPL)¹

¹The Company also has a significant influence on the party as it holds an equity stake.

D. Investing parties/promoters having significant influence on the Company directly or indirectly:

Companies

Reliance Infrastructure Limited (R Infra)

Individual

Shri Anil D Ambani

E. Enterprises over which Companies/ individual described in clause (D) above have control / significant influences

Reliance General Insurance Company Limited. (RGICL)

Reliance Infocomm Infrastructure Private Limited (RIIPL)

F. Key Management Personnel

Shri Amit Shankar Jangid – Manager and Company Secretary

Shri Karunesh Kumar Mishra – Chief Financial Officer

Rosa Power Supply Company Limited
Notes to the financial statements for the year ended March 31, 2020 (continued)

G. Details of transactions during the year and closing balance at the end of the year:

		Rupees in lakhs	
	Particulars	March 31, 2020	March 31, 2019
(i)	Transactions during the year :		
	Remuneration to key management personnel		
	Shri Karunesh Kumar Mishra		
	Short term employee benefits	25	21
	Post employment defined benefits	1	1
	Leave encashment	@	@
	Shri Amit Shankar Jangid		
	Short term employee benefits	15	10
	Post employment defined benefits	1	1
	Leave encashment	@	@
	Insurance Premium		
	RGICL	942	487
	Rent Expenses		
	R Infra	169	169
	Management fees		
	R Power	2,400	-
	Reimbursement of expenses paid by		
	R Power	451	539
	VIPL	2	-
	Reimbursement of expenses - paid for		
	VIPL	1	20
	R Power	148	-
	RSTPL	2	-
	Purchase of Material		
	R Infra	-	28
	VIPL	6	2
	SPL	25	-
	Sale of Material		
	SPL	-	4
	Impairment of Investment		
	VIPL	43,852	-
	KPPL	3,996	-
	Inter- corporate deposits Given		
	R Power	700	17,251
	VIPL	200	220
	Inter- corporate deposits refunded to the Company		
	R Power	-	23,619
	VIPL	-	180
	Inter- corporate deposits assignment to the Company		
	R Power	-	49,205

@ Amount is below the rounding off norm adopted by the Company

Rosa Power Supply Company Limited
Notes to the financial statements for the year ended March 31, 2020 (continued)

		Rupees in lakhs	
	Particulars	March 31, 2020	March 31, 2019
(ii)	Closing Balance :		
	Investment in equity shares of fellow subsidiary		
	VIPL	-	3,650
	RGTPPL	1	1
	Investment in preference shares of fellow subsidiary		
	VIPL	-	40,202
	KPPL	-	3,996
	Other receivables		
	VIPL	14	20
	RGTPPL	1	1
	RSTPL	2	-
	Other payable		
	SPL	22	-
	R Power	468	-
	Inter corporate deposits		
	R Power	301,529	300,829
	VIPL	240	40
	RGTPPL	10	10
	Equity share capital (excluding premium)		
	R Power	42,441	42,441
	Preference share capital (excluding premium)		
	R Power	42	42
	Corporate guarantee issued on behalf of the Company		
	R Power	5,000	15,000
	Other Current Liabilities		
	R Infra	235	175
	RGICL	1	-

@ Amount is below the rounding off norm adopted by the Company

H. Notes:

- The Holding Company has entered into agreements with the lenders of the Company wherein it has committed/ guaranteed to extend financial support in the form of equity or debt as per the agreed means of finance.
- The above disclosures do not include transactions with public utility service providers, viz. electricity and telecommunication in the normal course of business.

10) Earnings per share:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit available to equity shareholders		
Profit / (loss) after tax (Rupees in lakhs)	(28,874)	21,114
Less: Dividend on preference shares (Rupees in lakhs) (Including Dividend distribution tax)	-	-
Adjusted net profit for the year (A) (Rupees in lakhs)	(28,874)	21,114
Weighted average number of equity shares (B)	4 24,405,000	4 24,405,000
Add: Adjustment on account of Compulsorily Convertible Redeemable Non Cumulative Preference Shares	418,300	418,300
Weighted average number of equity/preference shares (C)	424,823,300	424,823,300
Earnings per share – Basic (Rupees) (A/B)	(6.80)	4.98
Earnings per share – Diluted (Rupees) (A/C)	(6.79)	4.97
Nominal value of an equity share (Rupees)	10	10

7.5% Compulsory Convertible Non-Cumulative Redeemable Preference shares had an anti diluting effect on earnings per share and hence have not been considered for the purpose of computing dilutive earnings per shares in the previous financial year.

11) Government Grants:

The Company is liable to pay entry tax on inter-state purchase of certain goods under "Uttar Pradesh Tax on Entry of Goods in Local Area Act, 2007". As per Uttar Pradesh Power Policy 2003 read with Notification 1770 dated July 05, 2004 issued by the Government of Uttar Pradesh, the Company is eligible for grant of a moratorium period of nine years from the date of commencement of operation for payment of entry tax on each phase of the project. Accordingly, considering the said policy, the Company is filing the returns and would make the payments to the regulatory authorities on completion of moratorium period.

The Company is liable to pay value added tax on purchase of goods under "Uttar Pradesh Value Added Tax Act, 2008". As per Uttar Pradesh Power Policy 2003 read with Notification 1772 dated July 05, 2004 issued by Government of Uttar Pradesh, the Company is eligible for grant of a moratorium period of nine years from the date of commencement of operation, for payment of Value added tax. Accordingly, considering the said policy, the Company is filing the returns and would make the payments to the regulatory authorities on completion of moratorium period.

The Company has been awarded the Government grant in the form of deferred payment benefits for Entry tax and Value added tax. The above two benefits have been accounted for as government grant in the books.

Particulars	Rupees in lakhs	
	March 31, 2020	March 31, 2019
Opening balance	3,299	3,899
Grants during the year	-	-
Released to statement of profit and loss	(600)	(600)
Closing balance	2,699	3,299

Particulars	Rupees in lakhs	
	March 31, 2020	March 31, 2019
Current portion	600	600
Non-current portion	2,099	2,699

12) Income Taxes:

The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are as under:

(a) Income tax recognised in Statement of Profit and Loss

Particulars	Rupees in lakhs	
	March 31, 2020	March 31, 2019
Income tax expense		
Current tax (net off tax for earlier year)	4,486	5,449
Deferred tax	2,679	(1,277)
Total Income tax expense	7,165	4,172

(b) The reconciliation of tax expense and the accounting profit multiplied by tax rate:

Particulars	Rupees in lakhs	
	March 31, 2020	March 31, 2019
Profit before tax	(21,709)	25,285
Tax at the Indian corporate tax rate of 34.944% (previous year 34.944%)	(7,586)	8,836
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Expenses (admissible) / inadmissible under income tax act (net)	17,014	2,346
Effect of finance lease reduction from lease receivable	(3,866)	(9,026)
Effect of tax on account of available tax holiday under section 80IA of the Income tax Act	(2,883)	(3,433)
Minimum alternate tax on which no deferred tax has been recognised	4,486	5,449
Income tax expense	7,165	4,172

(c) Tax liabilities (net of assets)

Particulars	Rupees in lakhs	
	March 31, 2020	March 31, 2019
Provision for income tax (net off advance tax) - Opening balance	21,306	15,880
Taxes paid (net of refund)	(11,292)	(23)
Current Tax payable for the year	4,486	5,449
Provision for income tax (net off advance tax) - Closing balance	14,500	21,306

(d) Unutilised MAT credit		Rupees in lakhs	
Particulars		March 31, 2020	March 31, 2019
Unutilised MAT credit for which no deferred tax assets has been recognised		103,116	98,630

The Company does not expect income tax liability under normal provision in the foreseeable future; hence the Company has not recognised deferred tax assets on MAT credit.

(e) Deferred tax assets / (liabilities)		Rupees in lakhs	
At March 31, 2018			(84,703)
(Charged) / credited to Statement of Profit and Loss			1,277
At March 31, 2019			(83,426)
(Charged) / credited to Statement of Profit and Loss			(2,679)
At March 31, 2020			(86,105)

(f) Deferred Tax balance comprises temporary differences attributable to:

Particulars	Rupees in lakhs	
	March 31, 2020	March 31, 2019
Deferred tax liability on account of:		
Carrying amount of Property, Plant and Equipment	(117,391)	(121,458)
Impact of effective interest rate on borrowings	(86)	(192)
Total deferred tax liability (a)	(117,477)	(121,650)
Deferred tax assets on account of:		
Finance Lease arrangement	31,066	37,948
Provisions	306	276
Total deferred tax assets (b)	31,372	38,224
Net deferred tax liability (a)-(b)	(86,105)	(83,426)

13) Exchange differences on foreign currency monetary items:

As explained above in note 2.1 (i) with respect to exchange rate difference arising on long term foreign currency monetary items, the Company has availed the option available in Companies (Accounting Standards) (Second Amendment) Rules, 2011, vide notification dated December 29, 2011 issued by the Ministry of Corporate Affairs. Accordingly, the Company has recognised exchange loss of Rs.5211 lakhs (March 31, 2019: Loss of Rs. 5, 975 lakhs) to the foreign currency monetary item translation difference account (FCMITDA).

14) Micro and Small Scale Business Entities:

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act as per the intimations received from them as request made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly, there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.

15) The Hon'ble Bombay High Court, had vide its order dated March 26, 2019, granted liberty to the Company to revise its Financial Statements for the financial year 2017-18 and seek the approvals of the National Company Law Tribunal (NCLT) under Section 131 of the Companies Act, 2013. NCLT, at the hearing on March 20, 2020 approved the revision of Financial Statements of the Company for the financial year 2017-18. The Company is in the process of complying with the requirements of the act and the order of the Hon'ble Bombay High Court.

16) Fair value measurements:

(a) Financial instruments by category

Particulars	Rupees in lakhs	
	March 31, 2020	March 31, 2019
	Amortised cost	Amortised cost
Financial assets		
Loans	301,788	300,890
Finance lease receivable	453,961	483,103
Trade receivables	53,800	80,204
Cash and cash equivalents	596	629
Other bank balances	3,392	3,089
Other financial assets	2	2
Total financial assets	813,539	867,917
Financial liabilities		
Borrowings	240,517	309,071
Trade payables	7,471	4,774
Current maturities of long term debt	72,774	71,159
Creditors for capital expenditure	85	470
Other financial liabilities	2,462	6,789
Total financial liabilities	323,309	392,263

(b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2020

Particulars	Rupees in lakhs			
	Level 1	Level 2	Level 3	Total
Financial assets				
Security deposits	-	-	2	2
Finance lease receivable	-	500,756	-	500,756
Total financial assets	-	500,756	2	500,758
Financial Liabilities				
Borrowings	-	189,144	-	189,144
Total financial liabilities	-	189,144	-	189,144

Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2019

Particulars	Rupees in lakhs			
	Level 1	Level 2	Level 3	Total
Financial assets				
Security deposits	-	-	2	2
Finance lease receivable	-	539,388	-	539,388
Total financial assets	-	539,388	2	539,390
Financial Liabilities				
Borrowings	-	251,412	-	251,412
Total financial liabilities	-	251,412	-	251,412

(c) Fair value of financial assets and liabilities measured at amortised cost

Rupees in lakhs				
Particulars	March 31, 2020		March 31, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Security deposits	2	2	2	2
Finance lease receivable	453,961	500,756	483,103	539,388
Total financial assets	453,963	500,756	483,105	539,390
Financial Liabilities				
Borrowings	189,144	189,144	251,412	251,412
Retention Money Payable	-	-	-	-
Total financial liabilities	189,144	189,144	251,412	251,412

(d) Valuation technique used to determine fair values

The fair values for finance lease receivables were calculated based on cash flows discounted using weighted average cost of capital.

The carrying amount of current financial assets and liabilities are considered to be the same as their fair values, due to their short term nature.

The fair value of the long-term Borrowings with floating-rate of interest is not impacted due to interest rate changes, and will not be significantly different from their carrying amounts as there is no significant change in the underlying credit risk of the Company borrowing (since the date of inception of the loans). Further, the Company has no long-term Borrowings with fixed-rate of interest.

Note

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. This is the case for long term borrowings which is included in this level.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between any levels during the year.

The Company's policy is to recognise transfer into and transfer out of fair value hierarchy levels as at the end of the reporting period.

17) Financial risk management:

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk:

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Aging analysis	Diversification of bank deposits, credit limits and letters of credit
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk -- foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupees (Rs)	Sensitivity analysis	Un hedged
Market risk -- interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Un hedged

(a) Credit risk

The Company is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the Company. Credit risk arises from cash and cash equivalents, financial assets carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures with trade customer towards sale of electricity as per the terms of PPA read with the regulation issued by UPERC including outstanding receivables.

Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Company's credit risk arises from accounts receivable balances on sale of electricity and finance lease receivable are based on tariff rate approved by electricity regulator and inter-corporate deposits/loans are given to the holding company. The credit risk is very low as the sale of electricity based on terms of PPA which has been approved by the regulator and the inter-corporate deposits are within the same group.

For banks and financial institutions, only highly rated banks/institutions are accepted. Generally all policies surrounding credit risk have been managed at company level. The Company's policy to manage this risk is to invest in debt securities that have a good credit rating.

(b) Liquidity risk

(i) Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

In respect of its existing operations, the Company funds its activities primarily through long term loans secured against each power plant and long terms loans and advances. In addition, each of the operating plants has working capital loans available to it which are renewable annually, together with certain intra-group loans. The Company's objective in relation to its existing operating business is to maintain sufficient funding to allow the plants to operate at an optimal level.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's liquidity management policy involves projecting cash flows with customer and by considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(ii) Maturities of financial liabilities

The amounts disclosed below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Rupees in lakhs				
March 31, 2020	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Interest bearing borrowings*	209,743	124,346	3,548	337,637
Trade payables	7,471	-	-	7,471
Retention money payable	828	-	-	828
Creditors for capital expenditure	85	-	-	85
Others	921	-	-	921
Total financial liabilities	219,048	124,346	3,548	346,942

Rupees in lakhs				
March 31, 2019	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Interest bearing borrowings*	225,808	196,423	10,010	432,241
Trade payables	8,081	-	-	8,081
Retention money payable	1,260	-	-	1,260
Creditors for capital expenditure	470	-	-	470
Others	907	-	-	907
Total financial liabilities	236,526	196,423	10,010	442,545

* Includes contractual interest payments based on the interest rate prevailing at the reporting date.

(c) Market risk

Market risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of volatility of prices in the financial markets. Market risk can be further segregated as: a) Foreign currency risk and b) Interest rate risk.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Further it has long term monetary liabilities which are in US dollar other than its functional currency.

The Company's exposure to foreign currency risk (all in USD) at the end of the reporting period expressed in Rupees, are as follows

Particulars	Rupees in lakhs	
	March 31, 2020	March 31, 2019
Financial liabilities		
Borrowings including interest accrued	59,740	80,920
Creditors / Retention	135	144
Net foreign currency exposure (liabilities)	59,875	81,064

Sensitivity of foreign currency exposure

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from long term monetary foreign currency items for which the Company has opted to accumulate foreign currency translation difference in equity.

Particulars	Rupees in lakhs			
	Impact on profit before tax		Impact on other components of equity	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
USD sensitivity				
INR/USD-Increase by 6% on closing rate on reporting date*	(30)	(57)	(3,591)	(4,806)
INR/USD-Decrease by 6% on closing rate on reporting date*	30	57	3,591	4,806
* Holding all other variables constant				

The above impact has been assessed taking into consideration the accounting policies adopted by the Company for the accounting for exchange differences (Refer note 2.1(i)).

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

(a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	Rupees in lakhs	
	March 31, 2020	March 31, 2019
Variable rate borrowings*	24,424	37,503
Total borrowings	24,434	37,503

*The above borrowings do not include project loans of Rs 265,081 lakhs (March 31, 2019: Rs. 315,364 lakhs) as interest on these loans are pass-thru, hence there is no interest rate risk involved.

(b) Interest Sensitivity

Profit or loss is sensitive to higher/lower interest expenses from borrowings as a result of changes in interest rates.

Interest sensitivity	Rupees in lakhs Impact on profit before tax	
	March 31, 2020	March 31, 2019
Interest cost – increase by 5% on existing Interest cost* #	(115)	(173)
Interest cost – decrease by 5% on existing Interest cost*	115	173
* Holding all other variables constant		

The above interest cost sensitivity does not include interest on project loans as interest on these loans are pass-thru, hence there is no interest rate risk involved. Sensitivity of project loans on 5% increase/ decrease will be Rs. 602 lakhs (March 31, 2019 Rs. 886 lakhs)

18) Capital management:

(a) Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on basis of total equity and debt on a periodic basis. Equity comprises all components of equity excluding other reserves and including the fair value impact and debt includes term loan and short term loans. The following table summarizes the capital of the Company:

Particulars	Rupees in lakhs	
	March 31, 2020	March 31, 2019
Equity (excluding FCMITDA)	434,086	463,089
Debt	289,271	352,318
Total	723,356	815,407

- (b) Final dividends on equity shares for the year ended March 31, 2020 is Rs. Nil (March 31, 2019: Rs. Nil).
Dividend and participative dividend on preference shares is Rs. Nil (March 31, 2019: Rs. Nil).

19) Segment reporting:

Presently, the Company is engaged in only one segment viz 'Generation of Power' and as such there is no separate reportable segment as per Ind AS 108 'Operating Segments'. Presently, the Company's operations are predominantly confined in India.

Information about major customers

Revenue for the year ended March 31, 2020 and March 31, 2019 were from customer located in India. Customer include government controlled public electricity distribution entities. Revenue to specific customer exceeding 10% of total revenue for the years ended March 31, 2020 and March 31, 2019 were as follows: (Refer note 2 (m) and 2 (n) for further details).

Customer Name	Rupees in lakhs For the year ended			
	March 31, 2020		March 31, 2019	
	Revenue	Percent	Revenue	Percent
UPPCL (Uttar Pradesh Power Corporation Limited)	276,783	100%	241,462	100%

20) Cost of fuel consumed (including coal, heavy furnace oil and light diesel oil):

Particulars	Rupees in lakhs	
	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	23,984	1933
Add: Purchases during the year	157,437	124,990
Less: Balance at the end of the year	25,718	23,984
Consumed during the year	155,703	102,939

21) Finance Lease Receivables - Company as a lessor:

Particulars	Rupees in lakhs	
	March 31, 2020	March 31, 2019
Current finance lease receivables	29,876	29,972
Non-current finance lease receivables	424,085	453,131
Total	453,961	483,103

Minimum lease payments

Particulars	Rupees in lakhs	
	March 31, 2020	March 31, 2019
Not later than one year	85,614	89,534
Between one year and five year	281,563	307,294
Later than five year	497,398	556,452
Total	864,575	953,280
Less: Unearned finance income	665,437	725,000
Present value of Minimum lease payments	199,138	228,280
Less: Expected cash outflows	-	-
Add: Unguaranteed residual value	254,823	254,823
Net Investments in lease	453,961	483,103

Present value of minimum lease payments

Particulars	Rupees in lakhs	
	March 31, 2020	March 31, 2019
Not later than one year	29,876	29,972
Between one year and five year	93,452	106,412
Later than five year	75,810	91,896
Total	199,138	228,280

The finance lease receivables, accounted for as finance lease in accordance with Ind AS 116 – "Leases", relate to the 25-year power purchase agreement under which RPSCL sells all of its electricity output of its coal based generation capacity at Rosa village in Shahjahanpur, Uttar Pradesh in two Phases of 600 MW each (Both the stages comprise two units of 300 MW each and employ subcritical Pulverized Coal Combustion (PCC) technology) to its off taker, Uttar Pradesh Power Corporation Limited (UPPCL).

The effective interest rate implicit in the finance lease was approximately 13% for both 2020 and 2019.

Company as a lessee

The Company lease assets primarily consists of office premises which are of short term lease with the term of twelve months or less and low value leases. For these short term and low value leases, the Company recognizes the lease payments as an expense in the Statement of Profit and Loss on a straight line basis over the term of lease.

Lease rentals recognized in the Statement of Profit and Loss is amounting to Rs. 231 lakhs (March 31, 2019 – Rs. 217 lakhs)

22) Corporate Social Responsibility

As per the section 135 of the Companies Act, 2013, the Company is required to spend Rs 1,298 lakhs (March 31, 2019: Rs. 1,538 lakhs) being 2% of the average net profit during the three immediately preceding financial years, towards corporate social responsibility, calculated in the manner as stated in the Act. Against the said required amount, the Company has spent Rs.368 lakhs (March 31, 2019: Rs.456 lakhs) for purpose other than acquisition/construction of asset during the financial year.

23) Assets under lease

Particulars	Gross Block (At Cost)			Rupees in lakhs
	Previous GAAP carrying value as at March 31, 2019	Additions during the year	Deductions during the year	As at March 31, 2020
Freehold land	1,018	-	-	1,018
Leasehold land	2,271	-	-	2,271
Buildings	32,970	-	-	32,970
Railway sidings	21,153	-	-	22,153
Plant and machinery	650,855	-	7	650,848
Furniture and fixtures	106	-	4	102
Motor vehicle	33	-	-	33
Office equipments	186	-	6	180
Computers	399	-	-	399
Total	709,990	-	-	709,973

Note: The above value does not include exchange difference of Rs 5,211 lakhs (March 31, 2019: Rs. 5,975 lakhs) for the year.

24) Changes in liabilities arising from financing activities:

Particulars	Rupees in lakhs	
	Year Ended March 31, 2020	Year Ended March 31, 2019
Long term Borrowings		
Opening Balance	-	-
- Non Current	181,891	246,758
- Current	71,159	79,400
Changes in Fair Value		
- Impact of Effective Rate of Interest	640	578
- Ind AS adjustment	539	447
- Unrealised foreign currency gain/ loss	5,728	6,613
Repaid During the year	(71,526)	(80,746)
Closing Balance	188,431	253,050
Short term Borrowings		
Opening Balance	127,180	126,540
Availed during the year	-	640
Repaid During the year	(2,320)	-
Closing Balance	124,860	127,180
Interest Expenses		
Opening Balance	-	-
Interest accrued but not due on borrowings	1,315	936
Interest Charge as per Statement Profit & Loss	38,189	43,884
Changes in Fair Value		
- Impact of effective Rate of Interest	(640)	(578)
Interest paid to Lenders	(38,151)	(42,927)
Closing Balance	713	1,315

- 25) Due to outbreak of COVID-19 globally and in India, the Company is sensitive about the impact of the Pandemic, not only on the human life but on businesses and industrial activity across the globe, which will be realized and ascertained only over next few months. The Company has been monitoring the situation closely and has taken proactive measures to comply with various directions / regulations / guidelines issued by Government and local bodies to ensure safety of workforce across all its plants and offices. The Company has made initial assessment of the likely adverse impact on economic environment in general and operational and financial risks on account of COVID-19. Vide notification dated March 24, 2020 issued by Ministry of Home Affairs a nation-wide lockdown was announced to contain COVID-19 outbreak and same has been extended later. However, Power generation, transmission & distribution units, being essential services, are allowed to continue operation during the period of lockdown. The Company has made every possible effort to sustain its power plant operations and honour commitments under the various Power Purchase Agreements, despite facing all odds in sustaining the power plant operations. However, various market indicators suggest lower demand of power in the short term and the Company may operate its power plant accordingly. The Power Ministry has also clarified on April 6, 2020 that

Rosa Power Supply Company Limited

Notes to the financial statements for the year ended March 31, 2020 (continued)

Discoms will have to comply with the obligation to pay fixed capacity charges as per PPA. Further, the Reserve Bank of India has granted relief to borrowers by way of moratorium of interest and principal installments falling due to Indian banks and financial institutions till May 31, 2020. The Company is having sufficient stock of coal and has also planned for the adequate availability of coal to maintain the required supply of electricity. The extent to which the COVID-19 pandemic will impact the Company's results will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic; any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company and further evolving impact on distribution utilities in terms of demand for electricity; consumption mix; resultant average tariff realization; bill collections from consumers; and support from respective State Governments and banks & financial institutions, including those focused on power sector financing.

26) The figures for the previous year are re-casted / re-grouped, wherever necessary.

Rosa Power Supply Company Limited

Notes to the financial statements as of and for the year ended March 31, 2020

As per our attached Report of even date

For Pathak H.D. & Associates LLP

Chartered Accountants

Firm Registration No. 107783W / W100593

For and on behalf of the Board of Directors

Vishal D.Shah

Partner

Membership No. 119303

Shrikant D Kulkarni

Director

DIN 05136399

Place: Mumbai

Date: May 07, 2020

D J Kakalia

Director

DIN 00029159

Rashna Hoshang Khan

Director

DIN 06928148

Karunesh Mishra

Chief Financial Officer

Amit Jangid

Company Secretary & Manager

Membership No. A29018

Place: Mumbai

Date: May 07, 2020