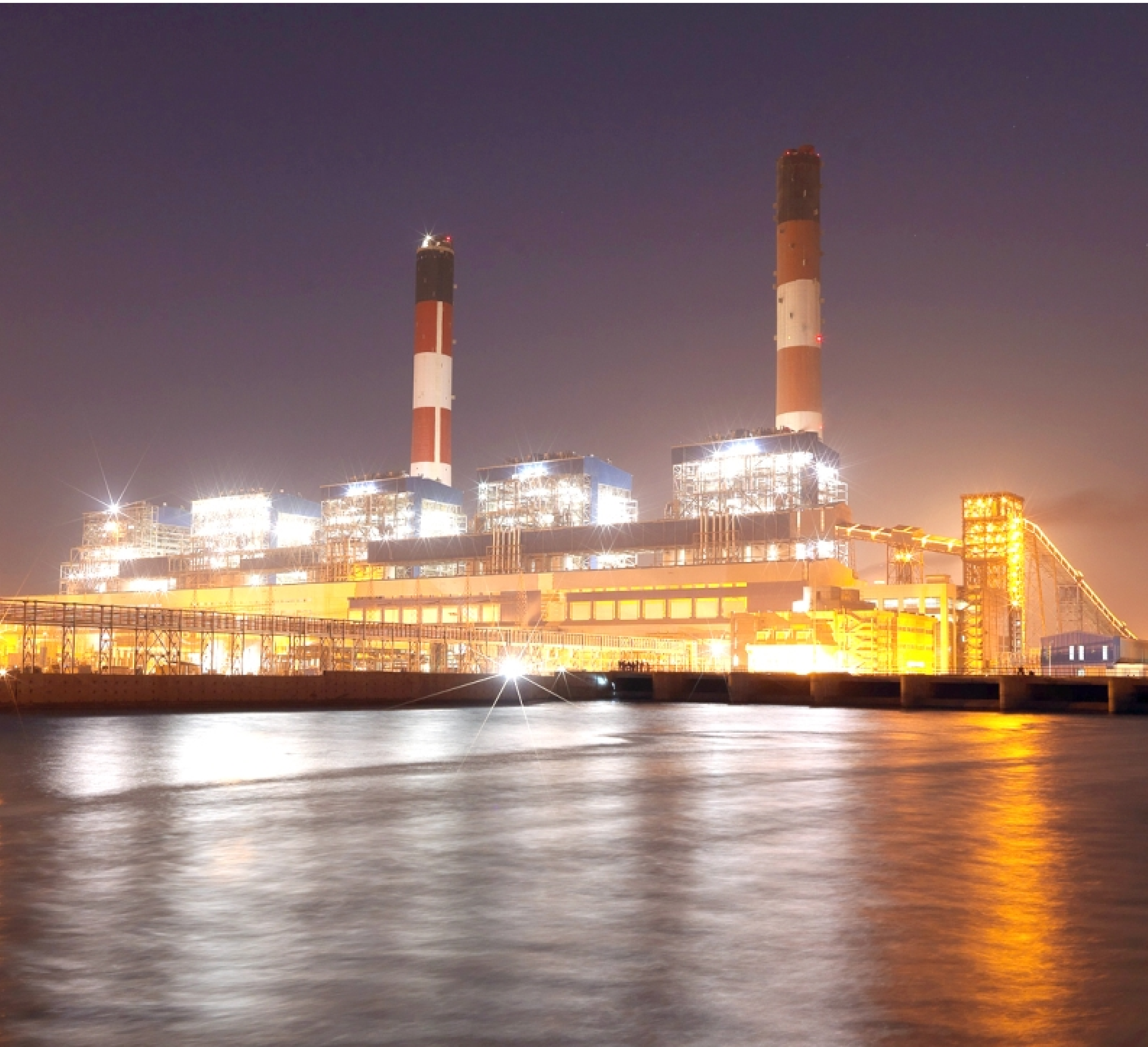
Coastal Gujarat Power Limited

(A Tata Power Company)

14th Annual Report 2019-20



CORPORATE INFORMATION

	Board of Directors
Non-Independent, Non-Executive Director	Mr. Ramesh N. Subramanyam, *Chairman* Mr. Vijay V. Namjoshi Ms. Anjali J. Kulkarni
Independent, Non-Executive Director	Mr. Ashok Sinha Mr. K.M. Chandrasekhar
Chief Executive Officer	Mr. A. N. Ramesh
Chief Financial Officer	Mr. Bijay Mohanty
Company Secretary	Mr. Darshan Soni
Statutory Auditors	S R B C & CO LLP
Bankers	State Bank of India Axis Bank IndusInd Bank ICICI Bank
Lenders	State Bank of India Oriental Bank of Commerce Vijaya Bank Axis Bank Syndicate Bank Allahabad Bank Bank of Maharashtra Housing Development Finance Corporation Ltd. India Infrastructure Finance Company Ltd.
Debenture Trustee	SBICAP Trustee Company Limited 6th Floor, Apeejay House, 3, Dinshaw Wachha Road, Churchgate, Mumbai - 400020, India Tel : 022 4302 5555 Fax : 022 4302 5500 Email : nehabane@sbicaptrustee.com
Registered Office	34, Sant Tukaram Marg, Carnac Bunder, Mumbai - 400009, Maharastra, India Tel: 91 22 67171210 Fax: 91 22 66100863 E-mail: darshan.soni@tatapower.com Website: www.tatapower.com CIN: U40102MH2006PLC182213
Site Office	4000 MW UMP Project, CGPL Office Complex, Block B, Tunda-Vandh Road, Village - Tunda, Mundra, Kutch 370 435, Gujarat, India

CONTENTS

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FOURTEENTH ANNUAL GENERAL MEETING OF COASTAL GUJARAT POWER LIMITED will be held on Friday, the 28th day of August, 2020 at 01:30 p.m. through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"), to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March 2020, together with the Reports of the Board of Directors and the Auditors thereon.

2. To appoint a Director in place of Mr. R. N. Subramanyam (DIN:02421481), who retires by rotation and, being eligible, offers himself for re-appointment.

Special Business:

3. **Appointment of Mr. Ashok Sinha as a Director and as an Independent Director**

   To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

   "RESOLVED that Mr. Ashok Sinha (DIN: 00070477), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 15th January 2020 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

   RESOLVED FURTHER that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act (including any statutory modification or re-enactment thereof for the time being in force), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act, the appointment of Mr. Ashok Sinha (DIN: 00070477), who meets the criteria for independence as provided in Section 149(6) of the Act and the Rules framed thereunder and who has submitted a declaration to that effect, and who is eligible for appointment, as an Independent Director of the Company, not liable to retire by rotation, for a term of three years commencing from 15th January 2020 upto 14th January 2023, be and is hereby approved."

4. **Appointment of Mr. K. M. Chandrasekhar as a Director and as an Independent Director**

   To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

   "RESOLVED that Mr. K. M. Chandrasekhar (DIN: 06466854), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 15th January 2020 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

   RESOLVED FURTHER that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act (including any statutory modification or re-enactment thereof for the time being in force), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act, the appointment of Mr. K. M. Chandrasekhar (DIN: 06466854), who meets the criteria for independence as provided in Section 149(6) of the Act and the Rules framed thereunder and who has submitted a declaration to that effect, and who is eligible for appointment, as an Independent Director of the Company, not liable to retire by rotation, for a term of three years commencing from 15th January 2020 upto 14th January 2023, be and is hereby approved."

5. **Appointment of Mr. Vijay Namjoshi as a Director**

   To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

   "RESOLVED that Mr. Vijay Namjoshi (DIN: 08626492), who was appointed as an Additional Director of the Company with effect from 1st February 2020 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. **Ratification of Cost Auditor's Remuneration**

   To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

   "RESOLVED that pursuant to Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of ` 2,10,000 plus applicable tax, travel and actual out-of-pocket expenses incurred in connection with the audit payable to M/s. Sanjay Gupta and Associates (Firm Registration No. 000212), who are appointed as Cost Auditors to conduct the audit of cost records maintained by the company for the financial year 2020-21.

   RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all acts, matters, deeds and things and take all such steps as may be necessary proper or expedient to give effect to this Resolution."

NOTES:

1. The relative explanatory statement pursuant to Section 102 of the Companies Act, 2013 (the Act), with regards to the business as set out in item nos. 3, 4, 5 & 6 and the relevant details of the directors seeking re appointment/ appointment under item no. 2, 3, 4 and 5 above as required under Secretarial Standard - 2 on general meetings issued by the Institute of Company Secretaries of India, are annexed hereto.
2. In view of the global outbreak of COVID-19, the Ministry of Corporate Affairs (MCA), Government of India, has vide its General Circular No. 14/ 2020 dated 8th April 2020, General Circular No. 17/ 2020 dated 13th April 2020, in relation to *"Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19"* and General Circular No. 20/ 2020 dated 5th May 2020, in relation to *"Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" (collectively referred to as "MCA Circulars")* has permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. In compliance with the applicable provisions of the Companies Act, 2013 (the "Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (the "Rules"), as amended from time to time, read with the MCA Circulars the Annual General Meeting ("AGM") of the Company is scheduled to be held on Friday, 28th August 2020, at 11 a.m. (IST) through VC/OAVM.
3. PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE, THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.
4. Pursuant to the MCA circulars, in view of the prevailing situation, owing to the difficulties involved in despatching physical copies, the notice of the 20th AGM are being sent only by email to the members at their email addresses registered with the Company.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act. The Members will be allowed to pose questions during the course of the Meeting. The queries can also be given in advance to the Company Secretary.
6. The Members can join the AGM through VC/OAVM facility which shall be kept open for the members from 10.45 a.m. i.e. 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure as mentioned below in the Notice. The Company may close the window for joining the VC/OAVM facility 15 minutes after the scheduled time to start of the AGM.

   Instructions for members participating in the 14th AGM through VC/OAVM facility are as under:

   - Members may attend the AGM, by following the invitation link sent to their registered email ID. Members will be able to locate Meeting ID/ Password/ and JOIN MEETING tab. By Clicking on JOIN MEETING they will be redirected to Meeting Room via browser or by running Temporary Application. Members are encouraged to join the Meeting through Laptops for better experience.
   - In case of Android/Iphone connection, participants will be required to download and Install the appropriate application as given in the mail to them. Application may be downloaded from Google Play Store/ App Store.
   - Further Members will be required to allow Camera and use Internet audio settings as and when asked while setting up the meeting on Mobile App.
   - Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
   - The helpline number for joining the Meeting through electronic mode will be provided in the meeting invitation which will be sent to the eligible applicants.
7. Relevant documents referred to in the Notice and the accompanying Statement are open for inspection by the members at the Registered Office of the Company on all working days, during business hours up to the date of the Meeting.
8. Corporate members intending to send their authorized representatives to attend the Annual General Meeting (AGM) are requested to send a certified copy of the board resolution authorising their representative to attend and vote on their behalf at the AGM.

Date : 2nd July 2020
Place: Mundra

By order of the Board of Directors,
For Coastal Gujarat Power Limited

Darshan Soni
Company Secretary
ACS No.: 30220

Registered Office:
34, Sant Tukaram Marg, Carnac Bunder,
Mumbai - 400 009.
CIN: U40102MH2006PLC182213
Tel: 91 22 67171215 Fax: 91 22 66100863
E-mail: darshan.soni@tatapower.com
Website: www.tatapower.com

EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under item nos. 3, 4, 5 and 6 of the accompanying notice dated 2nd July 2020:

Item No. 3: Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors appointed Mr. Ashok Sinha (DIN: 00070477) as an Additional Director of the Company and also as an Independent Director, not being liable to retire by rotation, for a term of 3 years i.e. from 15th January 2020 upto 14th January 2023, subject to approval of the Members.

Pursuant to the provisions of Section 161(1) of the Act and Article 132 of the Articles of Association of the Company, Mr. Sinha holds office only upto the date of this Annual General Meeting (AGM) and is eligible to be appointed as Director. The Company has, in terms of Section 160(1) of the Act, received in writing a Notice from a Member, proposing his candidature for the office of Director. The Company has received declaration from Mr. Sinha to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act, read with the Rules framed thereunder. In the opinion of the Board of Directors, Mr. Sinha is independent of management. The terms and conditions of his appointment shall be open for inspection by the Members of the Company, without payment of any fees, at the Registered Office of the Company between 10:00 a.m. to 3:00 p.m. (IST) on all working days (except Saturdays, Sundays and holidays), upto the date of the AGM.

A brief profile of Mr. Sinha is as under:

Mr. Sinha has a B.Tech. degree in Electrical Engineering from the Indian Institute of Technology (IIT), Kanpur (1973) and PGDBM from the Indian Institute of Management (IIM), Bangalore, with specialisation in Finance (1977). He has been conferred the Distinguished Alumnus Award from both IIT, Kanpur and IIM, Bangalore. He has been conferred with the India Chief Financial Officer Award 2001 for Information and Knowledge Management by the Economic Intelligence Unit India and American Express. He received award from Technology Media Group for Customer Management. He has a wealth of experience, competencies and expertise from his leadership journey as the Chairman and Managing Director of Bharat Petroleum Corporation Limited (BPCL), which is present across the entire value chain with activities covering exploration and production, refining and marketing oil and gas products. He spent 33 years in BPCL, where he served on the Board of BPCL for 15 years - first as Director (Finance) for 10 years from 1996 and then as its Chairman and Managing Director for 5 years from August 2005. Since 2011, he has served on the Boards of Petronet LNG Limited, CMC Limited (erstwhile subsidiary of Tata Consultancy Services Limited), four subsidiaries of Vodafone India Limited, Tata Advanced Systems Limited, Tata Lockheed Martin Aerostructures Limited and Nova Integrated Systems Limited. Currently, he is an independent director on the board of Cipla Limited, Axis Asset Management Company Limited, AirAsia (India) Limited, J. K. Cement Limited, The Tata Power Co. Ltd. and Maithon Power Limited. Further details and current directorships of Mr. Sinha are provided in the Annexure to this Notice. In compliance with the provisions of Section 149, read with Schedule IV to the Act, the appointment of Mr. Sinha as Independent Director is now being placed before the Members for their approval.

The Board recommends the Resolution at Item No. 3 of the accompanying Notice for approval by the Members of the Company. Other than Mr. Sinha and his relatives, none of the Directors or KMP of the Company or their respective relatives is concerned or interested in the Resolution mentioned at Item No. 3 of the accompanying Notice.

Mr. Sinha is not related to any Director or KMP of the Company.

Item No. 4: Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors appointed Mr. K. M. Chandrasekhar (DIN: 06466854) as an Additional Director of the Company and also as an Independent Director, not being liable to retire by rotation, for a term of 3 years i.e. from 15th January 2020 upto 14th January 2023, subject to approval of the Members.

Pursuant to the provisions of Section 161(1) of the Act, Mr. Chandrasekhar holds office only upto the date of this Annual General Meeting (AGM) and is eligible to be appointed as Director. The Company has, in terms of Section 160(1) of the Act, received in writing a Notice from a Member, proposing his candidature for the office of Director. The Company has received declaration from Mr. Chandrasekhar to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act, read with the Rules framed thereunder. In the opinion of the Board of Directors, Mr. Chandrasekhar is independent of management. The terms and conditions of his appointment shall be open for inspection by the Members of the Company, without payment of any fees, at the Registered Office of the Company, between 10:00 a.m. to 3:00 p.m. (IST) on all working days (except Saturdays, Sundays and holidays), upto the date of the AGM.

A brief profile of Mr. Chandrasekhar is as under:

Mr. Kesava Menon Chandrasekhar entered the Indian Administrative Service in 1970. He was ranked third in the list in the batch. Prior to that, he secured B.A. (Honours) in Economics and M.A. in History from St. Stephen's, College, University of Delhi. After entering Government service, he did his M.A. in Management Studies from the University of Leeds in United Kingdom.

He spent the first 25 years of his career in Kerala, holding such positions as Managing Director of the State Civil Supplies Corporation, District Collector, Idukki, Director of Fisheries, Principal Secretary (Industries) and Principal Secretary (Finance). During this period, he was also Chairman of the Spices Board under the Ministry of Commerce, Government of India.

In 1996, he left Kerala on Central Government deputation. During his 15 years tenure with the Government of India, from 1996 to 2011, he was Joint Secretary in the key Trade Policy Division of the Ministry of Commerce, Deputy Chief of Mission in the Embassy of India, Brussels and the Ambassador and Permanent Representative of India in the World Trade Organization in Geneva. He rose to the position of Union Cabinet Secretary. As Cabinet Secretary, he was Head of all the Civil Services in India and reported directly to the Prime Minister. He retained that position for four years. He retired from Government service in 2011 at the age of 63, having served Government for 41 years.

Post Retirement, he was, for 5 years, Vice-Chairman, Kerala State Planning Board with rank of Cabinet Minister of the State.

Mr. Chandrasekhar has considerable management experience having been associated as Chairman, Managing Director or member of the Board of Directors of more than 40 companies in the public, joint and private sector. He has written several articles and presented papers. He has also been consultant to the Commonwealth Secretariat and to the UN Food and Agriculture Organization.

He also held position of Chairman, Federal Bank and President, Sree Chitra Institute of Medical Sciences and Technology, Trivandrum. He is presently Chairman of Centre for Development Studies, Trivandrum.

Currently, he is an independent director on the board of The Tata Power Co. Ltd., KIMS Healthcare Management Ltd., KIMS AL SHIFA Healthcare Pvt. Ltd. , TP Central Odisha Distribution Limited and non-executive director on the board of Tata Advanced Systems Ltd.

The Board recommends the Resolution at Item No.4 of the accompanying Notice for approval by the Members of the Company. Other than Mr. Chandrasekhar and his relatives, none of the Directors or KMP of the Company or their respective relatives is concerned or interested in the Resolution mentioned at Item No.4 of the accompanying Notice.

Mr. Chandrasekhar is not related to any Director or KMP of the Company.

Item no. 5: Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors appointed Mr. Vijay Namjoshi (DIN: 08626492) as an Additional Director of the Company with effect from 1st February 2020 under Section 161 of the act. In terms of Section 161(1) of the Act. Mr. Vijay Namjoshi holds office only upto the date of the forthcoming AGM of the company but is eligible for appointment as a director. A notice under Section 160(1) of the act has been received from a member signifying its intention to propose Mr. Vijay Namjoshi appointment as a Director.

A brief profile of Mr. Vijay Namjoshi is as under:

Mr. Vijay Namjoshi, is a Bachelor of Mechanical Engineering from Sardar Patel College of Engineering, Mumbai. Mr. Namjoshi joined the Tata Power in the year 1983 as a Graduate Engineer Trainee and has worked more than 34 years in various functions/ divisions of the Company like Trombay MMD, ERP- Maithon-Mechanical, Special projects in O&M etc. He also held the position of Chief - Jojobera and Chief Executive Officer of Coastal Gujarat Power Limited.

The Board commends the resolution at item no. 5 of the accompanying notice for approval by the members of the company. Other than Mr. Namjoshi, none of the directors or KMP of the company or their respective relatives are concerned or interested in the resolution at item no. 5 of the accompanying notice.

Mr. Namjoshi is not related to any other director or KMP of the company.

Item no. 6: Pursuant to Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a cost accountant in practice. On the recommendation of the Audit Committee of directors, the Board of Directors has, at its meeting held on 27th April 2020, approved the re-appointment of M/s. Sanjay Gupta and Associates (SGA) as the cost auditors of the company to conduct audit of cost records maintained by the company for the financial year 2020-21, at a remuneration of ` 2,10,000 plus applicable tax and actual out-of-pocket expenses.

SGA have furnished a certificate regarding their eligibility for appointment as cost auditors of the company. They have vast experience in the field of cost audit and have conducted the audit of the cost records of the company for the previous year under the provisions of the Act.

The Board commends the resolution at item no. 6 of the accompanying notice for ratification of the cost auditors' remuneration by the members of the Company.

None of the directors or key managerial personnel (KMP) of the company or their respective relatives are concerned or interested in the resolution at item no. 6 of the accompanying notice.

By order of the Board of Directors,
For Coastal Gujarat Power Limited

Darshan Soni
Company Secretary
ACS No.: 30220

Date : 2nd July 2020
Place: Mundra

Registered Office:
34, Sant Tukaram Marg, Carnac Bunder,
Mumbai - 400 009.
CIN: U40102MH2006PLC182213
Tel: 91 22 67171215 Fax: 91 22 66100863
E-mail: darshan.soni@tatapower.com
Website: www.tatapower.com

Details of the directors seeking re-appointment/appointment at the forthcoming Annual General Meeting
(In pursuance of Secretarial Standard - 2 on General Meetings)

Name of Director	**Mr. Ramesh N. Subramanyam**
Date of birth (Age)	27th June 1969 (51 years)
Date of appointment	22nd October 2013
Expertise in specific functional areas	He has more than 25 years of experience in diverse organisations like Lloyds Steel Limited, Hindustan Unilever Limited, Monsanto India Limited and Siemens AG. After joining Tata Power in 2007, he has held various positions within Tata Power. He was Chief Financial Officer for Coastal Gujarat Power Limited (Mundra UMPP), Chief of Finance and Accounting for Indian Subsidiaries of Tata Power and Financial Controller of Tata Power before being appointed as CFO of Tata Power. He is also on the board of several other Tata Power Group Companies. He is also the member of core committee of power sector financing of CII.
Qualifications	Graduate in Commerce from Nagpur University, Member of the Institute of Cost Accountants of India & the Institute of Company Secretaries of India, CPA (Certified Public Accountants) from the American Institute of Certified Public Accountants (AICPA).
Directorships held in other companies (excluding foreign companies)	• Tata Power Renewable Energy Limited • Prayagraj Power Generation Company Limited • Tata Projects Limited • Tata Power Delhi Distribution Limited • Maithon Power Limited
Committee position held in other companies	**Audit Committee** *Member* • Tata Power Renewable Energy Limited • Prayagraj Power Generation Company Limited • Tata Projects Limited **Nomination and Remuneration Committee** *Member* • Maithon Power Limited
Remuneration	NA
No. of meetings of the board attended during the year	5
No. of shares held: **(a) Own** **(b) For other persons on a beneficial basis**	Nil

NOTICE

BOARD'S REPORT

FINANCIAL STATEMENTS

Name of Director	Mr. Ashok Sinha
Date of birth (Age)	15th February 1952 (68 years)
Date of appointment	15th January 2020
Expertise in specific functional areas	Mr. Sinha has been conferred the Distinguished Alumnus Award from both Indian Institute of Technology, Kanpur and Indian Institute of Management, Bangalore. He has been conferred with the India Chief Financial Officer Award 2001 for Information and Knowledge Management by the Economic Intelligence Unit India and American Express. He received award from Technology Media Group for Customer Management. He has a wealth of experience, competencies and expertise from his leadership journey as the Chairman and Managing Director of Bharat Petroleum Corporation Limited (BPCL), which is present across the entire value chain with activities covering exploration and production, refining and marketing oil and gas products. He spent 33 years in BPCL, where he served on the Board of BPCL for 15 years - first as Director (Finance) for 10 years from 1996 and then as its Chairman and Managing Director for 5 years from August 2005. Since 2011, he has served on the Boards of Petronet LNG Limited, CMC Limited (erstwhile subsidiary of Tata Consultancy Services Limited), four subsidiaries of Vodafone India Limited, Tata Advanced Systems Limited, Tata Lockheed Martin Aerostructures Limited and Nova Integrated Systems Limited.
Qualifications	B.Tech. degree in Electrical Engineering from the Indian Institute of Technology, Kanpur. PGDBM from the Indian Institute of Management, Bangalore, with specialisation in Finance.
Directorships held in other companies (excluding foreign companies)	• Cipla Ltd. • Axis Asset Management Co. Ltd. • AirAsia (India) Ltd. • The Tata Power Co. Ltd. • The Hospital & Nursing Home Benefits Association • J. K. Cement Ltd. • Maithon Power Ltd.
Committee position held in other companies	**Audit Committee** *Chairman* • Cipla Ltd. • AirAsia (India) Ltd. • The Tata Power Co. Ltd. • Maithon Power Ltd. *Member* • Axis Asset Management Co. Ltd. • J. K. Cement Ltd. **Nomination and Remuneration Committee** *Chairman* • Axis Asset Management Co. Ltd. • Maithon Power Ltd. **Corporate Social Responsibility Committee** *Chairman* • Axis Asset Management Co. Ltd. **Investment and Risk Management Committee** *Member* • Cipla Ltd. **Risk Management Committee** *Member* • The Tata Power Co. Ltd.
Remuneration	Eligible for sitting fees and commission as approved by the Board
No. of meetings of the board attended during the year	2
No. of shares held: (a) Own (b) For other persons on a beneficial basis	Nil

Name of Director	**Mr. K. M. Chandrasekhar**
Date of birth (Age)	20th February 1948 (72 years)
Date of appointment	15th January 2020
Expertise in specific functional areas	Mr. K. M. Chandrasekhar spent the first 25 years of his career in Kerala, holding such positions as Managing Director of the State Civil Supplies Corporation, District Collector, Idukki, Director of Fisheries, Principal Secretary (Industries) and Principal Secretary (Finance). During this period, he was also Chairman of the Spices Board under the Ministry of Commerce, Government of India. In 1996, he left Kerala on Central Government deputation. During his 15 years tenure with the Government of India, from 1996 to 2011, he was Joint Secretary in the key Trade Policy Division of the Ministry of Commerce, Deputy Chief of Mission in the Embassy of India, Brussels and the Ambassador and Permanent Representative of India in the World Trade Organization in Geneva. He rose to the position of Union Cabinet Secretary. As Cabinet Secretary, he was Head of all the Civil Services in India and reported directly to the Prime Minister. He retained that position for four years. He retired from Government service in 2011 at the age of 63, having served Government for 41 years. Post Retirement, he was, for 5 years, Vice-Chairman, Kerala State Planning Board with rank of Cabinet Minister of the State. Mr. Chandrasekhar has considerable management experience having been associated as Chairman, Managing Director or member of the Board of Directors of more than 40 companies in the public, joint and private sector. He has written several articles and presented papers. He has also been consultant to the Commonwealth Secretariat and to the UN Food and Agriculture Organization. He also held position of Chairman, Federal Bank and President, Sree Chitra Institute of Medical Sciences and Technology, Trivandrum. He is presently Chairman of Centre for Development Studies, Trivandrum. Currently, he is an independent director on the board of The Tata Power Co. Ltd., KIMS Healthcare Management Ltd., KIMS AL SHIFA Healthcare Pvt. Ltd. and non-executive director on the board of Tata Advanced Systems Ltd.
Qualifications	Mr. K. M. Chandrasekhar entered the Indian Administrative Service in 1970. He was ranked third in the list in the batch. Prior to that, he secured B.A. (Honours) in Economics and M.A. in History from St. Stephen's, College, University of Delhi. After entering Government service, he did his M.A. in Management Studies from the University of Leeds in United Kingdom.
Directorships held in other companies (excluding foreign companies)	• Tata Advanced Systems Limited • KIMS Health Care Management Limited • KIMS Al Shifa Healthcare Private Limited • The Tata Power Company Limited • Tata Power Delhi Distribution Limited • TP Central Odisha Distribution Limited
Committee position held in other companies	**Audit Committee** *Member* • Tata Advanced Systems Limited • The Tata Power Company Limited • Tata Power Delhi Distribution Limited **Corporate Social Responsibility Committee** *Member* • Tata Advanced Systems Limited • The Tata Power Company Limited **Nomination and Remuneration Committee** *Chairman* • Tata Power Delhi Distribution Limited **Long Term Loans and Borrowing Committee** *Chairman* • Tata Power Delhi Distribution Limited
Remuneration	Eligible for sitting fees and commission as approved by the Board
No. of meetings of the board attended during the year	1
No. of shares held: **(a) Own** **(b) For other persons on a beneficial basis**	Nil

Name of Director	**Mr. Vijay Namjoshi**
Date of birth (Age)	30th October,1962 (57 years)
Date of appointment	1st February 2020
Expertise in specific functional areas	Mr. Namjoshi joined the Tata Power in the year 1983 as a Graduate Engineer Trainee and has worked more than 34 years in various functions/ divisions of the Company like Trombay MMD, ERP- Maithon-Mechanical, Special projects in O&M etc. He also held the position of Chief - Jojobera and Chief Executive Officer of Coastal Gujarat Power Limited.
Qualifications	Bachelor of Mechanical Engineering from Sardar Patel College of Engineering, Mumbai.
Directorships held in other companies (excluding foreign companies)	• Industrial Energy Limited • Tata Power Green Energy Limited • Maithon Power Limited • Prayagraj Power Generation Co. Ltd.
Committee position held in other companies	**Corporate Social Responsibility Committee** *Chairman* • Prayagraj Power Generation Co. Ltd. • Maithon Power Limited • Industrial Energy Limited **Executive Committee of Directors** *Member* • Maithon Power Limited
Remuneration	NA
No. of meetings of the board attended during the year	1
No. of shares held: **(a) Own** **(b) For other persons on a beneficial basis**	Nil

BOARD'S REPORT

To,
The Members,

The Directors are pleased to present the fourteenth annual report on the business and operations of your company and the statements of account for the year ended 31st March 2020.

1. Financial results

(Figures in ` crore)

Particulars	FY20	*FY19*
Net sales	7,016.87	*7,064.33*
Operating expenditure	6,134.91	*7,199.41*
Operating profit/ (loss)	**881.96**	***(135.08)***
Less: forex loss	91.79	*131.04*
Add: other income	19.99	*72.54*
Less: interest and finance charges	1,179.42	*1,012.07*
Profit/ (loss) before depreciation and tax	**(369.26)**	***(1,205.65)***
Less: depreciation/amortization	521.28	*448.07*
Profit/ (loss) before tax	**(890.54)**	***(1,653.72)***
Less: provision for taxes	-	-
Net profit/ (loss) after tax	**(890.54)**	***(1,653.72)***
Distributable profits/(losses)	**(890.54)**	***(1,653.72)***
Add: Other comprehensive income	(2.24)	*0.73*
Add: balance brought forward from the previous year	(10,111.39)	*(8,458.41)*
Balance to be carried forward	**(11,004.17)**	***(10,111.39)***

2. Financial performance & state of company's affairs

2.1 Financials

During the year, your company achieved a total sales turnover of ` 7,016.87 crore as against ` 7,064.33 crore in FY19. Net loss before tax was ` 890.54 crore for the financial year ended 31st March 2020 as against net loss of ` 1,653.72 crore for the previous year.

Further, Tata Power, the holding company has invested a substantial sum of ` 15,036 crore in your company till date. However, at the time of bidding, it was envisaged that ` 4,500 crore would be invested by Tata Power. During the current year, with better working capital management your Company could manage the operations with minimal cash support from the parent company.

2.1.1 Provision for impairment

The management has reviewed and reassessed the recoverability of the carrying amount of the assets considering future fuel price and exchange forecast, estimated power tariff beyond Power Purchase Agreement (PPA) period, operating parameters and future capex. Based on assessment, your company has not made any provision for impairment losses as at 31st March 2020.

2.2 Fuel consumption

During the period under review, the coal consumption was 11.01 million MT as against 11.27 million MT in previous year. While approximately 65% of the requirement was met by sourcing of coal from KPC mines in Indonesia, the balance was met from other sources globally including low CV coal.

2.3 Operational performance

Details of generation for FY20 vis-a-vis FY19 are given below:

	Generation (MUs)		Declared Capacity Availability (%)		Plant load factor (%)	
	FY20	*FY19*	FY20	*FY19*	FY20	*FY19*
Station	26,495	*26,839*	80.05%	*80.05%*	72.68%	*73.83%*

2.4 Coal procurement initiatives

During the year, various measures were taken by your company to reduce the coal cost and minimize the resultant under-recovery. Due to uncertainties of timelines for implementation of HPC recommended tariff, it has become even more essential to put more efforts to optimize the coal costs.

The following initiatives are being undertaken for reducing the coal cost in the short-term and the long-term:

2.4.1 Short-term initiatives

Your company is working on the following options to optimize the coal mix by using Melawan coal, Low CV and High CV coal in the appropriate proportion, subject to the plant operating parameters:

- **Explore sourcing of High CV coal** - Supply of High CV coal has become integral part of your company's coal mix due to its competitiveness and High CV quality. Normally, High CV coal is at premium to the market price. Your company is scouting for high CV coal shipments which are discount to market to avail the pricing benefit.
- **Explore sourcing of Low CV shipments** - Usage of high CV coal allows usage of low CV coal in blend and helps to maintain the heat balance which enables your company to source low CV shipments and avail the cost benefit. Your company continues to source Low CV 4,200 GAR high Moisture coal based on availability and competitiveness. Such low CV coal are generally available at a substantial discount over mid-CV and high CV coal.
- **Explore sourcing of Mid CV off-spec shipments** - Your company is also putting efforts to source cheap mid CV off-spec coal whenever high CV shipments are not available due to the supply constraints.
- **Fixed price contracts for Mid CV coal** - Your company is putting efforts to secure coal of mid CV on fixed price contracts (a natural hedge) in times of rising coal market, thereby reducing the cost of coal.

Coal blend ratio of your company by using MCV (Melawan) coal, High CV coal and Low CV coal for FY20 vis-a-vis FY19 is given below:

Coal	FY20	*FY19*
MCV	65.0%	*55.0%*
HCV	13.0%	*13.5%*
LCV	22.0%	*31.5%*

2.4.2 Long-term initiatives

While short-term initiatives provide relief through savings, these may not be adequate enough to cover the under-recovery risk. As a permanent solution, a low-cost long-term coal supply agreement is required with pricing based on cost plus mechanism and not market driven pricing. In this regard, Tata Power has secured a license in Russia through it's subsidiary Tata Power International Pte. Ltd. (Krutogorovo, far East Russia) for development of the coal mine for the benefit of CGPL. The project development activities are in progress.

Your company also issued notice to PT Kaltim Prima Coal in accordance with the Coal Sales Agreement executed with Indocoal Resources (Cayman) Limited dated 31st October 2008, the Assignment and Restated Agreement dated 28th March 2011 executed with Indocoal Resources (Cayman) Limited and The Tata Power Company Limited and Novation & Amendment to Coal Sales Agreement dated 21st March 2014 executed with Indocoal Resources (Cayman) Limited and PT Kaltim Prima Coal, for extension of coal sourcing agreement till 31st December 2021.

2.5 Initiatives to improve operational efficiency

Your company has also undertaken various projects to improve the operational efficiency. Some of the projects currently under way are detailed below:

- **Installation of variable frequency drive (VFD) in condensate extraction pump (CEP)** - Installation of VFD drive in CEP was taken as an energy conservation initiative to reduce the auxiliary power consumption of the plant. Installation and commissioning of CEP-VFD is completed in all the 5 units.
- **HRH material upgradation** - An initiative was taken to upgrade the HRH tube material to improve the heat rate and lower the carbon foot print. Upgradation of tubes in all units is being done during Unit outages.
- **Water cannon/Hydrojet installation** - Your company also took an initiative to install water cannon system to improve the boiler parameters and reduce the flue gas exit loss. Installation and commissioning have been completed in all five units.
- **Final superheater material upgradation:** Final Superheater material upgradation initiative has been taken to improve reliability of final superheater coils thereby avoiding boiler tube leak. Upgradation of tubes in all units will be done in outages after receipt of materials for which order has been placed.

2.6 Impact of Covid-19

India and other global markets experienced significant disruption in operations resulting from uncertainty caused by the worldwide Coronavirus (Covid-19) pandemic. Power supply being an essential service, management believes that there is not much of an impact likely due to this pandemic on the business of the Company. The Company is taking all necessary measures in terms of mitigating the impact of challenges being faced in the business and various initiatives have been taken towards financial, medical and community support in the fight against Covid-19 pandemic. The Company undertook timely and essential measures to ensure safety and well-being of all its employees and other stakeholders. The Company is observing all the government advisories and guidelines thoroughly and in good faith. The Company is also closely monitoring its operations, liquidity and capital resources and is actively working to minimize the impact of this unprecedented situation.

3. Financing

In order to refinance the debt maturing during the year, your company issued unsecured, rated, listed, taxable, guaranteed, redeemable Non-Convertible Debentures (NCDs) as follows:

Series	Face Value	Tenor (years)	Number of NCDs Allotted	Coupon Rate (%) p.a.	ISIN Details	Amount
Series I Debentures	`10,00,000	1	3,700	9.15%	INE295J08030	`370,00,00,000
Series II Debentures	`10,00,000	2	3,700	9.15%	INE295J08048	`370,00,00,000
Series III Debentures	`10,00,000	3	3,700	9.15%	INE295J08055	`370,00,00,000

The said NCDs are listed on the National Stock Exchange of India Limited. Your Company has also issued Commercial Papers of `350 crore to address the short-term funding requirements.

Further, for optimising the financing costs, your company is exploring various options for refinancing / renegotiation of terms of existing debt facilities in FY 2020-21.

Your company has also started availing Structured Import Financing Program arranged by Mashreq Bank and its subsidiaries not exceeding of ` 6,000 crore (USD 850 mn), which is benefiting to the Company as follows:

- Extension of the existing credit period from 180 days to 330 days, therefore, improving liquidity position of the Company.
- Releasing various non-fund based limits obtained from banks, thus, providing a mitigation for the group exposure related constrain.

4. Dividend

In absence of profits, your company has not declared any dividend for the financial year ended 31st March 2020.

5. Reserves

Due to losses, the directors are unable to propose any transfer of profits to reserves for FY20.

6. Directors and Key Managerial Personnel

6.1 Change in Board Composition

Mr. Ashok S. Sethi has superannuated from the services of the Company w.e.f. close of business hours on 30th April 2019. Consequently, he has ceased to be Chairman of the Company effective the said date. The Board has placed on record its deep sense of appreciation of the valuable contribution made by Mr. Sethi to the operations and growth of the Company during his association with the Company. Subsequently, Mr. Ramesh N. Subramanyam, Non-Independent Non-Executive Director, was appointed as Chairman of the Company w.e.f. 22nd July 2019.

On the recommendation of the Nomination and Remuneration Committee, Mr. Ashok Sinha and Mr. K. M. Chandrasekhar were appointed as Additional and Independent Director of the Company for a period of 3 years from 15th January 2020 to 14th January 2023, subject to approval of the Members at the ensuing general meeting.

In view of attaining superannuation, Mr. Purushottam Thakur has resigned from the position of Director of the Company w.e.f. closure of working hours on 31st January 2020. The Board has placed on record its sincere appreciation for the valuable contribution made by Mr. Thakur towards your company during his tenure as Director of the Company. Mr. Vijay Namjoshi was appointed as an Additional Director of your company with effect from 1st February 2020 in accordance with Article 113 of your company's Articles of Association and Section 161 of the Act and on the recommendation of the Nomination and Remuneration Committee. He holds office only upto the date of the forthcoming AGM and a notice under section 160(1) of the Act has been received from the member signifying an intention to propose his appointment as a director. He will also be re-appointed as Director, subject to approval of the Members at the ensuing AGM.

At the 12th AGM held on 24th July 2018, Mr. Nawshir H. Mirza and Mr. Narendra Nath Misra were re-appointed as Independent Directors of the Company for a term of two years commencing from 5th March, 2018. Thus, they completed their term on closure of working hours on 4th March 2020 as Independent Directors of the Company. The Board has also placed on record its sincere appreciation for the valuable contribution made by Mr. Mirza and Mr. Misra towards your company during their tenure as Independent Director of the Company.

In accordance with the requirements of the Act and the Company's Articles of Association, Mr. R. N. Subramanyam retires by rotation and is eligible for re-appointment. Members' approval is being sought at the ensuing AGM for his re-appointment.

6.2 Key Managerial Personnel

In terms of Section 203 of the Act, the Board had approved appointment of Mr. A. N. Ramesh as Chief Executive Officer (CEO) of the Company w.e.f. 1st February 2020 in place of Mr. Vijay V. Namjoshi, who resigned as CEO of the Company from the close of business hours on 31st January 2020.

After the aforesaid reconstitution, the following were Key Managerial Personnel of your Company:

- Mr. A. N. Ramesh, Chief Executive Officer (CEO)
- Mr. Bijay Mohanty, Chief Financial Officer (CFO)
- Mr. Darshan Soni, Company Secretary (CS)

6.3 Number of Board meeting and dates

Five Board meetings were held during the year and the gap between two meetings did not exceed 120 days. These were held on 22nd April 2019, 16th July 2019, 18th October 2019, 15th January 2020 and 14th March 2020. One separate meeting of independent directors was also held on 14th March 2020 which was attended by all the independent directors. The attendance details of directors during FY20 were as follows:

Sl. no.	Name of the Director	Category of directorship	Number of Board meetings attended
1	Mr. Ashok Sethi[1]	Non-independent, non-executive	1
2	Mr. Ramesh N. Subramanyam		5
3	Mr. Purushottam Thakur[2]		4
4	Ms. Anjali J. Kulkarni		5
5	Mr. Nawshir H. Mirza	Independent non-executive	3
6	Mr. Narendra Nath Misra		4
7	Mr. Ashok Sinha		2
8	Mr. K.M. Chandrasekhar		1
9	Mr. Vijay Namjoshi[3]	Additional Director	1

[1]*Mr. Ashok Sethi has superannuated and resigned from the Board w.e.f. close of working hours on 30th April 2019.*

[2]*Mr. Purushottam Thakur has superannuated and resigned from the Board w.e.f. close of working hours on 31st January 2020.*

[3]*Mr. Vijay Namjoshi was appointed as Additional Director effective 1st February 2020.*

A declaration on compliance with Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, along with a declaration as provided in the Notification dated October 22, 2019, issued by the Ministry of Corporate Affairs (MCA), regarding the requirement relating to enrolment in the Data Bank for Independent Directors, has been received from all the Independent Directors, along with declaration made under Section 149(6) of the Act. In the opinion of the Board, Independent Directors possesses integrity, expertise and vast experience including proficiency.

6.4 Committees of the Board

The committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority. Each committee of the Board functions according to its role and defined scope. The following committees have been constituted:

- Audit Committee of Directors
- Nomination and Remuneration Committee (NRC)
- Corporate Social Responsibility Committee (CSR)
- Committee of Directors
- Allotment Committee

6.4.1 Audit Committee of Directors

In accordance with Section 177 of the Companies Act 2013 and rules made thereunder, Audit Committee has been constituted by the Company.

Currently, this committee comprises of the following:

- Mr. Ashok Sinha, Chairman
- Mr. Ramesh N. Subramanyam, Member
- Mr. K. M. Chandrasekhar, Member

All the members are financially literate and bring in expertise in the fields of finance, economic, development, strategy and management.

The committee met 5 times during the year. These meetings were held on 21st April 2019, 16th July 2019, 18th October 2019, 15th January 2020 and 14th March 2020, with the requisite quorum. The attendance details of the committee meetings were as follows:

Sl. no.	Name of the director	Category of directorship	Number of audit committee meetings attended
1	Mr. Nawshir H. Mirza[1]	Independent, non-executive	3
2	Mr. Narendra Nath Misra[1]		4
3	Mr. Ashok Sinha[2]		1
4	Mr. K. M. Chandrasekhar[2]		1
5	Mr. Ramesh N. Subramanyam	Non independent, non-executive	5

[1]*Ceased to be members of the committee effective 15th January 2020.*

[2]*Mr. Ashok Sinha and Mr. K. M. Chandrasekhar were appointed as chairman and member of the committee respectively effective 15th January 2020.*

All the recommendations made by the Audit Committee during the year under review were accepted by the Board.

The management is responsible for company's internal controls and the financial reporting process while the statutory auditors are responsible for performing independent audits of company's financial statements for issuing reports based on such audits.

The Board has entrusted this Committee with the responsibility of supervising these processes and thus ensuring accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting.

The Board has approved the charter of the Audit Committee defining inter alia its composition, role, responsibilities, powers and processes.

The terms of the charter broadly include:

- Overseeing the processes that ensure the integrity of financial statements.
- Overseeing the adequacy and effectiveness of the processes and controls for compliance with laws and regulations.
- Overseeing the adequacy and effectiveness of the process by which confidential or anonymous complaints or information regarding financial or commercial matters are received and acted upon. This includes the protection of whistle-blowers from victimization and the provision of access by whistle-blowers to the Chairman of the Committee.
- Approving/modifying the transactions with related parties.

- Enquiring into reasons for any default by the Company in honouring its obligations to its creditors and members.
- Overseeing the quality of internal accounting controls and other controls.
- Overseeing the system for storage (including back-up).
- Overseeing the quality of the financial reporting process, including the selection of the most appropriate of permitted accounting policies.
- Ensuring the independence of the auditor.
- Recommending to the Board the appointment and remuneration of the auditors (including secretarial and cost auditors).
- Framing of rules for the hiring of any current or former employee of the audit firm.
- Scrutinizing inter-corporate loans and investments.
- Monitoring the end use of funds raised through public offers.
- Conducting the valuation of any undertaking or asset of the Company.
- Overseeing the internal audit function and approve the appointment of the Chief Internal Auditor.
- Bringing to the notice of the Board any lacunae in the TCOC and the vigil mechanism (whistle blowing process) adopted by the Company.
- Reviewing with the CEO and the CFO of the Company the underlying process followed by them in their annual certification to the Board of Directors.
- Approving the appointment of the CFO.

The audit committee invites such of the executives as it considers appropriate to be present at its meetings. CEO, CFO and Company Secretary attends the meetings. The internal and statutory auditors are also invited to the meetings. The Company Secretary acts as the Secretary of the Committee.

6.4.2 Nomination and Remuneration Committee

In accordance with Section 178 of the Companies Act, 2013 and rules made thereunder, Nomination and Remuneration Committee has been constituted by the Company.

Currently, the Committee comprises of the following:

- Mr. Ashok Sinha, Chairman
- Mr. R. N. Subramanyam, Member
- Mr. K. M. Chandrasekhar, Member

The Committee met 3 times during the year. These meetings were held on 27th November 2019, 14th January 2020 and 14th March 2020. The attendance details of these meetings were as follows:

Sl. no.	Name of the director	Category of directorship	Number of NRC meetings attended
1	Mr. Nawshir H. Mirza[1]	Independent, non-executive	2
2	Mr. Narendra Nath Misra[1]		2
3	Mr. Ashok Sinha[2]		1
4	Mr. K. M. Chandrasekhar[2]		1
5	Mr. R. N. Subramanyam[3]	Non independent, non-executive	3

[1] Ceased to be members of the committee effective 15th January 2020.

[2] Mr. Ashok Sinha and Mr. K. M. Chandrasekhar were appointed as chairman and member of the committee respectively effective 15th January 2020.

[3] Appointed as a member of the committee effective 25th October 2019. Mr. Ashok Sethi was ceased to be a member of the committee on closure of working hours on 30th April 2019.

Your company has adopted the Nomination and Remuneration Committee (NRC) Charter to bring the terms of the reference, role and scope in conformity with the provisions of the Act. The Charter specifies the principle and objectives, composition, meetings, quorum, powers, roles and responsibilities etc. of the committee.

The Board has delegated the following powers to the NRC:

- Investigate any matter within the scope of this charter or as referred to it by the Board.
- Seek any information or explanation from any employee or director of the company.
- Invite Senior Management or other executives, as it considers appropriate to be present at the meetings of the committee.
- Ask for any records or documents of the company.
- To coordinate with other committees to the extent that its work has a bearing on their scope of work.
- To engage (at the expense of the company) independent consultants and other advisors and seek their advice on matters related to discharge of their responsibilities.

The roles and responsibilities of the NRC include the following:

- Recommend to the board the setup and composition of the board. This shall include "formulation of the criteria for determining qualifications, positive attributes and independence of a director". This also includes periodical review of composition of the board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Carry out evaluation of every director's performance and support the board and independent directors, as may be required, in evaluation of the performance of the board, its committees and individual directors. This shall include "formulation of criteria for evaluation of independent directors and the board".
- Recommend the remuneration policy for the directors, KMP, executive team and other employees. This includes review and recommendation of the design of annual and long-term incentive plan (includes deferred payment plans, equity plans, etc.) for managing director ("MD")/executive directors ("ED"), KMP and the executive team.
- Oversee familiarization programmes for directors.
- Review HR and people strategy and its alignment with the business strategy periodically or when a change is made to either.
- Perform other activities related to the charter as requested by the board from time to time.

6.4.3 Corporate Social Responsibility Committee

The Company has adopted a Corporate Social Responsibility Committee (CSR) Policy which indicates the activities to be undertaken by the Company as specified in Schedule VII read with Section 135 of the Companies Act 2013. Brief Terms of Reference/Roles and responsibilities of the Policy includes:

- Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Act or may be prescribed in the rules thereto.
- Recommend the amount of expenditure to be incurred on the activities referred to in the above clause.
- Monitor the CSR Policy of the Company from time to time.

Currently, the committee comprises of the following:

- Mr. Vijay Namjoshi, Chairman
- Mr. K. M. Chandrasekhar, Member
- Ms. Anjali Kulkarni, Member

The committee met 3 times during the year. These meetings were held on 17th June 2019, 27th November 2019 and 14th March 2020. The attendance details of these meetings were as follows:

Sl. no.	Name of the director	Category of directorship	No. of CSR committee meetings attended
1	Mr. Purushottam Thakur[1]	Non-independent, non-executive	2
2	Mr. Vijay Namjoshi[2]		1
3	Ms. Anjali Kulkarni		3
4	Mr. Nawshir H. Mirza[3]	Independent, non-executive	2
5	Mr. K. M. Chandrasekhar[4]		1

[1]Consequent upon his resignation as Director of the Company effective 31st January 2020, He ceased to be a member of the Committee.

[2] Appointed as Chairman of the committee effective 1st February 2020.

[3]Ceased to be a member of the committee effective 1st February 2020.

[4]Appointed as a member of the committee effective 1st February 2020.

6.4.4 Committee of Directors

During the year, the Company has constituted non-statutory Committee of Directors for exercising the powers of the Committee under Schedule of Authorities of the Company. The Committee comprises of the following members:

- Mr. R. N. Subramanyam, Chairman
- Mr. Vijay Namjoshi, Member

During the year, no meeting of the Committee was convened.

6.4.5 Allotment Committee

The Company has constituted non-statutory Allotment Committee for exercising the powers of the allotment of equity shares. Currently, the Committee comprises of the following:

- Mr. Ramesh N. Subramanyam, Chairman
- Mr. K. M. Chandrasekhar, Member

Mr. Narendra Nath Misra was ceased to be a member of the committee effective 15th January 2020.

7. Board diversity

Your company recognises and embraces the importance of a diverse Board in its success. It believes that a truly diverse Board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help it retain competitive advantage. The Board adopted the policy on Board diversity and director attributes which sets out the approach to diversity of the Board of Directors. The policy is reproduced in Annexure A.

8. Remuneration policy for the directors, key managerial personnel and other employees

In terms of the provisions of Section 178(3) of the Act, the Nomination and Remuneration Committee (NRC) is responsible for formulating the criteria for determining qualification, positive attributes and independence of a director. The NRC is also responsible for recommending to the Board, a policy relating to the remuneration of the directors, key managerial personnel and other employees. In line with this requirement, the Board has adopted the remuneration policy for non-executive directors, key managerial personnel and other employees of your company which is reproduced in Annexure B.

Based on the recommendation of the NRC, the Board has adopted the advisory note on sitting fees for non-executive directors. The non-executive directors are paid remuneration by way of sitting fees. No sitting fees is paid to employees/consultants of Tata Power, except woman employee nominated as woman director on the Board of the company, for attending meetings of the Board/committees of the Company. No commission is paid to any director of your company.

The details of sitting fees paid to non-executive directors for FY20 for attending the meetings of the Board and committees are as follows:

Sr. No.	Name of the director	Sitting fees for FY20 (gross) (`)
1	Mr. Nawshir H. Mirza	5,35,000
2	Mr. Narendra Nath Misra	6,00,000
3	Ms. Anjali Kulkarni	4,65,000
4	Mr. Ashok Sinha	3,25,000
5	Mr. K. M. Chandrasekhar	2,80,000

9. Annual evaluation of board performance and performance of its committees and individual directors

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual Directors, pursuant to the provisions of the Act. The performance of the Board was evaluated by the entire Board after seeking inputs from all the Directors on the basis of criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc. The performance of the Committees was evaluated after seeking inputs from the Committee members on the basis of criteria such as the composition of Committees, effectiveness of Committee meetings, etc. The above criteria are based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on 5th January 2017. In a separate meeting of Independent Directors, performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company after taking into account the views of Executive Directors and Non-Executive Directors, was evaluated. The Board and the NRC reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In the Board meeting that followed the meeting of the Independent Directors and meeting of the NRC, the performance of the Board, its Committees, and individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

Outcome of evaluation process

Based on inputs received from the members, it emerged that the Board had a good mix of competency, experience, qualifications and diversity. Each Board member contributed in his/her own manner to the collective wisdom of the Board, keeping in mind his/her own background and experience. There was active participation and adequate time was given for discussing strategy. Overall, the Board was functioning very well in a cohesive and interactive manner.

10. Regulatory & legal matters

The business of your company is governed primarily by the Electricity Act, 2003 (EA, 2003) and associated regulations. Mentioned below are the critical regulatory orders pertaining to your company that were issued during FY20, none of which impact the "going concern" status of your company.

10.1 Compensatory Tariff matter

Post the Hon'ble Supreme Court judgement, the Company made representation to the Government of India (GOI) and Government of Gujarat (GOG). In view of the same, a Working Group was constituted for evaluating options for sustaining the operations of the imported coal-based power projects located in Gujarat. The Working Group comprised of representatives of the procurers and lenders. The Working Group submitted its report after undertaking due diligence on legal, technical and financial aspects of the projects. Further, Working Group made recommendation to form a High Power Committee ("HPC") for reviewing the Report and for early resolution of the matter. Pursuant to various meetings & deliberations and as advised by the Ministry of Power, GOI, it was decided by all Procuring States that Gujarat being lead procurers should initiate action for early resolution of the issue.

Based on the above, GOG formed an HPC comprising of experts from judiciary, banking and power sector to review the report of the Working Group and suggest means for resolution of issues related to these projects. HPC engaged with all stakeholders like developers, consumer groups & lenders and taken into consideration their views. In the aforesaid background, HPC re-looked, reviewed, analysed and re-evaluated the overall situation afresh and made reasoned recommendations on 3rd October 2018 along with a draft Supplemental PPA to be executed between the parties to PPA.

In the meantime, GOG & SBI filed an application before the Hon'ble Supreme Court (SC) seeking a clarification that the Hon'ble Supreme Court's Judgment (April 2017) in the Compensatory Tariff matters does not impinge upon/ prevent the exercise of option of amending the PPA. The Hon'ble SC passed an Order allowing the above application and thereby allowing the parties to approach CERC for amendments in the PPAs. Further SC clarified that CERC will hear each of the consumer representatives as regards their objections on the amendment of the PPA. CERC is also directed to pass its Order on the amendment of the PPA within a period of eight weeks. Post SC Judgement, GOG passed its Resolution accepting HPC recommendations with minor modification and directed Gujarat Urja Vikas Nigam Limited (GUVNL) to modify/ amend the PPA and approach the Regulator for necessary approval. Based on the above, GUVNL has finalised Supplemental PPA and circulated to other Procurers (four states) seeking their approval. Your company is pursuing the matter with other Procuring States for a consensus on Supplemental PPA circulated by the GUVNL for more than last one year. In the meantime, number of meetings were held under the Chairmanship of Secretary (Power) in Ministry of Power, Govt. of India for early resolution of HPC matter. In last meeting held on 20th March 2020, it was informed that as per the legal opinion received from Additional Solicitor General of India, even if UMPP Mundra supply power as per the tariff discovered through the competitive bidding process to five states under single PPA, in order to implement HPC recommendations, Company can enter into separate Supplemental PPAs with each Procurer. Further, in the said meeting, representatives of Gujarat and Maharashtra submitted that while they were open to the possibility of signing a revised PPA but under no circumstances they will be able to take power at higher tariff than the other procuring states from the same UMPP, Mundra. Therefore, Company is pursuing with Gujarat & Maharashtra to sign separate supplemental PPAs and once Supplemental PPAs are signed, parties will approach CERC for approval of Supplemental PPA. Once HPC recommendation is implemented in few sates, matter will be taken up with other Procuring states.

Your company remains committed to operating and maintaining the 4,000 MW Mundra Ultra Mega Power Station, which is operating at benchmark operational parameters and is making a significant contribution in ensuring the energy security of the country. For the long-term sustainability of the power station, your company is exploring all options to structure the investment in a manner that it earns a reasonable return.

10.2 Change in law

The Company has been filing various petitions before the Hon'ble CERC on various incidences of change in law for bringing into effect of any enactment, adoptions, promulgations, amendment, modification or repeal of any law by Indian Government instrumentality after bid deadline date. Few Petitions filed before CERC are still under adjudication. Further, based on the Order passed by the CERC, the Company has been raising the supplementary invoices. However, where any change in law incidences are rejected by the CERC, Company has challenged before the APTEL and the same are under adjudication.

Few Petitions filed before CERC are still under adjudication.

11. Risks and Concerns

Your company is faced with different types of risks, all of which need different approaches for mitigation. Your company has the following major risks:

- Increase in cost of fuel
- Non - Availability of Fuel / Logistics Risk
- Major Operational/catastrophic failures of critical equipment
- Major threats to stations from terrorism / sabotage
- Risk of Fire & explosions
- Natural disasters like flood, drought, storms, earthquake

12. Risk Management Framework

Based on the risk management strategy document, a standardized risk management process and system has been implemented. Risk plans have been framed for all identified risks and uploaded in the system with mitigation actions, target dates and responsibility. This has enabled continuous tracking of status of mitigation action and monitoring of risk mitigation completion index (RMCI). The risk register contains the mitigation plans for eight categories of risk, which are Fuel and Logistics, Assets and Catastrophy, Environment and Safety, Regulations and Legal, Technology, Operational, Financial, Human Resource. The Risk Management Committee (RMC) closely monitor and reviews the risk plans. The RMC comprises of CEO, CFO, Chief O&M, Chief O&M (Services) and other functional heads. CEO is the Chairman of the RMC.

All risks have been classified into strategic, tactical and operational risks. The RMC meets every bimonthly to review major strategic, tactical and operations risks and to identify new risks.

Your company has refined its risk quantification method, which will help to identify key risks of the organisation and reduce subjectivity in assessment of residual value. This will also help in implementing appropriate controls in business processes.

Since FY16 the British Standards Institution (BSI) has conferred the 'statement of compliance' to your company for ISO 31000:2009 - a recognition that implies that your company has strong processes for risk identification, management and mitigation.

BSI has done the assessment and awarded ISO 22301:2012 - certification for societal security and business continuity management system to your company. Since last 4 years, your company is celebrating business continuity awareness week for increasing the level of awareness across the employees. Various initiatives were undertaken like mock drills, training sessions, posters/ screen savers, quiz competition, etc.

Key highlights for FY20 are as follows:

1. Risk mitigation completion index (RMCI) is 100%.
2. Mock Drill / Exercise compliance is 100%.

3. 25 risk plans exist for CGPL. Nine new risks have been added this year to standardization of risks across Tata power generation cluster. Three risks deleted as per RMC review.
4. Business Continuity Awareness Week celebrated from 13th to 17th May 2019.
5. "VAYU" Cyclone Preparedness & Handling @ CGPL during 13th to 17th June 2019.
6. Business continuity plan in place for handling COVID-19 Pandemic at CGPL.

13. Internal Controls and Systems

The Company has internal audit function which reviews effectiveness of Internal Financial Controls (IFC) by adopting a systematic approach to its work.

To fulfil the requirements of the Companies Act, 2013, the in-house internal audit team integrated IFC controls into risk control matrix (RCMs) of enterprise processes. Testing of IFC controls was ensured as part of approved annual internal audit plan.

On review of the internal audit observations and action taken on audit observations, we can state that there are no adverse observations having material impact on financials, commercial implications or material non-compliances which have not been acted upon.

The Company has continued the Control Self-Assessment (CSA) process, whereby responses of all process owners are used to assess the effectiveness of internal controls in each process. This supports CEO/CFO certifications for internal controls.

Legal firm 'Legasis' is assigned the task of mapping all legal compliances and updation of amendments for various statutory compliance in the online system called as Legatrix. This system has escalation mechanisms for non-compliances. Status of compliances are monitored by Compliance Management team and are reported and reviewed during periodic management review. CEO & CFO also furnishes a statutory compliance certificate to the Board.

14. Whistle Blower Policy/ Vigil Mechanism

Your company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. In line with the Tata Code of Conduct (TCoC), any actual or potential violation, howsoever insignificant or perceived as such, would be a matter of serious concern for your company. The role of the employees in pointing out such violations of the TCoC cannot be undermined. Pursuant to Section 177(9) of the Act, a vigil mechanism was established for directors and employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of your company's code of conduct or ethics policy. Accordingly, the vigil mechanism provides a mechanism for employees of your company to approach the Chief Ethics Counsellor (CEC) or the chairman of the audit committee. Various awareness sessions are conducted for building on the ethical culture in the organisation. Every year Ethics Week is celebrated to increase participation of employees and their families, contract workers and other stakeholders in the various ethics related initiatives of the company.

15. Tata Code of Conduct for Prevention of Insider Trading & Code of Corporate Disclosure Practices

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Board of Directors of the Company has adopted the revised Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices (the Code). All the Promoters, Directors, Employees of the Company and its material subsidiaries, who are Designated Persons, and their Immediate Relatives and other Connected Persons such as auditors, consultants, bankers, etc., who could have access to the unpublished price sensitive information of the Company, are governed under this Code.

Chief Financial Officer (CFO) of the Company is the 'Compliance Officer' in terms of this Code.

16. Sustainability

16.1 Care for our people

Safety is a core value in our company. Continuous efforts are directed towards improving Safety and below are some of the highlights in Safety:

- CGPL has won ICC National Occupational Health & Safety Award in Power Generation & Electrical Units Category on 21st June 2019.
- CGPL got first prize for "Implementation of SAP based protection & interlock bypass monitoring system" in Best Practices Safety - Conclave 2020 for Generation Cluster which was organized on 21st and 22nd January 2020 at IEL Kalinganagar.
- "Tool Box Talk" booklet was launched detailing risks and their mitigation measures. These booklets were distributed to employees and associates. This will help as guidance for supervisors / engineers for conduct of Tool Box Talk. This will also guide in preparation of Job Safety Analysis.

- 354 lost time incident (LTI) free day and 5.02 safe million man-hours were achieved till 31st March 2020.
- Unsafe acts/conditions are reported by employees from site using "Tata Power Suraksha app", which are subsequently tracked and addressed through SAP.
- L1 level safety training through Tata Power Skill Development Institute (TPSDI) was conducted for business associates and 2,274 workers were covered in this training.
- Safety awareness programs on road safety, home safety, earthquake and fire safety were organized in "Aashiyana Township" employees & their families.
- Safety programs were conducted in nearby village schools covering more than 2000 participants in nearly 10 schools.
- Proactive safety measures like Hazard Identification and Risk Assessment, Job Safety Analysis (JSA), Daily Activity List (DAL), Pre Start-Up Safety Review (PSUSR), etc. are being rigorously followed.
- Safety critical jobs and issues are discussed in daily morning meeting and senior leadership team guides for resolution.
- Improvement in plant are continuously driven to reduce risk such as Horizontal Lifeline (HLL) is installed in maintenance bay of Fire Station for inspection and maintenance of fire tender (top). Similarly, other improvements include Hydrogen Rectifier AC current measurement in live busbar using Digital Meter and CTs, Soot Blower system Isolation modification, Substitution of O2 Analyzer (without O2% display) with new O2 analyzer with Inbuilt display in Hydrogen (H2) plant, etc.
- Testing and certification of electrical tools, distribution board, etc. are conducted quarterly. Lifting tools & tackles are visually inspected quarterly apart from annual third party inspection. Scaffolding material is also visually inspected and unhealthy material is removed.
- Theme based campaigns and audits are conducted to improve Safety such as slip, trip & fall, electrical safety, 1S drive, pull chord audit, handrail audit etc., were conducted.
- CEO's Safety Town halls are organised for safety dialogue with employees.
- Specialized safety training were conducted on various topics like Tata Safety & Health Management System, Scaffolding Inspector, Defensive Driving, Hydrogen Safety, Behavior Based Safety, fire safety etc.

A summary of safety results achieved (for both employees and contract workforce) is shown below:

Sr. No.	Parameters	FY 20	*FY 19*
1	Fatality (number)	0	*0*
2	LTIFR (Lost time injuries frequency rate) (per million-man hours)	0.19	*0*
3	TIFR (Total injury frequency rate) (number of injuries per million-man hours)	5.33	*6.22*
4	First aid cases (number)	21	*25*
5	Man-days lost	42	*0*
6	Man-days worked	6,54,693	*6,63,083*

16.2 Care for community and environment:

16.2.1 Corporate Social Responsibility (CSR):

The CSR investments were made to respond to local demands for developmental activities with a view to establish your company as the "neighbour of choice".

Some of the major CSR activities pursued which are under the three thematic domains of CSR strategic intent which are (A) Livelihood Linked Biodiversity/Ecosystem (B) Basic Needs (c) Social Capital and Infrastructure:

- **Sagarbandhu Program:**

  Your company is working extensively with two fishing villages and in one Bunder i.e. Modhva, Tragadi and Tragadi Bunder with a plan of action to support livelihood and skill development to fisher folk to generate adequate household income/ savings and also enhance their quality of life. Your company is also running the informal school - Sagarshala with 115 students in association with Sarva Shiksa Abhiyan (GOG); apart from Education inputs, access to the Government Schemes, Health and sanitation measures, daily supply of drinking water, Distribution of Water wheels, Sports and Cultural programs, Dry fish processing and packed sale of fishes are accomplished to augment the quality of life of fisherfolk, Fishermen Information Centre (FIC) is continued functioning for access of Government schemes & entitlement and meeting/Training.

- **Kanthi Area Livelihood Program:**

  Your company continued with the daily supply of fodder for 3,600 cattle which benefited 540 cattle owners under Kanthi Area Livelihood program through establishment of two Gauseva Charitable trust. Government of Gujarat appreciated the efforts of CGPL (Tata Power) for continued fodder support during the Drought in Kutch in the year 2019-20.

- **Samriddhi :**

  Your company has partnered with expert agencies for successful implementation of model project on Gaucher Land Development program in association with Panchayat; intervention in the Agriculture and Animal Husbandry services viz. promotion of NB-21 variety of fodder demo plots, Establishment of Samriddhi Information Centre, Distribution of Slips and seed, vermicompost training cum production and sold in the market with Brand "Xtra-Compost". This has promoted the organic farming in the region with adequate training to the farmers in association with Krishi Vigyan Kendra (KVK). Your company has successfully implemented the "Brucellosis Control Project" in the region in association with National Dairy Development Board hence all the cattle owners have benefited with various interventions, viz Vaccination, Milk testing, Awareness Training and developed several IEC materials for dissemination among the community.

- **Water harvesting and conservation / School and Community RO plant:**

  CGPL-TPCDT continued to partner with Arid Community & Technologies and Geo Science Services and successfully implemented PGWM/ Aquifer shed Management in 19 villages of two blocks of Mundra and Mandvi Taluka of Kutch District, Gujarat in the vicinity of CGPL.

  Your company is strengthening the Geo-hydrological conditions in 19 villages under integrated intervention plan. Water resource development and management plan developed based on estimations of water balance and to meet the deficit of approx. 31.5 MCM. In order to mitigate the deficit, Water Security plan has been developed for 19 villages, constructed water harvesting structures, establishment of Field Research Lab, Action Research project, Development of Protocols, well recharging, Usage of Sewerage water for promotion of agriculture through establishment of STP, Check dams, promote innovative agricultural practices and support through technical inputs including installation of Water meters, Installation of rain Gauge, Intervention in promotion of Systematic Wheat Intensifications (SWI) in the region and also propagated optimal water use among the stakeholders. Cadre of Bhujal Jankars (para hydrologists) has been created and deployed, Constant M&E has been carried out in the observatory wells in the Aquifer and systematically analysed; During the year, it has been found that water table has increased from 20 meter to 5 meter and also the TDS values has been decreased from 3500 to 500 mg/l and this year about 7.62 MCM Water deficit has been reduced through various interventions in Demand and Supply side.

  During the reporting year, your company has mobilized external fund support on PGWM from WIN Foundation (` 40 lakh in FY 2019-20) and got the technical support from IIT- Gandhinagar for implementation of the entire program in the region. This program is now been adopted and replicated by other organisations viz industries, Government, NGOs etc. in the region. The success in the field in Participatory Ground Water Management has featured in various publications and Government of Gujarat has also recognized the program. This program is now replicated by other industries and other locations of Tata Power. During the year, PGWM program has also qualified in the 2nd round of Innovista of Tata Power in the category of "Sustainability Impact Innovations".

  Your company has also successfully implemented Government of Gujarat Mandated "Sujalam Sufalum Jal Sanchay" program in the CGPL vicinity. District administration has given the appreciation certificate for the proactive role and successful implementation of the program.

  Additionally, under Project Swajal, one Community Reverse Osmosis Plant in the village is reinstalled in partnership with Panchayat, now your company has saturated with RO plants and installed 21 community RO plants and 61 School RO plants in the vicinity till now.

- **Shiksha Saarthi, Shiksha Saarthi Smart Camp and E - vidya:**

  Your company addressed the issue of "Quality Education" by promoting 'Learning achievement' in the 30 schools nearby through various inputs viz. Establishment of Science Centre with Internet facility, organising school and community science fairs, Teachers training, Educational kits to the new school entrants. Through this program in the reporting year, 5623 students were covered under Shiksha Saarthi program. Additionally, to promote the smart and e-learning concept in the school, your company has installed customised software (aligned with Gujarat Course Curriculum up to class-8th) in 20 schools and benefited approx. 1700 students. Your company has also successfully piloted "Shiksha Saarthi Smart Camp" project in two schools in the vicinity. This program has brought a significant improvement in the foundational knowledge of about 220 students of 6th, 7th and 8th Grade students in Mathematics, English and Gujarati.

- **Project Dhaaga:**

  This project which aims to economic empowerment among the SHG artisans has been very successful in the reporting year, the success of the program has also featured in the international E Magazine " The Good Sight". This year 75 SHG members were connected with the program. Under this program, presently two Local art have been promoted which are "Rabari and Suf". During the reporting period, artisans are also connected with OKHAI (Tata Chemical Promoted Garment Unit) for more job work. To generate more income for the SHG artisans one dedicated CSR gallery has been created inside CGPL plant premises. Simultaneously, Micro enterprise program for the SHG members has also been initiated in the reporting year, viz. production of different homemade products and its sale in the village market through proper training on entrepreneurial skills and convergence support from the Government scheme (Mission Mangalum). In the reporting year, your company has also got the award and appreciation letter from Development Commissioner (Handicraft) for participation in the Government sponsored handicraft exhibition for promotion of local artwork and promotion of Local artisan. During COVID-19 Lockdown, the Dhaaga Artisans were involved in production of Cloth Masks and supplied to your company.

- **Matters related to lenders:**

  Your company has foreclosed the loan agreement with IFC and ADB, therefore, all activities under Remedial Action Plan (RAP) and Management and Monitoring Plan (M&M) as formulated by the lenders in coordination with CGPL are completed. The lenders have appreciated the endeavor and sincere efforts of your company in mitigating the issues and the best practices in E&S measures.

- **Health Intervention (Arogya):**

  Your company, in partnership with expert health agency, has implemented project Arogya, covering 19 villages and addressed emergent health needs through specialized camps viz. Netra Raksha Abhiyan, Mahila Arogya Camp, School Health Camps, General Health camps etc. In the reporting year, 6143 persons were benefited constructed one sanitation unit and distributed Fumigation machine.

  Your company has also undertaken Village cleanliness Program in close coordination with the panchayats along with Waste management awareness training program among the community.

- **ICDS- Mamta Program:**

  In the reporting year, CGPL-TPCDT has taken up extensive capacity building and awareness training for the Aanganwadi Workers based in 6 villages under the concept of Model Aanganwadi. Additionally, provided all the basic facilities in the Anganwadi Kendra's in association with Partner agency, UNICEF and strategic support from GOG. This include Two of AA community.

- **Adhikar:**

  In the reporting year, your company has initiated Socio-Economic and Governance linkage-based Initiative with Govt. Schemes & entitlements in partnership with reputed agency that too through the digital platform. During the reporting year, more than 1600 families are enrolled and accessed government security schemes and entitlements.

- **SHG Program:**

  Under Self Help Group (SHG) program, CGPL- TPCDT has formed and nurtured 106 SHGs in the vicinity. The saving in these SHG has raised to ` 40 lakh. The inter-loaning, saving and bookkeeping by these SHGs are ensured during the reporting period for better system improvisation and convergence with different Government Schemes.

- **Social Audit:**

  Your company has carried composite index consisting of community reactions to multi-sector CSR initiatives. The positive social impact of initiatives is measured in terms of CSI (Community Satisfaction Index - a composite index consisting of community reactions to multi-sector CSR initiatives undertaken by your company and is measured through scientific) in a scientific way by Govt. Agency (MGLI - Mahatma Gandhi Labour Institute, Govt. of Gujarat). In the last concluded Social Audit, the value of CSI has reached in between 70-71%.

- **Volunteering:**

  Your company has promoted volunteerism among the CGPL volunteers extensively and hence, conducted various activities and programs viz. Swachchata Hi Seva Campaign, Tree Mitra, Mentor Mentee (Shiksha Saarthi), Adhikar Champions, Volunteering champions, Pro-Engage program. Your company has also proactively participated in the Tata Group mandated Tata Volunteering weeks. Overall, your company has clocked 5467.6 volunteering hours in the reporting period.

  The Annual Report on CSR activities of the company for FY 2019-20, is attached as Annexure - C.

16.2.2 Environment

Your company is governed by various legislative rules and regulations set by Gujarat State Pollution Control Board (GPCB) and Ministry of Environment and Forests (MoEF). Various specifications and guidelines of Central Pollution Control Board (CPCB) as applicable.

Your company scheduled to install sea water based FGD and deNOX systems after due approval of CERC and CEA, in accordance with new emission norms notified by MoEF&CC gazette notification dated 07-12-2015 and its subsequent amendments and directions.

Your company makes all out efforts to utilise Ash in accordance with MOEF&CC Gazette notifications and adheres to NGT/Supreme court orders in respect of the same.

Your company has integrated Environment Management system under ISO 14001 dated 15th October 2018 and the Occupational Health and Safety Assessment System OHSAS 45001 at 15th October 2018 certified by reputed agency M/s IR Class. Your company has incorporated state-of-the-art pollution control systems / devices to control air and water pollution and environment monitoring to comply with all applicable norms.

Your company adheres to Tata Power Environmental Policy and governance practices and ensures compliance with environmental requirements. A robust compliance management system is in place to review the environment compliance by the top management, as well as departmental heads at a defined frequency. Chief Executive Officer monitors the environment compliance to environment norms and conditions stipulated by GPCB through Legacy.

17. Human resources development

Some of the major human resource initiatives undertaken by your company during the year include:

- Employee engagement - Various employee engagement and welfare activities were conducted during the year. Town Hall meetings with CEO, Coffee with CEO for young Officers, Pulse Connect, Fun @ work, Knowledge sharing sessions, celebration of festivals, Inter and intra divisional sports events, family picnic etc. are some of the activities organised during the year.
- Rewards & Recognition - Total 390 nos. of rewards were given during FY20. Various forums for R&R are Annual reward night, Town halls, Chef O&M SDM meetings and departmental spot awards.
- Training & development - Training needs were identified for every employee through during Goal Setting process, for development and growth of employees. 70% training need compliance index (TNCI) has been achieved till March 2020 (Training Cycle July-2019 to June 2020) and the average training mandays is 4.5.
- Training through Internal Trainers - 10 nos. internal trainers were identified for technical trainings after a rigorous selection process. They have undergone a "Train the Trainer Program" and have started delivered training to CGPL employees. This has helped in optimizing training cost and create a learning organization. Total 10% TNCI & 2 Mandays training is achieved through Internal Trainers.
- Creating Comfortable & Conductive Learning - Nalanda Training Hall was renovated with better ambiance for comfortable learning experience.
- Medical health camps and medical awareness programs - Various health camps and medical awareness programs were organized during the year. This included annual medical health check-up, blood donation camp, eye check-up camp, Bone Mineral density camp, polio immunization camp, Covid-19 awareness sessions, Dietician sessions. Besides, First Aid training was provided to employees and contract workers.
- Competency enhancement of business associates - Renewed focus was there on competency development of workforce of business associates in collaboration with TPSDI, Mundra. 95 associates were assessed and identified competency gap in 58 workmen, accordingly training programmed scheduled 2103 associates were trained in safety foundation course.
- Implementation of Contract Labour Management System (CLMS) - For effective control and compliance of contract labour, CLMS system is very useful tools. In order to manage smooth and hassle-free gate pass process for huge number of contract manpower working at CGPL, CLMS has been introduced. CGPL is the first in Tata Power where this system implemented effectively with 100% coverage of workmen. Before implementation of CLMS, the Company did not have real time data of workmen inside the plant as well poor data base of workmen. This will also help to improve work productivity by proper monitoring of workmen performance by the contractor from their dashboard.
- Revision of Statutory Performance Parameter and Deduction due to non-compliance in work order:
  In order to ensure timely compliance of contract workmen, your company has introduced revised Statutory Performance Parameter and Deduction due to non-compliance in work order. This scheme penalizes the contractors on their actual

invoice value on percentage basis and per event wise against their failure in compliance with the applicable labour laws and this percentage will increase with each non-compliance and event wise. The whole scheme strengthening the process and makes the contractors more responsible and accountable and safeguards the interest of CGPL as principal employer.

- Contract workers welfare and statutory compliances - Payment of wages through bank account has been implemented for 100% associates at your company. All labour law related compliances have been ensured. Few welfare activities were also conducted for contract workers.
- Sexual harassment - Your company has continuously endeavoured towards improving diversity and creating a safe and fair workplace for its employees. Your company has formulated a policy on prevention, prohibition and redressal of sexual harassment at workplace (POSH) in line with requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An internal complaints committee (ICC) has been set up to redress complaints received regarding sexual harassment. The policy has guidelines on the redressal and enquiry process that is to be followed by complainants and the ICC, whilst dealing with issues related to sexual harassment at the workplace towards any woman colleague. All women associates (permanent, temporary, contractual and trainees) as well as any woman visiting your company's office premises or women service providers are covered under this policy. All employees are treated with dignity with a view to maintain a work environment free of sexual harassment whether physical, verbal or psychological.

  The following is a summary of sexual harassment issues raised, attended and dispensed during FY20:

  - No. of complaints received : Nil
  - No. of complaints disposed off : Nil
  - No. of cases pending for more than 90 days : Nil
  - No. of workshop or awareness programs against sexual harassment carried out : 25

18. Conservation of energy and technology absorption

The information on conservation of energy and technology absorption stipulated under Section 134 (3) (m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is attached as Annexure - D.

19. Foreign exchange earnings and outgo

The foreign exchange expenditure during the FY20 was as follows:

Particulars	Amount (` crore)
Capital goods and coal imports	4,936.51
Spare parts	9.76

20. Loans, Guarantees, Securities and Investments

Your company, being an infrastructure company, is exempt from the provisions as applicable to loans, guarantees and securities under Section 186 of the Act.

21. Deposits

As on 31st March 2020, your company had not taken any deposits.

22. Credit rating

The ratings assigned by different agencies reflected continued pressure on cash flows and under-recovery of fuel cost. However, it also reflected the strong operational, management and financial support which your company receives from The Tata Power Company Limited under the Sponsor Support Agreement with your company's project lenders which requires Tata Power to provide financial support for shortfall in debt servicing obligations.

Name of Rating Agency	Long term loan/ Debenture NCD Rating	Short term/ Commercial Paper Rating
CRISIL	CRISIL A-/Positive	CRISIL A1+(CE) *
CARE	CARE AA(CE) Stable *	CARE A+ (CE)*
India Ratings & Research	IND AA (CE) / Stable *	-

*Guaranteed by Tata Power

23. Particulars of employees and remuneration

The information required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is attached as Annexure E.

The information required under Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in the annexure forming part of this report. In terms of the first provision to Section 136 of the Act, the report and accounts are being sent to the members excluding the aforesaid annexure. Any member interested in obtaining the same may write to your company secretary at the registered office of your company. None of the employees listed in the said annexure is related to any director of your company.

24. Related Party Transactions

Related party transactions can present a potential or actual conflict of interest which may be against the best interest of your company and its shareholders. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 ("Act"), your company has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.

The details are annexed herewith as Annexure F.

25. Extract of annual return

Pursuant to Section 92 of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of annual return in Form MGT-9 is provided in Annexure G.

26. Auditors

The members had, at its meeting held on 28th August, 2017, appointed S R B C & Co. LLP (SRBC), Chartered Accountants, as statutory auditors of your company for a period of 5 years from the conclusion of the 11th Annual General Meeting (AGM) till the conclusion of the 16th AGM to be held in year 2022.

27. Auditors' Report

The notes forming part of the accounts referred to in auditors' report of your company are self-explanatory and, therefore, do not call for any further explanation under Section 134(3)(f) of the Act.

28. Cost Auditor and Cost Audit Report

Your Board has appointed M/s. Sanjay Gupta and Associates, Cost Accountants, as Cost Auditors of the Company for conducting cost audit for FY21. A resolution seeking ratification of remuneration payable to the Cost Auditors for FY21 is provided at Item No. 6 of the Notice of the ensuing AGM.

Pursuant to Section 148 of the Act, your Company carries out an annual audit of cost accounts relating to electricity. The Cost Audit Report and the Compliance Report of your Company for FY19, was filed on 13th August 2019 with the Ministry of Corporate Affairs through Extensive Business Reporting Language (XBRL) by M/s. Sanjay Gupta and Associates, Cost Accountants, before the due date of 30th September 2019. Further, the cost accounts and records as required to be maintained under Section 148 of the Act are duly made and maintained by the Company.

29. Secretarial Audit Report

M/s. Parikh & Associates, Company Secretaries, were appointed as Secretarial Auditors of your Company to conduct a Secretarial Audit of records and documents of the Company for FY20. The Secretarial Audit Report confirms that the Company has complied with the provisions of the Act, Rules, Regulations, and Guidelines and that there were no deviations or non-compliances.

The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks or disclaimers. The Secretarial Audit Report is provided in Annexure-H.

The Company confirms compliance with the requirements of Secretarial Standards 1 and 2.

30. Directors Responsibility Statement

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost auditors, secretarial auditors and external consultants including audit of IFC for financial reporting by the statutory auditors and the reviews performed by management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's IFC were adequate and effective during FY20.

Accordingly, pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures;

(b) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;

(c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors had prepared the annual accounts on a going concern basis;

(e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively (refer section 13);

(f) the Directors had devised proper systems to ensure compliance with the provision of all applicable laws and that such systems were adequate and operating effectively.

31. Acknowledgements

On behalf of the directors of your company, would like to place on record our deep appreciation to our shareholders, customers, business partners, vendors, both international and domestic, bankers, financial institutions and academic institutions.

The directors are thankful to the Government of India and the various Ministries, the State Governments and the various Ministries, the Central and State Electricity Regulatory Authorities, APTEL, Corporation and Municipal authorities of the areas where your company operates and communities associated with its area of operation.

The directors would also like to appreciate and value the contributions made by all our employees and their families for making your company what it is.

On behalf of the Board of Directors,

R. N. Subramanyam
Chairman
(DIN: 02421481)

Date: 27th April 2020
Place: Mumbai

Annexure A

Policy on board diversity & director attributes

1. **Objective**

1.1 The policy on board diversity ('the policy') sets out the approach to diversity on the board of directors ('the board') of Coastal Gujarat Power Limited (the company).

1.2 The company recognises that diversity at board level is a necessary requirement in ensuring an effective board. A mix of executive, independent and other non-executive directors is one important facet of diverse attributes that the company desires. Further, a diverse board representing differences in the educational qualifications, knowledge, experience, gender, age, thought and perspective results in delivering a competitive advantage and a better appreciation of the interests of stakeholders. These differences should be balanced against the need for a cohesive, effective board. All board appointments shall be made on merit having regard to this policy.

2. **Attributes of directors**

2.1 The following attributes need to be considered in considering optimum board composition:

2.1.1 Gender diversity: Having at least one woman director on the board with an aspiration to reach three women directors.

2.1.2 Age: The average age of board members should be in the range of 60 - 65 years.

2.1.3 Competency: The board should have a mix of members with different educational qualifications, knowledge and with adequate experience in finance, accounting, economics, legal and regulatory matters, the environment, green technologies, operations of the company's businesses, energy commodity markets and other disciplines related to the company's businesses.

2.1.4 Independence: The independent directors should satisfy the requirements of the Companies Act, 2013 (the Act) and the listing agreements in respect of the 'independence' criterion.

2.2 Additional attributes

2.2.1 The directors should not have any other pecuniary relationship with the company, its subsidiaries, associates or joint ventures and the company's promoters, besides sitting fees and commission.

2.2.2 The directors should not have any of their relatives (as defined in the Act and Rules made thereunder) as directors or employees or other stakeholders (other than with immaterial dealings) of the company, its subsidiaries, associates or joint ventures.

2.2.3 The directors should maintain an arm's length relationship between themselves and the employees of the company, as also with the directors and employees of its subsidiaries, associates, joint ventures, promoters and stakeholders for whom the relationship with these entities is material.

2.2.4 The directors should not be the subject of allegations of illegal or unethical behavior, in their private or professional lives.

2.2.5 The directors should have ability to devote sufficient time to the affairs of the Company.

3. **Role of the nomination and remuneration committee**

3.1 The nomination and remuneration committee ('the NRC') shall review and assess board composition whilst recommending the appointment or reappointment of independent directors.

4. **Review of the policy**

4.1 The NRC will review this policy periodically and recommend revisions to the board for consideration.

Annexure B

Remuneration policy for directors, key managerial personnel and other employees

The philosophy for remuneration of directors, key managerial personnel ("KMP") and all other employees of Coastal Gujarat Power Limited ("company") is based on the commitment of fostering a culture of leadership with trust. The remuneration policy is aligned to this philosophy.

This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 ("Act"). In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail, and the company shall abide by the applicable law. While formulating this policy, the nomination and remuneration committee ("NRC") has considered the factors laid down under Section 178(4) of the Act, which are as under:

"(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals"

Key principles governing this remuneration policy are as follows which give due regard to the policies of the parent company:

- **Remuneration for independent directors and non-independent, non-executive directors**
  - Independent directors ("ID") and non-independent non-executive directors ("NED") (other than employees of other Tata companies and nominees of the joint venture partner) may be paid sitting fees (for attending the meetings of the board and of committees of which they may be members) and commission within regulatory limits.
  - Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the board.
  - Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the company (taking into consideration the challenges faced by the company and its future growth imperatives).
  - Overall remuneration should be reflective of size of the company, complexity of the sector/industry/company's operations and the company's capacity to pay the remuneration.
  - Overall remuneration practices should be consistent with recognized best practices.
  - Quantum of sitting fees may be subject to review on a periodic basis, as required.
  - The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the board based on company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the board.
  - The NRC will recommend to the board the quantum of commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the board and committee meetings, individual contributions at the meetings and contributions made by directors other than in meetings.
  - In addition to the sitting fees and commission, the company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/ her role as a director of the company. This could include reasonable expenditure incurred by the director for attending board/board committee meetings, general meetings, court convened meetings, meetings with shareholders/creditors/ management, site visits, induction and training (organized by the company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/her duties as a director.
- **Remuneration for managing director ("MD")/executive directors ("ED")/KMP/ rest of the employees[1]**
  - The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be
    - Market competitive (market for every role is defined as companies from which the company attracts talent or companies to which the company loses talent),
    - Driven by the role played by the individual,

[1]Excludes employees covered by any long term settlements or specific term contracts. The remuneration for these employees would be driven by the respective long term settlements or contracts.

Annexure B

Remuneration policy for directors, key managerial personnel and other employees *(Contd.)*

- Reflective of size of the company, complexity of the sector/ industry/ company's operations and the company's capacity to pay,
- Consistent with recognized best practices and
- Aligned to any regulatory requirements.

• In terms of remuneration mix or composition,

- The remuneration mix for the MD/ EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
- Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.

In addition to the basic/ fixed salary, the company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re-imbursements or insurance cover and accidental death and dismemberment through personal accident insurance.

- The company provides retirement benefits as per applicable Tata Power group policy.
- [In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the company provides MD/ EDs such remuneration by way of an annual incentive remuneration/ performance linked bonus subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the board. An indicative list of factors that may be considered for determination of the extent of this component are:
    - Company performance on certain defined qualitative and quantitative parameters as may be decided by the board from time to time,
    - Industry benchmarks of remuneration,
    - Performance of the individual.[2]
- The company provides the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the company.

■ **Remuneration payable to director for services rendered in other capacity**

The remuneration payable to the directors shall be inclusive of any remuneration payable for services rendered by such director in any other capacity unless:

- The services rendered are of a professional nature; and
- The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession.

■ **Policy implementation**

The NRC is responsible for recommending the remuneration policy to the board. The board is responsible for approving and overseeing implementation of the remuneration policy.

[2]To be retained only if commission is not provided to MD/ EDs

Annexure C

Annual Report on CSR Activities for FY 2019-20

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

   The project/programmes are covered in the following areas:

   1) **Livelihood linked biodiversity/ecosystem** - It covers work on agriculture, fisheries, animal husbandry, water harvesting and conservation; Title of the projects: - Samriddhi, Sagarbandhu, KALP, Amrutdhara.

   2) **Basic needs** - Health and nutrition, education, public health (drinking water and sanitation), livelihood promotion through SHG. Title of the projects: - Shiksha Saarthi, E- Vidya, Shiksha Saarthi Smart Camp, Arogya, Mamta.

   3) **Building social capital and infrastructure** - Work towards promotion of rural energy, skill development program for the SHG artisans, creation of community needs-based property resources, Social Audit and other studies, Access to the community with Government entitlement and schemes, Formation and Nurturing of SHGs and Village Level Committees. Title of the projects: - Dhaaga, Adhikar, Social Audit, Nirman).

   CSR Policy of the Company has been uploaded on the website: www.tatapower.com.

2. **The composition of the CSR committee**

   The CSR committee consists of the following directors:

   - Mr. Vijay Namjoshi - Chairman
   - Mr. K. M. Chandrasekhar - Member (Independent director)
   - Ms. Anjali Kulkarni - Member

3. **Average net profit of the company for last three financial years**

   Your company has incurred average losses during the last three immediately preceding financial years.

4. **Prescribed CSR expenditure(two percent of the amount as in Item 3 above)**

   Not applicable.

5. **Details of CSR spent during the financial year**

   (a) **Total amount to be spent for the financial year:** Nil

   (b) **Amount unspent, if any:** Nil.

   (c) **Manner in which the amount spent during the financial year:** As referred below.

Annexure C

Schedule I to the Annual Report on CSR activities

Sl. no.	CSR project or activity Identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) Specify the state & district where projects or programs was undertaken	Amount outlay (Budget) project or programs wise (` in lakhs)	Amount spent on the projects or programs SUB heads: (1) Direct expenditure on projects or programs (2) Overheads (` in lakhs)	Cumulative expenditure upto the reporting period (` in lakhs) FY 2017-18, FY 2018-19, FY 2019-20	Amount spent direct or through implementing agency
1	Fodder Support to Gaushala and Agriculture Intervention program **(KALP & Samriddhi)**	**Livelihood linked biodiversity/ ecology (animal husbandry, fisheries, agriculture productivity enhancement program, micro irrigation, gaucher land development) animal husbandry, fisheries and agriculture, water harvesting and conservation)**	Local (Tunda-Vandh and Mota Kandagara), Agriculture, Animal Husbandry and Allied services	616.00	550.46	1,254.36	TVGCT *(Tunda Vandh Gauseva Charitable Trust) Regn. No. E/2275-Kutch, Feb-2009* MKGCT *(Mota Kandagara Gauseva Charitable Trust) Regn. No. E/2375-Kutch, Dec-2009* KFFFDT- *Kutch Fodder Fruit and Forest Development Trust/ E940 Kutch/28th March1989)*
2	Participatory ground Water management (Demand- Supply side management) **(AMRUTDHARA)**		Local villages- 19 villages of Mundra and Mandvi Block Water Initiatives with Focus on Ground Water Management	0.00	0.00	3.63	GSS *(Geo Sciences Services- A proprietorship Farm & registered with Good & Service Tax-24AKFPB0232N2ZK)*
	Sub Total A			**616.00**	**550.46**	**1,257.99**	
3	Shiksha Saarthi program- improving learning achievements including digital learning **(Shiksha Saarthi)**	**Basic needs (health & nutrition, education, public health - drinking water and sanitation), livelihood promotion through self-help group, Development of Model ICDS Kendra**	Local -Mandvi, Block Integrated approach for Education initiatives	0.00	0.00	1.83	CGPL
4	Concurrent Health Surveillance Diagnosis and Treatment and Model ICDS centre **(MAMTA)**		Local-19 villages Intervention in Maternal and Child Health	5.00	3.00	3.00	KFFFDT- *Kutch Fodder Fruit and Forest Development Trust, Registration No- E940 Kutch/28th March1989)*
	Sub Total B			**5.00**	**3.00**	**4.83**	

Annexure C

Schedule I to the Annual Report on CSR activities *(Contd.)*

Sl. no.	CSR project or activity Identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) Specify the state & district where projects or programs was undertaken	Amount outlay (Budget) project or programs wise (` in lakhs)	Amount spent on the projects or programs SUB heads: (1) Direct expenditure on projects or programs (2) Overheads (` in lakhs)	Cumulative expenditure upto the reporting period (` in lakhs) FY 2017-18, FY 2018-19, FY 2019-20	Amount spent direct or through implementing agency
5	Academic Coaching Classesat Tunda- Under Community asset creation - Nirman - Emergent requirements of authority / community **(Shiksha Saarthi)**	**Building social capital and infrastructure; work towards model village, rural energy, skill development, creation of community need based property resources, Strengthening of Women SHGs**	Local 1 village, Integrated approach for Education initiatives	1.00	0.64	0.64	CGPL
6	Project Samriddhi under Community asset creation, Emergent requirements of authority / community **(Nirman, Arogya, Swajal)**		Local- 21 villages Common Property Resources, Augmentation in Health practices and Behaviour Change Communication	11.25	11.25	11.25	KFFFDT- *Kutch Fodder Fruit and Forest Development Trust, Registration No- E940 Kutch/28th March1989)*
7	PGWM Sujalam Sufalam - Under Community asset creation **(Amrutdhara)**		Local- 21 villages Water Initiatives with Focus on Ground Water Management	12.00	14.16	31.11	GSS *(Geo Sciences Services- A proprietorship Farm & registered with Good & Service Tax- 24AKFPB0232N2ZK*
8	Knowledge Management & Documentation- **(Social Audit)**		Local- 21 villages	8.75	6.46	9.66	MGLI *(An Autonomous Institute Under Labour and Employment Dept, GOG; Registration Number- GUJ/681/Ahmedabad, 15th Sep,1979*
	Sub Total C	-	-	**33.00**	**32.51**	**52.66**	-
	Total (A+B+C)	-	-	**654.00**	**585.97**	**1,315.48**	-

6. **In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.** Not Applicable.

7. **A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the company.**

   To the best of the knowledge and belief and according to the information and explanation obtained by them, the CSR committee hereby states that the implementation and monitoring of CSR Policy is in compliance with the CSR objectives and the CSR policy of your company.

Vijay Namjoshi
CSR Committee Chairman
(DIN: 08626492)

R. N. Subramanyam
Chairman
(DIN: 02421481)

Date: 27th April 2020
Place: Mumbai

Annexure D

Conservation of Energy and Technology Absorption

Conservation of Energy

A. The steps taken or impact on conservation of energy

Your company has taken the various initiatives for the energy conservation through adoption of various new technologies and improved processes. These have led to the improved heat rate and reduced auxiliary power consumption. The major initiatives are:

- Installation of VFD (variable frequency drive) in CEP (condensate extraction pump) of all five units was done in FY 19. Subsequently it has given the auxiliary power consumption savings of 11.74 MUs ~ 0.041% in station APC in FY 20.
- Unit 50 Capital Overhaul helped to restore efficiency and reduce Unit heat rate by 15 kcal/kwhr.
- Unit 40 Boiler and Generator overhaul helped to restore efficiency and reduce unit heat rate by 23 kcal/kwhr.
- Station has achieved lowest ever APC of 7.67% in FY20.
- Station achieved specific water consumption of 0.157 M3/MWH in FY20 against 0.193 M3/MWH in FY19.

B. The capital investment on energy conservation equipment

Form B

Form for disclosure of particulars with respect to technology absorption, research and development

1	Specific areas in which R&D carried out by the Company.	None
2	Benefits derived as a result of the above R&D	None
3	Future plan of action	None
4	Expenditure on R&D: Capital Recurring Total Total R&D expenditure as a percentage of total turnover	Nil

Technology, absorption, adaptation and innovation

1	Efforts, in brief, made towards technology absorption, adaptation and innovation	• Replacement of centre break isolators with double break isolator in all 5 Units of CGPL is completed, which resulted in improved availability. • Web based digital tools (monthly strategic review tools) to optimize generation and coal cost are under development. Various digital operational tools are developed for process optimization. • Implementation of frequency prediction tool has helped in optimising over injection and under injection of power. • Boiler Expansion moment is digitized to monitor boiler expansion on real time basis from remote and uneven expansion can be addressed instantly to avoid force outage.
2	Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.	System availability, reliability, safety and cost reduction along with improvement in operational efficiency.
3	In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year) (a) Details of Technology imported (b) Year of import (c) Whether the technology been fully absorbed? (d) If not fully absorbed, areas where this has not taken place and reasons thereforSmart water cannon system.	a) Smart water cannon system. b) 2014 for U-10 and balance Units in FY-18 and FY-19. c) Yes.

Annexure D

Conservation of Energy and Technology Absorption *(Contd.)*

C. Other initiatives

- Capital overhaul of 830 MW unit (U# 50) completed resulting in restoring efficiency and APC reduction of the Unit.
- Boiler overhaul of 830 MW unit (U# 40) completed resulting in restoring boiler efficiency and APC reduction of the unit.
- Performance tool - Early detection of passing in Boiler feed pump recirculation valve for unit 20 & 40 has contributed in the reduction of APC by 0.16% & 0.20 % respectively.
- Coal blend optimizer tool used for technical analysis of nearly 30 types of off spec coal in FY 20. Out of these, we have procured and fired coals like Columbian, AVRA (LCV), Banpu (HCV) and M 5000 coals.
- First time export of fine ash quantity of 43000 MT gained a revenue of Rs. 1.04 crore.
- Internal benchmarking practice has been started, in which operational KPI's have been identified and data for last six months collated for Benchmarking.
- Standalone fire detection systems have been installed in all inhabited buildings in the complex, for quick identification of location of fire. This will help fire crew to reach the fire site in shortest time.
- Fire water line replacement phase - 2 completed and final Phase is under progress resulting in reduction of service water consumption by 2000 M^3/ day and increased fire water system availability.
- Water cannon/Hydrojet installed in all units to bring more flexibility to fire different off-specification coal.
- Pipe Conveyor system made fully operational to reduce fugitive emissions during coal transfer.

On behalf of the Board of Directors,

R. N. Subramanyam
Chairman
(DIN: 02421481)

Date: 27th April 2020
Place: Mumbai

Annexure E

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Name of the Director	Ratio of Directors' remuneration to the median remuneration of the employees of the Company for the financial year
Mr. Ashok S. Sethi (Upto 30th April 2019)	N.A.
Mr. Nawshir H. Mirza	0.43
Mr. Narendra Nath Misra	0.48
Mr. Ashok Sinha	0.26
Mr. K. M. Chandrasekhar	0.22
Mr. Ramesh N. Subramanyam	N.A.
Mr. Vijay Namjoshi	N.A.
Mr. Purushottam Thakur	N.A.
Ms. Anjali Kulkarni	0.37

ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Name of the Director and Key Managerial Personnel	Percentage increase in remuneration in the financial year
Mr. Ashok S. Sethi (Upto 30th April 2019)	N.A.
Mr. Nawshir H. Mirza	0
Mr. Narendra Nath Misra	0
Mr. Ashok Sinha	0
Mr. K.M. Chandrasekhar	0
Mr. Ramesh N. Subramanyam	N.A.
Mr. Purushottam Thakur	N.A.
Ms. Anjali Kulkarni	0
Mr. Vijay V. Namjoshi, Chief Executive Officer (Upto 31st January 2020)	N.A.
Mr. A. N. Ramesh, Chief Executive Officer (From 1st February 2020)	11.60%
Mr. Bijay Mohanty, Chief Financial Officer	17.80%
Mr. Darshan Soni, Company Secretary	27.70%

iii) The percentage increase in the median remuneration of employees in the financial year: 3.85%

iv) The number of permanent employees on the rolls of the Company: 327

v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year, its comparison with the percentile increase in the managerial remuneration, justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Average increase in remuneration of Managers (defined as MD and ED on the Board of your Company) was N.A. For employees of CGPL, the median increase was 3.85%.

vi) Affirmation that the remuneration is as per the remuneration policy of the Company: It is affirmed that remuneration is as per the 'Remuneration Policy for Directors, Key Managerial Personnel and other employees' adopted by the Company.

On behalf of the Board of Directors,

R. N. Subramanyam
Chairman
(DIN: 02421481)

Date: 27th April 2020
Place: Mumbai

Annexure F

FORM No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in section 188(1) of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto (FORM AOC-2) are as given below:

1) Details of material contracts or arrangements or transactions not at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration	Salient terms including value	Justification for entering	Date (s) of approval by the board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
The Tata Power Company Ltd.	Support to your company	1st April 2019 to 31st March 2020	Subordinated loan of `1,150 crore in the form of perpetual debt, subordinated loans or inter corporate debts towards deficit funding for FY 2019-20	Your company had been continuously making losses and not in position to meet its requirement for deficit funding.	22nd April 2019	Nil	NA
Trust Energy Resources Pte. Ltd.	Single unified Contract of Affreightment	Upto 13 years effective from 1st January 2020	To consolidate existing six long-term freight contracts entered with Trust Energy Resources Pte. Ltd. (TERPL) into single unified Contract of Affreightment with effect from 1st January 2020 for a period upto 13 years for a maximum of 62 shipments per annum at freight rate of USD 9.19 pmt at bunker price of $267 per ton with a Bunker Adjustment Factor (BAF) of 0.008.	Your company would be benefitted to i) Unified contract with common terms ii) Reduction in minimum volume commitment iii) Market linked demurrage rate	14th March 2020	Nil	NA

2) Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration	Salient terms including value	Date (s) of approval by the board	Amount paid as advances, if any
Nil					

On behalf of the Board of Directors,

R. N. Subramanyam
Chairman
(DIN: 02421481)

Date: 27th April 2020
Place: Mumbai

Annexure G

Form No. MGT-9

Extract of Annual Return as on the financial year ended on 31st March 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	U40102MH2006PLC182213
2.	Registration date	10/02/2006
3.	Name of the company	Coastal Gujarat Power Limited
4.	Category / Sub-category of the Company	Public Company limited by Shares
5.	Address of the registered office and contact details	Coastal Gujarat Power Limited 34, Sant Tukaram Marg, Carnac Bunder, Mumbai - 400009 Tel.: 022-67171215 Website: www.tatapower.com
6.	Whether listed company	Debt Listed Company
7.	Name, address and contact details of registrar and transfer agent, if any	(i) TSR Darashaw Consultants Private Limited 6-10, Haji Moosa Patrawala Industrial Estate (Near Famous Studio) 20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400011 Tel.: 022 66568484, Fax.: 022 66568494 Email: csg-unit@tsrdarashaw.com Website: www.tsrdarashaw.com (ii) 3i Infotech Limited Tower # 5, 3rdFloor, International Infotech Park, Vashi, Navi Mumbai - 400 703 Tel: 022 7123 8278 Email: gresilda.dcruz@3i-infotech.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. no.	Name and description of main products / services	NIC Code of the product/ service	% to total turnover of the company
1	Electric power generation by coal based thermal power plant	35102	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. no.	Name and address of the company	CIN/GLN	Holding/subsidiary/ associate	% of shares held	Applicable section
1	The Tata Power Company Ltd.	L28920MH1919PLC000567	Holding	100%	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise shareholding

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters (1) **Indian**									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central govt	-	-	-	-	-	-	-	-	-

Annexure G

Form No. MGT-9*(Contd.)*

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) State govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies corp.	800,04,20,000	-	800,04,20,000	100	800,04,20,000	-	800,04,20,000	100	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other….	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	**800,04,20,000**	**-**	**800,04,20,000**	**100**	**800,04,20,000**	**-**	**800,04,20,000**	**100**	**-**
(2) Foreign									
a) NRIs -Individuals	-	-	-	-	-	-	-	-	-
b) Other -Individuals	-	-	-	-	-	-	-	-	-
c) Bodies corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other….	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of promoter (A) = (A)(1)+(A)(2)	**800,04,20,000**	**-**	**800,04,20,000**	**100**	**800,04,20,000**	**-**	**800,04,20,000**	**100**	**-**
B. Public shareholding									
1.Institutions									
a) Mutual funds b) Banks / FI c) Central govt d) State govt(s) e) Venture capital Funds f) Insurance companies g) FIIs h) Foreign venture capital funds i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-									
2. Non-institutions	-	-	-	-	-	-	-	-	-
a) Bodies corporate i) Indian ii) Overseas	-	-	-	-	-	-	-	-	-

Annexure G

Form No. MGT-9*(Contd.)*

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals i) Individual shareholders holding nominal share capital upto ` 1 lakh ii) Individual shareholders holding nominal share capital in excess of ` 1lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total public shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**800,04,20,000**	**-**	**800,04,20,000**	**100**	**800,04,20,000**	**-**	**800,04,20,000**	**100**	**-**

(ii) Shareholding of promoters

Sl no.	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	%of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	%of shares pledged / encumbered to total shares	
1	The Tata Power Company Ltd.	800,04,20,000	100	38.78%	800,04,20,000	100	38.78%	-
	Total	**800,04,20,000**	**100**	**38.78%**	**800,04,20,000**	**100**	**38.78%**	**-**

Annexure G

Form No. MGT-9*(Contd.)*

(iii) Change in promoters' shareholding (please specify if there is no change)

Sl. no.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
	For each of the top 10 shareholders	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
1.	At the beginningof the year	800,04,20,000		-	-
2.	Date wise increase /decrease in share holding during the year specifying the reasons for increase /decrease (e.g. allotment):	-	-	-	-
3.	At the end of the year (or on the date of separation, if separated during the year)	-	-	800,04,20,000	100

(iv) Shareholding pattern of top ten shareholders (other than directors, promoters and holders of GDRs and ADRs):

Sl. no.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
	For each of the top 10 shareholders	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
1.	At the beginning of the year	800,04,20,000	100	-	-
2.	Date wise increase /decrease in share holding during the year specifying the reasons for increase /decrease (e.g. allotment):	-	-	-	-
3.	At the end of the year (or on the date of separation, if separated during the year)	-	-	800,04,20,000	100

(v) Shareholding of directors and key managerial personnel:

Sl. no.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
	For each ofthe directors and KMP	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
1.	At the beginning of the year	NIL	NIL	NIL	NIL
2.	Date wise increase / decrease in share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	NIL	NIL	NIL	NIL
3.	At the end of the year (or on the separation, if separated during the year)	NIL	NIL	NIL	NIL

Annexure G

Form No. MGT-9*(Contd.)*

V. INDEBTEDNESS

Indebtedness of the company including interest outstanding/accrued but not due for payment

(` in crore)

	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal amount	4,261	4,443	-	8,704
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	14	166	-	180
Total (i+ii+iii)	**4,275**	**4,609**	**-**	**8,884**
Change in indebtedness during the financial year				
Addition	-	4,488	-	4,488
Reduction	(46)	(4,263)	-	(4,309)
Net change	**(46)**	**225**	**-**	**179**
Indebtedness at the end of the financial year				
i) Principal Amount	4,200	4,596	-	8,796
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	29	238	-	267
Total (i+ii+iii)	**4,229**	**4,834**	**-**	**9,063**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(i) Remuneration to managing director (MD), whole-time directors (WTD) and/or manager: NA

(ii) Remuneration to other directors:

(` in lakh)

Sl. no.	Name of directors	Particulars of remuneration			Total Amount
		Fee for attending board / committee meetings	Commission	Others, please specify	
I. Independent directors					
1	Mr. Nawshir Mirza	5.35	-	-	5.35
2	Mr. Narendra Nath Misra	6.00	-	-	6.00
3	Mr. Ashok Sinha	3.25	-	-	3.25
4	Mr. K. M. Chandrasekhar	2.80	-	-	2.80
	Total (A)	**17.40**	-	-	**17.40**

Annexure G

Form No. MGT-9*(Contd.)*

Sl. no.	Name of directors	Particulars of remuneration			Total Amount
		Fee for attending board / committee meetings	Commission	Others, please specify	
II. Other non-executive directors					
1	Mr. Ashok S. Sethi	-	-	-	-
2	Mr. Ramesh N. Subramanyam	-	-	-	-
3	Mr. Purushottam Thakur	-	-	-	-
4	Mr. Vijay Namjoshi	-	-	-	-
5	Ms. Anjali Kulkarni	4.65	-	-	4.65
	Total (B)	4.65	-	-	4.65
	Total managerial remuneration	**22.05**	-	-	**22.05**
		Overall ceiling as per the Act			-

None of the NEDs had any pecuniary relationship or transactions with the company.

(iii) Remuneration to key managerial personnel other than managing director/manager/whole time director

(Amount in `)

Sl. No.	Particulars of remuneration	Particulars of KMP				
		Mr. Vijay Namjoshi CEO (Upto 31st January 2020)	Mr. A. N. Ramesh (From 1st February 2020 to 31st March 2020)	Mr. Bijay Mohanty, CFO	Mr. Darshan Soni, CS	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	89,40,348	14,76,178	59,75,188	10,83,112	**1,74,74,827**
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	8,67,706	5,400	55,466	78,893	**10,07,466**
	c) Profits in lieu of salary under section 17(3) Income tax Act, 1961					
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - Others, specify	-	-	-	-	-
5	Others, please Specify Retirement Benefits	3,53,423	64,760	2,33,294	52,432	**7,03,908**
	Total	**1,01,61,477**	**15,46,338**	**62,63,949**	**12,14,438**	**1,91,86,201**

Annexure G

Form No. MGT-9*(Contd.)*

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief description	Details of Penalty/ Punishment / Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give details)
Penalty	None				
Punishment					
Compounding					
OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

On behalf of the Board of Directors,

R. N. Subramanyam
Chairman
(DIN: 02421481)

Date: 27th April 2020
Place: Mumbai

Annexure H
FORM No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020
(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
Coastal Gujarat Power Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by The Ministry of Corporate Affairs warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March, 2020, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable to the Company during the audit period)

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendments from time to time;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; (Not applicable to the Company during the audit period);

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;(Not applicable to the Company during the audit period)

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 and amendments from time to time; (Not applicable to the Company during the audit period)

(vi) Other laws applicable specifically to the Company namely:

   a. The Electricity Act, 2003

   b. The Indian Electricity Rules, 1956

   c. The rules, regulations and applicable order(s) under Central and State Electricity Regulatory Commissions/Authority

   d. The Energy Conservation Act, 2001

Annexure H
FORM No. MR-3 *(Contd.)*

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

(I) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

(ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, standards, guidelines etc:

- The company issued unsecured, rated, listed, taxable, guaranteed, redeemable Non-Convertible Debentures (NCDs) as follows:

Series	Face Value	Tenor (years)	Number of NCDs Allotted	Coupon Rate (%) p.a.	ISIN Details	Amount
Series I Debentures	` 10,00,000 (Rupees Ten lakh)	1	3,700	9.15%	INE295J08030	` 370,00,00,000 (Rupees Three Hundred and Seventy Crore Only)
Series II Debentures	` 10,00,000 (Rupees Ten lakh)	2	3,700	9.15%	INE295J08048	` 370,00,00,000 (Rupees Three Hundred and Seventy Crore Only)
Series IIII Debentures	` 10,00,000 (Rupees Ten lakh)	3	3,700	9.15%	INE295J08055	` 370,00,00,000 (Rupees Three Hundred and Seventy Crore Only)

The said NCDs are listed on the National Stock Exchange of India Limited.

For Parikh & Associates
Company Secretaries

Signature:
Mitesh Dhabliwala
Partner
FCS No: 8331 CP No: 9511
UDIN : F008331B000181781

Place: Mumbai
Date: April 27, 2020

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

Annexure A

To,
The Members
Coastal Gujarat Power Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Company Secretaries

Signature:
Mitesh Dhabliwala
Partner
FCS No: 8331 CP No: 9511
UDIN : F008331B000181781

Place: Mumbai
Date: April 27, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Coastal Gujarat Power Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Coastal Gujarat Power Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2"><u>Impairment of Assets</u> (as described in Note 5(iv) of the Ind AS financial statements)</td></tr>
<tr><td>As per the requirements of Ind AS 36, the Company tests at the end of every reporting period, whether there is any indication that the asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset.

The determination of recoverable amount, being the higher of fair value less costs to sell and value-in-use involves significant estimates, assumptions and judgements of the long-term financial projections.

In the past, the Company has recognized impairment provision with respect to its assets. During the year, as the indication exists, the Company has reassessed its impairment assessment with respect to the asset.

Impairment of assets is a key audit matter considering the significance of the carrying value, long term estimation and the significant judgments involved in the impairment assessment.</td><td>• Our audit procedures included assessing the Company's accounting policies with respect to impairment in accordance with Ind AS 36 "Impairment of assets"
• We performed test of controls over impairment process through inspection of evidence of performance of these controls.
• We performed the following tests of details:
  • We obtained the management's impairment assessment
  • We evaluated the key assumptions including projected generation, coal prices, exchange rate, energy prices post power purchase agreement period and weighted average cost of capital by comparing them with prior years and external data, where available
  • We have obtained and analysed sensitivity analysis on the assumptions used by the management.
• We have assessed the disclosures in accordance with Ind AS 36 "Impairment of assets".</td></tr>
</table>

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

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

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

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether 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.

Responsibilities of Management for the Ind AS Financial Statements

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

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

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

Auditor’s Responsibilities for the Audit of the Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
   (e) On the basis of the written representations received from the directors as on March 31, 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 over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 26.3 to the Ind AS financial statements;
      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.;
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per Abhishek Agarwal
Partner
Membership No.: 112773
UDIN: 20112773AAAACH8132

Place of Signature : Mumbai
Date: April 27, 2020

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

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

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company, except for the immovable properties as mentioned in note 5(i) of the financial statements. As explained to us, registration of title deeds is in progress in respect of an immovable property acquired during the earlier years aggregating to 0.51 hectares.

ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

There was no inventory lying with third parties.

iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.

v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the generation of electricity and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of Statute	Nature of the Dues	Amount (` in crores)	Period to which the amount relates	Forum where the dispute is pending	Remarks, if any
Customs Laws	Customs Duty	23.87*	2011-12 to 2012-13	Supreme Court	
Income Tax Act, 1961	Income tax	101.75	2008-09 to 2010-11	Upto Supreme Court	

*net of amount paid under protest of Rs. 52.45 crores for Custom duty.

viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

ix) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained, other than temporary deployment pending application of proceeds. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).

x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per Abhishek Agarwal
Partner
Membership No.: 112773
UDIN: 20112773AAAACH8132

Place of Signature : Mumbai
Date: April 27, 2020

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF COASTAL GUJARAT POWER LIMTED

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

We have audited the internal financial controls over financial reporting of Coastal Gujarat Power 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

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these 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 over financial reporting with reference to these 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 Over Financial Reporting With Reference to these Financial Statements

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

Opinion

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

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per Abhishek Agarwal
Partner
Membership No.: 112773
UDIN: 20112773AAAACH8132

Place of Signature : Mumbai
Date: April 27, 2020

Balance Sheet as at 31st March, 2020

All amounts are in ` crores unless otherwise stated

Particulars	Notes	As at 31st March, 2020	*As at 31st March, 2019*
ASSETS			
Non-current Assets			
(a) Property, plant and equipments			
A Owned Assets	5(i)A	14,197.90	*14,594.85*
B Right-of-Use Assets	5(i)B	2,516.59	*-*
(b) Capital Work-in-Progress		32.77	*13.09*
(c) Intangible Assets	5(ii)	2.59	*124.60*
(d) Income tax assets (Net)	7	6.94	*7.13*
(e) Other Non-current Assets	8	78.77	*183.10*
Total Non-current Assets		16,835.56	*14,922.77*
Current Assets			
(a) Inventories	9	569.61	*613.74*
(b) Financial Assets			
(i) Trade Receivables	10	243.38	*1,028.27*
(ii) Cash and cash Equivalents	11	657.49	*13.30*
(iii) Loans	6	100.00	*-*
(iv) Other financial assets	12	101.66	*58.00*
(c) Other Current Assets	8	3.81	*2.46*
Total Current Assets		1,675.95	*1,715.77*
Total Assets		**18,511.51**	***16,638.54***
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	13	8,000.42	*8,000.42*
(b) Other Equity	14	(11,004.17)	*(10,111.39)*
		(3,003.75)	*(2,110.97)*
(c) Unsecured Perpetual Securities	15	7,035.88	*6,985.88*
Total Equity		4,032.13	*4,874.91*
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	7,556.94	*6,877.62*
(ii) Lease Liabilities		2,205.93	*-*
(b) Long term Provisions	18	14.31	*11.43*
(c) Other Non-current Liabilities	19	426.84	*350.60*
Total Non-current Liabilities		10,204.02	*7,239.65*
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	1,163.08	*1,749.57*
(ii) Lease Liabilities		254.91	*-*
(iii) Trade Payables			
- Total Outstanding dues of micro enterprises and small enterprises	26.4	1.51	*1.27*
- Total Outstanding dues of creditors other than micro enterprises and small enterprises		2,172.47	*2,363.92*
(iv) Other Financial Liabilities	17	642.92	*360.41*
(b) Short term Provisions	18	14.12	*14.13*
(c) Other Current Liabilities	19	26.35	*34.68*
Total Current Liabilities		4,275.36	*4,523.98*
Total Equity and Liabilities		**18,511.51**	***16,638.54***

See accompanying notes to the Financial Statements

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Abhishek Agarwal
Partner
Membership no.: 112773
Place : Mumbai
Date : 27th April, 2020

For and on behalf of the Board of Directors

Ramesh N. Subramanyam
Chairman
Place : Mumbai
Date : 27th April, 2020

A. N. Ramesh
Chief Executive Officer
Place : Mundra
Date : 27th April, 2020

Bijay Mohanty
Chief Financial Officer
Place : Mumbai
Date : 27th April, 2020

Darshan Soni
Company Secretary
Place : Gandhinagar
Date : 27th April, 2020

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

All amounts are in ` crores except for earning per share information

	Particulars	Notes	For the year ended 31st March, 2020	*For the year ended 31st March, 2019*
I	Revenue from Operations	21	7,016.87	*7,064.33*
II	Other Income	22	19.99	*72.54*
III	**Total Income**		**7,036.86**	***7,136.87***
IV	**Expenses**			
	Cost of Fuel consumed		5,727.84	*6,790.21*
	Employee Benefits Expense	23	52.37	*51.08*
	Finance Costs	24	1,179.42	*1,012.07*
	Depreciation and Amortisation Expenses	5(iii)	521.28	*448.07*
	Other Expenses	25	446.49	*489.16*
	Total Expenses		**7,927.40**	***8,790.59***
V	**Profit/(Loss) Before Tax**		**(890.54)**	***(1,653.72)***
VI	Tax Expenses	26.6(a)	-	*-*
VII	**Profit/(Loss) After Tax**		**(890.54)**	***(1,653.72)***
VIII	**Other Comprehensive Income**			
	Items that will not be reclassified to profit and loss (Net of Tax)			
	Remeasurement of the Defined Benefit Plans		(2.24)	*0.73*
	Total Other Comprehensive Income		**(2.24)**	***0.73***
IX	**Total Comprehensive Income for the year**		**(892.78)**	***(1,652.99)***
X	**Earnings Per Equity Share (of ` 10/- each)**			
	Basic (in `)	26.8	(1.11)	*(2.34)*
	Diluted (in `)	26.8	(1.11)	*(2.34)*

See accompanying notes to the Financial Statements

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Abhishek Agarwal
Partner
Membership no.: 112773
Place : Mumbai
Date : 27th April, 2020

For and on behalf of the Board of Directors

Ramesh N. Subramanyam
Chairman
Place : Mumbai
Date : 27th April, 2020

A. N. Ramesh
Chief Executive Officer
Place : Mundra
Date : 27th April, 2020

Bijay Mohanty
Chief Financial Officer
Place : Mumbai
Date : 27th April, 2020

Darshan Soni
Company Secretary
Place : Gandhinagar
Date : 27th April, 2020

Cash Flow Statement for the year ended 31st March, 2020

All amounts are in ` crores unless otherwise stated

	For the year ended 31st March, 2020		*For the year ended 31st March, 2019*	
A. Cash Flow from Operating Activities				
Profit/(Loss) before tax		(890.54)		*(1,653.72)*
Adjustments for:				
Depreciation and Amortisation Expenses	521.28		*448.07*	
Interest Income	(3.66)		*(0.22)*	
Finance Cost	1,179.42		*1,012.07*	
(Gain)/loss on disposal of property, plant and equipments	3.73		*10.06*	
(Gain)/loss on Sale/Fair Value of Current Investments	(6.94)		*(4.14)*	
Write back of liability to related parties	(8.47)		-	
(Gain)/loss on Sale of Non-Current Investments	-		*(66.36)*	
Amortization of Leasehold Land	-		*0.35*	
Guarantee Commission	(0.08)		*(0.40)*	
Allowances for credit losses (Net)	4.50		*20.50*	
Amortisation of Deferred Revenue	35.13		*35.13*	
Effect of Exchange fluctuation (Net)	24.38		-	
		1,749.29		*1,455.06*
		858.75		*(198.66)*
Movement in working capital				
Adjustments for (increase)/decrease in operating assets:				
Inventories	47.92		*149.50*	
Trade receivables	780.39		*(723.43)*	
Other current assets	(1.73)		*(0.54)*	
Other non-current assets	91.97		*0.02*	
Other current financial assets	33.81		*290.17*	
Movement in operating assets		952.36		*(284.28)*
		1,811.11		*(482.94)*
Adjustments for increase/(decrease) in operating liabilities:				
Trade payables	(376.94)		*(63.89)*	
Other current liabilities	(8.33)		*0.26*	
Short-term provisions	0.37		*1.71*	
Long-term provisions	0.26		*2.42*	
Other current financial liabilities	275.67		-	
Movement in operating liabilities		(108.97)		*(59.50)*
Cash flow from/(used in) operations		1,702.14		*(542.44)*
Income tax paid		0.19		*(0.07)*
Net cash flows from/(used) in operating activities		**1,702.33**		***(542.51)***
B. Cash Flow from Investing Activities				
Capital expenditure on property, plant and equipments (including capital advances)		(71.31)		*(97.38)*
Proceeds from sale of property, plant and equipment		0.53		*0.91*
Proceeds from sale of Non-current Investments		-		*69.76*
Purchase of Current Investments		(7,390.51)		*(6,427.31)*
Proceeds from Sale of Current Investments		7,397.45		*6,431.45*
Interest Received		3.60		*0.22*
Loans (given to)/repaid by related parties (Net)		(100.00)		-
Guarantee Commission Received		0.08		*0.40*
Net cash flow from/(used) in investing activities		**(160.16)**		***(21.95)***
C. Cash flow from Financing Activities				
Proceeds from issue of Equity shares		-		*1,917.00*
Proceeds from issue of Unsecured perpetual securities		50.00		*1,509.00*
Finance costs paid		(801.13)		*(787.59)*
Payment of lease liabilities		(251.27)		-
Proceeds from non-convertible debentures		1,110.00		*2,693.18*
Proceeds from Non-current borrowings		-		*496.96*
Repayment of Non-current borrowings		(58.60)		-
Proceeds from Current borrowings		1,159.99		*2,100.00*
Repayment of Current borrowings		(2,339.99)		*(7,276.00)*
Inter Corporate deposit taken/(repaid) (net)		(53.00)		*(282.97)*
Proceeds from Commercial paper		700.00		*200.00*
Repayment of Commercial paper		(350.00)		*(200.00)*
Supplier's Credit availed		132.59		-
Net cash flow from/(used) in financing activities		**(701.41)**		***369.58***
Net Increase/(decrease) in cash and cash equivalents		840.76		*(194.88)*
Cash and Cash Equivalents as at 1st April (Opening Balance)		(183.27)		*11.61*
Cash and Cash Equivalents as at 31st March (Closing Balance)		657.49		*(183.27)*
Non-cash financing transaction				
Supplier's Credit availed from a party		132.59		-

Cash Flow Statement for the year ended 31st March, 2020 *(Contd.)*

All amounts are in ` crores unless otherwise stated

Notes:

1 Cash and Cash Equivalents include:

Particulars	**As at 31st March, 2020**	***As at 31st March, 2019***
Balances with banks		
- In current accounts	277.49	13.30
- In deposit accounts with original maturity of less than 3 months	380.00	-
- Bank Overdraft	-	(196.57)
	657.49	**(183.27)**

2 Changes in liabilities arising from financing activities

	Particulars	1st April, 2019	Cash flows (net)	Foreign exchange	Other	31st March, 2020
a	Borrowings (excluding items listed below in b)	8,703.97	84.54	8.04	-	8,796.55
b	Derivatives	-	-	-	-	-
c	Total liabilities from financing activities	**8,703.97**	**84.54**	**8.04**	**-**	**8,796.55**

See accompanying notes to the Financial Statements

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Abhishek Agarwal
Partner
Membership no.: 112773
Place : Mumbai
Date : 27th April, 2020

For and on behalf of the Board of Directors

Ramesh N. Subramanyam
Chairman
Place : Mumbai
Date : 27th April, 2020

A. N. Ramesh
Chief Executive Officer
Place : Mundra
Date : 27th April, 2020

Bijay Mohanty
Chief Financial Officer
Place : Mumbai
Date : 27th April, 2020

Darshan Soni
Company Secretary
Place : Gandhinagar
Date : 27th April, 2020

Statement of changes in equity for the year ended 31st March, 2020

All amounts are in ` crores unless otherwise stated

A. Equity Share Capital

	No of Shares	Amount
Balance as at 1st April, 2018	**608,34,20,000**	**6,083.42**
Issue of equity shares of ` 10 fully paid (at par) during the year	191,70,00,000	1,917.00
Balance as at 31st March, 2019	**800,04,20,000**	**8,000.42**
Balance as at 1st April, 2019	**800,04,20,000**	**8,000.42**
Issue of equity shares of ` 10 fully paid (at par) during the year	-	-
Balance as at 31st March, 2020	**800,04,20,000**	**8,000.42**

B. Unsecured Perpetual Securities

	Amount
Balance as at 1st April, 2018	**5,476.88**
Issued during the year	1,509.00
Balance as at 31st March, 2019	**6,985.88**
Balance as at 1st April, 2019	**6,985.88**
Issued during the year	50.00
Balance as at 31st March, 2020	**7,035.88**

C. Other Equity

Description	Reserves and Surplus		Total
	Retained Earnings	Deemed Capital Contribution	
Balance as at 1st April, 2018	**(9,051.26)**	**592.85**	**(8,458.41)**
Profit/(loss) for the year	(1,653.72)	-	(1,653.72)
Other Comprehensive Income/(Expense) for the year (Net of Tax)	0.73	-	0.73
Total Comprehensive Income for the year	(1,652.99)	-	(1,652.99)
Balance as at 31st March, 2019	**(10,704.24)**	**592.85**	**(10,111.39)**
Balance as at 1st April, 2019	**(10,704.24)**	**592.85**	**(10,111.39)**
Profit/(loss) for the year	(890.54)	-	(890.54)
Other Comprehensive Income/(Expense) for the year (Net of Tax)	(2.24)	-	(2.24)
Total Comprehensive Income for the year	**(892.78)**	**-**	**(892.78)**
Balance as at 31st March, 2020	**(11,597.02)**	**592.85**	**(11,004.17)**

See accompanying notes to the Financial Statements

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Abhishek Agarwal
Partner
Membership no.: 112773
Place : Mumbai
Date : 27th April, 2020

For and on behalf of the Board of Directors

Ramesh N. Subramanyam
Chairman
Place : Mumbai
Date : 27th April, 2020

A. N. Ramesh
Chief Executive Officer
Place : Mundra
Date : 27th April, 2020

Bijay Mohanty
Chief Financial Officer
Place : Mumbai
Date : 27th April, 2020

Darshan Soni
Company Secretary
Place : Gandhinagar
Date : 27th April, 2020

Notes to the financial statements

1. Corporate information

Coastal Gujarat Power Limited (the "Company") was incorporated on 10th February, 2006 as a wholly owned subsidiary of Power Finance Corporation Limited and was a special purpose vehicle formed to establish the 4000 MW Ultra Mega Power Project (UMPP) at Mundra in the State of Gujarat which was awarded through a competitive bidding process. In terms of the Share Purchase Agreement dated 22nd April, 2007, the entire shareholding of Power Finance Corporation Limited in the Company was acquired by The Tata Power Company Limited. The registered office of the Company is located at Corporate Centre, 34, Sant Tukaram Marg, Carnac Bunder, Mumbai 400009 India. The business of the Company is to generate electricity at its 4,000MW UMPP at Mundra by using imported coal. The Company has issued redeemable non-convertible debentures amounting to ` 3,810.00 crores which are listed on National Stock Exchange.

2.1 Statement of compliance

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

The financial statements were approved by the board of directors on 27th April, 2020.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The financial statements are presented in Indian Rupees and all values are rounded to the nearest ` crores, except when otherwise indicated.

3 Other Significant Accounting Policies

3.1 Foreign Currencies

The functional currency of the Company is Indian rupee.

Transactions in currencies other than the functional currencies are recognised at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

3.2 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle,
- it is held primarily for the purpose of trading,
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

Notes to the financial statements

3.3 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

3.4 Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit and loss.

3.5 Financial Assets

All regular purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

3.5.1 Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3.5.2 Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. On initial recognition, the Company makes an irrevocable election on an instrument-by-instrument basis to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments, other than equity investment which are held for trading. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

3.5.3 Financial assets at fair value through profit or loss

Financial assets except investments in subsidiary are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit and loss.

3.5.4 Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- the right to receive cash flows from the asset have expired, or
- the Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Notes to the financial statements

3.5.5 Impairment of financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

3.6 Financial liabilities and equity instruments

3.6.1 Classification as debt or equity

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

3.6.2 Equity Instruments

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3.6.3 Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

3.6.4 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.6.5 Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

3.7 Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks including foreign exchange forward contracts and option contracts.

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss. Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

Notes to the financial statements

3.8 Reclassification of financial assets and liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

3.9 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.10 Cash Flow Statement

Cash flows are reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

3.11 Operating Cycle

Considering the nature of business activities, the operating cycle has been assumed to have a duration of 12 months. Accordingly, all assets and liabilities have been classified as current or noncurrent as per the Company's operating cycle and other criteria set out in Ind AS 1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

3.12 Changes in accounting policies and disclosures

Ind AS 116 - Leases

Ind AS 116 Leases was notified in March 2019 and it replaces Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after 1st April, 2019. The Company has applied Ind AS 116 'Leases' (Ind AS 116) with a date of initial application of 1st April, 2019 using modified retrospective approach, under which the cumulative effect of initial application is recognized as at 1st April, 2019.

As a lessee, the Company previously classified leases as operating or finance lease based on its assessment of whether the lease transferred significantly all of the risk and rewards incidental to the ownership of the underlying asset of the Company. Under Ind AS 116, the Company recognizes the right-of-use assets and lease liabilities. The accounting policies applicable to the Company as a lessor in the comparative period is not different from Ind AS 116.

At the inception of contract, the Company assesses whether the Contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At inception or on reassessment of a contract that contains a lease component, the Company allocates consideration in the contract to each lease component on the basis of their relative standalone price.

As a lessee

i. Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to dismantle. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Leasehold Land - 40 years
- Intake Channel - 25 years
- Building - Others - Port Services - 40 years

The Company presents right-of-use assets that do not meet the definition of investment property in 'Property, plant and equipments'.

Notes to the financial statements

ii. Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company generally uses its incremental borrowing rate at the lease commencement date if the discount rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount is remeasured when there is a change in future lease payments arising from a change in index or rate. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

On adoption of Ind AS 116, the Company has recognized 'right-of-use' assets amounting to ` 2,448.48 crores (adjusted by the prepaid lease payments amounting to ` 11.53 crore) and 'Lease liabilities' amounting to ` 2,436.95 crores, as at 1st April, 2019. There is no impact on retained earnings as at 1st April, 2019. Had the Company continued to apply previous lease accounting standard, during the year, finance costs and depreciation would have been lower by ` 244.94 crores and ` 72.99 crores respectively and cost of fuel, other expenses and profit before tax would have been higher by ` 187.39 crores, ` 51.56 crores and ` 78.97 crores respectively. There is no impact on retained earnings as at 1st April, 2019.

Transition to Ind AS 116

The Company has applied Ind AS 116 only to the contracts that were previously identified as leases. Contracts that were not identified as leases under Ind AS 17 were not reassessed for whether there is a lease.

The Company has used the following practical expedients when applying Ind AS 116 to leases:

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Applied the exemption not to recognize right-of-use asset and liabilities for leases with remaining lease term of 12 months or less.
- Excluded initial direct costs from measuring the right-of-use asset at the date of application.

The lease liabilities as at 31st March, 2019 can be reconciled to the operating lease commitments as of 1st April, 2019, as follows:

Particulars	Amount in ` Crores
Operating lease commitments as at 31st March, 2019	8,266.62
Less: Commitments relating to short-term leases	-
Less: Commitments relating to leases of low-value assets	-
Net operating lease commitments	8,266.62
Weighted average incremental borrowing rate as at 1st April, 2019	10.00%
Discounted operating lease commitments as at 1st April, 2019	2,436.95
Add: Lease payments relating to renewal periods not included in operating lease	-
Lease liabilities as at 1st April, 2019	2,436.95

Notes to the financial statements

Amount recognised in the Statement of Profit and Loss

Particulars	Classified under	For the year ended 31st March, 2020 Amount in ` Crores
Depreciation of Right-of-use assets (net of inventorisation)	Depreciation	72.99
Interest on lease liabilities	Finance Cost	244.94
		317.93

Amount recognised in the Statement of Cash Flows

Particulars	For the year ended 31st March, 2020 Amount in ` Crores
Total cash outflow of leases	251.27
	251.27

Accounting Policy for Leases till 31st March, 2019

Leasing arrangement

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 fulfilment 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.

The Company as lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

4. Critical accounting estimates and judgements

In the application of the Company's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

Estimation of useful life of Property, Plant and Equipment – Note 5

Estimation of value in use for impairment of Property, Plant and Equipment - Note 5

Estimation of defined benefit obligation- Note 18 and 23

Estimation of fair values of contingent liabilities - Note 26.3

The areas involving critical judgements are disclosed under respective notes forming part of the financial statements.

Estimates and judgement are continually evaluated. They 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.

5. Property, Plant and Equipments

Accounting Policy

Property, plant and equipments are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price (net of trade discount and rebates) and any directly attributable cost of bringing the asset to its working condition for its intended use and for qualifying assets, borrowing costs capitalised in accordance with the Ind AS 23. Capital work in progress is stated at cost, net of accumulated impairment loss, if any. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Depreciation

Freehold land is not depreciated.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their respective useful lives, using the straight-line method. The estimated useful life is determined based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Useful life

Estimated useful lives of assets stated below are consistent with schedule II to the Companies Act, 2013 except in respect of vehicles:

Buildings Plant	: 40 years
Building Others	: 30 years
Roads, Crossings, etc.	: 5 years
Plant and Machinery	: 10 to 40 years
Transmission Lines, Cable Network, etc.	: 4 years
Furniture, Fixtures and Office Equipment	: 5 to 10 years
Vehicles	: 4 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets 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 is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of profit and loss.

Notes to the financial statements

All amounts are in ` crores unless otherwise stated

5(i) Property, Plant and Equipments

A. Owned Assets

Description	Freehold Land *	Buildings-Plant	Buildings-Others	Roads, Crossings, etc.	Plant and Machinery	Transmission Lines, Cable Network, etc.	Furniture and Fixtures	Office Equipments	Motor Vehicles	Total
Cost										
Balance as at 1st April, 2019	164.72	460.17	242.84	49.90	16,879.08	0.60	19.47	6.39	19.91	17,843.08
Additions	-	2.06	-	0.09	45.19	-	0.19	0.14	-	47.67
Disposals	-	(1.03)	(1.44)	-	(7.36)	-	(0.08)	(0.65)	(2.10)	(12.66)
Balance as at 31st March, 2020	**164.72**	**461.20**	**241.40**	**49.99**	**16,916.91**	**0.60**	**19.58**	**5.88**	**17.81**	**17,878.09**
Accumulated depreciation and impairment										
Balance as at 1st April, 2019	-	105.97	56.82	45.87	3,007.68	0.22	15.89	2.13	13.65	3,248.23
Depreciation Expense		10.88	8.11	0.17	416.76	0.05	1.36	0.47	2.56	440.36
Disposals	-	(0.97)	(1.43)	-	(3.55)	-	(0.08)	(0.62)	(1.75)	(8.40)
Balance as at 31st March, 2020	**-**	**115.88**	**63.50**	**46.04**	**3,420.89**	**0.27**	**17.17**	**1.98**	**14.46**	**3,680.19**
Net carrying amount										
As at 31st March, 2020	**164.72**	**345.32**	**177.90**	**3.95**	**13,496.02**	**0.33**	**2.41**	**3.90**	**3.35**	**14,197.90**
As at 31st March, 2019	**164.72**	**354.20**	**186.02**	**4.03**	**13,871.40**	**0.38**	**3.58**	**4.26**	**6.26**	**14,594.85**

Description	Freehold Land *	Buildings-Plant	Buildings-Others	Roads, Crossings, etc.	Plant and Machinery	Transmission Lines, Cable Network, etc.	Furniture and Fixtures	Office Equipments	Motor Vehicles	Total
Cost										
Balance as at 1st April, 2018	*164.71*	*456.45*	*242.81*	*49.25*	*16,831.79*	*0.72*	*19.18*	*5.35*	*20.30*	*17,790.56*
Additions	*0.01*	*3.72*	*0.03*	*0.65*	*66.36*	*0.31*	*0.29*	*1.04*	-	*72.41*
Disposals	-	-	-	-	*(19.07)*	*(0.43)*	-	-	*(0.39)*	*(19.89)*
Balance as at 31st March, 2019	***164.72***	***460.17***	***242.84***	***49.90***	***16,879.08***	***0.60***	***19.47***	***6.39***	***19.91***	***17,843.08***
Accumulated depreciation and impairment										
Balance as at 1st April, 2018	-	*95.17*	*48.82*	*45.63*	*2,599.99*	*0.59*	*14.50*	*1.60*	*10.31*	*2,816.61*
Depreciation Expense	-	*10.80*	*8.00*	*0.24*	*416.06*	*0.04*	*1.39*	*0.53*	*3.47*	*440.52*
Disposals	-	-	-	-	*(8.37)*	*(0.41)*	-	-	*(0.13)*	*(8.91)*
Balance as at 31st March, 2019	**-**	***105.97***	***56.82***	***45.87***	***3,007.68***	***0.22***	***15.89***	***2.13***	***13.65***	***3,248.23***
Net carrying amount										
As at 31st March, 2019	***164.72***	***354.20***	***186.02***	***4.03***	***13,871.40***	***0.38***	***3.58***	***4.26***	***6.26***	***14,594.85***
As at 31st March, 2018	***164.71***	***361.28***	***193.99***	***3.62***	***14,231.80***	***0.13***	***4.68***	***3.75***	***9.99***	***14,973.95***

* includes land aggregating to 0.51 Hectares in respect of which registration of title in favour of the Company is pending.

Notes to the financial statements

All amounts are in ` crores unless otherwise stated

B. Right-of-Use Assets (Refer Note 3.12)

Description	Leasehold Land & Intake Channel	Building - Others	Total
Cost			
Balance as at 1st April, 2019	116.16	2,332.32	2,448.48
Reclassified from Intangible Assets - Intake Channel	174.71	-	174.71
Additions	-	30.23	30.23
Balance as at 31st March, 2020	**290.87**	**2,362.55**	**2,653.42**
Accumulated amortisation and impairment			
Balance as at 1st April, 2019	-	-	-
Reclassified from Intangible Assets - Intake Channel	52.63	-	52.63
Amortisation expense	10.84	73.36	84.20
Balance as at 31st March, 2020	**63.47**	**73.36**	**136.83**
Net carrying amount			
As at 31st March, 2020	**227.40**	**2,289.19**	**2,516.59**
As at 31st March, 2019	**-**	**-**	**-**

5(ii) Intangible Assets

Accounting Policy

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Derecognition of Intangible assets.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Useful life of intangible assets

Operating right to use the sea water intake channel is amortised on the straight line method over 25 year. Computer software is amortised on straight line method over 5 year.

Description	Computer software	Intake Channel	Total
Cost			
Balance as at 1st April, 2019	3.57	174.71	178.28
Reclassified to Right of Use Assets - Intake Channel	-	(174.71)	(174.71)
Additions	0.59	-	0.59
Balance as at 31st March, 2020	**4.16**	**-**	**4.16**
Accumulated amortisation and impairment			
Balance as at 1st April, 2019	1.05	52.63	53.68
Reclassified to Right of Use Assets - Intake Channel	-	(52.63)	(52.63)
Amortisation expense	0.52	-	0.52
Balance as at 31st March, 2020	**1.57**	**-**	**1.57**
Net carrying amount			
As at 31st March, 2020	**2.59**	**-**	**2.59**
As at 31st March, 2019	**2.52**	**122.08**	**124.60**

Notes to the financial statements

All amounts are in ` crores unless otherwise stated

Description	Computer software	Intake Channel	Total
Cost			
Balance as at 1st April, 2018	*1.10*	*174.71*	*175.81*
Additions	*2.47*	*-*	*2.47*
Balance as at 31st March, 2019	***3.57***	***174.71***	***178.28***
Accumulated amortisation and impairment			
Balance as at 1st April, 2018	*0.78*	*45.35*	*46.13*
Amortisation expense	*0.27*	*7.28*	*7.55*
Balance as at 31st March, 2019	***1.05***	***52.63***	***53.68***
Net Block			
As at 31st March, 2019	***2.52***	***122.08***	***124.60***
As at 31st March, 2018	***0.32***	***129.36***	***129.68***

5(iii) Depreciation and amortization expenses

	For the year ended 31st March, 2020	***For the year ended 31st March, 2019***
Depreciation on Property, Plant and Equipments as per Note 5(i) A	440.36	*440.52*
Depreciation on Right-of-Use Assets as per Note 5(i) B	84.20	*-*
Amortisation on Intangible assets as per Note 5(ii)	0.52	*7.55*
Depreciation inventorised	(3.80)	*-*
Total	**521.28**	***448.07***

5(iv) Impairment of Assets:

The Company has entered into a Power Purchase Agreement (PPA) with seven DISCOMs ('Procurers') for 25 year.rIn pursuance of Indian Accounting Standard 36 (Ind AS 36) – "Impairment of Assets", the Company periodically reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. Accordingly, during the year ended 31st March, 2018, the Company had accounted for an impairment loss of ` 310.94 crores, which was disclosed as an exceptional item.

During the year ended 31st March, 2020, the Company has performed the impairment assessment and determined the value in use based on estimated cash flow projections over the life of the assets. Based on the reassessment, the Company has marginal surplus available which is primarily on account of unwinding of discounted cash flows and revisions in assumptions. The Company has not reversed the impairment provision as it does not reflect the improvement in the estimated service potential of the assets. The Company is in discussions with the Procurers on amendment of the PPA as per the recommendations of High Powered Committee. The State Government of Gujarat set up a High Power Committee ("HPC") on 3rd July, 2018 to find out a solution of power supply by stressed imported coal based power projects in Gujarat. It was informed by The Tata Power Company Limited ("Holding Company") that HPC submitted its report on 3rd October, 2018 suggesting compensation mechanism along with proposed amendment to PPA. The Government of Gujarat then approached the Hon'ble Supreme Court seeking a clarification for amending the PPAs in public interest. The Supreme Court, vide order dated 29th October, 2018, had asked the parties to approach CERC for amendments in the PPA. Based on this judgment, Gujarat Urja Vikas Nigam Limited finalized the revised PPA on 15th December, 2018 and circulated it to other procurers of the Company (Maharashtra, Punjab, Rajasthan and Haryana) for their approval before approaching to the CERC. With this background, State DISCOMs are having discussions with Ministry of Power, Central Electricity Authority, Power Finance Corporation, Lead Lender of the Company and the Company's officials to discuss the progress made regarding the supplemental PPAs, However pending conclusion on outcome of supplemental PPA as at the year end, no impact has been considered in these financial statements. As the recommendations are still under discussion and not binding, they have not been considered in the impairment assessment.

Key assumptions used for value in use calculation include coal prices, energy prices post the PPA period, future capex, discount rates and exchange rates. Coal prices and energy prices used in the projections are based on projections made by reputed external experts. Discount rate represents the current market assessment of the risk specific to the sector taking into consideration the time value of money. Discount rate (pre tax) used in the calculation of value in use in the assessment is 10.87% per annum (PY: 10.61% per annum).

Notes to the financial statements

All amounts are in ` crores unless otherwise stated

6. Loans

	As at 31st March, 2020	*As at 31st March, 2019*
Current		
Loan to Holding Company	100.00	-
	100.00	**-**

7. Income tax assets

	As at 31st March, 2020	*As at 31st March, 2019*
Non-Current		
Advance tax including tax deducted at source	6.94	*7.13*
	6.94	***7.13***

8. Other Assets

Unsecured, considered good, unless otherwise stated

	As at 31st March, 2020	*As at 31st March, 2019*
Non-current		
Capital Advances	0.16	*1.37*
Security Deposits	1.64	*1.64*
Prepaid Rentals of Leasehold Land on operating lease (Refer Note 3.12)	-	*11.15*
Balances with Government Authorities		
Deposit with customs authorities	24.52	*116.49*
Customs duty paid under protest	52.45	*52.45*
	78.77	***183.10***
Current		
Prepaid Rentals of Leasehold Land on operating lease (Refer Note 3.12)	-	*0.38*
Other Advances	3.81	*2.08*
	3.81	***2.46***

Notes to the financial statements

All amounts are in ` crores unless otherwise stated

9. Inventories (at lower of cost and net realisable value)

Accounting Policy

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

	As at 31st March, 2020	*As at 31st March, 2019*
Fuel		
Coal	378.15	*387.13*
Coal - in- Transit	95.42	*138.21*
Oil	6.05	*9.52*
Stores and Spare Parts	89.59	*78.49*
Loose Tools	0.40	*0.39*
	569.61	***613.74***

10. Trade Receivables

	As at 31st March, 2020	*As at 31st March, 2019*
Current		
(a) Unsecured, considered good	243.38	*1,028.27*
(b) Credit impaired	112.28	*107.78*
	355.66	*1,136.05*
Less: Allowance for credit losses	(112.28)	*(107.78)*
	243.38	***1,028.27***

Notes:-

1) The average credit period is 30 days. No interest is charged on trade receivables for first 30 days from the date of receipt of invoice by customer. Thereafter, interest is charged at rates prescribed under the Power Purchase agreement (PPA) on the outstanding balance.

2) The Company supplies power to various state distribution Companies viz. procurers as per designated capacity in terms of Power Purchase agreement (PPA) signed between Company and procurers. These procurers form 100% of debtors of the Company. While the Company sells only to limited customers, considering that the procurers are state distribution companies, credit risk is minimal.

3) The Company supplies power only to a few customers which are State distribution companies and hence assesses expected credit allowance on case to case basis.

4) **Age of Receivables**

	As at 31st March, 2020	*As at 31st March, 2019*
Within credit period	180.09	*1,024.97*
1-30 days past due	6.42	*3.30*
31-60 days past due	2.77	-
61-90 days past due	2.68	-
More than 90 days past due	163.70	*107.78*
	355.66	***1,136.05***

Notes to the financial statements

All amounts are in ` crores unless otherwise stated

5) Movement in the expected credit loss allowance

	As at 31st March, 2020	*As at 31st March, 2019*
Balance at the beginning of the year	107.78	*87.28*
Movement in expected credit loss allowance on trade receivables calculated at lifetme expected credit losses	4.50	*20.50*
Balance at the end of the year	**112.28**	***107.78***

11. Cash and Cash Equivalents

Accounting Policy

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

	As at 31st March, 2020	*As at 31st March, 2019*
Balances with Banks:		
- In current accounts	277.49	*13.30*
- In Deposit Accounts (with original maturity less than 3 months	380.00	-
Cash and Cash Equivalents as per Balance Sheet	**657.49**	***13.30***
Bank Overdraft (Refer Note 20)	-	*(196.57)*
Cash and Cash Equivalents as per Statement of Cash Flows	**657.49**	***(183.27)***

12. Other Financial Assets

	As at 31st March, 2020	*As at 31st March, 2019*
Current		
Interest accrued on deposits with Banks	0.04	-
Interest accrued on Inter corporate deposits	0.02	-
Claim under change in law (Net)#	10.72	*55.18*
Forward contracts-not designated in hedge accounting relationship	69.50	*0.39*
Option contracts-not designated in hedge accounting relationship	18.92	*0.38*
Other receivables	2.46	*2.05*
	101.66	***58.00***

Claim under change in law (Net) represents compensation receivable from the procurers consequent to change in law as per the provisions of power purchase agreement between the Company and the Procurers.

Notes to the financial statements

All amounts are in ` crores unless otherwise stated

13. Equity Share Capital

	As at 31st March, 2020 Number	As at 31st March, 2020 ` crores	As at 31st March, 2019 Number	As at 31st March, 2019 ` crores
Authorised				
Fully paid equity shares of ` 10 each	1000,00,00,000	**10,000.00**	*1000,00,00,000*	***10,000.00***
Issued, Subscribed and Paid-up				
Fully paid equity shares of ` 10 each	800,04,20,000	8,000.42	*800,04,20,000*	*8,000.42*
		8,000.42		***8,000.42***

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

	As at 31st March, 2020 Number	As at 31st March, 2020 ` crores	As at 31st March, 2019 Number	As at 31st March, 2019 ` crores
Equity Shares				
At the beginning of the year	800,04,20,000	8,000.42	*608,34,20,000*	*6,083.42*
Issued during the year	-	-	*191,70,00,000*	*1,917.00*
Outstanding at the end of the year	**800,04,20,000**	**8,000.42**	***8,000,420,000***	***8,000.42***

(ii) Terms/rights attached to Equity Shares

The Company has only one class of equity shares having a par value of `10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. Clause 20.3 of the Trust and Retention Agreement (TRA) entered by the Company with the Security Trustee requires the setting aside and maintaining minimum funds balance in the bank accounts for making payments in the nature of statutory dues, operation and maintenance cost, financing fees, debt servicing, any major maintenance expenditure due and disputed dues before declaring dividend to the equity shareholders.

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

	As at 31st March, 2020 Number	As at 31st March, 2020 % Holding	As at 31st March, 2019 Number	As at 31st March, 2019 % Holding
Equity shares of `10/- each fully paid				
The Tata Power Company Limited	800,04,20,000	100%	*800,04,20,000*	*100%*

14. Other Equity

	As at 31st March, 2020	As at 31st March, 2019
Retained Earnings		
Opening balance	(10,704.24)	*(9,051.26)*
Profit/(Loss) for the year	(890.54)	*(1,653.72)*
Other comprehensive income	(2.24)	*0.73*
Closing Balance	**(11,597.02)**	***(10,704.24)***
Deemed capital contribution	592.85	*592.85*
	(11,004.17)	***(10,111.39)***

<u>**Nature of Reserves**</u>

Retained Earnings

Retained Earnings are the profits earned/losses incurred till date by the Company net of appropriations.

Deemed capital contribution

In the earlier years, The Tata Power Company Ltd., Holding Company, waived the interest on subordinated loans and guarantee commission charged by it. The said waiver was treated as deemed capital contribution by the Holding Company.

Notes to the financial statements

All amounts are in ` crores unless otherwise stated

15. Unsecured Perpetual Securities

	As at 31st March, 2020	*As at 31st March, 2019*
Opening balance	6,985.88	*5,476.88*
Add: Issued during the year	50.00	*1,509.00*
Closing balance	**7,035.88**	***6,985.88***

The unsecured perpetual securities issued to The Tata Power Company Limited (Holding Company) have no maturity/redemption terms and are repayable at the option of the Company. The interest on the perpetual securities is non-cumulative in nature. The distribution on these securities shall be based on the availability of profits and at the rate at which dividend will be declared by the Company on equity shares for the relevant financial year. If no dividend is declared by the Company on equity shares in a given financial year, no interest shall be accrued, due or payable by the Company to the Holding Company for such financial year. As these securities are perpetual in nature and ranked senior only to the share capital of the Company and do not have any redemption obligation, these are considered to be in the nature of equity instruments.

16. Non-current Borrowings

	As at 31st March, 2020 Non-current	As at 31st March, 2020 Current maturity Refer Note 17	*As at 31st March, 2019 Non-current*	*As at 31st March, 2019 Current maturity Refer Note 17*
(i) Unsecured - At Amortised Cost				
Redeemable Non-Convertible Debentures				
(a) 9.15% Series 2021	369.23	-	*-*	*-*
(b) 9.15% Series 2022	369.23	-	*-*	*-*
(c) 9.70% Series 2023	1,696.87	-	*1,695.81*	*-*
(d) 9.90% Series 2028	997.99	-	*997.37*	*-*
(A)	**3,433.32**	**-**	***2,693.18***	***-***
(ii) Secured - At Amortised Cost (Refer Note below)				
Term Loans from Banks				
(a) Indian rupee loans	2,681.13	56.42	*2,727.29*	*56.67*
	2,681.13	56.42	*2,727.29*	*56.67*
Term Loans from Others				
(b) Indian rupee loans	1,442.49	20.11	*1,457.15*	*20.11*
(B)	**4,123.62**	**76.53**	***4,184.44***	***76.78***
(A) + (B)	**7,556.94**	**76.53**	***6,877.62***	***76.78***

Security

(i) Term loans from Banks are secured by a charge on all present and future movable and immovable properties (including a major portion of the project land).

(ii) Term loan from Housing Development Finance Corporation Limited is secured by a charge on all present and future movable fixed assets of the Company.

(iii) As at 31st March, 2020 the Company has created security on land of 1,193 hectare (31 March, 2019 - 1,193 hectares) (721 hectare of Government land + 187 hectare of Private land + 236 hectare of outfall channel + Township land 49 hectare) and has taken waiver for the security creation on 168 hectares of land.

(iv) As per the Financing Agreements, the Holding Company has entered into a Sponsor Support Agreement with the lenders and the Company whereby it has undertaken to provide support by way of base equity contribution to the extent of 25 percent of the project cost and additional equity or subordinated loans to be made or arranged for, if required, as per the financing agreements to finance the project. The Sponsor Support Agreement also includes support by way of additional financial support for any overrun in project costs, operational loss and Debt Service Reserve Guarantee as provided under the Financing Agreements. Pending achievement of the "Project Financial Completion Date" as defined under the Financing Agreement, the Sponsor support will continue.

Notes to the financial statements

All amounts are in ` crores unless otherwise stated

Terms of Repayment

Particulars	Amount Outstanding as at 31st March, 2020	Financial Year					
		FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26 onwards
(i) Unsecured - At Amortised Cost							
Redeemable Non-Convertible Debentures							
(a) 9.15% Series 2021	370.00	-	370.00	-	-	-	-
(b) 9.15% Series 2022	370.00	-	-	370.00	-	-	-
(c) 9.70% Series 2023	1,700.00	-	-	-	1,700.00	-	-
(d) 9.90% Series 2028	1,000.00	-	-	-	-	-	1,000.00
(ii) Secured - At Amortised Cost							
Term Loans from Banks							
(a) State Bank of India	1,261.88	26.29	26.29	36.15	49.30	62.44	1,061.41
(b) Oriental Bank of Commerce	294.00	6.14	6.14	8.45	11.52	14.59	247.16
(c) Vijaya Bank	260.04	5.42	5.42	7.45	10.16	12.87	218.72
(d) Axis Bank	144.26	2.27	3.02	4.15	5.66	7.17	121.99
(e) Allahabad Bank	358.73	7.50	7.50	10.31	14.06	17.81	301.55
(f) Bank of Maharashtra	286.85	6.00	6.00	8.25	11.25	14.25	241.10
(g) Syndicate Bank	134.40	2.80	2.80	3.85	5.25	6.65	113.05
Term Loans from Others							
(h) India Infrastructure Finance Company Limited	965.22	20.11	20.11	27.65	37.70	47.76	811.89
(i) Housing Development Finance Corporation Limited	500.00	-	-	-	-	-	500.00
	7,645.38	**76.53**	**447.28**	**476.26**	**1,844.90**	**183.54**	**4,616.87**
Less: Impact of recognition of borrowing at amortised cost	11.91						
	7,633.47						

Note:

1. The rate of interest for term loans from banks ranges from 9.00% to 9.65% and rate of interest for term loans from others ranges from 9.20% to 9.83%.

Notes to the financial statements

All amounts are in ` crores unless otherwise stated

17. Other Financial Liabilities

	As at 31st March, 2020	*As at 31st March, 2019*
Current		
(a) Current Maturities of Long-term Debt	76.53	*76.78*
(b) Interest accrued but not due on Borrowings		
- Banks and Financial Institutions	28.69	*13.51*
- Redeemable Non-Convertible Debentures	238.23	*156.89*
- Others	0.12	*9.18*
(c) Others:		
(i) Payables for Capital Supplies and services	23.25	*27.83*
(ii) Forward contracts - not designated in hedge accounting relationship	0.36	*65.11*
(iii) Option contracts - not designated in hedge accounting relationship	0.07	*11.11*
(iv) Tender Deposits from Vendors	0.12	-
(v) Payable under 'Pass through arrangment' of trade receivables	275.55	-
	642.92	***360.41***

18. Provisions

Accounting Policy

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

	As at 31st March, 2020	*As at 31st March, 2019*
Non-current		
Provision for Employee Benefits		
Gratuity (Refer note 18(2.3))	14.31	*11.43*
	14.31	***11.43***
Current		
Provision for Employee Benefits		
Compensated Absences	10.69	*9.59*
Post Employment Medical Benefit (Refer note 18(2.3))	1.02	*0.75*
Other Defined Benefit Plans (Refer note 18(2.3))	1.57	*1.54*
Other Employee Benefits	0.84	*2.25*
	14.12	***14.13***

Notes to the financial statements

All amounts are in ` crores unless otherwise stated

Employee Benefit Plans

1. Defined contribution plans

Provident Fund

The Company operates defined contribution retirement benefit plans for all qualifying employees. The employees of the Company are members of Employee Provident Fund. The Company is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Company with respect to the retirement benefit plan is to make the specified contributions.

The total expense recognized in Statement of Profit & Loss is ` 2.00 crores (for the year ended 31st March, 2019 ` 1.94 crores) represents contribution for the year paid/payable to the Employee Provident Fund. The contribution outstanding as at 31st March, 2020 of ` 0.38 crores (as at 31st March, 2019: ` 0.34 crores) due in respect of Financial Year 2019-20 (Financial Year 2018-19) is payable in the subsequent reporting periods.

2. Defined benefit plans

2.1 **The Company operates the following unfunded defined benefit plans:**

Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. Benefits payable to eligible employees of the Company with respect of these benefits are accounted for on the basis of an actuarial valuation using the projected unit credit method as at the Balance Sheet date.

Post Employment Medical Benefits

The Company provides certain post-employment health care benefits to superannuated employees at some of its locations. In terms of the plan, the retired employees can avail free medical check-up and medicines at Company's facilities.

Pension

The Company operates a defined benefit pension plan for employees who have completed 15 years of continuous service. The plan provides benefits to members in the form of a pre-determined lumpsum payment on retirement.

Ex-Gratia Death Benefit

The Company has a defined benefit plan granting ex-gratia in case of death during service. The benefit consists of a pre-determined lumpsum amount alongwith a sum determined based on the last drawn basic salary per month and the length of service.

Retirement Gift

The Company has a defined benefit plan granting a pre-determined sum as retirement gift on superannuation of an employee.

2.2 The principal assumptions used for the purposes of the actuarial valuations were as follows:

Valuation as at	31st March, 2020	*31st March, 2019*
Discount rate(s)	6.50% p.a.	*7.40% p.a.*
Expected rate(s) of salary increase	7.00% p.a.	*7.00% p.a.*
Turnover Rate - Age 21 to 44 years	6.00% p.a.	*2.50% p.a.*
Turnover Rate - Age 45 years and above	2.00% p.a.	*1.00% p.a.*
Mortality Table	Indian Assured Lives Mortality (2006-08) Ult	*Indian Assured Lives Mortality (2006-08) Ult*
Annual Increase in Healthcare Cost	8.00% p.a.	*8.00% p.a.*

Notes to the financial statements

All amounts are in ` crores unless otherwise stated

2.3 The amounts recognised in the financial statements and the movements in the net defined benefit obligations over the year are as follows:

Unfunded Plan:	**Amount**
Balance as at 1st April, 2018	***11.74***
Current service cost	*1.33*
Past service cost	-
Interest Cost/(Income)	*0.87*
Amount recognised in statement of profit and loss	***2.20***
Remeasurement (gains)/losses	
Actuarial (gains)/losses arising from changes in demographic assumptions	-
Actuarial (gains)/losses arising from changes in financial assumptions	*0.53*
Actuarial (gains)/losses arising from experience	*(1.26)*
Amount recognised in other comprehensive income	***(0.73)***
Benefits paid	*(0.43)*
Acquisitions (credit)/cost	*0.94*
Balance as at 31st March, 2019	***13.72***

Unfunded Plan:	**Amount**
Balance as at 31st March, 2019	**13.72**
Current service cost	1.43
Past service cost	0.21
Interest Cost/(Income)	0.99
Amount recognised in statement of profit and loss	**2.63**
Remeasurement (gains)/losses	
Actuarial (gains)/losses arising from changes in demographic assumptions	(1.08)
Actuarial (gains)/losses arising from changes in financial assumptions	1.64
Actuarial (gains)/losses arising from experience	1.68
Amount recognised in other comprehensive income	**2.24**
Benefits paid	(1.35)
Acquisitions (credit)/cost	(0.34)
Balance as at 31st March, 2020	**16.90**

2.4 **Sensitivity Analysis**

The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

	Change in assumption		**Increase in assumption**		**Decrease in assumption**	
	31st March, 2020	***31st March, 2019***	**31st March, 2020**	***31st March, 2019***	**31st March, 2020**	***31st March, 2019***
Discount rate	0.50%	*0.50%*	(0.96)	*(0.88)*	1.06	*0.99*
Salary growth rate	0.50%	*0.50%*	0.86	*0.84*	(0.80)	*(0.77)*
Claim rates	5.00%	*5.00%*	(2.30)	*(1.83)*	-	-
Mortality rates	1 year	*1 year*	0.06	*0.04*	(0.05)	*(0.04)*
Healthcare cost	0.50%	*0.50%*	0.16	*0.12*	(0.14)	*(0.10)*

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. When 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 method and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Notes to the financial statements

All amounts are in ` crores unless otherwise stated

2.5 **The expected maturity analysis of undiscounted defined benefit obligation is as follows:**

Unfunded	31st March, 2020	*31st March, 2019*
Within 1 year	1.58	*0.41*
Between 1 - 2 years	0.63	*1.37*
Between 2 - 3 years	0.67	*0.37*
Between 3 - 4 years	2.05	*0.42*
Between 4 - 5 years	0.90	*1.74*
Beyond 5 years	8.90	*6.19*

The weighted average duration of the defined benefit obligation is 7.4 years (*31st March, 2019 - 8.1 years*).

2.6 **Risk exposure:**

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Inflation rate risk:

Higher than expected increase in salary will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligations is not straight forward and depends upon the combination of salary increase, discount rate and vesting criterion. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

19. Other Liabilities

	As at 31st March, 2020	*As at 31st March, 2019*
Non-current		
Deferred Revenue Liability	426.84	*350.60*
	426.84	***350.60***
Current		
Statutory Liabilities	3.14	*11.10*
Amount due to customers	23.06	*23.38*
Other Liabilities	0.15	*0.20*
	26.35	***34.68***

Notes to the financial statements

All amounts are in ` crores unless otherwise stated

20. Current Borrowings

	As at 31st March, 2020	*As at 31st March, 2019*
Unsecured		
From Banks		
Bank Overdraft	-	*196.57*
Short-term Loans	320.00	*1,500.00*
From Others		
Inter-corporate Deposits	-	*53.00*
Commercial Papers	338.79	-
Redeemable Non-Convertible Debentures		
9.15% Series 2020	370.00	-
Suppliers' Credit (Refer Note below)	134.29	-
	1,163.08	***1,749.57***

Note:

During the current year, the Company has entered into a Suppliers' Credit Program ("Facility") with a party whereby the Company would get additional credit period over and above the original credit period granted by certain coal supplier Under this Facility, the party shall pay the said coal suppliers on the original due date on behalf of the Company and grant an additional credit period to the Company. This Facility is for USD 500 million and available for an initial period of 18 months.

The Company has utilised USD 18.62 million of this facility as at 31st March, 2020.

Terms of Repayment

From	Terms of Repayment	As at 31st March, 2020	*As at 31st March, 2019*
Bank Overdraft	Repayable on demand	-	*196.57*
Unsecured Loans From Banks	Repayable on demand	320.00	*1,500.00*
Loans From Holding Company	Not applicable	-	*53.00*
Commercial Paper	Repayable at the end of scheduled maturity	350.00	-
Redeemable Non-Convertible Debentures	Repayable at the end of scheduled maturity	370.00	-
Suppliers' Credit	Repayable at the end of scheduled maturity	140.63	-
Total		**1,180.63**	***1,749.57***
Less: Impact of recognition of borrowing at amortised cost		17.55	-
		1,163.08	***1,749.57***

Notes to the financial statements

All amounts are in ` crores unless otherwise stated

21. Revenue from Operations

Accounting Policy

Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Sale of Power

Revenue from the supply of power is recognised net of any trade discounts, cash rebates, etc. when the power is supplied as it best depicts the value to the customer and complete satisfaction of performance obligation.

Variable Consideration forming part of the total transaction price including compensation on account of change in law will be allocated and recognised when the terms of variable payment relate specifically to the Company's efforts to satisfy the performance obligation i.e. in the year of occurence of event linked to variable consideration.

The transaction price has been adjusted for significant financing component, if any and the adjustment is accounted as finance cost. The difference between the revenue recognised and amount invoiced has been presented as deferred revenue/unbilled revenue.

Delayed payment charges

Delayed payment charges and interest on delayed payments leviable as per the relevant contracts are recognised on an accrual basis based on an assessment of certainty of realization.

	For the year ended 31st March, 2020	*For the year ended 31st March, 2019*
(a) Revenue from Power Supply	6,592.56	*6,607.02*
Income From Change in Law	410.15	*445.34*
	7,002.71	*7,052.36*
(b) Other Operating Revenue		
Rental Income	0.61	*0.63*
Income in respect of Services Rendered	-	*0.37*
Sale of Fly Ash	7.83	*9.33*
Insurance claim received	0.14	-
Liabilities Written Back	0.06	*0.08*
Liquidated Damages	0.70	*0.35*
Sale of Scrap	4.82	*1.21*
	14.16	*11.97*
	7,016.87	***7,064.33***

Note:

The Company deals in a single type of product i.e. power which is sold directly to various State Distribution Companies within India under long term power purchase agreements, consideration in respect of which is based on capacity availability and energy supplied which is transferred over a period of time. Thus, the quantitative disclosure in respect of disaggregation of revenue is not required.

Notes to the financial statements

All amounts are in ` crores unless otherwise stated

Ind AS 115 Disclosures

Details of Revenue from Contract with Customers

	For the year ended 31st March, 2020	*For the year ended 31st March, 2019*
Revenue from Power Supply	7,002.71	*7,052.36*
Income in respect of Services Rendered	-	*0.37*
Sale of Fly Ash	7.83	*9.33*
Liquidated Damages	0.70	*0.35*
Sale of Scrap	4.82	*1.21*
Total Revenue from Contract with Customers	**7,016.06**	***7,063.62***
Less: Significant financing component	(41.11)	*(33.48)*
Add: Deferred revenue	76.24	*68.61*
Add: Cash Discount/Rebates	93.48	*87.03*
Total Revenue as per Contracted Price	**7,144.67**	***7,185.78***

Transaction Price - Remaining Performance Obligation

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts as the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date.

The aggregate value of performance obligations that are partially unsatisfied as at 31st March, 2020, other than those meeting the exclusion criteria mentioned above, is ` 1,22,354.88 crores (31st March, 2019 - ` 1,33,840.76 crores). Out of this, the Company expects to recognize revenue of around 5.66% within next one year and the remaining thereafter.

Contract Balances

The following table provides information about receivables, contract assets and contract liabilities from contract with customers

Particulars	As at 31st March, 2020	*As at 31st March, 2019*
Contract assets (Claim under Change in law)	**10.72**	***55.18***
Contract Liabilities (Deferred revenue liability)	**426.84**	***350.60***
Receivables		
Trade receivables (Gross)	355.66	*1,136.05*
Less : Allowances for doubtful debts	(112.28)	*(107.78)*
Net receivables	**243.38**	***1,028.27***

Contract asset is the right to consideration in exchange for sale of power to the customers. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognized as and when the performance obligation is satisfied.

Notes to the financial statements

All amounts are in ` crores unless otherwise stated

	Contract Assets		Contract Liabilities	
	As at 31st March, 2020	*As at 31st March, 2019*	As at 31st March, 2020	*As at 31st March, 2019*
Opening Balance	55.18	*346.38*	350.60	*281.99*
Less: Transfer from contract assets to receivables from balance at the beginning of the year	(44.02)	*(316.48)*	-	-
Add/(Less): Movement in Deferred Revenue Liability	-	-	76.24	*68.61*
Add : Revenue recognized during the year apart from above	410.15	*445.34*	-	-
Less: Transfer from contract assets to receivables	(410.59)	*(420.06)*	-	-
Closing Balance	**10.72**	***55.18***	**426.84**	***350.60***

22. Other Income

Accounting Policy

Dividend and Interest income

Dividend income from investments is recognised when the right to receive payment has been established provided that it is probable that the economic benefits will flow to the Company and the amount can be reliably measured.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

	For the year ended 31st March, 2020	*For the year ended 31st March, 2019*
Interest Income		
On Financial Assets held at amortised cost		
Interest Income from bank deposit	0.85	*0.22*
Interest on Financial Instruments - Related Parties	2.81	-
	3.66	*0.22*
Gain/(Loss) on Investments		
Gain on sale of mutual fund investment	6.94	*4.14*
Gain on Sale of Investment in Subsidiary	-	*66.36*
	6.94	*70.50*
Other Non-operating Income		
Write Back of liability to related parties	8.47	-
Guarantee Commission	0.08	*0.40*
Miscellaneous Income	0.84	*1.42*
	9.39	*1.82*
	19.99	***72.54***

Notes to the financial statements

All amounts are in ` crores unless otherwise stated

23. Employee Benefits Expenses

<u>Accounting Policy</u>

Defined contribution plans

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined benefits plans

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability. The Company recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

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

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Current and other non-current employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of current employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other non-current employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

	For the year ended 31st March, 2020	*For the year ended 31st March, 2019*
Salaries and Wages	41.51	*41.38*
Contribution to provident and other funds	2.20	*1.94*
Retiring Gratuities	1.99	*0.87*
Compensated Absences	2.04	*1.27*
Staff Welfare Expenses	4.63	*5.62*
	52.37	***51.08***

Notes to the financial statements

All amounts are in ` crores unless otherwise stated

24. Finance Costs

Accounting Policy

Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

	For the year ended 31st March, 2020	*For the year ended 31st March, 2019*
(a) Interest costs		
Interest on Debentures	347.52	*157.62*
Interest on loans (other than those from related parties)	485.10	*591.49*
Interest on loans from related parties	1.26	*7.63*
Interest on Lease Liability	244.94	-
Other Interest and Commitment Charges	2.68	*7.93*
	1,081.50	*764.67*
(b) Other Borrowing Cost:		
Exchange Loss /(Gain) arising on Borrowings	-	*184.13*
Other Finance Costs	97.92	*63.27*
	97.92	*247.40*
	1,179.42	***1,012.07***

Notes to the financial statements

All amounts are in ` crores unless otherwise stated

25. Other Expenses

	For the year ended 31st March, 2020	*For the year ended 31st March, 2019*
Consumption of stores and spare parts	22.50	*20.35*
Cost of Services	16.24	*22.23*
Unscheduled Interchange Charges	73.75	*41.90*
Repairs and maintenance		
- Buildings	6.52	*5.84*
- Intake channel charges	-	*6.77*
Repairs and maintenance - Machinery	147.72	*119.87*
Repairs and maintenance - Others	0.76	*0.23*
Dredging Charges	-	*14.49*
Insurance	40.92	*24.01*
Rates and Taxes	0.92	*-*
Travelling and Conveyance Expenses	2.27	*3.19*
Freight and forwarding		
- Port handling charges	-	*36.12*
Loss/(Gain) on Disposal of Property, Plant and Equipment (Net)	3.73	*10.06*
Community Welfare Expenses [Refer Note (ii) below]	5.86	*6.47*
Consultancy fees	1.23	*7.69*
Legal Charges	2.48	*3.69*
Payments to auditors [Refer Note (i) below]	0.54	*0.54*
Director's sitting fees	0.26	*0.42*
Net (Gain)/Loss on Foreign Currency Transactions and Translation	91.79	*131.04*
Provision for Doubtful Debts and Advances	4.50	*20.50*
Ash Disposal Expenses	7.90	*0.99*
Miscellaneous expenses	16.60	*12.76*
	446.49	***489.16***

(i) Payment to Auditors ^

	For the year ended 31st March, 2020	*For the year ended 31st March, 2019*
For statutory audit	0.30	*0.30*
For tax audit	0.04	*0.04*
For other services	0.15	*0.18*
Reimbursement of expenses	0.05	*0.02*
Total payments to the auditors	**0.54**	***0.54***

^ Service tax/GST included in the above figures

Notes to the financial statements

All amounts are in ` crores unless otherwise stated

(ii) Corporate Social Responsibility Expenses

	For the year ended 31st March, 2020	*For the year ended 31st March, 2019*
Expenses incurred by the Company	5.86	*6.47*
Amount required to be spent as per section 135 of the Companies Act, 2013	-	*-*
Amount spent during the year on:		
(a) Construction/Acquisition of asset	-	*-*
(b) On purposes other than (a) above	5.86	*6.47*
	5.86	***6.47***

Due to continuing business losses, the Company has requested Ministry of Environment and Forests (MOEF) for waiver of condition in its Environment Consent (EC) related to annual spending of ` 14.40 crores towards Corporate Social Responsibility expenditure (CSR) which is pending. During the year the Company has spent a lower amount towards Corporate Social Responsibility expenditure (CSR) than the Environment Consent expenditure (EC) requirement pending approval.

26. Additional information to the financial statements

26.1 The Company has determined its operating segment as generation and selling of power based on the information reported to the chief operating decision maker (CODM) in accordance with the requirements of Indian Accounting Standard 108 - 'Operating Segment Reporting', notified under the Companies (Indian Accounting Standards) Rules, 2015.

26.2 The Company has incurred substantial loss during the year ended 31st March, 2020 and the current liabilities are substantially in excess of the current assets as at 31st March, 2020. Considering the Sponsor Support Agreement signed by the Company with the lenders and with the Holding Company, wherein the Holding Company has agreed to provide amongst other things funding of the Company, the financial statements have been prepared on a going concern basis.

26.3 Contingent liabilities and commitments

Contingent liabilities are disclosed in the financial statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

	As at 31st March, 2020	*As at 31st March, 2019*
(i) Contingent liabilities		
a) Corporate Guarantee issued to owner of charter ship (Previous year USD 10 million)	-	*69.16*
b) i) Taxation matters relating to issues of deductibility and taxability of certain items of income and expenditure which is disputed by the Company and provision is not made.	101.75	*101.75*
ii) Interest and penalty on above amount	Not ascertainable	*Not ascertainable*
c) Applicability of Green cess on generation of electricity.	393.57	*340.58*
d) Custom duty claims arising from issues related to classification disputed by the Company.(Payment made under protest ` 52.45 crores disclosed under Note 8 - Other non-current assets)	76.32	*76.32*
e) Applicability of Stamp Duty on import of coal	33.00	*28.26*
f) Amount payable to HUDCO under financing agreement for breach of financial covenants, delay in creation of security, commitment charges, prepayment penalty and penal interest.	-	*30.01**

* Excluding Service Tax/ GST

Future cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various forums/authorities.

Notes to the financial statements

All amounts are in ` crores unless otherwise stated

(ii) Capital Commitments

	As at 31st March, 2020	*As at 31st March, 2019*
a. Estimated amount of Capital contracts (including intangible assets) remaining to be executed on capital account (net of capital advance) and not provided.	51.81	*50.60*

(iii) Ash Utilisation

The Company is required to comply with ash disposal requirements in accordance with the requirements of the Environment Clearance (EC) and the relevant notifications issued by the Ministry of Environment & Forests (MOEF) from time to time. On 12th February, 2020, National Green Tribunal (NGT) has passed an order prescribing the formula for determination of Environment Compensation for non-compliance. The order is subject to proceedings pending before the hon'ble Supreme Court and is listed for further hearing in NGT on 8th July, 2020. The Company has been making concerted efforts in this regard and has achieved 100% utilisation of fly ash generated during the current year. During the year, pending the final order in National Green Tribunal and the results of the proceedings in Supreme Court, the Company has recognized a provision of ` 4.74 crores in its financial statements for disposal of past accumulated fly ash based on management's best assessment of the expected costs.

(iv) Force Majeure - COVID-19

In March 2020, the Company has received notices from Rajasthan Urja Vikas Nigam Limited (RUVNL) and Punjab State Power Corporation Limited (PSPCL) (together referred to as Discoms) invoking the provisions of Force Majeure provided in the Power Purchase Agreement (PPA) and notifying the event of lockdown as a force majeure event. RUVNL has claimed that no cause of action for breach or liability should arise on account of impossible performance of PPA as a consequence of Force Majeure whereas PSPCL has claimed that no Late Payment Surcharge for payments which become delayed beyond due date of bill shall be payable. The Company has replied to these notices rejecting the claims made by Discoms relying upon the order of Central Electricity Regulatory Commission dated 6th April, 2020 and clarification issued by Ministry of Power dated 6th April, 2020. The Company has not received any response to its replies from RUVNL and PSPCL. Management believes there is no merit to the claims made by Discoms and accordingly no impact has been given in the financial statements.

26.4 Disclosure required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below:

	As at 31st March, 2020	*As at 31st March, 2019*
i. Principal amount remaining unpaid to any supplier as at the end of the accounting year	1.51	*1.27*
ii. Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
iii. The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
iv. The amount of interest due and payable for the year	-	-
v. The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
vi. The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

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

Amount unpaid to MSME vendors on account of retention money have not been considered for the purpose of interest calculation.

Notes to the financial statements

All amounts are in ` crores unless otherwise stated

26.5 Financial Instruments

1 Fair values

Set out below, is a comparison by class of the carrying amount and fair value of the financial instruments:

	Carrying value		Fair Value	
	31st March, 2020	***31st March, 2019***	**31st March, 2020**	***31st March, 2019***
	` crores	` crores	` crores	` crores
Financial assets				
Cash and Cash Equivalents	657.49	*13.30*	657.49	*13.30*
Loans	100.00	-	100.00	-
Trade Receivables	243.38	*1,028.27*	243.38	*1,028.27*
Amortised Cost financial investments	13.24	*57.23*	13.24	*57.23*
Derivative instruments not in hedging relationship	88.42	*0.77*	88.42	*0.77*
Total	**1,102.53**	***1,099.57***	**1,102.53**	***1,099.57***
Financial liabilities				
Trade Payables	2,173.98	*2,365.19*	2,173.98	*2,365.19*
Fixed rate borrowings (including current maturities).	3,803.32	*2,693.18*	3,966.25	*2,726.83*
Floating rate borrowings (including current maturities)	4,993.23	*6,010.79*	4,993.23	*6,010.79*
Lease Liabilities	2,460.84	-	2,460.84	-
Derivative instruments not in hedging relationship	0.43	*76.22*	0.43	*76.22*
Other financial liabilities (excluding current maturities)	565.96	*207.41*	565.96	*207.41*
	13,997.76	***11,352.79***	**14,160.69**	***11,386.44***

The management assessed that cash and cash equivalents, trade receivables, loans, unbilled revenues, trade payables, other financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values.

- Fair value of the quoted bonds, mutual funds, govt securities are based on the price quotations near the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flow using rates currently available for debt on similar terms, credit risk and remaining maturities.
- The Company enters into derivative financial instruments with various counterparties, principally banks and financial institutions with investment grade credit ratings. Foreign exchange forward and option contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying currency. All derivative contracts are fully collateralized, thereby, eliminating both counterparty and the Company's own non-performance risk. As at 31st March, 2020, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The change in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognized at fair value.
- The fair value of the Company's interest-bearing borrowing and loans are determined by using Discounted Cash Flow (DCF) method using discount rate that reflect the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as on 31st March, 2020 was assessed to be insignificant.

Notes to the financial statements

All amounts are in ` crores unless otherwise stated

2 Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1

Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. This includes quoted equity instruments, government securities, traded debentures (borrowings) and mutual funds that have quoted price.

Level 2

Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This includes derivative financial instruments and investment in redeemable non-cumulative preference shares.

Level 3

Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This includes unquoted equity shares.

The following table summarizes financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required):

	Fair value hierarchy as at 31st March, 2020			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	**Total**
	` crores	` crores	` crores	` crores
Asset measured at fair value				
Derivative instruments not in hedging relationship	-	88.42	-	88.42
	-	**88.42**	**-**	**88.42**
Liabilities measured at fair value				
Derivative financial liabilities	-	0.43	-	0.43
Liabilities for which fair values are disclosed				
Fixed rate borrowings	3,966.25	-	-	3,966.25
Total	**3,966.25**	**0.43**	**-**	**3,966.68**

	Fair value hierarchy as at 31st March, 2019			
	Quoted prices in active markets (Level 1)	*Significant observable inputs (Level 2)*	*Significant unobservable inputs (Level 3)*	***Total***
	` crores	*` crores*	*` crores*	*` crores*
Asset measured at fair value				
Derivative instruments not in hedging relationship	-	*0.77*	-	*0.77*
	-	***0.77***	**-**	***0.77***
Liabilities measured at fair value				
Derivative financial liabilities	-	*76.22*	-	*76.22*
Liabilities for which fair values are disclosed				
Fixed rate borrowings	*2,726.83*	-	-	*2,726.83*
Total	***2,726.83***	***76.22***	**-**	***2,803.05***

There has been no transfer between level 1, level 2 and level 3 during the period.

Notes to the financial statements

All amounts are in ` crores unless otherwise stated

3 Capital Management & Gearing Ratio

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to preserve the shareholder value and to reduce heavy losses being incurred by the Company.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. From time to time, the Company reviews its policy to reduce its losses and dependence on its parent company. The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio below 80%. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations as detailed in the notes below.

The Company's capital management is intended to reduce erosion of value for shareholders by facilitating the meeting of its long-term and short-term goals. Its Capital structure consists of net debt (borrowings as detailed in notes below) and total equity (including equity share capital and unsecured perpetual securities).

Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

	31st March, 2020	*31st March, 2019*
Debt (i)	8,796.55	*8,703.97*
Less: Cash and Bank balances	657.49	*13.30*
Net debt	8,139.06	*8,690.67*
Total Capital (ii)	4,032.13	*4,874.91*
Capital and net debt	**12,171.19**	***13,565.58***
Net debt to Total Capital plus net debt ratio (%)	**66.87**	***64.06***

(i) Debt is defined as long-term borrowings (including current maturities) and short-term borrowings (excluding derivative, financial guarantee contracts and contingent considerations).

(ii) Equity is defined as Equity share capital, Unsecured perpetual securities and other equity including reserves and surplus.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2020 and 31st March, 2019.

4 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables, financial guarantee contracts and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans,trade and other receivables, cash and cash equivalents, other bank balances, unbilled receivables and other financial assets that are derives directly from its operations. The Company also holds FVTPL investments and enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a risk committee that reviews the financial risks and the appropriate financial risk governance framework for the Company. The Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The risk management policy is approved by the board of directors, which are summarized below.

4.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk:currency risk, interest rate risk and equity price risk. The impact of equity price risk is not material. Financial instruments affected by market risk include loans and borrowings and derivative financial instruments.

Notes to the financial statements

All amounts are in ` crores unless otherwise stated

The sensitivity analyses in the following sections relate to the position as at 31st March, 2020 and 31st March, 2019.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at 31st March 2020. The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations; provisions and the non-financial assets and liabilities of foreign operations.

4.1.1 Foreign currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign exchange risk through purchase of coal from Indonesia and elsewhere and overseas borrowings. The results of the Company's operations can be affected as the rupee appreciates/depreciates against these currencies. The Company enters into derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The following table analyzes foreign currency assets and liabilities on balance sheet dates:

	31st March, 2020		*31st March, 2019*	
Foreign Currency Liabilities	Foreign Currency Mn.	` crores	*Foreign Currency Mn.*	*` crores*
In USD	278.87	2,106.65	*322.13*	*2,229.22*
In EURO	0.02	0.20	*0.15*	*1.17*
In JPY	27.92	1.94	*11.93*	*0.83*

	31st March, 2020		*31st March, 2019*	
Foreign Currency Assets	Foreign Currency Mn.	` crores	*Foreign Currency Mn.*	*` crores*
In USD	-	-	*0.05*	*0.35*

(a) Foreign currency sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency forward and option contracts given as under.

		Effect on profit before tax
As at 31st March, 2020	Rupee depreciate by Re. 1 against USD	- ` 1.40 crores
	Rupee appreciate by Re. 1 against USD	+ ` 1.50 crores
As at 31st March, 2019	Rupee depreciate by Re. 1 against USD	- ` 1.94 crores
	Rupee appreciate by Re. 1 against USD	+ ` 1.94 crores

Notes:

1) +/- Gain/Loss

2) The impact of depreciation/appreciation on foreign currency other than US Dollar on profit before tax of the Company is not material.

Notes to the financial statements

All amounts are in ` crores unless otherwise stated

(b) Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rate on foreign currency exposure. The counterparty for these contracts is generally a Bank or a Financial Institution. These derivative financial instrument are valued based on quoted prices for similar asset and liabilities in active markets or inputs that is directly or indirectly observable in the marketplace.

The following table gives details in respect of outstanding foreign exchange forward and option contracts:

Outstanding Contracts

	Buy/Sell	31st March, 2020		
		Nominal Value in Foreign Currency (in millions)	Nominal Value in ` crores	Fair Value in ` crores
Other Derivatives				
Forward contracts				
In USD	Buy	214.47	1,620.16	69.14
In JPY	Buy	2.94	0.20	-
Option contracts				
In USD	Buy	56.78	428.93	18.85

	Buy/Sell	*31st March, 2019*		
		Nominal Value in Foreign Currency (in millions)	*Nominal Value in ` crores*	*Fair Value in ` crores*
Other Derivatives				
Forward contracts				
In USD	Buy	*250.25*	*1,730.76*	*(64.72)*
In EURO	Buy	*0.08*	*0.62*	-
In JPY	Buy	*5.16*	*0.32*	-
Option contracts				
In USD	Buy	*66.28*	*458.40*	*(10.73)*

4.1.2 Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company's policy is to keep between 40% and 60% of its borrowings at fixed rates of interest, excluding borrowings that relate to discontinued operations. To manage this, the Company enters into fixed rate loan, Bonds and interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

(a) Interest rate sensitivity of INR loans:

The sensitivity analysis below have been determined based on exposure to interest rates for term loans and debentures at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of term loans and debentures that have floating rates.

Notes to the financial statements

All amounts are in ` crores unless otherwise stated

If the interest rates had been 50 basis points higher or lower and all the other variables were held constant, the effect on Interest expense for the respective financial years and consequent effect on Company's profit in that financial year would have been as below:

` crores

	As at 31st March, 2020		*As at 31st March, 2019*	
	50 bps increase	50 bps decrease	*50 bps increase*	*50 bps decrease*
Interest expense on loan	(21.03)	21.03	*(21.32)*	*21.32*
Effect on profit before tax	(21.03)	21.03	*(21.32)*	*21.32*

4.2 Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including loans, foreign exchange transactions and other financial instruments. The Company generally deals with parties which have good credit rating/ worthiness given by external rating agencies or based on Company's internal assessment as listed below:

` crores

	31st March, 2020	*31st March, 2019*
Trade receivables	243.38	*1,028.27*
Loans	100.00	-
Total	**343.38**	***1,028.27***

Refer note no. 10 for credit risk and other information in respect of trade receivables. Other receivables as stated above are due from parties under normal course of business and as such the Company believes exposure to credit risk to be minimal.

The Company has not acquired any credit impaired asset. There was no modification in any financial assets.

4.3 Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lender.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

` crores

	Up to 1 year	1 to 5 years	5+ years	Total	Carrying Amount
31st March, 2020					
Non-Derivatives					
Borrowings	1,257.16	2,952.01	4,616.84	8,826.01	8,826.01
Future Interest on above borrowing	778.12	2,441.73	1,973.39	5,193.24	-
Lease Liabilities	254.91	1,278.78	6,582.70	8,116.39	8,116.39
Trade Payables	2,173.98	-	-	2,173.98	2,173.98
Other Financial Liabilities	565.96	-	-	565.96	565.96
Total Non-Derivative Liabilities	**5,030.13**	**6,672.52**	**13,172.93**	**24,875.58**	**19,682.34**
Derivatives					
Other Financial Liabilities	0.43	-	-	0.43	0.43
Total Derivative Liabilities	**0.43**	**-**	**-**	**0.43**	**0.43**

Notes to the financial statements

All amounts are in ` crores unless otherwise stated

` crores

31st March, 2019	Up to 1 year	1 to 5 years	5+ years	Total	Carrying Amount
Non-Derivatives					
Borrowings	1,826.35	2,124.21	4,763.10	8,713.66	8,713.66
Future Interest on above borrowing	737.61	2,565.88	2,386.24	5,689.73	-
Trade Payables	2,365.19	-	-	2,365.19	2,365.19
Other Financial Liabilities	207.41	-	-	207.41	207.41
Total Non-Derivative Liabilities	**5,136.56**	**4,690.09**	**7,149.34**	**16,975.99**	**11,286.26**
Derivatives					
Other Financial Liabilities	76.22	-	-	76.22	76.22
Total Derivative Liabilities	**76.22**	**-**	**-**	**76.22**	**76.22**

The table has been drawn up based on the undiscounted contractual maturities of the financial liabilities including interest that will be paid on those liabilities upto the maturity of the instruments, ignoring the call and refinancing options available with the Company. The amounts included above for variable interest rate instruments for non-derivative liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

The disclosed financial derivative instruments in the above table are the gross undiscounted cash flows. However, those amounts may be settled gross or net.

India and other global markets experienced significant disruption in operations resulting from uncertainty caused by the worldwide coronavirus pandemic. Considering that the Company is in the business of essential services, management believes that there is not much of an impact likely due to this pandemic including the utilization of installed capacity. To manage the expected liquidity risk, the Company has availed debt moratorium for some term loans under the relief package issued by the Reserve Bank of India (RBI) and would re-prioritize discretionary capital expenditure in immediate future.

26.6 Income tax

(a) Current tax

Accounting Policy

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The Company does not have taxable profit for the year, accordingly current tax expense for the year ended 31st March, 2020 is ` Nil.

As the Company has substantial unabsorbed brought forward losses, it does not plan to opt for the provisions of Section 115BAA introduced by The Taxation Laws (Amendment) Act, 2019.

(b) Deferred tax

Accounting Policy

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Notes to the financial statements

All amounts are in ` crores unless otherwise stated

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

For operations carried out under tax holiday period (80IA benefits of Income Tax Act, 1961), deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

(i) Movement of Deferred Tax

Particulars	**For the year ended 31st March, 2020**			
	Opening Balance	**Recognised in profit and Loss**	**Recognised in OCI**	**Closing Balance**
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipments and intangible assets	(3,349.69)	(825.70)	-	(4,175.39)
On Impact of measuring derivative financial instruments at fair value	(0.27)	(30.63)	-	(30.90)
Fair valuation of Mutual fund Investments	-	-	-	-
Deferred tax liabilities total	**(3,349.96)**	**(856.33)**	**-**	**(4,206.29)**
Tax effect of items constituting deferred tax assets				
Unabsorbed Depreciation	3,154.23	(6.32)	-	3,147.91
Allowance for Doubtful debts	37.66	1.57	-	39.23
On Impact of measuring derivative financial instruments at fair value	26.63	(26.48)	-	0.15
Provision for Employee benefits	8.93	1.00	-	9.93
Deferred revenue - Ind AS115	122.51	26.64	-	149.15
Lease liabilities	-	859.92	-	859.92
Deferred tax assets total	**3,349.96**	**856.33**	**-**	**4,206.29**
Net Deferred Tax Asset/(Liabilities)	**-**	**-**	**-**	**-**

Notes to the financial statements

All amounts are in ` crores unless otherwise stated

(i) Movement of Deferred Tax (Contd.)

Particulars	*For the year ended 31st March, 2019*			
	Opening Balance	*Recognised in profit and Loss*	*Recognised in OCI*	*Closing Balance*
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipments and intangible assets	*(3,685.26)*	*335.57*	-	*(3,349.69)*
On Impact of measuring derivative financial instruments at fair value	*(19.18)*	*18.91*	-	*(0.27)*
Fair valuation of Mutual fund Investments	-	-	-	-
Deferred tax liabilities total	***(3,704.44)***	***354.48***	**-**	***(3,349.96)***
Tax effect of items constituting deferred tax assets				
Unabsorbed Depreciation	*3,419.89*	*(265.66)*	-	*3,154.23*
Allowance for Doubtful debts	*30.21*	*7.45*	-	*37.66*
On Impact of measuring derivative financial instruments at fair value	*149.07*	*(122.44)*	-	*26.63*
Provision for Employee benefits	*7.68*	*1.25*	-	*8.93*
Deferred revenue - Ind AS115	*97.59*	*24.92*		*122.51*
Deferred tax assets total	***3,704.44***	***(354.48)***	**-**	***3,349.96***
Net Deferred Tax Asset/(Liabilities)	**-**	**-**	**-**	**-**

(ii) Amounts on which deferred tax asset has not been created:

Particulars	As at 31st March, 2020	*As at 31st March, 2019*
Unabsorbed depreciation	6,347.30	*5,187.92*
Total	**6,347.30**	***5,187.92***

Unused tax losses for which no deferred tax asset is recognised amount to ` 4,073.73 crores. The unused tax losses expire as detailed below:

31st March	Unused Tax losses	Deferred tax
2021	269.39	94.13
2022	650.88	227.44
2023	482.07	168.45
thereafter	2,671.39	933.49
Total	**4,073.73**	**1,423.51**

The Company is having carried forward business losses as above. The Company is not expecting to utilise these losses in near future based on projections made by the Company. Accordingly, the Company has not recognized any deferred tax asset on the carried forward tax losses.

Notes to the financial statements

All amounts are in ` crores unless otherwise stated

26.7 Related party Disclosures:

Disclosure as required by Ind AS 24 - "Related Party Disclosures" are as follows:

(a) Names of the related parties and description of relationship with which transactions have taken place:

Sr. No.	Name of the related party	Nature of relationship	Country of origin
1	The Tata Power Company Limited (TPCL)	Holding Company	India
2	Energy Eastern Pte. Limited (EEPL)	Fellow Subsidiary # #	Singapore
3	Trust Energy Resources Pte. Limited (TERPL)	Fellow Subsidiary #	Singapore
4	Maithon Power Limited (MPL)	Fellow Subsidiary #	India
5	Industrial Energy Limited (IEL)	Joint venture of Holding Company #	India
6	Tata Power International Pte. Limited (TPIPL)	Fellow Subsidiary #	Singapore
7	Tata Power Ajmer Distribution Limited (TPADL)	Fellow Subsidiary #	India
8	Walwhan Renewable Energy Limited (WREL)	Fellow Subsidiary #	India
9	Tata Power Trading Company Limited (TPTCL)	Fellow Subsidiary #	India
10	PT Kaltim Prima Coal (KPC)	Joint venture of Holding Company #	Indonesia
11	PT Antang Gunung Meratus (AGM)	Joint venture of Holding Company #	Indonesia
12	PT Arutmin Indonesia (PAI)	Joint venture of Holding Company #	Indonesia
13	Tata Power Solar Systems Limited (TPSSL)	Fellow Subsidiary #	India
14	Tata Power Renewable Energy Limited (TPREL)	Fellow Subsidiary #	India
15	Yashmun Engineers Limited (YEL)	Associate of Holding Company #	India
16	Mr. Kumar V. Ghate - Chief Executive Officer (from 1st April, 2018 to 31st March, 2019)	Key Management Personnel (KMP)	India
17	Mr. Vijay V. Namjoshi - Chief Executive Officer (from 1st April, 2019 to 31st January, 2020)	Key Management Personnel (KMP)	India
18	Mr. A. N. Ramesh - Chief Executive Officer (from 1st February, 2020)	Key Management Personnel (KMP)	India
19	Mr. Hardeep Singh Guru, Chief Financial Officer (upto 31st July, 2018)	Key Management Personnel (KMP)	India
20	Mr. Bijay Mohanty, Chief Financial Officer (from 1st August, 2018)	Key Management Personnel (KMP)	India
21	Mr. Darshan Soni, Company Secretary	Key Management Personnel (KMP)	India
22	Mr. Sowmyan Ramakrishnan - Director (upto 19th June, 2018)	Key Management Personnel (KMP)	India
23	Mr. Nawshir H. Mirza - Independent Director (upto 4th March, 2020)	Key Management Personnel (KMP)	India
24	Mr. Narendra Nath Misra - Independent Director (upto 4th March, 2020)	Key Management Personnel (KMP)	India
25	Ms. Anjali Kulkarni - Director	Key Management Personnel (KMP)	India
26	Mr. Ashok Sinha - Independent Director (from 15th January, 2020)	Key Management Personnel (KMP)	India
27	Mr. Kesava Menon Chandrasekhar - Independent Director (from 15th January, 2020)	Key Management Personnel (KMP)	India

Fellow subsidiaries with which transactions have taken place.

Energy Eastern Pte. Limited ceased to be a subsidary of the Company with effect from 27th March, 2019.

Note: Related parties have been identified by the Management.

Notes to the financial statements

All amounts are in ` crores unless otherwise stated

(b) Details of related party transactions and balances outstanding for the year ended 31st March, 2020:

` crores

	TPCL	EEPL #	TERPL	MPL	IEL	TPIPL	TPADL	TPREL
Purchase of Assets	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Rendering of service	-	-	-	-	-	-	-	-
	-	(0.40)	-	-	-	-	-	-
Receiving of services	4.41	-	720.07	-	-	-	0.03	-
	(2.92)	(414.48)	(314.43)	-	-	-	(0.01)	-
Interest expenditure/(write back) (net) *	1.26	(4.87)	(3.55)	-	-	-	-	-
	(7.63)	(0.01)	(0.05)	-	-	-	-	-
Interest received	1.81	-	-	0.21	-	-	-	0.34
	-	-	-	-	-	-	-	-
Equity Contribution	-	-	-	-	-	-	-	-
	(1,917.00)	-	-	-	-	-	-	-
Loan taken	1,337.20	-	-	-	-	-	-	4.50
	(1,676.67)	-	-	-	-	-	-	-
Loan repaid	1,390.20	-	-	-	-	-	-	4.50
	(1,959.64)	-	-	-	-	-	-	-
Loan Given	4,682.80	-	-	310.00	-	-	-	525.00
	-	-	-	-	-	-	-	-
Loan Principal received	4,582.80	-	-	310.00	-	-	-	525.00
	-	-	-	-	-	-	-	-
Unsecured perpetual securities	50.00	-	-	-	-	-	-	-
	(1,509.00)	-	-	-	-	-	-	-
Guarantees and collaterals Given by	5,307.01	-	-	-	-	-	-	-
	(4,704.56)	-	-	-	-	-	-	-
Guarantees and collaterals returned by	5,599.45	69.16	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Sale of investment in subsidiary - EEPL#	-	-	-	-	-	-	-	-
	-	-	(69.76)	-	-	-	-	-

Balances outstanding end of the year

	TPCL	EEPL #	TERPL	MPL	IEL	TPIPL	TPADL	TPREL
Guarantees and Collateral outstanding given by TPCL	7,544.10	-	-	-	-	-	-	-
	(7,836.54)	-	-	-	-	-	-	-
Guarantees and Collateral outstanding given to EEPL	-	-	-	-	-	-	-	-
	-	(69.16)	-	-	-	-	-	-
Trade Payables	2.77	-	386.22	-	-	-	-	-
	-	(240.53)	(148.32)	-	-	-	(0.06)	-
Trade Receivables	-	-	-		-	-	-	-
	(1.86)	-	-	(0.91)	(0.02)	-	-	-
Loans given including interest accrued	100.02	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Loans taken including interest accrued	-	-	-	-	-	-	-	-
	(53.00)	-	-	-	-	-	-	-
Unsecured Perpetual securities	7,035.88	-	-	-	-	-	-	-
	(6,985.88)	-	-	-	-	-	-	-
Deemed Equity	592.85	-	-	-	-	-	-	-
	(592.85)	-	-	-	-	-	-	-

Notes to the financial statements

All amounts are in ` crores unless otherwise stated

` crores

	WREL	TPTCL	KPC	AGM	PAI	TPSSL	YEL	KMP
Sale of Assets	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Purchase of Goods	-	-	2,713.48	85.85	76.78	-	-	-
	-	-	(2,579.20)	(375.92)	-	-	-	-
Rendering of service	-	-	-	-	-	-	-	-
	-	-	(17.04)	(3.54)	-	-	-	-
Receiving of services (incl. Sitting Fees) ^	-	0.01	-	-	-	-	3.98	2.14
	-	-	-	-	-	-	(3.31)	(1.91)
Interest Received	0.27	0.07	-	-	-	0.10	-	-
	-	-	-	-	-	-	-	-
Loan Given	400.00	150.00	-	-	-	200.00	-	-
	-	-	-	-	-	-	-	-
Loan Principal received	400.00	150.00	-	-	-	200.00	-	-
	-	-	-	-	-	-	-	-

Balances outstanding end of the year

Guarantees and Collateral outstanding given by TPCL	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Trade Payables	-	-	1,291.32	-	81.58	-	0.69	-
	-	-	(1,212.18)	(120.26)	-	-	(0.46)	-
Trade Receivables	-	-	-	1.50	-	-	-	-
	(0.01)	-	-	-	-	(0.03)	-	-

Notes:

Figures in bracket '( )' relate to the comparative figures for the related party transaction for the year ended 31st March, 2019 and balance outstanding are as on 31st March, 2019.

^ Sitting fees exclude Goods and Service Tax.

* Figures in bracket '( )' for current period pertain to reversal of interest payable on delayed payments.

Energy Eastern Pte. Ltd. ceased to be a subsidary of the Company with effect from 27th March, 2019.

26.8 Earnings Per Share:

Accounting Policy

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

Notes to the financial statements

All amounts are in ` crores unless otherwise stated

	For the year ended 31st March, 2020	*For the year ended 31st March, 2019*
Basic earning per share		
Profit/(Loss) after tax attributable to equity shareholders (` crore)	(890.54)	*(1,653.72)*
Weighted average number of equity shares outstanding during the period	800,04,20,000	*705,50,50,137*
Nominal value per share (in `)	10.00	*10.00*
Basic earnings per share (in `)	(1.11)	*(2.34)*
Diluted earnings per share		
Net profit for the period attributable to the equity shareholders (` crore)	(890.54)	*(1,653.72)*
Amount used as denominator for basic EPS (no. of shares)	800,04,20,000	*705,50,50,137*
Add: Potential Equity Shares on conversion of loan from shareholders (no. of shares)	-	*-*
Amount used as denominator for diluted EPS (no. of shares)	800,04,20,000	*705,50,50,137*
Nominal value per share (in `)	10.00	*10.00*
Diluted Earnings per share Dilutive/(Anti Dilutive) (in `)	(1.11)	*(2.34)*
Diluted Earnings Per Share (in `)	(1.11)	*(2.34)*

26.9 (a) During the current year, the Company has transferred its rights to receive cash flows from certain trade receivables amounting to ` 2,138.54 crores and has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement. Further, the Company has transferred substantially all the risks and rewards of these assets. For this transaction, The Tata Power Company Limited, the holding company, has issued a letter of comfort to the third party. Accordingly, the Company has derecognised the aforesaid assets amounting to ` 353.04 crores in the financial statements as at 31st March, 2020.

(b) During the current year, the Company supplied power under the Pilot project on Security Constrained Economic Despatch (SCED) for Inter-state Generating Stations pan India as per Central Electricity Regulatory Commission (CERC) order. The Company has received compensation of ` 14.08 crore. Further, as at 31st March, 2020, the Company has accrued compensation of ` 4.00 crores.

26.10 Significant Events after the Reporting Period

There were no significant adjusting events that occurred subsequent to the reporting period other than the events disclosed in the relevant notes.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Abhishek Agarwal
Partner
Membership no.: 112773

Place : Mumbai
Date : 27th April, 2020

For and on behalf of the Board of Directors

Ramesh N. Subramanyam
Chairman
Place : Mumbai

A. N. Ramesh
Chief Executive Officer
Place : Mundra

Bijay Mohanty
Chief Financial Officer
Place : Mumbai

Darshan Soni
Company Secretary
Place : Gandhinagar

Date : 27th April, 2020

Coastal Gujarat Power Limited

(A Tata Power Company)

Registered Office

34, Sant Tukaram Marg,

Carnac Bunder, Mumbai - 400 009.