CGPL

Coastal Gujarat Power Limited

(A Tata Power Company)

13th Annual Report 2018-19

Coastal Gujarat Power Limited

CSR Programme

CORPORATE INFORMATION

	Board of Directors
Independent, Non-Executive Director	Mr. Nawshir H. Mirza Mr. Narendra Nath Misra
Non-Independent, Non-Executive Director	Mr. Ramesh N. Subramanyam Mr. Purushottam Thakur Ms. Anjali Kulkarni
Chief Executive Officer	Mr. Vijay V. Namjoshi
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 IDFC First 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. Tata Capital Financial Services Ltd. IFCI 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

Annual General Meeting

Date : Monday, 17th June 2019
Time : 10:00 a.m.
Venue : Conference Room No. 101, Bombay House, 24, Homi Mody Street, Fort, Mumbai 400 001.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTEENTH ANNUAL GENERAL MEETING OF COASTAL GUJARAT POWER LIMITED will be held on Monday, the 17th day of June 2019 at 10.00 a.m. at Conference Room No. 101, Bombay House, 24, Homi Mody Street, Fort, Mumbai 400 001, 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 2019 together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a director in place of Ms. Anjali Kulkarni (DIN: 06993867), who retires by rotation and, being eligible, offers herself for re-appointment.

Special business

3. **Appointment of Mr. Purushottam Thakur as Director**

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

   "RESOLVED that Mr. Purushottam Thakur (DIN: 06833140), who was appointed as an additional director of the company with effect from 21st January 2019 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 a director of the company, liable to retire by rotation."

4. **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 (Rupees Two Lakh Ten Thousand) plus applicable taxes, travel and actual out-of-pocket expenses payable to M/s. Sanjay Gupta and Associates, who are appointed as cost auditors to conduct the audit of cost records maintained by the company for the financial year 2019-20.

   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 and the relevant details of the directors seeking re-appointment/ appointment under item no. 2 and 3 above as required under Secretarial Standard - 2 on general meetings issued by the Institute of Company Secretaries of India, are annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT TO BE A MEMBER. THE INSTRUMENT APPOINTING THE PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. 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.
4. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.

Date : 22nd April 2019
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 67171210 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 and 4 of the accompanying notice dated 22rd April 2019:

Item no. 3 Mr. Purushottam Thakur was appointed as an additional director of the company with effect from 21st January 2019 by the board of directors under section 161 of the act and articles of association of the company. In terms of section 161(1) of the Act, Mr. Purushottam Thakur 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 the intention to propose Mr. Purushottam Thakur's appointment as a director.

Mr. Purushottam Thakur, aged 59 years, is a Bachelor of Electrical Engineering from BIT Sindri, Dhanbad and has an overall experience of 34 years. Mr. Thakur joined Tata Steel Limited in the year 1984 as a Graduate Engineer Trainee and has worked in various steel making facilities. He was transferred to Tata Power in 1998 and has worked in the field of Operation and Maintenance of Electrical System, Operation and Maintenance of Power Plant, Green field Project Development and Power Project execution. He has diverse experience in the power sector. He has led sustainable operations of stranded power projects across India.

The board commends the resolution at item no. 3 of the accompanying notice for approval by the members of the company.

Other than Mr. Purushottam Thakur, none of the directors or KMP of the company or their respective relatives are concerned or interested in the resolution at item no. 3 of the accompanying notice.

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

Item no. 4: 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, at its meeting held on 22nd April 2019, has 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 2019-20, at a remuneration of ₹ 2,10,000 (Rupees Two Lakh Ten Thousand) plus applicable taxes, travel 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. 4 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. 4 of the accompanying notice.

Date : 22nd April 2019
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 67171210 Fax: 91 22 66100863
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Website: www.tatapower.com

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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	**Ms. Anjali Kulkarni**	**Mr. Purushottam Thakur**
Date of birth (Age)	9th August 1958 (60 years)	3rd January1960 (59 years)
Date of appointment	4th March 2015	21st January 2019
Expertise in specific functional areas	Ms. Anjali Kulkarni is a graduate in Electronics and Telecommunication engineering from Poona University. She has about four decades of multi-faceted experience in power sector in areas of Engineering, Project Management, Commissioning and Maintenance of Thermal Power plants. She held the position of Chief Corporate Engineering at The Tata Power Company Limited. Her experience also includes an assignment in HR for development of new HR processes and systems.	Mr. Purushottam Thakur, aged 59 years, is a Bachelor of Electrical Engineering from BIT Sindri, Dhanbad and has an overall experience of 34 years. Mr. Thakur joined Tata Steel Limited in the year 1984 as a Graduate Engineer Trainee and has worked in various steel making facilities. He was transferred to Tata Power in 1998 and has worked in the field of Operation and Maintenance of Electrical System, Operation and Maintenance of Power Plant, Green field Project Development and Power Project execution. He has diverse experience in the power sector. He has led sustainable operations of stranded power projects across India.
Qualifications	Graduate in Electronics and Telecommunication engineering from Poona University	Bachelor of Electrical Engineering from BIT Sindri, Dhanbad
Directorships held in other companies (excluding foreign companies)	• Walwhan Renewable Energy Limited • Industrial Energy Limited • Walwhan Solar MP Limited • Walwhan Solar PB Limited • Walwhan Wind RJ Limited • Walwhan Solar TN Limited	• Industrial Energy Limited • Tata Power Green Energy Limited • Maithon Power Limited
Committee position held in other companies	**Audit committee** Walwhan Renewables Energy Limited	**Audit committee** Industrial Energy Limited
Remuneration	₹ 6.60 lakh	NA
No. of meetings of the board attended during the year	8	2
No. of shares held: **(a) Own** **(b) For other persons on a beneficial basis**	 Nil Nil	 Nil Nil

BOARD'S REPORT

To,
The Members,

The Directors are pleased to present the thirteenth annual report on the business and operations of your company and the statements of account for the year ended 31st March 2019.

1. Financial results

(Figures in ₹ crore)

Particulars	FY19	*FY18*
Net sales	7,064.33	*6,270.93*
Operating expenditure	7,199.41	*6,371.13*
Operating profit/ (loss)	**(135.08)**	***(100.20)***
Less: forex loss	131.04	*84.33*
Add: other income	72.54	*28.53*
Less: interest and finance charges	1,012.07	*850.01*
Profit/ (loss) before depreciation and tax	**(1,205.65)**	***(1,006.01)***
Less: depreciation/amortization	448.07	*466.09*
Add (Less): reversal / (provision) for Impairment	-	*(310.94)*
Profit/ (loss) before tax	**(1,653.72)**	***(1,783.04)***
Less: provision for taxes	-	-
Net profit/ (loss) after tax	**(1,653.72)**	***(1,783.04)***
Distributable profits/(losses)	**(1,653.72)**	*(1,783.04)*
Add: Other comprehensive income	0.73	*1.50*
Add: balance brought forward from the previous year	(8,458.41)	*(6,676.87)*
Balance to be carried forward	**(10,111.39)**	***(8,458.41)***

2. Financial performance & state of company's affairs

2.1 Financials

During the year, your company achieved a total sales turnover of ₹ 7,064.33 crore as against ₹ 6,270.93 crore in FY18. Net loss before tax was ₹ 1,653.72 crore for the financial year ended 31st March 2019 as against net loss of ₹ 1,783.04 crore for the previous year.

Further, Tata Power, the holding company has invested a substantial sum of ₹ 14,986 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.

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 2019.

2.2 Fuel consumption

During the period under review, the coal consumption was 11.27 million MT as against 10.80 million MT in previous year. While approximately 52% of the requirement was met by sourcing of coal from KPC mines in Indonesia including one Low CV Coal shipment first time, the balance was met from other sources globally including low CV coal.

2.3 Operational performance

Details of generation for FY19 vis-a-vis FY18 are given below:

	Generation (MUs)		Availability (%)		Plant load factor (%)	
	FY19	*FY18*	FY19	*FY18*	FY19	*FY18*
Station	26,839	*26,686*	80.05%*	*79.14%*	73.83%	*73.40%*

** 80.13% with spinning reserve.*

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. As such, your company can source low CV shipments and avail the cost benefit. Your company continues to source 4,200 GAR quality coal based on availability and competitiveness.

- **Explore sourcing of Mid CV off-spec shipments** - Your company is also putting efforts to source 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 FY19 vis-a-vis FY18 is given below:

Coal	FY19	*FY18*
MCV	55.0%	76.7%
HCV	13.5%	10.4%
LCV	31.5%	12.9%

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 (Krutogorovo, far East Russia) for development of a coal mine for the benefit of the company as well as other group companies. The pre-development activities are in progress.

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 expeditiously.

- **Water cannon installation** - Your company also took an initiative to install water cannon to improve the boiler parameters and reduced flue gas exit loss. Installation and commissioning is completed in all five units.

2.6 Initiative to reduce finance costs

In order to refinance USD loans with INR loans, 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	5	17,000	9.70%	INE295J08014	₹ 1700,00,00,000
Series II Debentures	₹10,00,000	10	10,000	9.90%	INE295J08022	₹ 1000,00,00,000

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

Your Company has also allotted 191,70,00,000 equity shares of ₹ 10 each at par to The Tata Power Company Limited aggregating to ₹ 1,917 crore during the year for the said purpose.

After consideration of the above, your company has successfully concluded the refinancing of USD loans with INR loans during FY 2018-19.

Further, for optimising the financing costs, your company is exploring various options for refinancing / renegotiation of terms of other existing debt facilities in FY 2019-20.

3. Dividend

In absence of profits, your company has not declared any dividend for the financial year ended 31st March 2019.

4. Reserves

Due to losses, the directors are unable to propose any transfer of profits to reserves for FY19.

5. Directors and Key Managerial Personnel

5.1 Directors

5.1.1 Inductions

Mr. Asim Kumar De (DIN: 03619507) was appointed as an additional director of your company by the Board w.e.f. 19th June 2018, in accordance with Article 113 of your company's Articles of Association and Section 161 of the Companies Act, 2013 ("the Act"). Subsequently, the members had, at twelfth Annual General Meeting (AGM) held on 24th July 2018, approved his appointment as non-executive director of your company.

Mr. Purushottam Thakur (DIN: 06833140) was also appointed as an additional director of your company with effect from 21st January 2019 in accordance with Article 113 of your company's Articles of Association and Section 161 of the Act. 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.

5.1.2 Re-appointments

In accordance with the requirements of the Act and the Articles of Association of your company. Ms. Anjali Kulkarni (DIN:06993909) retires by rotation and is being eligible offered for re-appointment.

5.1.3 Cessation

In view of attaining superannuation, Mr. Asim Kumar De resigned from the position of Director of the Company w.e.f. closure of working hours on 31st December 2018. The Board has placed on record its sincere appreciation for the valuable contribution made by Mr. De towards your company during his tenure as Director of the company.

5.2 Key Managerial Personnel

In terms of Section 203 of the Act, the Board had approved appointment/ cessation of following Key Managerial Personnel of your company during the year:

(a) Resignation of Mr. Hardeep Singh Guru as Chief Financial Officer (CFO) w.e.f. close of working hours on 31st July 2018 due to his Tata Group transfer.

(b) Appointment of Mr. Bijay Mohanty as Chief Financial Officer (CFO) from 1st August 2018 to 31st October 2018.

(c) Re-appointment of Mr. Bijay Mohanty as Chief Financial Officer (CFO) w.e.f. 1st November 2018.

(d) Retirement of Mr. Kumar V. Ghate as Chief Executive Officer (CEO) w.e.f. close of working hours on 31st March 2019, in view of attaining his superannuation.

(e) Appointment of Mr. Vijay V. Namjoshi as Chief Executive Officer (CEO) w.e.f. 1st April 2019 in place of Mr. Kumar V. Ghate.

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

- Mr. Vijay V. Namjoshi, Chief Executive Officer (CEO)
- Mr. Bijay Mohanty, Chief Financial Officer (CFO)
- Mr. Darshan Soni, Company Secretary (CS)

5.3 Number of Board meeting and dates

Eight Board meetings were held during the year and the gap between two meetings did not exceed 120 days. These were held on 23rd April 2018, 19th June 2018, 17th July 2018, 24th July 2018, 17th October 2018, 18th December 2018, 21st January 2019 and 11th March 2019. One separate meeting of independent directors was also held on 11th March 2019 which was attended by all the independent directors. The attendance details of directors during FY19 were as follows:

<table>
<tr><th>Sl. no.</th><th>Name of the director</th><th>Category of directorship</th><th>Number of Board meetings attended</th></tr>
<tr><td>1</td><td>Mr. Ashok Sethi</td><td rowspan="5">Non-independent, non-executive</td><td>8</td></tr>
<tr><td>2</td><td>Mr. Sowmyan Ramakrishnan[1]</td><td>2</td></tr>
<tr><td>3</td><td>Mr. Ramesh N. Subramanyam</td><td>4</td></tr>
<tr><td>4</td><td>Ms. Anjali J. Kulkarni</td><td>8</td></tr>
<tr><td>5</td><td>Mr. Asim Kumar De[2]</td><td>4</td></tr>
<tr><td>6</td><td>Mr. Nawshir H. Mirza</td><td rowspan="2">Independent non-executive</td><td>7</td></tr>
<tr><td>7</td><td>Mr. Narendra Nath Misra</td><td>8</td></tr>
<tr><td>8</td><td>Mr. Purushottam Thakur[3]</td><td>Additional Director</td><td>2</td></tr>
</table>

[1] *Mr. Sowmyan Ramakrishnan has resigned from the Board w.e.f. close of working hours on 19th June 2018.*

[2] *Mr. Asim Kumar De has resigned from the Board w.e.f. close of working hours on 31st December 2018.*

[3] *Mr. Purushottam Thakur was appointed as Additional Director on 21st January 2019.*

In terms of Section 149 of the Act, Mr. Nawshir H. Mirza and Mr. Narendra Nath Misra are independent directors of your company. Your company has received declarations from them confirming that they meet the criteria of independence as prescribed under section 149(6) the Act.

5.4 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)
- Allotment Committee

5.4.1 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. Nawshir H. Mirza, Chairman
- Mr. Narendra Nath Misra, Member
- Mr. Ramesh N. Subramanyam, Member

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

The committee met 6 times during the year. These meetings were held on 23rd April 2018, 17th July 2018, 24th July 2018, 17th October 2018, 21st January 2019 and 11th March 2019, 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	Independent, non-executive	6
2	Mr. Narendra Nath Misra		6
3	Mr. Sowmyan Ramakrishnan[1]	Non independent, non-executive	1
4	Mr. Ramesh N. Subramanyam[2]	Non independent, non-executive	3

[1] *Mr. Sowmyan Ramakrishnan has ceased to be a member of the committee consequent upon his resignation as director w.e.f. close of working hours on 19th June 2018.*

[2] *Mr. Ramesh N. Subramanyam was appointed as a member of the committee w.e.f. 19th June 2018.*

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.

Your company has reviewed and adopted the charter of the audit committee to bring the terms of the reference, role and scope in conformity with the provisions of the Act. The charter specifies the composition, meetings, quorum, powers, roles and responsibilities etc. of the committee.

The Board has delegated the following powers to the Audit Committee:

- To investigate any activity within the scope of this charter or referred to it by the Board.
- Appoint, compensate and oversee the work of any registered public accounting firm employed by the organization.
- Pre-approve all auditing and non-audit services.
- To seek any information from any employee or director of the company.
- To engage independent counsel and other advisors and seek their advice.
- To secure attendance of outsiders with relevant expertise.
- To have full access to the books of account, company facilities, employees and any other service provider to the company.
- Meet with company officers, external auditors or outside counsel, as necessary.
- To engage a valuer where a valuation needs to be made for any property, stock, shares, debentures, goodwill or any other assets or net worth of a company or its liabilities (as per section 247(1) of the Act).

The roles and responsibilities of the audit committee include the following:

- Oversight of the company's financial reporting processes and financial statements.
- Recommend to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and fixation of audit fees and terms of appointment.
- Review the adequacy of internal audit function, including the structure and charter of the internal audit department (including outsourced internal audit firms), staffing and seniority of the official heading the department, reporting structure coverage budget and frequency of internal audit.
- Review the appointment, re-appointment, removal and terms of remuneration of the cost auditors. This includes pre-approval of any other services that may be rendered by the cost auditors and fees pertaining thereto.
- Review with the management, external and internal auditors and outsourced internal audit firms, the quality, adequacy and effectiveness of internal control systems and any significant deficiencies or material weakness in the internal controls.
- Evaluation of internal financial controls.
- Evaluate on a regular basis the adequacy of risk management systems.
- Review the effectiveness of the system for monitoring compliance with applicable laws and regulations.
- To review the functioning of the whistle blower mechanism.
- To approve related party transactions except all transactions of the company with its holding company, its own wholly owned subsidiaries whose accounts are consolidated with the company and placed before the shareholders at the general meeting for approval, are exempt from the requirements of taking audit committee's approval.

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.

5.4.2 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. Nawshir H. Mirza, Chairman
- Mr. Narendra Nath Misra, Member
- Mr. Ashok S. Sethi, Member

The committee met 6 times during the year. These meetings were held on 17th July 2018, 24th July 2018, 16th October 2018, 18th December 2018, 11th January 2019 and 11th March 2019. 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	Independent, non-executive	6
2	Mr. Narendra Nath Misra		6
3	Mr. Ashok S. Sethi	Non independent, non-executive	6

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.
- Ask for any records or documents of the Company.
- Invite such executives, as it considers appropriate to be present at the meetings of the Committee.

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.

5.4.3 Corporate Social Responsibility Committee

In accordance with Section 135 read with Schedule VII of the Companies Act 2013, a Corporate Social Responsibility (CSR) Committee has been constituted which shall:

- 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 as may be prescribed by the Rules thereto;
- Recommend the amount of expenditure to be incurred on such activities.
- Monitor the CSR policy of the company from time to time.

Currently, the committee comprises of the following:

- Mr. Purushottam Thakur, Chairman
- Mr. Nawshir H. Mirza, Member
- Ms. Anjali Kulkarni, Member

The committee met 3 times during the year. These meetings were held on 28th June 2018, 16th October 2018 and 11th March 2019. 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. Nawshir H. Mirza	Independent, non-executive	3
2	Ms. Anjali Kulkarni	Non-independent, non-executive	3
3	Mr. Asim Kumar De[1]	Non-independent, non-executive	2
4	Mr. Purushottam Thakur[2]	Non-independent, non-executive	1

[1] *Mr. Asim Kumar De has ceased to be a member of the committee consequent upon his resignation as director of the company w.e.f. close of working hours on 31st December 2018.*

[2] *Mr. Purushottam Thakur was appointed as Chairman of the committee w.e.f. 21st January 2019.*

5.4.4 Allotment Committee

Currently, the committee comprises of the following:

- Mr. Ramesh N. Subramanyam, Chairman
- Mr. Narendra Nath Misra, Member

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

6. 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.

7. 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 FY19 for attending the meetings of the Board and committees are as follows:

Sr. No.	Name of the director	Sitting fees for FY19 (gross) (₹)
1	Mr. Nawshir H. Mirza	13,10,000
2	Mr. Sowmyan Ramakrishnan	2,00,000
3	Mr. Narendra Nath Misra	14,25,000
4	Ms. Anjali Kulkarni	6,60,000

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

Pursuant to the provisions of the Act, the Board has carried out an annual evaluation of its own performance, performance of the directors individually as well as the evaluation of the working of its committees.

The following process was adopted for Board evaluation:

- Feedback was sought from each director about their views on the performance of the board, covering various criteria such as degree of fulfilment of key responsibilities, board structure and composition, establishment and delineation of responsibilities to various committees, effectiveness of board processes, information and functioning, board culture and dynamics, quality of relationship between the board and the management and efficacy of communication with external stakeholders. Feedback was also taken from every director on his assessment of the performance of each of the other directors.
- The Nomination and Remuneration Committee (NRC) then discussed the above feedback received from all the directors.
- Based on the inputs received, chairman of the NRC also made a presentation to the independent director at their meeting, summarising the inputs received from the directors as regards board performance as a whole and of the chairman. The performance of the non-independent, non-executive directors and board chairman was also reviewed by them.
- Post the meeting of the independent directors, their collective feedback on the performance of the board as a whole was discussed by the chairman of the NRC with the chairman of the Board. It was also presented to the Board and a plan for improvement was agreed upon and is being pursued.
- Every statutorily mandated committee of the board conducted a self-assessment of its performance and these assessments were presented to the board for consideration. Areas on which the committees of the board were assessed included degree of fulfilment of key responsibilities, adequacy of committee composition and effectiveness of meetings.
- Feedback was provided to the directors, as appropriate. Significant highlights, learning and action points arising out of the evaluation were presented to the board and action plans drawn up. The recommendations made in the previous year were satisfactorily implemented.

9. 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 FY19, none of which impact the "going concern" status of your company.

9.1 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. 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, analyzed and re-evaluated the overall situation afresh and made a reasoned recommendations on 3rd October 2018 along with a draft Supplemental PPA to be executed between the parties to PPA.

In the meantime, GOG 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. Once consensus is reached amongst all Procurers & Company, the Company will approach Hon'ble CERC for necessary approval for PPA amendment.

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.

9.2 Change in law

The Company has been filing various petitions before the Hon'ble CERC on 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.

Based on the Order passed by the CERC, the Company has been raising the supplementary invoices. However, few change in law incidences have been rejected by the CERC, which have been challenged before the APTEL and the same are under adjudication.

The Ministry of Environment, Forest and Climate Change (MoEF&CC), vide its notification dated 7th December 2015, has revised the environment emissions norms mandating all thermal power plants to comply with new/revised norms. Your company had filed a petition with CERC seeking in-principle approval for the capital expenditure in order to secure finance from the financial institutions. Meanwhile, your company is already in compliance with the new norms related to suspended particulate matter (SPM) etc. Though your company was all prepared to move ahead and complete requirements on time, but for regulatory delays, the Central Electricity Authority (CEA), in consultation with various stakeholders, has formulated a phasing plan as per which the new norms need to be achieved by the end of the year 2022. Hon'ble CERC passed an order on 17th September 2018 and held that revised environmental norms are in the nature of change in law, the Company shall approach the Hon'ble CERC for determination of increase in cost or/and revenue expenditure on account of implementation of revised norms in accordance with the Guidelines to be issued by CEA and the mode of recovery of the same through monthly tariff.

9.3 Suo-moto petition by CERC on declaration of commercial operation of units 20, 30, 40 & 50

Based on representations made by an individual before the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI) on the issue of declaration of commercial operations dates for Units 20, 30, 40 and 50 of Mundra UMPP, the matter was referred to CERC and a suo-motu petition was initiated by CERC to look into the allegations. CERC examined the allegations based on all the documents including the test results and in light of the submissions by all the parties i.e. the Company, Procurer States, WRLDC, Independent Engineer and the complaints. Based on the analysis, it is held by CERC that the allegations by complaints are without any basis and are accordingly rejected. No further action is called for on the complaints.

10. 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:

- Risk of increase in coal prices leading to higher under recovery
- Major threats to stations from terrorism / sabotage
- Impact of currency fluctuations on import cost of coal except to the extent it is passed through in Tariff
- Risk of fire & explosions
- Non-compliance to lender covenants

11. 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 eleven categories of risk. 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 quarter 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 3 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.

12. Internal controls and systems

Tata Power has set up the internal audit function which covers your company and endeavours to make meaningful contributions to the organisation's overall governance, risk management and internal controls. The function reviews and ensures sustained effectiveness of internal financial controls (IFC) by adopting a systematic approach.

Section 177 of the Companies Act, 2013 and the audit committee charter states that audit committee to review the effectiveness of your company's internal control system, including financial controls, information technology security and its control.

Section 143(3) of the act states that auditor's report shall, inter alia, state whether your company has adequate internal financial controls (IFC) system in place and the operating effectiveness of such controls.

Section 134 of the act requires directors to confirm that your company have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively. With this objective in mind and to fulfill the requirements of the Companies Act, 2013, in the FY19, the Tata Power internal audit team, with the support of audit firms, performed the test of design and test of effectiveness of IFC. Scoping was done based on major classes of transactions and account balances, general IT controls and entity level controls were considered for review. Internal audit plan was executed by internal audit team of Tata Power along with co-sourced partner.

Assurance on internal control is based on a two pronged approach - at entity level and business process level. Effectiveness of framework is evaluated through a combination of approaches such as internal audits, control self-assessment, CEO & CFO certification on internal controls on financial reporting & statutory compliances, review of statutory auditors over financial reporting & compliances, business performance reporting and review by Board, SAP ERP environment and culture.

The **internal audit** process includes review and evaluation of process robustness, effectiveness of controls and compliances. It also ensures adherence to policies and systems and mitigation of the operational risks perceived for each area under audit. Internal audit policy and manual has been framed, based on which a flexible risk-based audit plan has been formulated that aligns with the organizational strategy and impact on business objectives.

The processes of company are categorized into vital, essential and desirable where vital processes are audited every year, essential and desirable are reviewed once in two years. In addition, specific focus areas are covered based on inputs from senior leadership and audit committee. Criteria for classification of audit observations as major or minor have been revised to make it more objective. 100% audit of internal financial controls are ensured every year. 100% audit of fraud risk mitigation controls identified during fraud risk assessment are conducted every year. The actions emerging out of internal audits conducted reflects a decreasing trend of 168 to 28 over last three years. Follow up audits are conducted to review of effectiveness for all actions taken. Action status are tracked periodically and reported to the audit committee.

Significant observations including recommendations for improvement of the business processes are reviewed by the management before reporting to the audit committee. The audit committee then reviews the internal audit reports and the status of implementation of the agreed action plan. Post recognition of 'General conformance to international audit standards' from Institute of Internal Auditors (IIA Global) in 2013, quality review of audit reports is carried out as per IIA Global guidelines before the report is issued.

The indices to measure control effectiveness and robustness is through risk and control index and process robustness index. RCI trend of three years reflects an improving trend from 91% in FY 2016-17 to 94% in FY 2018-19. PRI trend also reflects a positive trend from 54% in FY 2016-17 and 89% in FY 2018-19.

Internal audit reports are reviewed by management and significant issues and recommendations are presented to audit committee. On review of audit observations and action taken, there were no adverse audit observations which had not been acted upon having material impact on financials or commercial implications or material non-compliances.

The **control self-assessment** is one of the best practices which has been adopted and rolled out annually.

The CSA ensures optimum coverage of audit universe to provide assurance on the operating effectiveness based on results of evaluation across all processes. The questionnaire is based on the controls defined in the risk and control matrix which is updated dynamically based on process changes and integrated with internal financial controls and fraud risk controls. The control gaps identified by process owners are addressed by appropriate action plans with target dates and person responsible. CSA tool acts as a pillar to identify focus audit areas for audit plan and certification for internal controls effectiveness. CSA for all the processes have been released. Most of the responses have been received with no material observations.

The **Risk and Control matrix** (RCM) is the foundation of internal audit for evaluation of the internal controls/policies that should exist in various management functions. A repository of RCM was developed which is continuously updated with fraud risk control identified as part of fraud risk assessment, operational risk emanating from enterprise risk management and internal financial controls. Committee of sponsoring organisations of the treadway commission (COSO) assertions are also integrated in the RCM which provides guidance on the design and evaluation of internal controls. At the end of every audit assignment, the RCM is refreshed and aligned to process changes.

In compliance to the Companies Act requirement, test of design and test of effectiveness of internal financial controls were conducted and adopted across the group. **Internal financial controls** identified as part of this exercise were integrated into RCM. The CEO & CFO certify to the Board that internal controls over financial reporting are satisfactory. The Board reviews the performance of various business segments each quarter. Such reviews have not given any indication of material failure of controls.

All the **legal compliances** are mapped and monitored through an online system called Legatrix. This system has escalation mechanisms for non-compliances.

Legal firm 'Legasis' is assigned the task of updation of amendments for various statutory compliances in the system. Status of compliances are reported and reviewed during BSC review. Additionally, internal audit reviews the statutory compliances as part of every audit conducted during the year. On review of the audit observations and action taken on audit observations, there were no adverse audit observations which had not been acted upon having material impact on statutory requirements.

The statutory auditors have conducted their independent evaluation and no material non-compliance with laws that has a direct relevance to the financial statements have been reported.

Show Cause Notices are currently being tracked manually. Legatrix provides a module to upload show cause and other statutory notices received in the system. This will provide a repository of all notices received. Functions are in the process of moving this into digital platform.

As on 31st March 2019, there was 100% compliance reported in the system. The CEO also furnished a statutory compliance certificate to the Board at every quarterly meeting.

Your company's secretarial audit carried out in the current year has not indicated any non-compliance.

Your company has used various tools and mechanisms including SAP ERP system to ensure proper controls and the authorizations are in place. GRC module with multiple rules have been implemented which has resulted in best in class robust ERP environment. The internal auditors review the access rights as part of their audit assignment and gaps noted have been duly acted upon.

13. 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 behavior. 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 behavior, 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.

14. Sustainability

14.1 Care for our people

Safety is a core value of your company. Highlights of efforts in the areas of safety are as follows:

- APEX India Occupational Health & Safety Excellence Award-2018 in Gold category on 18th February, 2019 for implementation of best safety practices in Thermal Power Sector.
- FAME Excellence Safety Award (Gold) for Health & Safety of Workers on 29th July 2018 for best Safety practices and implementing workplace safety norms.
- 558 lost time incident (LTI) free day and 8.24 safe million man-hours were achieved till 31st March 2019.
- Unsafe acts/conditions are reported by employees from site using "Tata Power Suraksha app", which are subsequently tracked and addressed through SAP.
- Tata Power Stakeholder Suraksha App is used by Business Associates for Safety Observation reporting.
- L1 level safety training through Tata Power Skill Development Institute (TPSDI) was conducted for business associates and 2,291 workers were covered in this training. Similarly, L2 & L3 level safety training modules covered 201 and 15 (L2/ L3) business associates.
- Safety awareness programs on road safety, home safety, earthquake and fire safety were organized in "Aashiyana Township" and nearby villages and schools to sensitize the community and employees.
- 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.
- Reach stacker is used for safe loading / unloading of containers which has reduced risk involved in the activity.
- Wireless Fire Detection and Alarm System is installed for remote location which has eliminated excavation risks involved in the job.
- Testing and certification of electrical tools, distribution board, etc. are conducted quarterly.
- Safety town halls were organised for safety dialogue with employees.
- Specialised safety training by external experts were conducted on various topics like rigging & slinging, scaffolding erection, working at height, defensive driving, fire safety etc.

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

Sr. No.	Parameters	FY19	FY18
1	Fatality (number)	0	*0*
2	LTIFR (Lost time injuries frequency rate) (per million man hours)	0	*0.15*
3	TIFR (Total injury frequency rate) (number of injuries per million-man hours)	6.22	*6.48*
4	First aid cases (number)	25	*35*
5	Man-days lost	0	*8*
6	Man-days worked	6,63,083	*8,10,075*

14.2 Care for community and environment:

14.2.1 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 Ecology (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 be emancipated from their on-going debt trap through the VDAC (Village Development & Advisory Committee).

  Your company is also running the informal school - Sagarshala with 120 students. This program is supported by Sarva Shiksa Abhiyan (GOG); apart from Education inputs, Health and sanitation measures, daily supply of drinking water, Sports and Cultural programs are being done to enhance the quality of life of the fishermen around.

  Fishermen Information Centre (FIC) is also established under the project to converge more with the Government scheme and a platform for all fishermen community for interaction and meeting.

- **Kanthi Area Livelihood Program:**

  Your company continued with the daily supply of fodder for 3,600 cattle which benefited 517 cattle owners under Kanthi Area Livelihood program through establishment of two Gauseva Charitable trust. Your company has partnered with expert agencies for establishment of NB-21 variety of fodder demo plots in the community with an aim to maximize the local fodder production. This year Kutch has been declared as Drought prone area, hence, several other specific measures have also been taken to address the need of the requirement of fodder like distribution of Maize Fodder kit specially to 123 women dairy farmers.

  Your company has also established vermicompost training cum production Centre in the region as a model for preparation of vermicompost in the region by the interested famers at their premises. This Centre has become a training excellence centre for vermicompost production.

  In the reporting year, your company has also taken up Gaucher Land Development Project in one of the working panchayats as a pilot project with an intent to prepare the barren land into cultivable land, the success of this intervention will lead to replication in other panchayat.

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

  Participatory Ground Water Management (PGDM) is a flagship initiative of your company; under the program systematic approach is adopted for Aquifer Management in 19 villages of two blocks of Mundra and Mandvi Taluka of Kutch District, Gujarat.

  Your company found that over exploitation of wells depleting water table resulting in a severe & irreversible damage to the water sources in 340 km area of the region.

  CGPL-TPCDT has partnered with ACT (Arid Community & Technologies and Geo Science Services) an NGO working on PGWM, working on water harvesting in the geologically defined Kankavati Sandstone which stretches along the 4500 Sq. Km. of Kutch coastline and covers much of the catchment of UMPP, Mundra.

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. 30MCM.

In order to manage water deficit, a strong community mobilization programme launched with farmers to propagate optimal water use, constructed water harvesting structures, well recharging, promote innovative agricultural practices and support through technical inputs. Institutional mechanism has been set up with farmers and experts & bhujal jankars/para-hydrologists. Capacity building programme were carried out on various demand and supply side aspects.

Protocol is developed to ensure drinking water security in the villages. This program is now been adopted and replicated by other organisations viz industries, Government, NGOs etc. in the region. The water security plan (WSP) has also been prepared for 19 villages in coordination with panchayat. The success in the field in Participatory Ground Water Management has featured in various publications and Gujarat CSR Authority has also awarded this program under the category of Sustainable and Impactful CSR project in the National level Conclave held in Ahmedabad. This program is now replicated by other industries.

External fund has been mobilized from WIN Global foundation, which has extended funding support of ₹78 lakh in FY 2018-19 and assured for continued fund support for three successive years starting from FY 2018-19.

Additionally, under Project Swajal, one Community Reverse Osmosis Plant, Village Drinking Water pipeline and 4 School RO plants are installed on equal cost sharing basis with community/ Panchayat.

- **Shiksha Saarthi 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, 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. Additionally, to promote the smart and e-learning concept in the school, your company has installed customised software (aligned with Gujarat Course Curriculum upto class- 8th) in 20 schools and benefited approx. 1700 students.

- **Project Dhaaga**:

  This project has been very successful in the very first year of project implementation. The local SHG artisans are systematically mapped, trained and linked with the expert agencies for the sustained income. This year 58 SHG members were attached with the program. This program is aiming to increase the economic empowerment among the SHG artisans. Various marketing avenues have been explored viz. linkage with Tata Chemicals, Open market access etc. to generate more income for the SHG artisans. One artisan common working shed cum MPH has also been established in village Vandh. 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).

- **Matters related to lenders**:

  In the reporting year, your company has foreclosed the loan agreement with IFC and ADB. However, the Company has committed to continue activities on E&S measures as a part of best practices. All the programs and activities under RAP and M&M as formulated by the lenders in coordination with CGPL are completed and pursuing activities agreed under outstanding action items. The lenders have appreciated the endeavor and sincere efforts of your company in mitigating the issues and the best practices in E&S measures, through customized and flagship program in the field.

- **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, 7637 persons were benefited. Your company has also undertaken Village sanitation Program in Vandh village through laying of sewerage line to address the proper hygiene condition in the village. Waste management awareness training program has also been arranged in the village to create more awareness among the masses/community.

- **ICDS- Mamta Program**:

  In the reporting year, CGPL- TPCDT has taken up 7 AWC (Aanganwadi Centre) in 6 villages to convert these AWC into the Model center with all basic facilities in association with Partner agency, UNICEF and strategic support from GOG. Among these 7 AWCs, two are dedicatedly are for the AA community. It is envisaged that these AWCs will act as replication model in the region.

- **SHG Program**:

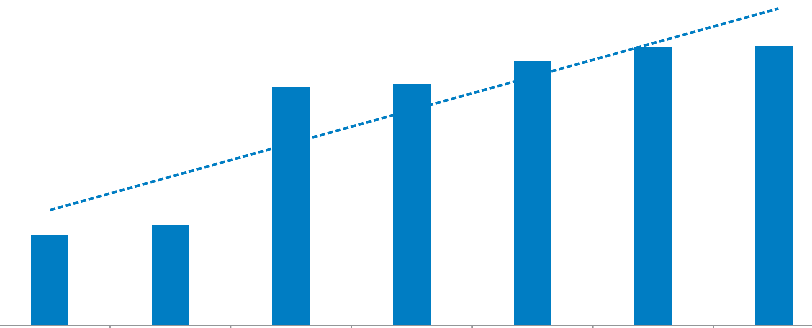
  Under Self Help Group (SHG) program, CGPL- TPCDT has formed and nurtured 100 SHGs in the vicinity. The saving in these SHG has raised to ₹ 40 lakh. The inter-loaning, saving and book keeping by these SHGs are ensured during the reporting period for better system improvisation and convergence with different Government Schemes.

- **Promotion of sports:**

  Through these programs, your company intended to train the budding rural youths in a specific games/ sports. 100 students were given the Cricket coaching through an expert cricket coach. The training for each batch was for one month comprised of 25 players. The training has helped two trainees to participate in cricket tournament at district level. Special mention of 2 Girls who have received the training and played for Saurashtra Cricket Association, Rajkot.

- **Social Audit**:

  The positive social impact of these initiatives is measured in terms of CSI (community satisfaction index), which has shown a consistent increase over the years as graphically under:



	2010-11	2011-12	2012-13	2013-14-15	2015-16	2016-17	2017-18
■	24.6	26.2	61.81	62.82	70	72	73.1

This is a composite index consisting of community reactions to multi-sector CSR initiatives undertaken by your company and is measured through scientific means by Government accredited expert agency (MGLI - Mahatma Gandhi Labour Institute, Govt. of Gujarat).

The Annual Report on CSR activities of the company for FY 2018-19, is attached as Annexure - C.

14.2.2 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) & IFC/ ADB as applicable.

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.

15. 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 236 nos. of rewards were given during FY19 . Various forums for R&R are annual reward night, Town halls, Chief O&M SDM meetings and departmental spot awards.

- **Training & development** - Training needs were identified for every employee through PMS for development and growth of employees. 80% training need compliance index (TNCI) has been achieved till February 2019 and the average training mandays is 5.2.
- **Identification of 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 will help in optimizing training cost and create a learning organization.
- **Creating Game Zone in Plant Premises:** 2 Game Zones were created in unutilized areas with facilities for indoor games for recreation of employees.
- **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. 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. 148 associates were trained in various technical modules while 1,635 associates were trained in safety foundation course.
- **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 FY19 :

  - 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 : 34

16. 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.

17. Foreign exchange earnings and outgo

The foreign exchange expenditure during the FY19 was as follows:

Particulars	Amount (₹ crore)
Capital goods and coal imports	5,571.25
Spare parts	5.25
Interest charges	100.68
Travelling expenses	0.03

18. 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.

Your Company has sold 7,11,032 equity shares held in Energy Eastern Pte. Ltd., a wholly-owned subsidiary company, representing 100% equity shares to Trust Energy Resources Pte. Ltd. for a consideration of USD 10.139 million on 25th March 2019 and received the consideration on 27th March 2019.

19. Deposits

As on 31st March 2019, your company had not taken any deposits.

20. Credit rating

CRISIL has maintained its long-term standalone credit rating of CRISIL A-/Stable. The rating 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.

For the long term and short-term loan facility, which are backed by unconditional and irrevocable guarantee from Tata Power, CRISIL has assigned the rating as CRISIL AA- (SO)/stable and CRISIL A1+(SO), respectively.

21. 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.

22. Subsidiaries/joint ventures/associates

Given the similar nature of the business activities of both Energy Eastern Pte. Ltd. (EEPL), a wholly-owned subsidiary of the Company and Trust Energy Resources Pte. Ltd. (TERPL), a wholly-owned subsidiary of The Tata Power Co. Ltd. and the entire operations of EEPL are managed by TERPL through a management services contract between TERPL and EEPL, the amalgamation of EEPL and TERPL into a single company (with TERPL being the surviving entity) will benefit in achieving the objective of simplification and cost savings due to simplified governance structure at single entity.

Therefore, in accordance with Section 188 of the Companies Act, 2013, your Company has sold 7,11,032 equity shares held in EEPL, representing 100% equity shares to TERPL for a consideration of USD 10.139 million on 25th March 2019 and received the consideration on 27th March 2019.

23. 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.

24. 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.

25. 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 the year 2022.

26. 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.

27. Cost Auditors

Your Board has appointed M/s. Sanjay Gupta and Associates, Cost Accountants, as Cost Auditors of the Company for conducting cost audit for FY20. A resolution seeking ratification of remuneration payable to the Cost Auditors for FY20 is provided at Item No. 4 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 FY18, was filed on 9th August 2018 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 2018. 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.

28. 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 FY19. 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.

29. 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 FY19.

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 12);

(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.

30. 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,

Ashok Sethi
Chairman
(DIN: 01741911)

Date: 22nd April 2019
Place: Mundra

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 2018-19

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/ecology** - It covers work on agriculture, fisheries, animal husbandry, water harvesting and conservation; *Title of the projects: - Samridhi, 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, Arogya, Mamta.*

   3) **Building social capital and infrastructure** - Work towards promotion of rural energy, skill development program for the SHG artisans, creation of community need based property resources, Social Audit and other studies, Promotion of Sports, Formation and Nurturing of SHGs and Village Level Committees. *Title of the projects:- Dhaaga, Jagruti, Udyamee, 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. Purushottam Thakur - Chairman
   - Mr. Nawshir H. Mirza - 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: ₹ 927.28 lakh*

   *including ₹280.28 Lakh incurred by Tata Power Community Development Trust (TPCDT)

   (b) Amount unspent, if any: Nil. Your company has incurred average losses during the last three immediately preceding financial years. Therefore, the mandatory spends of at least 2% of the average net profit was not applicable.

   (c) Manner in which the amount spent during the financial year: As per Schedule-I annexed herewith

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.

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) for FY 2018-19	Amount spent on the projects or programs SUB heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ in lakhs) for FY 2018-19	Cumulative expenditure upto the reporting period (₹ in lakhs) 2016-17, 2017-18, 2018-19	Amount spent direct or through implementing agency
1	Fishermen development program - **Sagarbandhu programme**	**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- Tragadi Bunder & Modhva	38.1	37.5	231.27	VDAC, Swadeep, Utthan, PC
2	Fodder Support to Gaushala and Agriculture Intervention program **(KALP & Samriddhi)**		Local (Tunda-Vandh and Mota Kandagara), Fodder Demo Plots, Seed /Slips Distribution, Grazing land development, Vermicompost Production and Training Centre)	635.5	635.5	1,554.83	TVGCT, MKGCT. Parjanya Ecology
3	Participatory Ground Water Management (Demand- Supply side management) **(AMRUTDHARA)**		Local villages- 19 villages of Mundra and Mandvi Block	78.59	78.59	411.97	ACT & GSS
	Sub Total A			**752.19**	**751.59**	**2,198.07**	
4	Shiksha Saarthi program- improving learning achievements including digital learning **(E- VidyaSagar)**	**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	20.83	20.83	70.82	Pratham & Learning Delight
5	Concurrent Health Surveillance Diagnosis and Treatment and Model ICDS centre **(AROGYA & MAMTA)**		Local-19 villages	25.56	25.56	48.47	Bhojay /KNNA
6	Promoting Community Hygiene facility in villages (Sewerage line, Community and School RO Plant) **(SWAJAL and SAMBHAL)**		Local 19 Villages	28.49	28.46	32.51	CGPL TPCDT
	Sub Total B			**74.88**	**74.85**	**151.8**	

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) for FY 2018-19	Amount spent on the projects or programs SUB heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ in lakhs) for FY 2018-19	Cumulative expenditure upto the reporting period (₹ in lakhs) 2016-17, 2017-18, 2018-19	Amount spent direct or through implementing agency
7	Creating common property resources	**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	14.64	14.64	122.54	CGPL
8	Knowledge Management and Documentation		Local- 21 villages	3.2	3.2	43.63	MGLI
9	Upliftment of Local SHG Artisans **(DHAAGA)**		Local- 5 villages	32.71	32.63	32.63	CGPL-TPCDCT
10	Intervention in Sports Activities **(POWER OF SPORTS)**		Mandvi and Mundra	0.6	0.6	0.6	TPCDT
11	Program of SHGs-Management and Livelihood Initiative for Micro Enterprise **(Jagruti and Samriddhi)**		Local- 21 villages	7.7	7.69	7.69	TPCDT , PRI
12	Technical Support Services (Programme Implementation)		Support system	42.08	42.08	267.67	TPCDT
	Sub Total C			**100.93**	**100.84**	**474.76**	
	Total (A+B+C)			**928.00**	**927.28**	**2,824.63**	

**As your company has incurred average losses during the immediately preceding three financial years, the mandatory spends of at least 2% of the average net profits was not applicable.*

** Mobilization of External fund for PGWM (AMRUTDHARA) program – ₹ 78 lakh which has not been included in the table above. But the investment has been done in the CGPL working area.*

** The program titled " Adhikar" is also launched and implemented without any cost burden on CGPL which is for the community scheme benefit through various camps and technological intervention.*

Date: 22nd April 2019
Place: Mundra

Purushottam Thakur
CSR Committee Chairman
(DIN: 06833140)

Ashok Sethi
Chairman
(DIN: 01741911)

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) was taken as an energy conservation initiative. In view of 2*100% configuration of CEP, VFD with changeover facility has been installed in all 5 units in FY19. APC reduction of ~ 300 kw has been achieved on station level which is equivalent to 0.03% reduction in station APC.
- Reduction in specific energy consumption from 4.13 kWh/m^3 to 4.07 kWh/m^3 in FY19 at water treatment plant.
- Unit 20 Capital Overhauling helps in reducing Unit APC from 8.04% to 7.70%.
- Station is achieved lowest ever APC of 7.78% in FY-19.

B. The capital investment on energy conservation equipment

- Installation of variable frequency drive in CEP of Five units - ₹ 9.31 crore

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. Digital tools (Like surrender prediction tools, coal blending tools, generation planning tools) are used in MSR (Monthly Strategic Review), to optimize coal cost. Various digital operational tools are developed for process optimization. Implementation of frequency prediction tool has helped in optimising over injection and under injection of powers.

NOTICE

BOARD'S REPORT

FINANCIAL STATEMENTS

Annexure D

Conservation of energy and technology absorption *(Contd.)*

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 therefor	Smart water cannon system. 2014 for U-10 and balance Units in FY-18 and FY -19. Yes.

C. Other initiatives

- Capital overhaul of 830 MW unit (U#20) completed resulting in restoring efficiency and APC reduction of the Unit.
- U-50 HPH 6A and 6B replaced in FY-19 and it resulted reduction in Heat rate by 70 Kcal/Kwh.
- Standalone fire detection systems have been installed in all inhabited buildings in the complex in, for quick identification of location of fire, which helps fire crews to reach the fire sight 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 increase fire water system availability.
- Water cannon installed in all units to bring more flexibility to fire different off spec coal.
- Pipe Conveyor system made fully operational to reduce fugitive emissions during coal transfer.

On behalf of the Board of Directors,

Ashok Sethi
Chairman
(DIN: 01741911)

Date: 22nd April 2019
Place: Mundra

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	N.A.
Mr. Nawshir H. Mirza	1.42
Mr. Narendra Nath Misra	1.55
Mr. Sowmyan Ramakrishnan (upto 19th June 2018)	0.22
Mr. Ramesh N. Subramanyam	N.A.
Mr. Asim Kumar De	N.A.
Mr. Purushottam Thakur	N.A.
Ms. Anjali Kulkarni	0.73

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	N.A.
Mr. Nawshir H. Mirza	0
Mr. Narendra Nath Misra	0
Mr. Sowmyan Ramakrishnan (upto 19th June 2018)	0
Mr. Ramesh N. Subramanyam	N.A.
Mr. Asim Kumar De	N.A.
Mr. Purushottam Thakur	N.A.
Ms. Anjali Kulkarni	0
Mr. Kumar V. Ghate, Chief Executive Officer	0
Mr. Hardeep Singh Guru, Chief Financial Officer (Upto 31st July 2018)	27%
Mr. Bijay Mohanty, Chief Financial Officer (From 1st August 2018)	24%
Mr. Darshan Soni, Company Secretary	Appointed in March 2018

iii) The percentage increase in the median remuneration of employees in the financial year: - 8.92%

iv) The number of permanent employees on the rolls of the Company: 295

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 8.70%. For employees of CGPL, the median increase was 8.92%.

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,

Ashok Sethi
Chairman
(DIN: 01741911)

Date: 22nd April 2019
Place: Mundra

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 2018 to 31st March 2019	Subordinated loan of ₹ 1,000 crore in the form of perpetual debt, subordinated loans or inter corporate debts towards deficit funding for FY 2018-19	Your company had been continuously making losses and not in position to meet its requirement for deficit funding.	24th April 2018	Nil	NA
The Tata Power Company Ltd.	Support to your company	1st April 2018 to 31st March 2019	Subordinated loan of ₹ 1,000 crore in theform of perpetual debt, subordinated loans or inter corporate debts towards deficit funding for FY 2018-19	Your company had been continuously making losses and not in position to meet its requirement for deficit funding.	17th October 2018	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
Trust Energy Resources Pte. Ltd.	Sale of 100% shareholding held in Energy Eastern Pte. Ltd. to Trust Energy Resources Pte. Ltd.	1st April 2018 to 31st March 2019	Sale of 7,11,032 equity shares held in Energy Eastern Pte. Ltd., representing 100% equity shares to Trust Energy Resources Pte. Ltd. for a consideration of USD 10.139 million	11th March 2019	NA
PT Kaltim Prima Coal, Indonesia	Coal supply	1st April 2018 to 31st March 2019	Coal supply of ₹ 2,579.20 crore	1st September 2008	NA
Energy Eastern Pte. Ltd.	Freight	1st April 2018 to 31st March 2019	Payment of transportation of coal ₹ 414. 18 crore	1st September 2008	NA
Trust Energy Resources Pte. Ltd.	Freight	1st April 2018 to 31st March 2019	Payment of transportation of coal ₹ 314.43 crore	1st September 2008	NA

On behalf of the Board of Directors,

Date: 22nd April 2019
Place: Mundra

Ashok Sethi
Chairman
(DIN: 01741911)

Annexure G

Form No. MGT-9

Extract of Annual Return as on the financial year ended on 31st March 2019

[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	34, Sant Tukaram Marg, Carnac Bunder, Mumbai - 400009 Tel.: 022-67171210
6.	Whether listed company	Debt Listed Company
7.	Name, address and contact details of registrar and transfer agent, if any	(i) TSR Darashaw 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.	608,34,20,000	-	608,34,20,000	100	800,04,20,000	-	800,04,20,000	100	31.52%
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	**608,34,20,000**	**-**	**608,34,20,000**	**100**	**800,04,20,000**	**-**	**800,04,20,000**	**100**	**31.52%**
(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)	**608,34,20,000**	**-**	**608,34,20,000**	**100**	**800,04,20,000**	**-**	**800,04,20,000**	**100**	**31.52%**
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)	**608,34,20,000**	**-**	**608,34,20,000**	**100**	**800,04,20,000**	**-**	**800,04,20,000**	**100**	**31.52%**

(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.	608,34,20,000	100%	51%	800,04,20,000	100%	39%	31.52%
	Total	**608,34,20,000**	**100%**	**51%**	**800,04,20,000**	**100%**	**39%**	**31.52%**

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 beginning of the year	608,34,20,000	100	608,34,20,000	100
2.	Date wise increase /decrease in share holding during the year specifying the reasons for increase/decrease (e.g. allotment):	Allotment on Rights Basis on 27th August 2018		191,70,00,000	-
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	608,34,20,000	100	608,34,20,000	100
2.	Date wise increase /decrease in share holding during the year specifying the reasons for increase/decrease (e.g. allotment):	Allotment on Rights Basis on 27th August 2018		191,70,00,000	100
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 of the top 10 shareholders	No. of shares (in crore)	% of total shares of the company	No. of shares (in crore)	% 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 date of 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	9,139	1,186	-	10,325
ii) Interest due but not paid	-	2	-	2
iii) Interest accrued but not due	48	10	-	58
Total (i+ii+iii)	**9,187**	**1,198**	**-**	**10,385**
Change in indebtedness during the financial year				
Addition	948	6,820	-	7,768
Reduction	(5,860)	(3,409)	-	(9,269)
Net change	**(4,912)**	**3,411**	**-**	**(1,501)**
Indebtedness at the end 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**

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	13.10	NA	NA	13.10
2	Mr. Narendra Nath Misra	14.25	NA	NA	14.25
	Total (A)	**27.35**	**NA**	**NA**	**27.35**

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	NA	NA	NA	NA
2	Mr. S. Ramakrishnan	2.00	NA	NA	2.00
3	Mr. Ramesh Subramanyam	NA	NA	NA	NA
4	Ms. Anjali Kulkarni	6.60	NA	NA	6.60
5	Mr. Asim Kumar De	NA	NA	NA	NA
6	Mr. Purushottam Thakur	NA	NA	NA	NA
	Total (B)	**8.60**	**NA**	**NA**	**8.60**
	Total managerial remuneration	**35.95**	**NA**	**NA**	**35.95**
		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. Kumar V. Ghate, CEO	Mr. Hardeep Singh Guru, CFO (upto 31st July 2018)	Mr. Bijay Mohanty, CFO (From 1st August 2018)	Mr. Darshan Soni, CS	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 b) Value of perquisites u/s 17(2) Income-tax Act, 1961 c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	95,79,067	19,57,358	30,58,973	9,50,703	**155,46,101**
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - Others, specify	-	-	-	-	-
5	Others, please Specify	As per Company Policy	As per Company Policy	As per Company Policy	As per Company Policy	**As per Company Policy**
	Total	**95,79,067**	**19,57,358**	**30,58,973**	**9,50,703**	**155,46,101**

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,

Ashok Sethi
Chairman
(DIN: 01741911)

Date: 22nd April 2019
Place: Mundra

Annexure H

FORM No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

(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 authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2019 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 2019 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;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time; (Not applicable to the Company during the audit period)

   (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and 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

   (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; (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, 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 following events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc:

(a) 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	5	17,000	9.70%	INE295J08014	₹ 1700,00,00,000
Series II Debentures	₹ 10,00,000	10	10,000	9.90%	INE295J08022	₹ 1000,00,00,000

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

(b) The Company has also allotted 191,70,00,000 equity shares of ₹10 each at par to The Tata Power Company Limited aggregating to ₹ 1,917 crore during the year on rights basis.

(c) The Company has sold 7,11,032 equity shares held in Energy Eastern Pte. Ltd. (EEPL), a wholly-owned subsidiary of the Company, representing 100% equity shares to Trust Energy Resources Pte. Ltd. (TERPL), a wholly-owned subsidiary of The Tata Power Co. Ltd. for a consideration of USD 10.139 million during the year.

For Parikh & Associates
Company Secretaries

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

Place: Mumbai
Date: April 22, 2019

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. Where ever 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

Place: Mumbai
Date: April 22, 2019

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.

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, 2019, 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 Ind AS 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 ("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, 2019, 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) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 of the current period. 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.

Key audit matters	How our audit addressed the key audit matter
Impairment of Assets (as described in note 5(iv) of the financial statements)	

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.
During the previous year, 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.
	• 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 reviewed the sensitivity analysis.
	• We have assessed the adequacy of the disclosures in accordance with Ind AS 36 "Impairment of assets".

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.

Management's Responsibility 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 Ind AS 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.

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.

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

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

Other Matter

The comparative Ind AS financial information of the Company for the corresponding year as at April 1, 2017 included in these Ind AS Financial Statements, were audited by the predecessor auditor whose report for the year ended March 31, 2017 dated May 19, 2017 expressed an unmodified opinion on those Ind AS financial statements. The comparative financial information is based on the previous Ind AS financial statements prepared in accordance with the principles laid down in the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India, and is adjusted for the differences as explained in note 26.9 of these Ind AS financial statements, which have been audited by us.

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, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) in our opinion, proper books of accounts 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
   (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2";
   (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, 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

Place of Signature : Mumbai
Date: April 22, 2019

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) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, 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) Management has conducted the physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed during the physical verification.

(iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms 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 to loans advances given, investments made, 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 construction and infrastructural development, 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) According to the information and explanations given to us in respect to statutory dues:

(a) 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 have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions relating to sales tax, duty of custom, duty of excise, value added tax, cess are not applicable to the Company.

(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 customs, 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 (Financial Year)	Forum where the dispute is pending	Remarks, if any
Customs Laws	Customs Duty	23.87*	2011-12 to 2012-13	Supreme Court	
Bombay Stamp Act	Stamp Duty	28.26	2012-13 to 2016-17	Supreme Court	
Income Tax Act, 1961	Income tax	101.75	2008-09 to 2010-11	Upto Bombay High court	

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

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

(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.

(ix) In our opinion and according to the information and explanations given by the management, 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 instrument).

(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 to the Companies Act, 2013 are not applicable to the Company.

(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

Place of Signature : Mumbai
Date: April 22, 2019

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

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, 2019 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 standalone 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, 2019, 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

Place of Signature : Mumbai
Date: April 22, 2019

Balance Sheet as at 31st March, 2019

All amounts are in ₹ crores unless otherwise stated

ASSETS	**Notes**	**As at 31st March, 2019**	***As at 31st March, 2018 ****	***As at 1st April, 2017 ****
Non-current Assets				
(a) Property, plant and equipment	5(i)	14,594.85	*14,973.95*	*15,673.42*
(b) Capital Work-in-Progress		13.09	*20.85*	*27.88*
(c) Intangible Assets	5(ii)	124.60	*129.68*	*127.64*
(d) Financial Assets : Non-current Investments	6	-	*3.40*	*3.40*
(e) Income tax assets (Net)	7	7.13	*7.06*	*6.94*
(f) Other Non-current Assets	8	183.10	*182.19*	*185.46*
Total Non-current Assets		14,922.77	*15,317.13*	*16,024.74*
Current Assets				
(a) Inventories	9	613.74	*763.24*	*510.29*
(b) Financial Assets				
(i) Investments	6	-	-	*116.97*
(ii) Trade Receivables	10	1,028.27	*325.34*	*464.30*
(iii) Cash and cash Equivalents	11(i)	13.30	*11.61*	*64.06*
(iv) Bank Balances other than (iii) above	11(ii)	-	-	*47.00*
(v) Other financial assets	12	58.00	*402.81*	*404.27*
(c) Other Current Assets	8	2.46	*1.91*	*1.21*
Total Current Assets		1,715.77	*1,504.91*	*1,608.10*
Total Assets		**16,638.54**	***16,822.04***	***17,632.84***
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	13	8,000.42	*6,083.42*	*6,083.42*
(b) Other Equity	14	(10,111.39)	*(8,458.41)*	*(6,676.87)*
		(2,110.97)	*(2,374.99)*	*(593.45)*
(c) Unsecured Perpetual Securities	15	6,985.88	*5,476.88*	*4,459.88*
Total Equity		4,874.91	*3,101.89*	*3,866.43*
Non-current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	6,877.62	-	-
(b) Long term Provisions	18	11.43	*9.74*	*10.40*
(c) Other Non-current Liabilities	19	350.60	*281.99*	*220.26*
Total Non-current Liabilities		7,239.65	*291.73*	*230.66*
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	20	1,749.57	*10,324.96*	*10,195.11*
(ii) Trade Payables				
- Total Outstanding dues of micro enterprises and small enterprises	26.4	1.27	*0.54*	*0.59*
- Total Outstanding dues of creditors other than micro enterprises and small enterprises		2,363.92	*2,508.58*	*2,411.93*
(iii) Other Financial Liabilities	17	360.41	*547.49*	*874.52*
(b) Short term Provisions	18	14.13	*12.43*	*7.28*
(c) Other Current Liabilities	19	34.68	*34.42*	*46.32*
Total Current Liabilities		4,523.98	*13,428.42*	*13,535.75*
Total Equity and Liabilities		**16,638.54**	***16,822.04***	***17,632.84***

* Restated (Refer Note 26.9)

See accompanying notes to the Financial Statements

In terms of our report attached.
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 : 22nd April, 2019

For and on behalf of the Board of Directors

Ashok S. Sethi
Chairman

Vijay V. Namjoshi
Chief Executive Officer

Bijay Mohanty
Chief Financial Officer

Darshan Soni
Company Secretary

Place : Mundra
Date : 22nd April, 2019

Statement of Profit and Loss for the year ended 31st March, 2019

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

		Notes	For the year ended 31st March, 2019	*For the year ended 31st March, 2018**
I	Revenue from Operations	21	7,064.33	*6,270.93*
II	Other Income	22	72.54	*28.53*
III	**Total Income**		**7,136.87**	***6,299.46***
IV	**Expenses**			
	Cost of Fuel consumed		6,790.21	*5,983.45*
	Employee Benefits Expense	23	51.08	*55.65*
	Finance Costs	24	1,012.07	*850.01*
	Depreciation and Amortisation Expenses	5(iii)	448.07	*466.09*
	Other Expenses	25	489.16	*416.36*
	Total Expenses		**8,790.59**	***7,771.56***
V	**Profit/(Loss) Before Exceptional Items and Tax**		**(1,653.72)**	***(1,472.10)***
	Less: Exceptional Items			
	Impairment of property, plant and equipment and intangible assets	5(i), (ii) & (iv)		*310.94*
VI	**Profit/(Loss) Before Tax**		**(1,653.72)**	***(1,783.04)***
VII	**Tax Expense**		-	*-*
VIII	**Profit/(Loss) After Tax**		**(1,653.72)**	***(1,783.04)***
IX	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit and loss			
	Remeasurement of the Defined Benefit Plans		0.73	*1.50*
	Total Other Comprehensive Income		**0.73**	***1.50***
X	**Total Comprehensive Income for the year**		**(1,652.99)**	***(1,781.54)***
XI	**Earnings Per Equity Share**			
	Basic (in ₹)	26.8	(2.34)	*(2.93)*
	Diluted (in ₹)	26.8	(2.34)	*(2.93)*

* Restated (Refer Note 26.9)

See accompanying notes to the Financial Statements

In terms of our report attached.

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 : 22nd April, 2019

For and on behalf of the Board of Directors

Ashok S. Sethi Chairman

Vijay V. Namjoshi Chief Executive Officer

Bijay Mohanty Chief Financial Officer

Darshan Soni Company Secretary

Place : Mundra
Date : 22nd April, 2019

Cash Flow Statement for the year ended 31st March, 2019

All amounts are in ₹ crores unless otherwise stated

	For the year ended 31st March, 2019		*For the year ended 31st March, 2018 **	
A. Cash Flow from Operating Activities				
Profit/(loss) before tax		(1,653.72)		*(1,783.05)*
Adjustments for:				
Depreciation and amortisation	448.07		*466.09*	
Impairment on assets	-		*310.94*	
Interest Income	(0.22)		*(1.90)*	
Dividend Income	-		*(22.85)*	
Finance Cost	1,012.07		*850.01*	
(Gain)/Loss on Sales/scrapping of Assets (net)	10.06		*(0.03)*	
(Gain)/loss on Sale of Current Investments (Including fair value change)	(4.14)		*(1.48)*	
(Gain)/loss on Sale of Non-current Investments	(66.36)		*-*	
Amortization of Leasehold Land	0.35		*0.35*	
Guarantee Commission	(0.40)		*(0.37)*	
Provision for Doubtful Debts and Advances (Net)	20.50		*-*	
Amortisation of Deferred Revenue	35.13		*35.13*	
Unrealised Exchange Loss/(Gain) (Net)	-		*11.92*	
		1,455.06		*1,647.81*
		(198.66)		*(135.24)*
Movement in working capital:				
Adjustments for (increase)/decrease in operating assets:				
Inventories	149.50		*(252.95)*	
Trade receivables	(723.43)		*138.96*	
Other current assets	(0.54)		*(0.70)*	
Other non-current assets	0.02		*2.85*	
Other financial Assets - Current	290.17		*43.73*	
Movement in operating asset		(284.28)		*(68.11)*
		(482.94)		*(203.35)*
Adjustments for increase/(decrease) in operating liabilities:				
Trade payables	(63.89)		*(17.24)*	
Other current liabilities	0.26		*(11.90)*	
Short-term provisions	1.71		*5.15*	
Long-term provisions	2.42		*0.84*	
Movement in operating liability		(59.50)		*(23.15)*
Cash flow from/(used in) operations		(542.44)		*(226.50)*
Net income tax paid (net of refund)		(0.07)		*(0.12)*
Net Cash Flows from/(used) in Operating Activities		**(542.51)**		***(226.62)***
B. Cash Flow from Investing Activities				
Capital expenditure on Property, plant and equipment (including capital advances)		(97.38)		*(63.22)*
Proceeds from sale of Property, plant and equipment		0.91		*0.10*
Proceeds from sale of Non-current Investments		69.76		*-*
Purchase of Current Investments		(6,427.31)		*(2,379.34)*
Proceeds from sale of Current Investments		6,431.45		*2,497.79*
Interest Received		0.22		*1.90*
Dividend received from Subsidiaries		-		*22.85*
Guarantee Commission Received		0.40		*0.37*
Bank Balance not considered as Cash and Cash Equivalents		-		*47.00*
Net Cash Flow from/(used) in Investing Activities		**(21.95)**		***127.45***
C. Cash flow from Financing Activities				
Proceeds from issue of Equity shares		1,917.00		*-*
Proceeds from issue of Unsecured perpetual securities		1,509.00		*1,017.00*
Finance costs paid		(787.59)		*(1,373.68)*
Proceeds from Short term borrowings		2,100.00		*1,171.14*
Proceeds from non-convertible debentures		2,693.18		*-*
Proceeds from Long-term borrowings		496.96		*-*
Inter Corporate deposit taken/(repaid) (net)		(282.97)		*335.97*
Buyers credit movement (net)		-		*(36.01)*
Proceeds from Commercial paper		200.00		*500.00*
Repayment of Commercial paper		(200.00)		*(500.00)*
Repayment of Short term borrowings		(7,276.00)		*(1,067.70)*
Net Cash Flow from/(used) in Financing Activities		**369.58**		***46.72***
Net Increase/(decrease) in Cash and Cash Equivalents		**(194.88)**		***(52.45)***
Cash and Cash Equivalents as at 1st April (Opening Balance)		**11.61**		***64.06***
Cash and Cash Equivalents as at 31st March (Closing Balance)		**(183.27)**		***11.61***

Cash Flow Statement for the year ended 31st March, 2019 *(Contd.)*

All amounts are in ₹ crores unless otherwise stated

	For the year ended 31st March, 2019	*For the year ended 31st March, 2018*
Note 1:		
Cash and Cash Equivalents:		
(a) Balances with banks		
(i) In current accounts	13.30	*11.12*
(ii) In other accounts	-	*0.49*
(b) Bank Overdraft	(196.57)	-
	(183.27)	***11.61***

Note 2:

Changes in liabilities arising from financing activities

Particulars	01-Apr-18	Cash flows (net)	Foreign exchange management	Other	31-Mar-19
a Borrowings (excluding items listed below in b)	10,324.96	(2,072.33)	451.34	-	8,703.97
b Derivatives	380.41	-	-	(380.41)	-
c **Total liabilities from financing activities**	**10,705.37**	**(2,072.33)**	**451.34**	**(380.41)**	**8,703.97**

* Restated (Refer Note 26.9)

See accompanying notes to the Financial Statements

In terms of our report attached.

For and on behalf of the Board of Directors

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

per Abhishek Agarwal
Partner
Membership no.: 112773

Ashok S. Sethi
Chairman

Vijay V. Namjoshi
Chief Executive Officer

Bijay Mohanty
Chief Financial Officer

Darshan Soni
Company Secretary

Place : Mumbai
Date : 22nd April, 2019

Place : Mundra
Date : 22nd April, 2019

Statement of changes in equity

All amounts are in ₹ crores unless otherwise stated

A. Equity Share Capital

	No of Shares	Amount
Balance as at 1st April, 2017	***608,34,20,000***	***6,083.42***
Issue of equity shares of ₹ 10 fully paid (at par) during the year	-	-
Balance as at 31st March, 2018	***608,34,20,000***	***6,083.42***
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**

B. Unsecured Perpetual Securities

	Amount
Balance as at 1st April, 2017	***4,459.88***
Issued during the year	*1,017.00*
Balance as at 31st March, 2018	***5,476.88***
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**

C. Other Equity

Description	**Reserves and Surplus**		
	Retained Earnings	**Deemed Capital Contribution**	**Total**
Balance as at 1st April, 2017 *	***(7,269.72)***	***592.85***	***(6,676.87)***
Profit/(loss) for the year	*(1,783.04)*	-	*(1,783.04)*
Other Comprehensive Income/(Expense) for the year (Net of Tax)	*1.50*	-	*1.50*
Total Comprehensive Income for the year	*(1,781.54)*	-	*(1,781.54)*
Balance as at 31st March, 2018 *	**(9,051.26)**	**592.85**	**(8,458.41)**
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)**

* Restated (Refer Note 26.9)

See accompanying notes to the Financial Statements

In terms of our report attached.
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 : 22nd April, 2019

For and on behalf of the Board of Directors

Ashok S. Sethi
Chairman

Vijay V. Namjoshi
Chief Executive Officer

Bijay Mohanty
Chief Financial Officer

Darshan Soni
Company Secretary

Place : Mundra
Date : 22nd April, 2019

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 business of the Company is to generate electricity at its 4,000MW UMPP at Mundra by using imported coal. During the current year, the Company has issued redeemable non-convertible debentures amounting to ₹ 2,700.00 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).

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.

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.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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 interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

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 Government Grant

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate.

3.13 Standards issued but not yet effective

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. It sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Ind AS 116 requires lessees and lessors to make more extensive disclosures than under Ind AS 17. The Company is in the process of evaluating the requirements of the standard and its impact on its financial statements.

3.14 Changes in accounting policies and disclosures

Delayed payment charges

Delayed payment charges were hitherto recognized only when they are realised/recovered. With effect from 1st April, 2018, the Company has revised its accounting policy to recognize Delayed Payment Charges (DPC) on accrual basis based on contractual terms and an assessment of certainty of realization. Management believes that this policy results in the financial statements providing reliable and more relevant information about the effects of transaction on the Company's financial position and performance. The revision in accounting policy has been applied retrospectively and does not have any significant impact on current year and previous year statement of profit and loss and retained earnings as at 1st April, 2017.

Adoption of Ind AS 115 Revenue from Contract with Customers

The Company adopted Ind AS 115 'Revenue from contract with customers' (Ind AS 115) on 1st April, 2017 using the full retrospective method.

Under the previous standard, the Company recognized revenue on the basis of quantity of power supplied to procurers at contractually agreed rates as per the Power Purchase Agreement (PPA). As per Ind AS 115, the Company has identified supply of power over the term of PPA as a single performance obligation and is recognizing revenue over time using a single measure of progress. The Company has applied the full retrospective method and adjusted ₹ 220.26 Crores to the Retained earnings as at 1st April, 2017. The Company has also restated the comparative information presented to comply with Ind AS 115. For the year ended 31st March, 2018, the restated revenue is lower by ₹ 35.13 Crores, the restated finance costs is higher by ₹ 26.60 Crores and the restated loss before and after tax is higher by ₹ 61.73 Crores, vis-à-vis the previous reported numbers. The restated basic and diluted EPS for the year ended 31st March, 2018 is ₹ (2.93) per share and ₹ (2.93) per share, respectively, instead of ₹ (2.83) per share and ₹ (2.83) per share, respectively.

Notes to the financial statements

Adoption of amendment in Ind AS 20 Accounting for Government Grants and Disclosure

In accordance with UMPP policy guidelines (and appropriate notifications of excise and customs) the machinery, instruments, apparatus and appliances etc. required for setting up of ultra-mega/mega power projects were exempt from payment of customs and excise duty. Earlier in accordance with the Standard, the Company had recognized these government grants as deferred income of ₹ 1,821.87 crores under Other Liabilities (including ₹ 50.72 crores shown under current liabilities) as at 1st April 2017.

As per the amendment, the Company has an option to present government grant by recognizing the grant as deferred income or by deducting the grant from the carrying amount of the asset.

Since, recognizing the grant as a reduction from the carrying amount will provide a better presentation of the Company's net investment in property, plant and equipment, the Company has now opted to present the government grant by deducting the same from the carrying amount of the asset. The impact on statement of profit and loss is as follows:

Amount in ₹ Crores

Particulars	For the year ended 31st March, 2018
Other Operating Income	(50.72)
Depreciation	(50.72)

Figures in bracket signify negative impact on the respective item.

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 PPE – Note 5

Estimation of value in use for impairment - Note 5

Estimation of fair values of contingent liabilities - Note 37

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.

Notes to the financial statements

5. Property, Plant and Equipment

Accounting Policy

Property, plant and equipment is 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 Equipment *(Contd.)*

Description	Freehold Land *	Buildings - Plant	Buildings - Others	Roads, Crossings, etc.	Plant and Machinery	Transmission Lines, Cable Network, etc.	Furniture and Fixtures	Office Equipment	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**

Description	Freehold Land *	Buildings - Plant	Buildings - Others	Roads, Crossings, etc.	Plant and Machinery	Transmission Lines, Cable Network, etc.	Furniture and Fixtures	Office Equipment	Motor Vehicles	Total
Cost										
Balance as at 1st April, 2017	164.59	449.45	242.81	47.78	16,788.18	0.61	18.91	5.08	14.33	17,731.74
Additions	0.12	7.00	-	1.47	50.35	0.11	0.27	0.27	8.62	68.21
Disposals	-	-	-	-	(6.74)	-	-	-	(2.65)	(9.39)
Balance as at 31st March, 2018	**164.71**	**456.45**	**242.81**	**49.25**	**16,831.79**	**0.72**	**19.18**	**5.35**	**20.30**	**17,790.56**
Accumulated depreciation and impairment										
Balance as at 1st April, 2017	-	77.25	36.88	44.25	1,876.20	0.53	12.72	0.96	9.53	2,058.32
Depreciation Expense	-	10.76	8.13	0.61	434.79	0.05	1.48	0.56	3.05	459.44
Disposals	-	-	-	-	(6.73)	-	-	-	(2.59)	(9.32)
Charge for the year - Impairment [Refer Note 5(iv)]	-	7.16	3.81	0.77	295.73	0.01	0.30	0.08	0.32	308.18
Balance as at 31st March, 2018	**-**	**95.17**	**48.82**	**45.63**	**2,599.99**	**0.59**	**14.50**	**1.60**	**10.31**	**2,816.61**
Net carrying amount										
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**
As at 1st April, 2017	**164.59**	**372.20**	**205.93**	**3.53**	**14,911.98**	**0.08**	**6.19**	**4.12**	**4.80**	**15,673.42**

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

5(ii) Intangible Assets

<u>Accounting Policy</u>

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 years. Computer software is amortised on straight line method over 5 years.

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**

Description	Computer software	Intake Channel	Total
Cost			
Balance as at 1st April, 2017	0.85	163.51	164.36
Additions	0.25	11.20	11.45
Balance as at 31st March, 2018	**1.10**	**174.71**	**175.81**
Accumulated amortisation and impairment			
Balance as at 1st April, 2017	0.72	36.00	36.72
Amortisation expense	0.04	6.61	6.65
Charge for the year - Impairment [Refer Note 5(iv)]	0.02	2.74	2.76
Balance as at 31st March, 2018	**0.78**	**45.35**	**46.13**
Net Block			
As at 31st March, 2018	**0.32**	**129.36**	**129.68**
As at 1st April, 2017	**0.13**	**127.51**	**127.64**

		For the year ended 31st March, 2019	***For the year ended 31st March, 2018***
5(iii)	**Depreciation and amortization expenses**		
	Depreciation on Property, Plant and Equipments as per Note 5(i)	440.52	*459.44*
	Amortisation on Intangible assets as per Note 5(ii)	7.55	*6.65*
	Total	**448.07**	***466.09***

5(iv) Impairment of Assets:

The Company has entered into a Power Purchase Agreement (PPA) with seven DISCOMs ('Procurers') for 25 years. In 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 previous 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, 2019, 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. 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 10.61% per annum (PY: 11.15% per annum).

Notes to the financial statements

All amounts are in ₹ crores unless otherwise stated

6. Financial Assets:

Non-current Investments

Accounting Policy

Investment in subsidiary is measured at cost as per Ind AS 27 - Separate Financial Statements.

	As at 31st March, 2019		As at 31st March, 2018		As at 1st April, 2017	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Investments carried at cost less impairment, if any Investment in Subsidiary #						
Unquoted						
Equity shares in Energy Eastern Pte. Ltd. fully paid up *	-	-	711,032	3.40	711,032	3.40
Total (A)	**-**	**-**	**711,032**	**3.40**	**711,032**	**3.40**
* No. of shares pledged with lenders of the Company	-		711,032		711,032	

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

Current Investments

	As at 31st March, 2019		As at 31st March, 2018		As at 1st April, 2017	
	No. of units	Amount	No. of units	Amount	No. of units	Amount
Investment carried at Fair Value through Profit and Loss						
Investments in Mutual Funds						
Unquoted						
J M High Liquidity fund- DIR - Growth	-	-	-	-	1,12,35,753	50.03
Invesco Liquid Fund - DIR - Growth	-	-	-	-	2,98,914	66.94
Total (B)		**-**		**-**		**116.97**
Aggregate carrying value of unquoted investments Total (A + B)		**-**		**3.40**		**120.37**

7. Income tax assets

	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Non-Current			
Advance tax including tax deducted at source	7.13	7.06	6.94
	7.13	**7.06**	**6.94**

Notes to the financial statements

All amounts are in ₹ crores unless otherwise stated

8. Other Assets

Unsecured, considered good, unless otherwise stated

	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Non-current			
Capital Advances			
Unsecured, considered good	1.37	0.09	0.16
Doubtful	-	-	0.50
	1.37	0.09	0.66
Less: Allowance for Bad and Doubtful-Advances	-	-	(0.50)
	1.37	0.09	0.16
Security Deposits	1.64	1.66	1.68
Prepaid Rentals of Leasehold Land on operating lease	11.15	11.50	11.85
Balances with Government Authorities			
Deposit with customs authorities	116.49	116.49	116.49
Customs duty paid under protest	52.45	52.45	52.45
Service tax refund receivable	-	-	2.83
	168.94	168.94	171.77
	183.10	**182.19**	**185.46**
Current			
(i) Balances with Government Authorities			
Unsecured, considered good			
Advances with Government Authorities	-	0.02	-
Prepaid Rentals of Leasehold Land on operating lease	0.38	0.38	0.38
Prepaid Expenses		-	0.02
Other Advances	2.08	1.51	0.81
	2.46	**1.91**	**1.21**

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, 2019	As at 31st March, 2018	As at 1st April, 2017
Fuel			
Coal	387.13	515.73	278.77
Coal - in- Transit	138.21	173.94	153.56
Oil	9.52	5.94	4.76
Stores and Spare Parts	78.49	67.25	72.85
Loose Tools	0.39	0.38	0.35
	613.74	**763.24**	**510.29**

Notes to the financial statements

All amounts are in ₹ crores unless otherwise stated

10. Trade Receivables

	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Current			
(a) Unsecured, considered good	1,028.27	325.34	464.30
(b) Doubtful	107.78	87.28	87.28
	1,136.05	412.62	551.58
Less:			
Allowance for doubtful debts	(107.78)	(87.28)	(87.28)
	1,028.27	**325.34**	**464.30**

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 by 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 limited customers which are State distribution companies and hence assesses expected credit allowance on case to case basis.

	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
4) **Age of Receivables**			
Within credit period	1,024.97	325.34	464.30
1-30 days past due	3.30	-	-
31-60 days past due	-	-	-
61-90 days past due	-	-	-
More than 90 days past due	107.78	87.28	87.28
	1,136.05	**412.62**	**551.58**

5) **Movement in the expected credit loss allowance**

	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Balance at the beginning of the year	87.28	87.28	87.28
Movement in expected credit loss allowance on trade receivables calculated at lifetme expected credit losses	20.50	-	-
Balance at the end of the year	**107.78**	**87.28**	**87.28**

Notes to the financial statements

All amounts are in ₹ crores unless otherwise stated

11(i) 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, 2019	As at 31st March, 2018	As at 1st April, 2017
Balances with Banks:			
- In current accounts (Refer note (1) below)	13.30	11.12	64.06
- In other accounts	-	0.49	-
Cash and Cash Equivalents as per Balance Sheet	**13.30**	**11.61**	**64.06**
Bank Overdraft (Refer Note 20)	(196.57)	-	-
Cash and Cash Equivalents as per Statement of Cash Flows	**(183.27)**	**11.61**	**64.06**

Notes:

(1) Including ₹ Nil (31st March, 2018: ₹ 0.14 crores) in foreign currency.

11(ii) Other bank balances

	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Balances with banks			
- Margin money deposit account (Refer note (1) below)	-	-	47.00
	-	**-**	**47.00**

Notes:
(1) Balances in margin money have an original maturity of less than 3 months.

12. Other Financial Assets

	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Current			
Security Deposits	-	-	0.01
Claim under change in law (Net)#	55.18	346.38	388.91
Forward contracts-not designated in hedge accounting relationship	0.39	11.24	-
Option contracts-not designated in hedge accounting relationship	0.38	44.17	13.13
Other receivables	2.05	1.02	2.22
	58.00	**402.81**	**404.27**

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, 2019 Number	As at 31st March, 2019 ₹ crore	*As at 31st March, 2018 Number*	*As at 31st March, 2018 ₹ crore*	*As at 1st April, 2017 Number*	*As at 1st April, 2017 ₹ crore*
Authorised						
Fully paid equity shares of ₹ 10 each	1000,00,00,000	**10,000.00**	*700,00,00,000*	***7,000.00***	*700,00,00,000*	***7,000.00***
Issued, Subscribed and Paid-up						
Fully paid equity shares of ₹ 10 each	800,04,20,000	8,000.42	*608,34,20,000*	*6,083.42*	*608,34,20,000*	*6,083.42*
		8,000.42		***6,083.42***		***6,083.42***

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

	As at 31st March, 2019 Number	As at 31st March, 2019 ₹ crore	*As at 31st March, 2018 Number*	*As at 31st March, 2018 ₹ crore*	*As at 1st April, 2017 Number*	*As at 1st April, 2017 ₹ crore*
Equity Shares						
At the beginning of the year	608,34,20,000	6,083.42	*608,34,20,000*	*6,083.42*	*603,04,20,000*	*6,030.42*
Issued during the year	191,70,00,000	1,917.00	-	-	*5,30,00,000*	*53.00*
Outstanding at the end of the year	**800,04,20,000**	**8,000.42**	***608,34,20,000***	***6,083.42***	***608,34,20,000***	***6,083.42***

(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, 2019 Number	As at 31st March, 2019 % Holding	*As at 31st March, 2018 Number*	*As at 31st March, 2018* % Holding	*As at 1st April, 2017 Number*	*As at 1st April, 2017* % Holding
Equity shares of ₹10/- each fully paid						
The Tata Power Company Limited	800,04,20,000	100%	608,34,20,000	100%	608,34,20,000	100%

Notes to the financial statements

All amounts are in ₹ crores unless otherwise stated

14. Other Equity

	As at 31st March, 2019	*As at 31st March, 2018*	*As at 1st April, 2017*
Retained Earnings			
Opening balance	(9,051.26)	*(7,269.72)*	*(6,201.02)*
Other comprehensive income arising from remeasurement of defined benefit	0.73	*1.50*	*1.30*
Profit/(Loss) for the year	(1,653.72)	*(1,783.04)*	*(1,070.00)*
Closing Balance	**(10,704.24)**	***(9,051.26)***	***(7,269.72)***
Deemed capital contribution			
Opening Balance	592.85	*592.85*	*413.44*
Contribution during the year	-	*-*	*179.41*
Closing Balance	**592.85**	***592.85***	***592.85***
	(10,111.39)	***(8,458.41)***	***(6,676.87)***

<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 previous 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.

15. Unsecured Perpetual Securities

	As at 31st March, 2019	*As at 31st March, 2018*	*As at 1st April, 2017*
Opening balance	5,476.88	*4,459.88*	-
Add:			
- Conversion of unsecured Sub-ordinated debt from the holding company	-	-	*3,484.29*
- Conversion of interest on unsecured Sub-ordinated debt from the holding company	-	-	*311.59*
- Issued during the year	1,509.00	*1,017.00*	*664.00*
Closing balance	**6,985.88**	***5,476.88***	***4,459.88***

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.

Notes to the financial statements

All amounts are in ₹ crores unless otherwise stated

16. Non-current Borrowings

	As at 31st March, 2019 Non-current	As at 31st March, 2019 Current maturity Refer Note 17	As at 31st March, 2018 Non-current	As at 31st March, 2018 Current maturity Refer Note 17	As at 1st April, 2017 Non-current	As at 1st April, 2017 Current maturity Refer Note 17
(i) Unsecured - At Amortised Cost						
Redeemable Non-Convertible Debentures						
(a) 9.70% Series 2023	1,695.81	-	-	-	-	-
(b) 9.90% Series 2028	997.37	-	-	-	-	-
(A)	**2,693.18**	**-**	**-**	**-**	**-**	**-**
(ii) Secured - At Amortised Cost (Refer Note below)						
Term Loans from Banks						
(a) Indian rupee loans	2,727.29	56.67	-	-	-	-
	2,727.29	56.67	-	-	-	-
Term Loans from Others						
(b) Indian rupee loans	1,457.15	20.11	-	-	-	-
(B)	**4,184.44**	**76.78**	**-**	**-**	**-**	**-**
(A) + (B)	**6,877.62**	**76.78**	**-**	**-**	**-**	**-**

Note:

Till last year, the Company was not in compliance with the financial covenants for INR Term Loans and as a result, entire loan balance was classified as "Current Borrowings" in financial statements. During the current year, State Bank of India (Lead Banker) has granted waiver and amended the financial covenants, which the Company now is in compliance with. Accordingly, the loans outstanding as at 31st March, 2019 aggregating to ₹ 3,687.55 crores have been re-classified as "Non-current borrowings" and ₹ 76.78 crores of current maturities pertaining to these loan balances have been classified under "Current Maturities of Long Term Borrowings".

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 31 March, 2019 the Company has created security on land of 1,193 hectare (31 March, 2018 - 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, 2019**	**Financial Year**					
		FY 19-20	**FY 20-21**	**FY 21-22**	**FY 22-23**	**FY 23-24**	**FY 24-25 onwards**
(i) Unsecured - At Amortised Cost							
Redeemable Non-Convertible Debentures							
(a) 9.70% Series 2023	1,700.00	-	-	-	1,700.00	-	-
(b) 9.90% Series 2028	1,000.00	-	-	-	-	-	1,000.00
(ii) Secured - At Amortised Cost							
Term Loans from Banks							
(a) State Bank of India	1,281.60	25.79	25.62	25.62	38.10	50.57	1,115.90
(b) Oriental Bank of Commerce	298.60	6.14	6.14	6.14	10.75	14.59	254.84
(c) Vijaya Bank	264.10	5.42	5.42	5.42	8.13	10.83	228.88
(d) Axis Bank	147.28	3.02	3.02	3.02	4.53	6.04	127.65
(e) Allahabad Bank	364.36	7.50	7.50	7.50	11.25	15.00	315.61
(f) Bank of Maharashtra	291.35	6.00	6.00	6.00	9.00	12.00	252.35
(g) Syndicate Bank	136.50	2.80	2.80	2.80	4.20	5.60	118.30
Term Loans from Others							
(h) India Infrastructure Finance Company Limited	980.30	20.11	20.11	20.11	30.16	40.22	849.59
(i) Housing Development Finance Corporation Limited	500.00	-	-	-	-	-	500.00
	6,964.09	**76.78**	**76.61**	**76.61**	**1,816.12**	**154.85**	**4,763.12**
Less: Impact of recognition of borrowing at amortised cost using effective interest method.	9.69						
	6,954.40						

Note:

1. The rate of interest for term loans from banks ranges from 9.05% to 9.65% and rate of interest for term loans from others ranges from 9.05% to 9.33%.

17. Other Financial Liabilities

	As at 31st March, 2019	***As at 31st March, 2018***	***As at 1st April, 2017***
Current			
(a) Current Maturities of Long-term Debt	76.78	-	-
(b) Interest accrued and due on borrowings			
-Banks and Financial Institutions	-	-	*9.46*
-Others	-	*1.66*	-
(c) Interest accrued but not due on Borrowings			
- Banks and Financial Institutions	13.51	*47.84*	*33.72*
- Redeemable Non-Convertible Debentures	156.89	-	-
- Others	9.18	*10.50*	*8.96*
(d) Others:			
(i) Payables for purchase of fixed assets	27.83	*56.77*	*47.43*
(ii) Interest rate swap contracts - not designated in hedge accounting relationship	-	*273.56*	*474.05*
(iii) Forward contracts - not designated in hedge accounting relationship	65.11	*122.62*	*240.09*
(iv) Option contracts - not designated in hedge accounting relationship	11.11	*34.54*	*60.81*
	360.41	***547.49***	***874.52***

Notes to the financial statements

All amounts are in ₹ crores unless otherwise stated

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, 2019	*As at 31st March, 2018*	*As at 1st April, 2017*
Non-current			
Provision for Employee Benefits			
Gratuity (Refer note 18(2.3))	11.43	*9.74*	*10.40*
	11.43	***9.74***	***10.40***
Current			
Provision for Employee Benefits			
Compensated Absences	9.59	*8.42*	*7.28*
Post Employment Medical Benefit (Refer note 18(2.3))	0.75	*0.59*	-
Other Defined Benefit Plans (Refer note 18(2.3))	1.54	*1.41*	-
Other Employee Benefits	2.25	*2.01*	-
	14.13	***12.43***	***7.28***

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 ₹ 1.94 crores (for the year ended 31st March, 2018 ₹ 2.07 crores) represents contribution for the year paid/payable to the Employee Provident Fund. The contribution outstanding as at 31st March, 2019 of ₹ 0.34 crores (as at 31st March, 2018: ₹ 0.37 crores) due in respect of Financial Year 2018-19 (Financial Year 2017-18) 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.

Notes to the financial statements

All amounts are in ₹ crores unless otherwise stated

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

Valuation as at	**31st March, 2019**	***31st March, 2018***	***1st April, 2017***
Discount rate(s)	7.40% p.a.	*7.70% p.a.*	*7.20% p.a.*
Expected rate(s) of salary increase	7.00% p.a.	*7.00% p.a.*	*7.50% p.a.*
Turnover Rate - Age 21 to 44 years	2.50% p.a.	*2.50% p.a.*	*6.00% p.a.*
Turnover Rate - Age 45 years and above	1% p.a.	*1% p.a.*	*0.5% p.a.*
Mortality Table	Indian Assured Lives Mortality (2006-08) (modified) Ult	*Indian Assured Lives Mortality (2006-08) (modified) Ult*	*Indian Assured Lives Mortality (2006-08) (modified) Ult*
Annual Increase in Healthcare Cost	8% p.a.	*8% p.a.*	*8% p.a.*

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, 2017	***10.40***
Current service cost	*1.29*
Past service cost	*1.77*
Interest Cost/(Income)	*0.87*
Amount recognised in statement of profit and loss	***3.93***
Remeasurement (gains)/losses	
Actuarial (gains)/losses arising from changes in demographic assumptions	*0.96*
Actuarial (gains)/losses arising from changes in financial assumptions	*(1.70)*
Actuarial (gains)/losses arising from experience	*(0.76)*
Amount recognised in other comprehensive income	***(1.50)***
Benefits paid	*(0.14)*
Acquisitions (credit)/cost	*(0.95)*
Balance as at 31st March, 2018	***11.74***
Balance as at 31st March, 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**

Notes to the financial statements

All amounts are in ₹ crores unless otherwise stated

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, 2019	*31st March, 2018*	31st March, 2019	*31st March, 2018*	31st March, 2019	*31st March, 2018*
Discount rate	0.50%	*0.50%*	(0.88)	*(0.78)*	0.99	*0.87*
Salary growth rate	0.50%	*0.50%*	0.84	*0.76*	(0.77)	*(0.69)*
Mortality rates	1 year	*1 year*	0.04	*0.03*	(0.04)	*(0.03)*
Healthcare cost	0.50%	*0.50%*	0.12	*0.10*	(0.10)	*(0.08)*

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.

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

Unfunded	31st March, 2019	31st March, 2018
Within 1 year	0.41	0.27
Between 1 - 2 years	1.37	1.23
Between 2 - 3 years	0.37	0.26
Between 3 - 4 years	0.42	0.24
Between 4 - 5 years	1.74	0.29
Beyond 5 years	6.19	4.35

The weighted average duration of the defined benefit obligation is 8.1 years (*31st March, 2018 - 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.

Notes to the financial statements

All amounts are in ₹ crores unless otherwise stated

19. Other Liabilities

	As at 31st March, 2019	*As at 31st March, 2018*	*As at 1st April, 2017*
Non-current			
Deferred Revenue Liability	350.60	*281.99*	*220.26*
	350.60	***281.99***	***220.26***
Current			
Statutory Liabilities	11.10	*11.46*	*4.13*
Amount due to customers	23.38	*22.93*	*42.05*
Other Liabilities	0.20	*0.03*	*0.14*
	34.68	***34.42***	***46.32***

20. Current Borrowings

	As at 31st March, 2019	*As at 31st March, 2018*#*	*As at 1st April, 2017*
Unsecured			
From Banks			
Buyer's Line of Credit (Refer note III below)	-	-	36.01
Bank Overdraft	196.57	-	-
Short-term Loans (Refer note III below)	1,500.00	*850.00*	400.00
From Others			
Inter-corporate Deposit (Refer note III below)	53.00	*335.97*	-
	1,749.57	***1,185.97***	**436.01**
Secured			
From Banks (Refer note I & II below)	-	*5,286.55*	5,595.72
From Others (Refer note I & II below)	-	*3,852.44*	4,163.38
	-	***9,138.99***	**9,759.10**
	1,749.57	***10,324.96***	**10,195.11**

Details of original terms of repayment for the borrowings:

I) INR Loans *

Year of	Terms of Repayment	*As at 31st March, 2018*	*As at 1st April, 2017*
FY 2017-18	4 quarterly installments	-	*19.32*
FY 2018-19	4 quarterly installments	*39.78*	*38.64*
FY 2019-20	4 quarterly installments	*78.23*	*77.28*
FY 2020-21	4 quarterly installments	*76.28*	*77.28*
FY 2021-22	4 quarterly installments	*76.28*	*77.28*
FY 2022-23	4 quarterly installments	*120.95*	*115.93*
FY 2023-24	4 quarterly installments	*163.69*	*154.57*
FY 2024-25	4 quarterly installments	*206.42*	*193.21*
FY 2025-26	4 quarterly installments	*231.57*	*212.53*
FY 2026-27	4 quarterly installments	*252.94*	*231.85*
FY 2027-28	4 quarterly installments	*327.05*	*309.14*
FY 2028-29	4 quarterly installments	*412.51*	*386.42*
FY 2029-30	4 quarterly installments	*462.80*	*425.07*
FY 2030-31	4 quarterly installments	*505.53*	*463.71*
FY 2031-32	4 quarterly installments	*456.00*	*463.71*
FY 2032-33	4 quarterly installments	*396.23*	*579.64*
Total		***3,806.26***	***3,825.58***

	As at 31st March, 2018	*As at 1st April, 2017*
INR Loans From:		
Banks	*2,815.90*	*2,830.20*
Financial Institutions	*990.36*	*995.38*
Total	***3,806.26***	***3,825.58***

Notes to the financial statements

All amounts are in ₹ crores unless otherwise stated

II) Foreign currency Loans #

Year of Repayment	Terms of Repayment	As at 31st March, 2018		As at 1st April, 2017	
		USD Mn.	₹ crore	USD Mn.	₹ crore
FY 2017-18	2 half-yearly installments	-	-	96.77	627.57
FY 2018-19	2 half-yearly installments	96.77	630.74	96.77	627.57
FY 2019-20	2 half-yearly installments	96.77	630.74	96.77	627.57
FY 2020-21	2 half-yearly installments	96.77	630.74	96.77	627.57
FY 2021-22	2 half-yearly installments	96.77	630.74	96.77	627.57
FY 2022-23	2 half-yearly installments	96.77	630.74	96.77	627.57
FY 2023-24	2 half-yearly installments	96.72	630.38	96.72	627.21
FY 2024-25	2 half-yearly installments	90.99	593.02	90.99	590.04
FY 2025-26	2 half-yearly installments	90.99	593.02	90.99	590.04
FY 2026-27	2 half-yearly installments	32.23	210.08	32.23	209.02
FY 2027-28	2 half-yearly installments	23.40	152.53	23.40	151.79
Total		**818.18**	**5,332.73**	**914.95**	**5,933.52**

	As at 31st March, 2018		As at 1st April, 2017	
	USD Mn.	₹ crore	USD Mn.	₹ crore
Foreign currency Loans From:				
Banks	379.06	2,470.65	426.44	2,765.52
Financial Institutions	439.12	2,862.08	488.51	3,168.00
Total	**818.18**	**5,332.73**	**914.95**	**5,933.52**

III) Other Unsecured Loans

From	Terms of Repayment	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Buyer's credit	Repayable on demand	-	-	36.01
Bank Overdraft	Repayable on demand	196.57	-	-
From Banks	Repayable on demand	1,500.00	850.00	400.00
From Holding Company	Not applicable	53.00	335.97	-
Total		**1,749.57**	**1,185.97**	**436.01**
Total as disclosed in Note 20		**1,749.57**	**10,324.96**	**10,195.11**

* Till last year, the Company was not in compliance with the financial covenants for INR Term Loans and as a result, entire loan balance was classified as "Current Borrowings" in financial statements. During the current year, State Bank of India (Lead Banker) has granted waiver and amended the financial covenants, which the Company now is in compliance with. Accordingly, the loans outstanding as at 31st March, 2019 aggregating to ₹ 3,687.55 crores have been re-classified as "Non-current borrowings" and ₹ 76.28 crores of current maturities pertaining to these loan balances have been classified under "Current Maturities of Long Term Borrowings".

Till last year, the Company was not in compliance with the financial covenants for Foreign Currency term loans and as a result, entire loan balance was classified as "Current Borrowings" in financial statements. During the current year, the Company has refinanced foreign currency loan with monies raised through rights issue, issue of Non-Convertible Debentures and Rupee Term Loans.

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 actual realisation or accrued based on an assessment of certainty of realization.

		For the year ended 31st March, 2019	***For the year ended 31st March, 2018***
(a)	Revenue from Power Supply (Refer Note 3.14)	6,607.02	*5,843.21*
	Income From Change in Law	445.34	*408.12*
		7,052.36	*6,251.33*
(b)	Other Operating Revenue		
	Rental Income	0.63	*0.81*
	Income in respect of Services Rendered	0.37	*1.97*
	Sale of Fly Ash	9.33	*6.96*
	Insurance claim received	-	*5.19*
	Liabilities Written Back	0.08	*1.19*
	Liquidated Damages	0.35	*0.94*
	Sale of Scrap	1.21	*2.54*
		11.97	*19.60*
		7,064.33	***6,270.93***

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, 2019	*For the year ended 31st March, 2018*
Revenue from Power Supply	7,052.36	*6,251.33*
Income in respect of Services Rendered	0.37	*1.97*
Sale of Fly Ash	9.33	*6.96*
Liquidated Damages	0.35	*0.94*
Sale of Scrap	1.21	*2.54*
Total Revenue from Contract with Customers	**7,063.62**	***6,263.74***
Less: Significant financing component	(33.48)	*(26.60)*
Add: Deferred revenue	68.61	*61.73*
Add: Cash Discount/Rebates	87.03	*96.14*
Total Revenue as per Contracted Price	**7,185.78**	***6,395.01***

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, 2019, other than those meeting the exclusion criteria mentioned above, is ₹ 1,33,840.76 crores. Out of this, the Company expects to recognize revenue of around 5.38% 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, 2019	*As at 31st March, 2018*	*As at 1st April, 2017*
Contract assets (Claim under Change in law)	**55.18**	***346.38***	***388.91***
Contract Liabilities (Deferred revenue liability)	**350.60**	***281.99***	***220.26***
Receivables			
Trade receivables (Gross)	1,136.05	*412.62*	*551.58*
Less : Allowances for doubtful debts	(107.78)	*(87.28)*	*(87.28)*
Net receivables	**1,028.27**	***325.34***	***464.30***

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, 2019	***As at 31st March, 2018***	**As at 31st March, 2019**	***As at 31st March, 2018***
Opening Balance	346.38	*388.91*	281.99	*220.26*
Less: Transfer from contract assets to receivables from balance at the beginning of the year	(316.48)	*(388.91)*	-	-
Add/(Less): Movement in Deferred Revenue Liability	-	-	68.61	*61.73*
Add : Revenue recognized during the year apart from above	445.34	*408.12*	-	-
Less: Transfer from contract assets to receivables	(420.06)	*(61.74)*	-	-
Closing Balance	**55.18**	***346.38***	**350.60**	***281.99***

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, 2019	***For the year ended 31st March, 2018***
Interest Income		
On Financial Assets held at amortised cost		
Interest Income from bank deposit	0.22	*0.78*
Interest Income from Overdue Trade Receivables	-	*1.09*
Interest Income from Income-Tax Refund	-	*0.01*
Interest on Financial Instruments	-	*0.02*
	0.22	*1.90*
Dividend income from subsidiary #	-	*22.85*
	-	*22.85*
Gain/(Loss) on Investments		
Gain on sale of mutual fund investment	4.14	*1.48*
Gain on Sale of Investment in Subsidiary	66.36	-
	70.50	*1.48*
Other Non-operating Income		
Guarantee Commission	0.40	*0.37*
Gain/(Loss) on Disposal of Property, Plant and Equipment (Net)	-	*0.03*
Miscellaneous Income	1.42	*1.90*
	1.82	*2.30*
	72.54	***28.53***

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

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 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, 2019	***For the year ended 31st March, 2018***
Salaries and Wages	41.38	*40.68*
Contribution to provident and other funds	1.94	*2.07*
Retiring Gratuities	0.87	*2.03*
Leave Encashment Scheme	1.27	*2.01*
Staff Welfare Expenses	5.62	*8.86*
	51.08	***55.65***

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, 2019	*For the year ended 31st March, 2018*
(a)	**Interest costs**		
	Interest on Debentures	157.62	-
	Interest on loans (other than those from related parties)	591.49	*619.40*
	Interest on loans from related parties	7.63	*4.59*
	Other Interest and Commitment Charges	7.93	*7.09*
		764.67	*631.08*
(b)	**Other Borrowing Cost:**		
	Exchange Loss /(Gain) arising on Borrowings	184.13	*211.40*
	Other Finance Costs	63.27	*7.53*
		247.40	*218.93*
		1,012.07	***850.01***

Notes to the financial statements

All amounts are in ₹ crores unless otherwise stated

25 Other Expenses

	For the year ended 31st March, 2019	*For the year ended 31st March, 2018*
Consumption of stores and spare parts	20.35	*20.04*
Cost of Services	22.23	*18.64*
Unscheduled Interchange Charges	41.90	*33.68*
Rent including lease rentals	0.02	*1.36*
Repairs and maintenance		
- Buildings	5.84	*3.55*
- Intake channel charges	6.77	*6.77*
Repairs and maintenance - Machinery	119.87	*118.58*
Repairs and maintenance - Others	0.23	*0.14*
Dredging Charges	14.49	*0.16*
Insurance	24.01	*25.71*
Rates and Taxes	-	*(1.16)*
Travelling and Conveyance Expenses	3.19	*3.35*
Freight and forwarding		
- Port handling charges	36.12	*29.01*
- Compensation for ship deferment	-	*37.80*
Loss/(Gain) on Disposal of Property, Plant and Equipment (Net)	10.06	-
Community Welfare Expenses [Refer Note below]	6.47	*0.83*
Consultancy fees	7.69	*17.23*
Legal Charges	3.69	*3.67*
Payments to auditors	0.54	*0.67*
Director's sitting fees	0.42	*0.35*
Net (Gain)/Loss on Foreign Currency Transactions and Translation	131.04	*84.33*
Provision for Doubtful Debts and Advances	20.50	-
Miscellaneous expenses	13.73	*11.65*
	489.16	***416.36***

(i) Payment to Auditors ^

	For the year ended 31st March, 2019	*For the year ended 31st March, 2018$*
For statutory audit	0.30	*0.22*
For tax audit	0.04	*0.09*
For taxation matters	-	*0.32*
For other services	0.18	*0.01*
Reimbursement of expenses	0.02	*0.03*
Total payments to the auditors	**0.54**	***0.67***

^ Service tax/GST included in the above figures

$ Includes ₹ 0.43 crores paid to erstwhile auditors

Notes to the financial statements

All amounts are in ₹ crores unless otherwise stated

(ii) Corporate Social Responsibility Expenses

	For the year ended 31st March, 2019	*For the year ended 31st March, 2018*
Expenses incurred by the Company	6.47	*0.83*
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	6.47	*0.83*
	6.47	***0.83***

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 period ended 31st March, 2019 and the current liabilities are substantially in excess of the current assets as at 31st March, 2019. 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 operational deficit of the Company, the financial statements have been prepared on a going concern basis.

26.3 Contingent liabilities and commitments

Accounting Policy

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.

(i) Contingent liabilities	As at 31st March, 2019	*As at 31st March, 2018*	*As at 1st April, 2017*
a) Corporate Guarantee issued to owner of charter ship of USD 10 million (Previous year USD 10 million)	69.16	*65.18*	*64.85*
b) Claims of Service Tax demands against loan processing fees, upfront fees, and commitment changes paid to IFC and ADB for processing and disbursement of Loans.	-	*27.16*	-
c) 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*	*102.42*
ii) Interest and penalty on above amount	Not ascertainable	*Not ascertainable*	*Not ascertainable*
d) Green cess disputed by the Company relating to issue of applicability.	340.58	*286.90*	*233.53*
e) 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*	*76.32*
f) Applicability of Stamp Duty on import of coal	28.26	*22.62*	*17.31*
g) 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*	*30.01**	*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, 2019	*As at 31st March, 2018*	*As at 1st April, 2017*
a. Estimated amount of Capital contracts (including intangible assets) remaining to be executed oncapital account (net of capital advance) and not provided.	50.60	*28.43*	*44.80*

b. **Other Commitments**

In terms of the Port Service Agreement entered into by the Company and valid up to 31st March, 2040, the Company is required to pay (a) Annual Fixed handling charges which are escalable as per CERC notification; and (b) Variable port handling charges for handling a certain minimum tonnage of coal for its Mundra UMPP. In the event of a default which subsists for over one year, the Port Operator shall be entitled to suspend all its services under the agreement without terminating the agreement and all amounts outstanding shall be payable by the Company.

c. **Ash Utilisation**

In accordance with the requirements of the Environment Clearance (EC) and the relevant notifications issued by the Ministry of Environment & Forests (MOEF), the Company is required to comply with ash disposal requirements. The Company has been making concerted efforts in this regard and is yet to fulfil ash utilisation requirements. The Company is in discussions with MOEF and other stakeholders for extension of time and is making all efforts to comply with the requirements at the earliest possible within the extended timelines.

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:

Sr. No.	Particulars	As at 31st March, 2019	*As at 31st March, 2018*	*As at 1st April, 2017*
i	Principal amount remaining unpaid to any supplier as at the end of the accounting year	1.27	*0.54*	*0.59*
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 auditors.

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, 2019	*31st March, 2018*	*1st April, 2017*	31st March, 2019	*31st March, 2018*	*1st April, 2017*
Financial assets						
Cash and Cash Equivalents	13.30	*11.61*	*64.06*	13.30	*11.61*	*64.06*
Other Balances with banks	-	-	*47.00*	-	-	*47.00*
Trade Receivables	1,028.27	*325.34*	*464.30*	1,028.27	*325.34*	*464.30*
Financial Investments #	-	-	*116.97*	-	-	*116.97*
Amortised Cost financial investments #	57.23	*347.40*	*391.14*	57.23	*347.40*	*391.14*
Derivative instruments not in hedging relationship	0.77	*55.41*	*13.13*	0.77	*55.41*	*13.13*
Total	**1,099.57**	***739.76***	***1,096.60***	**1,099.57**	***739.76***	***1,096.60***
Financial liabilities						
Trade Payables	2,365.19	*2,509.12*	*2,412.52*	2,365.19	*2,509.12*	*2,412.52*
Fixed rate borrowings (including current maturities)	2,693.18	-	-	2,726.83	-	-
Floating rate borrowings (including current maturities)	6,010.79	*10,324.96*	*10,195.11*	6,010.79	*10,324.96*	*10,195.11*
Derivative instruments not in hedging relationship	76.22	*430.72*	*774.95*	76.22	*430.72*	*774.95*
Other financial liabilities (excluding current maturities)	207.41	*116.77*	*99.57*	207.41	*116.77*	*99.57*
	11,352.79	***13,381.57***	***13,482.15***	**11,386.44**	***13,381.57***	***13,482.15***

other than investments in subsidiaries, associates and joint ventures accounted at cost in accordance with Ind AS 27

The management assessed that cash and cash equivalents, other balances with bank, trade receivables, loans, finance lease receivables, 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.Interest rate swaps, 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 31 March, 2019, 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, 2019 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, 2019			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	**Total**
Asset measured at fair value				
FVTPL financial investments	-	-	-	-
Derivative instruments not in hedging relationship	-	0.77	-	0.77
Liabilities measured at fair value	**-**	**0.77**	**-**	**0.77**
Derivative financial liabilities	-	76.22	-	76.22
Total	**-**	**76.22**	**-**	**76.22**

	Fair value hierarchy as at 31st March, 2018			
	Quoted prices in active markets (Level 1)	*Significant observable inputs (Level 2)*	*Significant unobservable inputs (Level 3)*	***Total***
Asset measured at fair value				
FVTPL financial investments	-	-	-	-
Derivative instruments not in hedging relationship	-	*55.41*	-	*55.41*
Liabilities measured at fair value	**-**	***55.41***	**-**	***55.41***
Derivative financial liabilities	-	*430.72*	-	*430.72*
Total	**-**	***430.72***	**-**	***430.72***

Notes to the financial statements

All amounts are in ₹ crores unless otherwise stated

	Fair value hierarchy as at 1st April, 2017			
	Quoted prices in active markets (Level 1)	*Significant observable inputs (Level 2)*	*Significant unobservable inputs (Level 3)*	***Total***
Asset measured at fair value				
FVTPL financial investments	116.97	-	-	116.97
Derivative instruments not in hedging relationship	-	13.13	-	13.13
Liabilities measured at fair value	**116.97**	**13.13**	**-**	**130.10**
Derivative financial liabilities	-	774.95	-	774.95
Total	**-**	**774.95**	**-**	**774.95**

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

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, 2019	***31st March, 2018***	***1st April, 2017***
Debt (i)	8,703.97	10,324.96	10,195.11
Less: Cash and Bank balances	13.30	11.61	111.06
Net debt	8,690.67	10,313.35	10,084.05
Total Capital (ii)	4,874.91	3,101.89	3,866.43
Capital and net debt	**13,565.58**	**13,415.24**	**13,950.48**
Net debt to Total Capital plus net debt ratio (%)	**64.06**	**76.88**	**72.28**

(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, 2019 and 31st March, 2018.

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, finance lease receivables and other financial assets that are derives directly from its operations. The Company also holds FVTPL investments and enters into derivative transactions.

Notes to the financial statements

All amounts are in ₹ crores unless otherwise stated

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.

The sensitivity analyses in the following sections relate to the position as at 31st March, 2019, 31st March, 2018 and 1st April, 2017.

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 31 March 2019. 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 its operations in international projects and 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, 2019		**31st March, 2018**		***1st April, 2017***	
Foreign Currency Liabilities	Foreign Currency Million	₹ crore	*Foreign Currency Million*	*₹ crore*	*Foreign Currency Million*	*₹ crore*
In USD	322.13	2,229.22	*1,157.42*	*7,543.76*	*1,268.84*	*8,228.35*
In EURO	0.15	1.17	*0.28*	*2.26*	*0.03*	*0.23*
In JPY	11.93	0.83	*11.29*	*0.70*	*11.31*	*0.65*

	31st March, 2019		**31st March, 2018**		***1st April, 2017***	
Foreign Currency Assets	Foreign Currency Million	₹ crore	*Foreign Currency Million*	*₹ crore*	*Foreign Currency Million*	*₹ crore*
In USD	0.05	0.35	*0.05*	*0.35*	*0.26*	*1.69*

Notes to the financial statements

All amounts are in ₹ crores unless otherwise stated

(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 and pre-tax equity 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	Effect on pre-tax equity
As at 31st March, 2019	Rupee depreciate by Re. 1 against USD	- ₹ 1.94 crores	- ₹ 1.94 crores
	Rupee appreciate by Re. 1 against USD	+ ₹ 1.94 crores	+ ₹ 1.94 crores
As at 31st March, 2018	*Rupee depreciate by Re. 1 against USD*	*- ₹56.82 crores*	*- ₹56.82 crores*
	Rupee appreciate by Re. 1 against USD	*+ ₹56.96 crores*	*+ ₹56.96 crores*
As at 1st April, 2017	*Rupee depreciate by Re. 1 against USD*	*- ₹57.10 crores*	*- ₹57.10 crores*
	Rupee appreciate by Re. 1 against USD	*+ ₹ 56.72 crores*	*+ ₹ 56.72 crores*

Notes:

1) +/- Gain/Loss

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

(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

	31st March, 2019			
	Buy/ Sell	Foreign Currency (in millions)	Nominal Value in ₹ crore	Fair Value in ₹ crore
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)

Notes to the financial statements

All amounts are in ₹ crores unless otherwise stated

Outstanding Contracts

	31st March, 2018			
	Buy/ Sell	*Foreign Currency (in millions)*	*Nominal Value in ₹ crore*	*Fair Value in ₹ crore*
Other Derivatives				
Forward contracts				
In USD	*Buy*	*601.44*	*3,920.01*	*(111.37)*
Option contracts				
In USD	*Buy*	*707.80*	*4,613.26*	*9.62*

	1st April, 2017			
	Buy/ Sell	*Foreign Currency (in millions)*	*Nominal Value in ₹ crore*	*Fair Value in ₹ crore*
Other Derivatives				
Forward contracts				
In USD	*Buy*	*583.36*	*3,783.04*	*(240.09)*
Option contract				
In USD	*Buy*	*428.90*	*2,781.42*	*(47.68)*

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.

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:

	As at 31st March, 2019		***As at 31st March, 2018***		***As at 1st April, 2017***	
	50 bps increase	50 bps decrease	*50 bps increase*	*50 bps decrease*	*50 bps increase*	*50 bps decrease*
Interest expense on loan	(21.32)	21.32	*(19.03)*	*19.03*	*(21.13)*	*21.13*
Effect on profit before tax	(21.32)	21.32	*(19.03)*	*19.03*	*(21.13)*	*21.13*

Notes to the financial statements

All amounts are in ₹ crores unless otherwise stated

(b) Interest rate swap contracts:

An interest rate swap is an agreement between two counterparties in which one stream of future interest payments is exchanged for another based on a specified principal amount. Interest rate swaps usually involve the exchange of a fixed interest rate for a floating rate, or vice versa, to reduce or increase exposure to fluctuations in interest rates or to obtain a marginally lower interest rate than would have been possible without the swap. Interest rate swaps are the exchange of one set of cash flows for another.

The following table gives details in respect of outstanding receive floating, pay fixed contracts:

₹ crore

		Less than 1 year	1 to 5 years	5 years +
As at 31st March, 2019	Average contracted fixed interest rate %	-	0.00%	0.00%
	Nominal amounts	-	-	-
	Fair value assets (liabilities)	-	-	-
As at 31st March, 2018	Average contracted fixed interest rate %	-	*2.27%*	*4.44%*
	Nominal amounts	-	*1,512.05*	*3,660.83*
	Fair value assets (liabilities)	-	*(12.04)*	*(261.51)*
As at 1st April, 2017	Average contracted fixed interest rate %	-	*2.07%*	*4.43%*
	Nominal amounts	-	1,694.60	*4,086.14*
	Fair value assets (liabilities)	-	*(44.39)*	*(429.66)*

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:

	31st March, 2019	*31st March, 2018*	*1st April, 2017*
Trade receivables	1,028.27	*325.34*	*464.30*
Total	**1,028.27**	***325.34***	***464.30***

Refer note no. 10 for credit risk and other information in respect of trade receivables. Other receivables as stated above are due from the parties under normal course of the 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 lenders.

Notes to the financial statements

All amounts are in ₹ crores unless otherwise stated

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

	Up to 1 year	1 to 5 years	5+ years	Total	Carrying Amount
31st March, 2019					
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**
31st March, 2018					
Non-Derivatives					
Borrowings	*1,856.49*	*2,874.70*	*5,593.77*	*10,324.96*	*10,324.96*
Future Interest on above borrowing	*564.78*	*1,949.03*	*1,978.67*	*4,492.48*	-
Trade Payables	*2,509.12*	-	-	*2,509.12*	*2,509.12*
Other Financial Liabilities	*116.77*	-	-	*116.77*	*116.77*
Total Non-Derivative Liabilities	***5,047.16***	***4,823.73***	***7,572.44***	***17,443.33***	***12,950.85***
Derivatives					
Other Financial Liabilities	*430.72*	-	-	*430.72*	*430.72*
Total Derivative Liabilities	***430.72***	**-**	**-**	***430.72***	***430.72***
1st April, 2017					
Non-Derivatives					
Borrowings	*1,082.90*	*2,780.79*	*6,331.42*	*10,195.11*	*10,195.11*
Future Interest on above borrowing	*556.73*	*1,981.28*	*2,551.74*	*5,089.75*	-
Trade Payables	*2,412.52*	-	-	*2,412.52*	*2,412.52*
Other Financial Liabilities	*99.57*	-	-	*99.57*	*99.57*
Total Non-Derivative Liabilities	***4,151.72***	***4,762.07***	***8,883.16***	***17,796.95***	***12,707.20***
Derivatives					
Other Financial Liabilities	*774.95*	-	-	*774.95*	*774.95*
Total Derivative Liabilities	***774.95***	**-**	**-**	***774.95***	***774.95***

\# 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.

Notes to the financial statements

All amounts are in ₹ crores unless otherwise stated

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, 2019 is ₹ Nil.

(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.

Net movement in Deferred Tax Liability/Asset in respect of the Mumbai regulated Transmission and Distribution business, is passed on to the consumers by way of Deferred Tax Recoverable/payable to be recoverable/payable in future, as the regulations provide for a post tax return on equity.

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.

Notes to the financial statements

All amounts are in ₹ crores unless otherwise stated

(i) Movement of Deferred Tax

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 Equipment 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 Investment	-	-	-	-
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 AS 115	97.59	24.92	-	122.51
Deferred tax assets total	3,704.44	(354.48)	-	3,349.96
Net Deferred Tax Asset/ (Liabilities)	-	-	-	-

Particulars	*For the Year ended 31st March, 2018*			
	Opening Balance	***Recognised in profit and Loss***	***Recognised in OCI***	***Closing Balance***
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment and intangible assets	*(3,755.53)*	*70.27*	-	*(3,685.26)*
On Impact of measuring derivative financial instruments at fair value	*(4.54)*	*(14.64)*	-	*(19.18)*
Fair valuation of Investment	*(0.03)*	*0.03*	-	-
Deferred tax liabilities total	*(3,760.10)*	*55.66*	-	*(3,704.44)*
Tax effect of items constituting deferred tax assets				
Unabsorbed Depreciation	*3,379.33*	*40.56*	-	*3,419.89*
Allowance for Doubtful debts	*30.21*	-	-	*30.21*
On Impact of measuring derivative financial instruments at fair value	*268.21*	*(119.14)*	-	*149.07*
Provision for Employee benefits	*6.12*	*1.56*	-	*7.68*
Deferred revenue - Ind AS 115	*76.23*	*21.36*	-	*97.59*
Deferred tax assets total	*3,760.10*	*(55.66)*	-	*3,704.44*
Net Deferred Tax Asset/ (Liabilities)	-	-	-	-

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

Particulars	As at 31st March, 2019	*As at 31st March, 2018*
Unabsorbed depreciation	5,187.92	*3,466.38*
Total	**5,187.92**	***3,466.38***

NOTICE

BOARD'S REPORT

FINANCIAL STATEMENTS

Notes to the financial statements

All amounts are in ₹ crores unless otherwise stated

Unused tax losses for which no deferred tax asset is recognised amount to ₹ 3,014.97 crores. The unused tax losses expire as detailed below:

31st March	Unused Tax losses	
	Gross amount	**Deferred tax**
2020	88.65	30.98
2021	269.39	94.13
2022	650.88	227.44
thereafter	2,006.05	701.00
Total	**3,014.97**	**1,053.55**

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 on the carried forward tax losses.

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)	Wholly owned 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	Af-Taab Investment Co. Ltd (AICL)	Fellow Subsidiary #	India
9	Walwhan Renewable Energy Limited (WREL)	Fellow Subsidiary #	India
10	Tata Power Trading Company Limited (TPTCL)	Fellow Subsidiary #	India
11	PT Kaltim Prima Coal (KPC)	Joint venture of Holding Company #	Indonesia
12	PT Antang Gunung Meratus (AGM)	Joint venture of Holding Company #	Indonesia
13	Tata Power Solar Systems Limited (TPSSL)	Fellow Subsidiary #	India
14	Chemical Terminal Trombay Limited (CTTL)	Fellow Subsidiary #	India
15	Yashmun Engineers Limited (YEL)	Associate of Holding Company #	India
16	Mr. Krishna Kumar Sharma - Executive Director & CEO (till 31st March, 2018)	Key Management Personnel (KMP)	India
17	Mr. Kumar V. Ghate - Chief Executive Officer (from 1st April, 2018 to 31st March, 2019)	Key Management Personnel (KMP)	India
18	Mr. Hardeep Singh Guru, Chief Financial Officer (upto 31st July, 2018)	Key Management Personnel (KMP)	India
19	Mr. Bijay Mohanty, Chief Financial Officer (from 1st August, 2018)	Key Management Personnel (KMP)	India
20	Mr. Darshan Soni, Company Secretary	Key Management Personnel (KMP)	India
21	Mr. Nawshir H. Mirza - Independent Director	Key Management Personnel (KMP)	India
22	Mr. Narendra Nath Misra - Independent Director	Key Management Personnel (KMP)	India
23	Ms. Anjali Kulkarni - Director	Key Management Personnel (KMP)	India
24	Mr. Sowmyan Ramakrishnan - Director (upto 19th June, 2018)	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, 2019:

	TPCL	EEPL	TERPL	MPL	IEL	TPIPL	TPADL	CTTL
Purchase of Assets	-	-	-	-	-	-	-	-
	(0.02)	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-
	(0.12)	-	-	(0.01)	-	-	-	-
Purchase of Goods	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Rendering of service	-	0.40	-	-	-	-	-	-
	(0.62)	(0.37)	-	-	(0.06)	(0.41)	-	(0.03)
Receiving of services	2.92	414.18	314.43	-	-	-	0.01	-
	(7.75)	(342.26)	(302.93)	-	-	-	-	-
Interest expenditure	7.63	0.01	0.05	-	-	-	-	-
	(3.14)	(0.22)	(0.15)	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-
	(0.02)	-	-	-	-	-	-	-
Equity Contribution	1,917.00	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Loan taken	1,676.67	-	-	-	-	-	-	-
	(1,205.83)	-	-	-	-	-	-	-
Loan repaid	1,959.64	-	-	-	-	-	-	-
	(869.86)	-	-	-	-	-	-	-
Loan Given	-	-	-	-	-	-	-	-
	(65.00)	-	-	-	-	-	-	-
Loan Principal received	-	-	-	-	-	-	-	-
	(65.00)	-	-	-	-	-	-	-
Unsecured perpetual securities	1,509.00	-	-	-	-	-	-	-
	(1,017.00)	-	-	-	-	-	-	-
Guarantees and collaterals Given by	4,704.56	-	-	-	-	-	-	-
	(1,104.33)	-	-	-	-	-	-	-
Guarantees and collaterals returned by	-	-	-	-	-	-	-	-
	(754.03)	-	-	-	-	-	-	-
Sale of investment in subsidiary - EEPL#	-	-	69.76	-	-	-	-	-
	-	-	-	-	-	-	-	-
Dividend Income	-	-	-	-	-	-	-	-
	-	(22.85)	-	-	-	-	-	-

Balances outstanding end of the period

	TPCL	EEPL	TERPL	MPL	IEL	TPIPL	TPADL	CTTL
Guarantees and Collateral outstanding given by TPCL	7,836.54	-	-	-	-	-	-	-
	(3,131.98)	-	-	-	-	-	-	-
Guarantees and Collateral outstanding given to EEPL*	-	(69.16)	-	-	-	-	-	-
	-	(65.18)	-	-	-	-	-	-
Trade Payables	-	240.53	148.32	-	-	-	0.06	-
	-	(194.50)	(192.73)	-	-	-	(0.19)	-
Trade Receivables	1.86	-	-	0.91	0.02	-	-	-
	(4.50)	-	-	-	(0.10)	-	-	-
Loans taken including interest accrued	53.00	-	-	-	-	-	-	-
	(338.16)	-	-	-	-	-	-	-
Unsecured Perpetual securities	6,985.88	-	-	-	-	-	-	-
	(5,476.88)	-	-	-	-	-	-	-
Deemed Equity	592.85	-	-	-	-	-	-	-
	(592.85)	-	-	-	-	-	-	-

Notes to the financial statements

All amounts are in ₹ crores unless otherwise stated

	WREL	TPTCL	KPC	AGM	TPSSL	AICL	YEL	KMP
Purchase of Assets	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Purchase of Goods	-	-	2,579.20	375.92	-	-	-	-
	-	-	(3,391.72)	(218.51)	-	-	-	-
Rendering of service	-	-	17.04	3.54	-	-	-	-
	-	-	-	-	(0.04)	-	-	-
Receiving of services (incl. Sitting Fees) ^	-	-	-	-	-	-	3.31	1.91
	-	-	-	-	-	-	(3.44)	(1.66)
Interest expenditure	-	-	-	-	-	-	-	-
	-	-	-	-	-	(1.45)	-	-
Interest Received	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Equity Contribution	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Loan taken	-	-	-	-	-	-	-	-
	-	-	-	-	-	(100.00)	-	-
Loan Repaid	-	-	-	-	-	-	-	-
	-	-	-	-	-	(100.00)	-	-
Loan Given	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Loan Principal received	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Unsecured perpetual securities (refer note below)	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Guarantees and collaterals Given by	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Guarantees and collaterals returned by	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Other Equity (Deemed Equity)	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Dividend Income	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

Balances outstanding end of the period

	WREL	TPTCL	KPC	AGM	TPSSL	AICL	YEL	KMP
Guarantees and Collateral outstanding given by TPCL	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Guarantees and Collateral outstanding given to EEPL*	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Trade Payables	-	-	1,212.18	120.26	-	-	0.46	-
	-	-	(1,694.48)	(47.62)	-	-	(0.21)	-
Trade Receivables	0.01	-	-	-	0.03	-	-	-
	(0.01)	-	-	-	-	-	-	-
Loans taken including interest accrued	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Unsecured Perpetual securities	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Deemed Equity	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

Notes:

Figures in bracket '( )' relate to the comparative figures for the related party transaction for the year ended 31st March, 2018 and balance outstanding are as on 31st March, 2018.

*The difference is due to the currency fluctuation on the guarantee of $10 Million given to EEPL.

^ Sitting fees exclude Goods and Service Tax.

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

Notes to the financial statements

All amounts are in ₹ crores unless otherwise stated

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.

	For the year ended 31st March, 2019	*For the year ended 31st March, 2018*
Basic earning per share		
Profit/(Loss) after tax attributable to equity shareholders (₹ crore)	(1,653.72)	*(1,783.04)*
Weighted average number of equity shares outstanding during the period	705,50,50,137	*608,34,20,000*
Nominal value per share (in ₹)	10.00	*10.00*
Basic earnings per share (in ₹)	(2.34)	*(2.93)*
Diluted earnings per share		
Net profit for the period attributable to the equity shareholders (₹ crore)	(1,653.72)	*(1,783.04)*
Amount used as denominator for basic EPS (no. of shares)	705,50,50,137	*608,34,20,000*
Add: Potential Equity Shares on conversion of loan from shareholders (no. of shares)	-	-
Amount used as denominator for diluted EPS (no. of shares)	705,50,50,137	*608,34,20,000*
Nominal value per share (in ₹)	10.00	*10.00*
Diluted Earnings per share Dilutive/(Anti Dilutive) (in ₹)	(2.34)	*(2.93)*
Diluted Earnings Per Share (in ₹)	(2.34)	*(2.93)*

Notes to the financial statements

All amounts are in ₹ crores unless otherwise stated

26.9 Restated Financial Statements for the year ended 31st March, 2018 and as at 1st April, 2017

Restated Balance Sheet as at 31st March, 2018

	Refer Sub-Note	*Reported Amount As at 31st March, 2018*	*Restatements*	*Restated Amount As at 31st March, 2018*
ASSETS				
Non-current Assets				
(a) Property, plant and equipment	b	16,745.09	1,771.14	14,973.95
(b) Capital Work-in-Progress		20.85	-	20.85
(c) Intangible Assets		129.68	-	129.68
(d) Financial Assets : Non-current Investments		3.40	-	3.40
(e) Income tax assets (Net)		7.06	-	7.06
(f) Other Non-current Assets		182.19	-	182.19
Total Non-current Assets		17,088.27	1,771.14	15,317.13
Current Assets				
(a) Inventories		763.24	-	763.24
(b) Financial Assets				
(i) Trade Receivables		325.34	-	325.34
(ii) Cash and cash Equivalents		11.61	-	11.61
(iii) Bank Balances other than (iii) above		-	-	-
(iv) Other financial assets		402.81	-	402.81
(c) Other Current Assets		1.91	-	1.91
Total Current Assets		1,504.91	-	1,504.91
Total Assets		**18,593.18**	**1,771.14**	**16,822.04**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital		6,083.42	-	6,083.42
(b) Other Equity	a, b	(8,176.42)	(281.99)	(8,458.41)
		(2,093.00)	(281.99)	(2,374.99)
(c) Unsecured Perpetual Securities		5,476.88	-	5,476.88
Total Equity		3,383.88	(281.99)	3,101.89
LIABILITIES				
Non-current Liabilities				
(a) Long term Provisions		9.74	-	9.74
(b) Other Non-current Liabilities	b	1,720.42	(1,720.42)	-
(c) Deferred Revenue Liability	a	-	281.99	281.99
Total Non-current Liabilities		1,730.16	(1,438.43)	291.73
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		10,324.96	-	10,324.96
(ii) Trade Payables				
- Total Outstanding dues of micro enterprises and small enterprises		0.54	-	0.54
- Total Outstanding dues of creditors other than micro enterprises and small enterprises		2,508.58	-	2,508.58
(iii) Other Financial Liabilities		547.49	-	547.49
(b) Short term Provisions		12.43	-	12.43
(c) Other Current Liabilities	b	85.14	(50.72)	34.42
Total Current Liabilities		13,479.14	(50.72)	13,428.42
Total Equity and Liabilities		**18,593.18**	**(1,771.14)**	**16,822.04**

Notes to the financial statements

All amounts are in ₹ crores unless otherwise stated

Restated Balance sheet as at 1st April, 2017

Particulars	Refer Sub-Note	*Reported Amount As at 1st April, 2017*	*Restatements*	*Restated Amount As at 1st April, 2017*
ASSETS				
Non-current Assets				
(a) Property, plant and equipment	b	*17,495.29*	*(1,821.87)*	*15,673.42*
(b) Capital Work-in-Progress		*27.88*	-	*27.88*
(c) Intangible Assets		*127.64*	-	*127.64*
(d) Financial Assets : Non-current Investments		*3.40*	-	*3.40*
(e) Income tax assets (Net)		*6.94*	-	*6.94*
(f) Other Non-current Assets		*185.46*	-	*185.46*
Total Non-current Assets		*17,846.61*	*(1,821.87)*	*16,024.74*
Current Assets				
(a) Inventories		*510.29*	-	*510.29*
(b) Financial Assets				
(i) Investments		*116.97*	-	*116.97*
(ii) Trade Receivables		*464.30*	-	*464.30*
(iii) Cash and cash Equivalents		*64.06*	-	*64.06*
(iv) Bank Balances other than (iii) above		*47.00*	-	*47.00*
(v) Other financial assets		*404.27*	-	*404.27*
(c) Other Current Assets		*1.21*	-	*1.21*
Total Current Assets		*1,608.10*	-	*1,608.10*
Total Assets		***19,454.71***	***(1,821.87)***	***17,632.84***
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital		*6,083.42*	-	*6,083.42*
(b) Other Equity	a	*(6,456.61)*	*(220.26)*	*(6,676.87)*
		(373.19)	*(220.26)*	*(593.45)*
(c) Unsecured Perpetual Securities		*4,459.88*	-	*4,459.88*
Total Equity		*4,086.69*	*(220.26)*	*3,866.43*
LIABILITIES				
Non-current Liabilities				
(a) Long term Provisions		*10.40*	-	*10.40*
(b) Other Non-current Liabilities	b	*1,771.15*	*(1,771.15)*	-
(c) Deferred Revenue Liability	a	-	*220.26*	*220.26*
Total Non-current Liabilities		*1,781.55*	*(1,550.89)*	*230.66*
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		*10,195.11*	-	*10,195.11*
(ii) Trade Payables				
- Total Outstanding dues of micro enterprises and small enterprises		*0.59*	-	*0.59*
- Total Outstanding dues of creditors other than micro enterprises and small enterprises		*2,411.93*	-	*2,411.93*
(iii) Other Financial Liabilities		*874.52*	-	*874.52*
(b) Short term Provisions		*7.28*	-	*7.28*
(c) Other Current Liabilities	b	*97.04*	*(50.72)*	*46.32*
Total Current Liabilities		*13,586.47*	*(50.72)*	*13,535.75*
Total Equity and Liabilities		***19,454.71***	***(1,821.87)***	***17,632.84***

Notes to the financial statements

All amounts are in ₹ crores unless otherwise stated

Restated Statement of Proft and Loss for the year ended 31st March, 2018

		Refer Sub-Note	*Reported Amount For the year ended 31st March, 2018*	*Restatements*	*Restated Amount For the year ended 31st March, 2018*
I	Revenue from Operations	a, b	6,356.78	(85.85)	6,270.93
II	Other Income		28.53	-	28.53
III	Total Income		6,385.31	(85.85)	6,299.46
IV	Expenses				
	Cost of Fuel consumed		5,983.45	-	5,983.45
	Employee Benefits Expense		55.65	-	55.65
	Finance Costs	a	823.41	26.60	850.01
	Depreciation and Amortisation Expenses	b	516.81	(50.72)	466.09
	Other Expenses		416.36	-	416.36
	Total Expenses		7,795.68	(24.12)	7,771.56
V	Profit Before Exceptional Items and Tax		(1,410.37)	(61.73)	(1,472.10)
	Less: Exceptional Items				
	Impairment of property, plant and equipment and intangible assets		(310.94)	-	(310.94)
VI	Profit/(Loss) Before Tax		(1,721.31)	(61.73)	(1,783.04)
VII	Tax Expense		-	-	-
VIII	Profit/(Loss) After Tax		(1,721.31)	(61.73)	(1,783.04)
IX	Other Comprehensive Income				
	(a) Remeasurement of the Defined Benefit Plans		1.50	-	1.50
	Total Other Comprehensive Income		1.50	-	1.50
X	Total Comprehensive Income for the year		(1,719.81)	(61.73)	(1,781.54)

26.9 Reconciliation of Total Equity as at 31st March, 2018 and as at 1st April, 2017

		As at 31st March, 2018	*As at 1st April, 2017*
	Equity as per Reported Financial Statements		
(a)	Equity Share Capital	6,083.42	6,083.42
(b)	Other Equity	(8,176.42)	(6,456.61)
(c)	Unsecured Perpetual Securities	5,476.88	4,459.88
		3,383.88	4,086.69
(d)	Ind AS 115 impact on Finance cost and Deferred revenue liability	(281.99)	(220.26)
	Equity as per Restated Financial Statements	3,101.89	3,866.43

Notes to the financial statements

All amounts are in ₹ crores unless otherwise stated

26.9 Reconciliation of Total Comprehensive Income for the year ended 31st March, 2018

			For the year ended 31st March, 2018
	Total Comprehensive Income as per Reported Financial Statements		*(1,719.81)*
(a)	Ind AS 115 impact on:		
	- Decrease in Revenue from Power Supply	*(35.13)*	
	- Increase in Finance Costs	*(26.60)*	*(61.73)*
(b)	Ind AS 20 impact on:		
	- Decrease in Other Operating Income	*(50.72)*	
	- Decrease in Depreciation	*50.72*	-
	Total Comprehensive Income as per Restated Financial Statements		*(1,781.54)*

a. Adoption of Ind AS 115 Revenue from Contract with Customers

As detailed in Note 3.14, the Company has adopted Ind AS 115 'Revenue from contract with customers' (Ind AS 115) on 1st April, 2017 using the full retrospective method. The application of Ind AS 115 has impacted the recognition of revenue. The impact on the financial statements of the Company vis-à-vis the numbers reported earlier under the previous standards are as follows:

Particulars	*For the year ended 31st March, 2018*
Revenue	*(35.13)*
Finance Cost	*26.60*
Profit before tax	*(61.73)*
Net Profit for the Period	*(61.73)*
Change in Basic/Diluted earnings per share (₹)	*(0.10)*

*Figures in bracket signify negative impact on the respective item.

Particulars	*As at 31st March, 2018*	*As at 1st April, 2017*
Equity	*(281.99)*	*(220.26)*
Deferred Revenue Liability	*281.99*	*220.26*

*Figures in bracket signify negative impact on the respective item.

b. Adoption of amendment in Ind AS 20 Accounting for Government Grants and Disclosure

In accordance with UMPP policy guidelines (and appropriate notifications of excise and customs) the machinery, instruments, apparatus and appliances etc. required for setting up of ultra-mega/mega power projects were exempt from payment of customs and excise duty. Earlier in accordance with the Standard, the Company had recognized these government grants as deferred income of ₹ 1,821.87 crores under Other Liabilities (including ₹ 50.72 crores shown under current liabilities) as at 1st April 2017. As detailed in Note 3.14, the Company has now opted to present the government grant by deducting the same from the carrying amount of the asset. The impact on the financial statements of the Company vis-à-vis the numbers reported earlier under the previous standard are as follows:

Notes to the financial statements

All amounts are in ₹ crores unless otherwise stated

Particulars	*For the year ended 31st March, 2018*
Other Operating Income	*(50.72)*
Depreciation	*50.72*

*Figures in bracket signify negative impact on the respective item.

Particulars	*As at 31st March, 2018*	*As at 1st April, 2017*
Property, Plant and Equipment	*(1,771.14)*	*(1,821.87)*
Deferred revenue arising from Government Grant	*(1,771.14)*	*(1,821.87)*

*Figures in bracket signify negative impact on the respective item.

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.

26.11 The financial statements were approved by the board of directors on 22nd April, 2019.

In terms of our report attached.

For and on behalf of the Board of Directors

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

per Abhishek Agarwal
Partner
Membership no.: 112773

Ashok S. Sethi
Chairman

Vijay V. Namjoshi
Chief Executive Officer

Bijay Mohanty
Chief Financial Officer

Darshan Soni
Company Secretary

Place : Mumbai
Date : 22nd April, 2019

Place : Mundra
Date : 22nd April, 2019

Coastal Gujarat Power Limited

CIN U40102MH2006PLC182213
Registered Office: 34, Sant Tukaram Marg, Carnac Bunder, Mumbai - 400 009.
Tel: 91 22 67171210 Fax: 91 22 66100863 E-mail: darshan.soni@tatapower.com Website: www.tatapower.com

Attendance Slip

13th Annual General Meeting on Monday, 17th June 2019 at 10.00 a.m.
at Conference Room No. 101, Bombay House, 24, Homi Mody Street, Fort, Mumbai 400 001.

Folio No. .... DP ID .... Client ID ....

Name of the Member .... Signature ....

Name of the Proxy holder .... Signature ....

1. Only Member/Proxy holder can attend the Meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting.

Coastal Gujarat Power Limited

Registered Office: 34, Sant Tukaram Marg, Carnac Bunder, Mumbai - 400 009.
Tel: 91 22 67171210 Fax: 91 22 66100863 E-mail: darshan.soni@tatapower.com Website: www.tatapower.com

Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: U40102MH2006PLC182213

Name of the Company: **Coastal Gujarat Power Limited**

Registered office: 34, Sant Tukaram Marg, Carnac Bunder, Mumbai - 400009.

Name of the member(s) .... E-mail ID : ....

Registered address: ....

Folio No / Client ID : .... DP ID : ....

I / We, being the member(s) of .... shares of the above named Company, hereby appoint

1. Name .... E-mail ID : ....

Address : ....

.... Signature : .... or failing him

2. Name .... E-mail ID : ....

Address : ....

.... Signature : .... or failing him

3. Name .... E-mail ID : ....

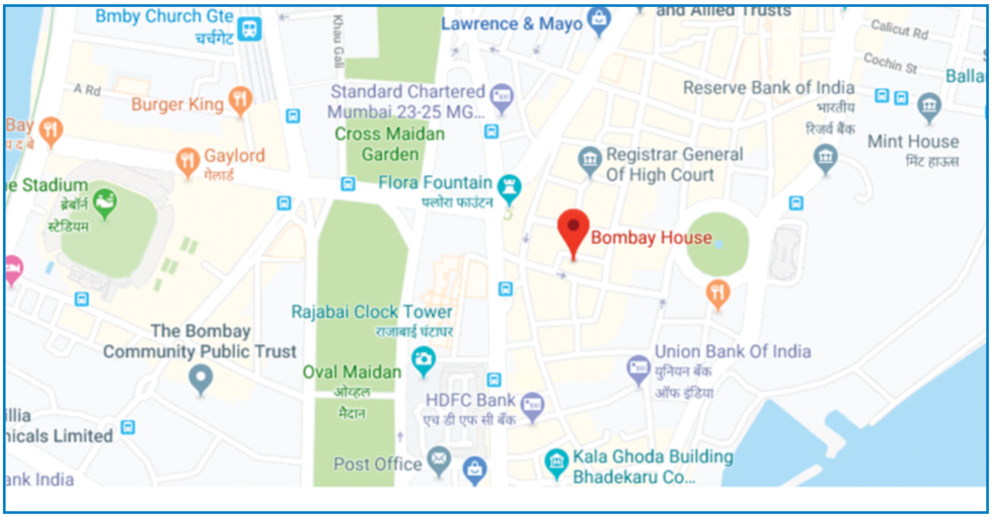
Address : ....

.... Signature : .... or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 13th Annual General Meeting of the Company, to be held on Monday, 17th June 2019 at 10:00 A.M at Conference Room No. 101, Bombay House, 24, Homi Mody Street, Fort, Mumbai 400 001 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

Route Map of the Venue of AGM

Venue : Conference Room No. 101, Bombay House, 24, Homi Mody Street, Fort, Mumbai 400 001.



Resolution No.		For	Against
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March 2019 together with the reports of the Board of Directors and the Auditors thereon.		
2.	To appoint a director in place of Ms. Anjali Kulkarni (DIN: 06993867), who retires by rotation and, being eligible, offers herself for re-appointment.		
3.	Appointment of Mr. Purushottam Thakur as Director.		
4.	Ratification of cost auditor's remuneration.		

Signed this .... day of 2019

Signature of shareholder ....

Signature of Proxy holder(s) ....

Affix revenue Stamp

Notes

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the company at, 34, Sant Tukaram Marg, Carnac Bunder, Mumbai - 400009 not less than 48 hours before the commencement of the Meeting.
2. Those Members who have multiple folios with different joint holders may use copies of the Proxy Form.

CGPL

Coastal Gujarat Power Limited

(A Tata Power Company)

Registered Office
34, Sant Tukaram Marg,
Carnac Bunder, Mumbai - 400 009.