

MAITHON POWER LIMITED

(a Joint venture of Tata Power & DVC)



19th Annual Report 2018-19



PLF



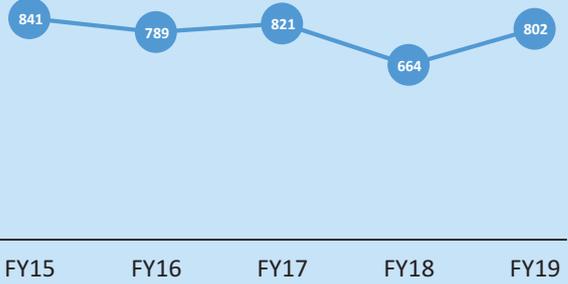
Plant Availability



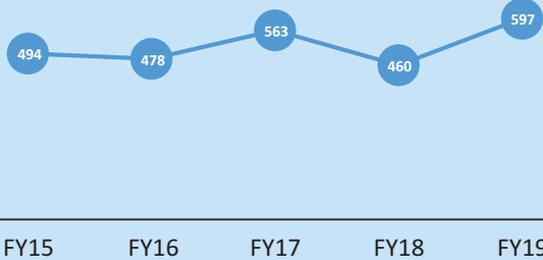
Revenue (₹Cr)



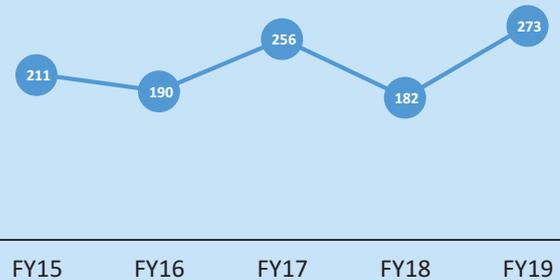
EBITDA (₹Cr)



Cash Profit (₹Cr)



PAT (₹Cr)



CORPORATE INFORMATION

(As on 17th April 2019)

Board of Directors	<p>Mr. Ashok S. Sethi, <i>Chairman</i> Mr. Narendra Nath Misra Ms. Neera Saggi Mr. Krishnava Dutt Mr. Purushottam Thakur Mr. Anand Agarwal Mr. Suvamay Halder Mr. Pulak Datta</p>
Executive	<p>Mr. Ramesh Jha, <i>Chief Executive Officer</i> Mr. Satish Kumar, <i>Chief Financial Officer</i> Ms. Poonam Shirke, <i>Company Secretary</i></p>
Statutory Auditors	M/s. S.R. Batliboi & CO. LLP
Internal Auditors	M/s. KPMG
Cost Auditors	M/s. Sanjay Gupta & Associates
Bankers	<p>State Bank of India Allahabad Bank Kotak Mahindra Bank Limited IndusInd Bank Limited</p>
Registered Office	<p>Corporate Center, 34 Sant Tukaram Road, Carnac Bunder, Mumbai - 400 009, Maharashtra, India. Tel No.: (022) 6717 1232 / 6717 1255 Website: www.tatapower/mpl.com</p>
Plant	<p>Village Dambhui, P.O. Barbindia, P.S. Nirsa, District Dhanbad - 828 205, Jharkhand, India. Tel No.: 6540 278001 / 27 Fax No.: 6540 278040</p>
Corporate Identity Number (CIN)	U74899MH2000PLC267297

CONTENTS

Notice.....	3
Explanatory Statement	5
Board's Report	9
Auditor's Report	51
Balance Sheet	58
Statement of Profit and Loss	60
Changes in Equity	61
Cash Flow Statement	62
Notes to the Financial Statements	64
Attendance Slip/Proxy Form	105

Annual General Meeting

Date : Friday, 14th June 2019
Time : 11.00 a.m.
Venue : Conference Room of The Tata Power Company Limited
on the 7th Floor of Corporate Center, 'B' Block,
34, Sant Tukaram Road, Carnac Bunder,
Mumbai - 400 009.

NOTICE

NOTICE is hereby given that the NINETEENTH ANNUAL GENERAL MEETING of MAITHON POWER LIMITED will be held on Friday, the 14th day of June 2019 at 11:00 a.m. in the Conference Room of The Tata Power Company Limited on the 7th Floor of Corporate Center, 'B' Block, 34, Sant Tukaram Road, Carnac Bunder Mumbai – 400 009, 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. (a) To confirm the payment of two interim dividends on Equity Shares declared and paid for the financial year ended 31st March 2019; and
(b) To declare a final dividend on Equity Shares for the financial year ended 31st March 2019.
3. To appoint a Director in place of Mr. Anand Agarwal (DIN 06398370), who retires by rotation and, being eligible, offers himself for re-appointment.

Special Business:

4. Appointment of Mr. Suvamay Halder as a Director

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

"RESOLVED that Mr. Suvamay Halder (DIN 08293500), who was appointed as an Additional Director of the Company with effect from 4th December 2018 by the Board of Directors and who holds office up to the date of the Annual General Meeting under Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing, under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. Appointment of Mr. Purushottam Thakur as a 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 1st January 2019 by the Board of Directors and who holds office up to the date of the Annual General Meeting under Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing, under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. Ratification of Cost Auditors' Remuneration

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

"RESOLVED that pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactments(s) 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 ₹ 2,40,000 (Rupees two lakh forty thousand) per annum plus GST and actual out of pocket expenses payable to M/s Sanjay Gupta And Associates, who are appointed by the Board of Directors as Cost Auditors to conduct the audit of cost records maintained by the Company for the financial year 2019-20.

NOTES:

- (a) The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), in regard to the business as set out in Item Nos.4 to 6 above and the relevant details of the Directors seeking re-appointment/appointment as set out in Item Nos. 3 to 5 above as required under Secretarial Standard-2 on General Meetings issued by The Institute of Company Secretaries of India, are annexed hereto.
- (b) 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 BE A MEMBER. Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the meeting. Proxies submitted on behalf of companies, societies, partnership firms etc. must be supported by appropriate resolution/authority, as applicable, issued on behalf of the nominating organisation.

Members are requested to note that a person can act as a proxy on behalf of Members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.

- (c) Corporate Members intending to send their authorised 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 in their behalf at the Meeting.
- (d) In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

Mumbai, 17th April 2019

By Order of the Board of Directors,
For **Maithon Power Limited**

Registered Office:

Corporate Center, 34, Sant Tukaram Road,
Carnac Bunder, Mumbai - 400 009.
CIN: U74899MH2000PLC267297
Tel: 91 22 6717 1232, 91 22 6665 7926
Website: www.tatapower.com/mpl

Poonam Shirke
Company Secretary
ACS No: 50297

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.4 to 6 of the accompanying Notice dated 17th April 2019:

Item No.4: Based on the nomination received from Damodar Valley Corporation (DVC), Mr. Suvamay Halder, was appointed as an Additional Director of the Company with effect from 4th December 2018 pursuant to Section 161(1) of the Act and Article 88 of the Articles of Association of the Company, by the Board of Directors vide Resolution dated 4th December 2018.

In terms of Section 161(1) of the Act, Mr. Halder holds office only up to the date of forthcoming Annual General Meeting but is eligible for appointment as a Director, whose office shall be liable to retire by rotation. A notice under section 160(1) of the Act has been received from a Member signifying its intention to propose Mr. Halder's appointment as a Director.

Mr. Halder, aged 57 years, joined DVC as Member (Finance) on 11th July 2017. He is a fellow member of the Institute of Chartered Accountants of India and has rich experience of three decades in the field of Accounts, Finance and Taxation.

Prior to DVC, Mr. Halder was working with Bharat Heavy Electricals Limited (BHEL) and held charge as the Head of the Finance and Accounts Department of Power sector - Eastern Region. He accomplished various assignments during his career in BHEL, which includes efficient working capital management, taxation matters, budgeting and budgetary control, DGFT claims, financial concurrences, finalization of accounts, efficient handling of project finance and accounts.

Prior to BHEL, he worked with Heavy Engineering Corporation, Ranchi for around 8 years in Corporate Books and Budget Department. He has also worked with Price Waterhouse & Company, Kolkata.

Having regard to the qualifications, experience and knowledge, the Board considers that his association would be of immense benefit to the Company.

Accordingly, the Board commends the Ordinary Resolution as set at Item No. 4 of the accompanying Notice in relation to the appointment of Mr. Suvamay Halder.

Other than Mr. Suvamay Halder, none of the Directors or KMP of the Company and their relatives is concerned or interested, financially or otherwise, in the resolutions set out at Item No. 4 of the accompanying Notice.

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

Item No.5: Based on the nomination received from the Tata Power Company Limited (TPCL), Mr. Purushottam Thakur, was appointed as an Additional Director of the Company with effect from 1st January 2019 pursuant to Section 161(1) of the Act and Article 88 of the Articles of Association of the Company, by the Board of Directors at its meeting held on 11th December 2018.

In terms of Section 161(1) of the Act, Mr. Thakur holds office only up to the date of forthcoming Annual General Meeting but is eligible for appointment as a Director, whose office shall be liable to retire by rotation. A notice under section 160(1) of the Act has been received from a Member signifying its intention to propose Mr. Thakur's appointment as a Director.

Mr. Thakur, aged 59 years, is a Bachelor of Electrical Engineering from BIT Sindri, Dhanbad and has an overall experience of 35 years.

Mr. Thakur joined Tata Steel Limited in the year 1984 as a Graduate Engineer Trainee and has worked on 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.

Having regard to the qualifications, experience and knowledge, the Board considers that his association would be of immense benefit to the Company.

Accordingly, the Board commends the Ordinary Resolution as set at Item No. 5 of the accompanying Notice in relation to the appointment of Mr. Purushottam Thakur.

Other than Mr. Purushottam Thakur, none of the Directors or KMP of the Company and their relatives is concerned or interested, financially or otherwise, in the resolutions set out at Item No. 5 of the accompanying Notice.

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

Item No.6: Pursuant to Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a cost accountant in practice. On the recommendation of the Audit Committee of Directors, the Board of Directors has approved the re-appointment of M/s Sanjay Gupta & 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 ₹ 2,40,000/- plus taxes 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.

The Board commends the Resolution at Item No.6 of the accompanying Notice for ratification by the Members of the Company.

None of the Directors or Key Managerial Personnel (KMP) of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the accompanying Notice.

Mumbai, 17th April 2019

By Order of the Board of Directors,
For **Maithon Power Limited**

Registered Office:

Corporate Center, 34, Sant Tukaram Road,
Carnac Bunder, Mumbai - 400 009.
CIN: U74899MH2000PLC267297
Tel: 91 22 6717 1232, 91 22 6665 7926
Website: www.tatapower.com/mpl

Poonam Shirke
Company Secretary
ACS No: 50297

Details of Directors seeking appointment/re-appointment at the forthcoming AGM:

(In pursuance of Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard - 2 on General Meetings)

Name of the Director	Mr. Anand Agarwal	Mr. Suvamay Halder
Date of Birth	10 th December 1973	5 th December 1960
Date of first Appointment	29 th June 2018	4 th December 2018
Qualifications	B.Com, CA, CS, CFA and ICWA	B.Com, CA
Relationship with other Directors and KMP of the Company	Nil	Nil
Expertise in specific functional areas	<p>Mr. Anand Agarwal began his career in 1994 in Rusoday & Co., Kolkata and after that joined various Companies like A V Birla Group, Reliance Industries Limited, ITC, Reliance ADAG Group, Convexity Solutions & Advisors, AGS Transact Technologies Ltd., Peepul Capital, etc.</p> <p>In 2014, Mr. Agarwal joined The Tata Power Company Limited as Head - Treasury & Investor Relations and during his tenure managed corporate centralised treasury operations. He was responsible for setting up JV Funds operating out of Singapore and is also actively exploring Fund raising, Structuring, Divestments and M&A activities in India. He was also the head of Strategic Finance and M&A. Currently he is the Financial Controller & Chief Subsidiary Finance of Tata Power.</p>	<p>Mr. Suvamay Halder, joined Damodar Valley Corporation as Member (Finance) on 11th July 2017. He is a fellow member of the Institute of Chartered Accountants of India and has rich experience of three decades in the field of Accounts, Finance and Taxation.</p> <p>Prior to DVC, Mr. Halder was working with Bharat Heavy Electricals Limited (BHEL) and held charge as the Head of the Finance and Accounts Department of Power sector - Eastern Region. He accomplished various assignments during his career in BHEL, which includes efficient working capital management, taxation matters, budgeting and budgetary control, DGFT claims, financial concurrences, finalization of accounts, efficient handling of project finance and accounts.</p> <p>Prior to BHEL, he worked with Heavy Engineering Corporation, Ranchi for around 8 years in Corporate Books and Budget Department. He has also worked with Price Waterhouse & Company, Kolkata.</p>
Directorships held in other Companies	<ul style="list-style-type: none"> • Tata Power Solar Systems Limited • PT Arutmin Indonesia • Industrial Energy Limited • PT IndocoalKalsel Resources • Tata Power International Pte Ltd • Renascent Power Ventures Pvt Ltd 	Nil
Committee positions held in other companies	<p>Audit Committee</p> <p><u>Chairman</u></p> <ul style="list-style-type: none"> • Industrial Energy Limited <p><u>Member</u></p> <ul style="list-style-type: none"> • PT Arutin Indonesia 	Nil
Remuneration	N.A	N.A
No. of meetings of the Board	3	2
Number of shares held	Nil	Nil

Details of Directors seeking appointment/re-appointment at the forthcoming AGM:

(In pursuance of Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard - 2 on General Meetings)

Name of the Director	Mr. Purushottam Thakur
Date of Birth	3 rd January 1960
Date of first Appointment	27 th June 2018
Qualifications	BE (Electrical)
Relationship with other Directors and KMP of the Company	Nil
Expertise in specific functional areas	<p>Mr. Purushottam Thakur has an overall experience of 35 years.</p> <p>Mr. Thakur joined Tata Steel Limited in the year 1984 as a Graduate Engineer Trainee and has worked on 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.</p> <p>He has diverse experience in the power sector. He has led sustainable operations of stranded power projects across India.</p>
Directorships held in other Companies	<ul style="list-style-type: none"> • Industrial Energy Limited • Tata Power Green Energy Limited • Coastal Gujarat Power Limited
Committee positions held in other companies	<p>Audit Committee <i>Member</i></p> <ul style="list-style-type: none"> • Industrial Energy Limited <p>Corporate Social Responsibility Committee <i>Chairman</i></p> <ul style="list-style-type: none"> • Industrial Energy Limited • Coastal Gujarat Power Limited
Remuneration	N.A
No. of meetings of the Board	5*
Number of shares held	Nil

*Attended the meetings as CEO and Executive Director of the Company till 31st December 2018.

BOARD'S REPORT

To The Members,

The Directors are pleased to present the Nineteenth Annual Report on the business and operations of your Company along with the Audited Financial Statement for the year ended 31st March 2019.

Some of the major highlights of your company for FY 2018-19 are:

Your Company has received improved Credit rating of CRISIL AA-(Positive) credit rating for long term banking and NCD-I as well as working capital facilities of the Company and has reaffirmed CARE AA(stable) for long term banking and NCD-II.

- Your Company has maintained availability (DC) at 85.78% in FY19 ensuring full recovery of annual fixed charges (AFC) for tied up capacity.
- Your Company has registered profit after tax (PAT) of ₹273crore.

1. FINANCIAL RESULTS

(₹ crore)

Particulars	FY19	FY18
(a) Income from Operations	2,776	2,270
(b) Operating Expenditure	2,039	1,625
(c) Operating Profit	737	644
(d) Add: Other Income	65	19
(e) Less: Finance Cost	205	204
(f) Profit before Depreciation and Tax	597	460
(g) Less: Depreciation / Amortisation	238	237
(h) Profit before Tax	359	222
(i) Tax Expenses	86	41
(j) Net Profit/(Loss) after Tax	273	182

2. FINANCIAL PERFORMANCE AND THE STATE OF COMPANY'S AFFAIRS

- Financial

During the year, income from operations and operating profit were ₹ 2,776 crore and ₹ 737 crore as against ₹ 2,270 crore and ₹ 644 crore, respectively for the previous year. The Increase in operating profit is due to deferment of AOH of Unit #2 and increase in other income in due to impact of Petition order of Central Electricity Regulatory Commission (CERC) dated 8th April, 2019.

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of your Company.

- **Business Environment**

i) Fuel

During the year, your Company participated in various Special Forward E-auction Schemes conducted by Coal India Limited and procured 0.68 Million Tonnes (MT) of coal as compare to 0.64 MMT in the previous year and also procure 0.02 MMT Import coal as compare to Nil last year, which helped in maintaining coal stock in plant and reducing the energy cost and energy revenue billed to the Long Term (LT) beneficiaries. During the year, your Company has procured total coal 4.49 MMT as compare to 4.21MT in the previous year.

ii) Operations

During the year, your Company was able to achieve Availability of 85.78% and Plant Load Factor (PLF) of 79%. However, PLF was low due to lower demand by the customers. Also extended over hauling of Unit # 1 due to major maintenance work adversely impacted the PLF. Your Company took various measures to run the plant at maximum possible load by reducing outage hours and maximizing sale on URS/ST/IEX basis if any.

The generation details of both the units are given below:

Particulars	FY19	FY18
Generation (MUs)	7,268	7,406
PLF (%)	79	81
Plant availability (%)	86	87
Aux Power (%)	5.64	5.51

During the year, your Company has supplied 6,859 MUs to the LT beneficiaries and Nil MUs on merchant basis as against 6862 MUs and 125 MUs respectively in the previous year.

iii) Commercial

Power sale for 1,050 MW had been tied up with DVC for 150 MW and West Bengal State Electricity Distribution Company Limited (WBSEDCL), Tata Power Delhi Distribution Limited (TPDDL) and Kerala State Electricity Board Limited (KSEB) for 300 MW each on LT basis.

The Company had a smooth cash collection pattern during the year up to January 2019. However, due to various disallowances under the CERC tariff order, there were fewer payments made by the customers in monthly bills. Your Company has filed a petition before the Hon'ble CERC regarding various disallowances in the tariff order.

(iv) Tariff regulation

In FY19, your Company was able to recover 100% capacity charges due to entire tie up of Capacity based on last CERC tariff order dated 26th December 2017.

(v) Strengthening customer relationship

Your Company takes great pride in the relationships it build with its customers. Various initiatives have been undertaken by your Company for strengthening relationship with the customers. To foster a collaborative style of working with customers, your Company has executed several structured activities like annual customer meet, sharing of best practices, capturing of customers' feedback and expectations. Your Company has also rolled out customer satisfaction index (CSI) survey for gathering customers' feedback and responding to their requirements.

• Projects

i) Land for Main Plant

The Plant land of 1,116 acres comprising Private land (565 acres), Gair Mazura (GM) land (115 acres) and Forest land (436 acres) was identified and acquired by Damodar Valley Corporation (DVC) exclusively for the Maithon Right Bank Thermal Power Project.

The title to the Private land measuring 565 acres, acquired for the site, where the power generating station is set up, is in the name of DVC. As per the shareholders agreement, the title is to be transferred to the Company. Pending transfer of title as stated above, the Company had entered into an Indenture Deed with DVC on 5th December, 2008, which provided *inter-alia*, lease of private land for a period of 35 years (and extendable for another 35 years at the option of the Company) and provision to create security in favour of lenders and transfer this land to the Company at the cost at which it was acquired subject to approval of the Government of the State of Jharkhand. Subsequently, the Company had created security in favour of lenders on 17th July 2017, as per the terms of the CLA and accordingly the lease rent has been fixed at ₹ 1 per annum.

DVC had also acquired GM Land (115 acres) and Forest Land (436 acres) from the State of Jharkhand with the right to use them for the project. As per the shareholders agreement, the lease is to be transferred to the Company. Pending transfer of lease in the name of the Company by DVC, the Company had entered into a License Agreement with DVC for GM Land (115 acres) and Forest Land (238 acres) on 18 January 2008 for use of these lands initially for a period of five years and which is to be automatically renewed thereafter. Final Demand Note from GoJ for 30 years lease of Jangal Jhar (forest land) is received and payment is made. The process for leasing is in process.

ii) Land for Railway Infrastructure

To ensure regular coal availability for sustainable operation of the plant, your Company had started construction of railway infrastructure for over 20 km.

Railway infrastructure land of 133 acres comprising Private land (70 acres), Gair Mazura (GM) land (28 acres) and Eastern Railway land (35 acres) was identified exclusively for the Railway Corridor of Maithon Right Bank Thermal Power Project.

DVC has acquired Private land (67 acres) and GM land (18 acres). As per the shareholders agreement, the title / lease of these lands is to be transferred to the Company. DVC is in the process of transferring title / lease in these lands in favour of the Company as per applicable laws of the State of Jharkhand.

The Company has directly acquired 2.42 out of 3.12 acres in name of MPL and the balance is in the process of acquisition. The Company has acquired 35 acres (14.274 hectares) through lease from Eastern Railway (ER) as required for the construction of railway infrastructure. The said land has been licensed for five years by the ER in favour of your Company with a provision of successive renewal.

In August 2012, your Company entered into rehabilitation and resettlement (R&R) agreement with the land losers for settlement of R&R package in respect of private land. However, due to disputes relating to payments made by the GoJ to the wrong claimants, multiple ownership issues of the same land, differences in owner's name in land records, missing land documents and original land acquisition notices, etc., your Company is yet to complete physical possession of the private land in some villages. However, substantial progress has been made in identification of genuine claimants' post Hon'ble Ranchi High Court directions to District Administration. In case of GM land and railway land, your Company has found several unauthorized encroachments and received compensation demand from them.

Negotiation for settlement of disputes and demand of these land losers and unauthorised encroachments is in progress.

In view of this, construction of railway infrastructure work for stage I and stage II is delayed and is estimated to be completed by FY20.

iii) Mega Power Project Status

Mega Power status to 1,050 MW Maithon Right Bank Thermal Power Project had not been granted by the Ministry of Power (MoP) to your Company on the ground that the PPAs did not conform to the National Electricity Policy 2005 and Tariff Policy 2006 of the Government of India (GoI). Pending receipt of the Mega Power status, your Company remains liable to pay excise and customs duty on the receipts of goods and materials, wherever applicable. It had claimed 'drawback' of the duty so paid under deemed export benefit chapter of Foreign Trade Policy (FTP) of the GoI.

Initially, your Company received the benefit of excise duty drawback for ₹36 crore with respect to various project packages under non mega power status as per the FTP. Further excise duty drawback claims to the tune of ₹19 crore were approved by the Directorate General of Foreign Trade (DGFT), however no refund were received by the Company.

Subsequently, DGFT issued a demand notice claiming back the said duty drawback with retrospective effect pursuant to its decision taken at Policy Interpretation Committee (PIC) meeting held in March 2011.

Based on legal advice, your Company filed writ petitions before the Hon'ble Delhi High Court, *inter alia*, praying for quashing DGFT's demand notice. Subsequently, your Company filed transfer applications before the Hon'ble Supreme Court for transfer of writ petitions filed by it in the Hon'ble Delhi High Court to the Hon'ble Supreme Court as the appeal filed by GoI, in a similar matter, is pending before the Hon'ble Supreme Court. The matter is sub-judice.

iv) FGD & NOx Mitigation Project

As per the notification of Ministry of Environment and Forest & Climate Change (MoEF&CC) to comply with SO₂ and NO_x emission norms, your Company has planned for setting up of two projects.

First project is to install Flue Gas De-Sulphurisation (FGD) system for Unit#1 by September 2021 and for Unit#2 by June 2022.

Second project is to install NO_x abatement system for both Unit#1 and Unit#2 by December 2022.

For FGD Your company has finalized specification and negotiated with the bidders and the company is in process of getting the in principle approval from CERC. Once the project cost is approved, Orders will be placed on the successful bidders.

For NO_x mitigation your Company is in the process of discovering the project cost through bidding process among capable Vendors. After the price is discovered, approval of CERC and MPL Board will be sought in a similar manner to issue Order for the Project Execution and commissioning

v) Phase-II expansion of 2X660MW Supercritical Capacity

As per the Memorandum of Understanding (MoU) entered into between DVC and The Tata Power Company Limited ('Tata Power'), it is envisaged that expansion plans of your Company for setting up of new projects between these companies could be explored. As a step in this direction, based on the in-principle approval of DVC and Tata Power, it decided for expansion of its Maithon Project by establishing another 1,320 MW capacity (2X660MW) supercritical units (Phase-II).

Following is the status of Phase-II expansion of your Company:

- Water tie-up: Damodar Valley Reservoir Regulation Committee (DVRRC) has permitted to use 55 cusecs water, which is sufficient for Phase I and II.
- Land: Existing land area of the plant is sufficient for both the phases. Your Company is in physical possession of the 1,116 acres of land required for Phase I and II.
- Detailed Project Report (DPR): Draft DPR for Phase-II is in place.
- Fuel Sourcing: An application has been filed with the Ministry of Coal (MoC) for 6.40 MTPA coal. The matter is being followed up on regular basis.
- Environmental clearance shall be obtained based on fuel allocation.
- Power Purchase Agreements: Your Company has approached existing LT beneficiaries and many other distribution companies to purchase power from Phase II. Alternatively, your Company is looking for Case 1 bidding route to tie up power on LT basis.
- Power evacuation: Your Company has initiated discussion with PGCIL for evacuation of power.
- Chimney Clearance: Your Company has obtained aviation clearance from the Ministry of Defence for construction of 275 meters high RCC chimney for the project.

3. DIVIDEND

During the year, your Company has paid an interim dividend of ₹0.96 per equity share and proposed to pay a final dividend of ₹275 crore including Dividend Distribution Tax. Further, the Board has recommended the final dividend of ₹1.51 per equity shares for the year ended 31st March 2019, subject to the approval of the Members.

4. RESERVES

Your Company proposes to retain the entire amount of ₹65 crore in the Statement of Profit and Loss without transferring any amount to the General Reserves.

5. SUBSIDIARIES/JOINT VENTURES/ASSOCIATES

As on 31st March 2019, your Company did not have any subsidiary/joint venture/ associate. Hence, Rule 8(1) of the Companies (Accounts) Rules, 2014 does not apply.

6. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Subodh Dutta (DIN 08217109) and Mr. Sourendra Coomer Dutt (DIN 08251836) were appointed as Additional Directors of the Company with effect from 16th September 2018 and 8th October 2018 respectively. They resigned from the Board effective 15th November 2018.

Consequent to the retirement, Mr. Sanjeev Kumar Seth (DIN 06999571) ceased to be director of the Company from 30th September 2018.

The Board has placed on record its appreciation for the valuable contribution made by the outgoing Directors towards the Company during their respective tenures of office.

Mr. Ramesh Jha was appointed as the Chief Executive Officer of the Company effective 1st January 2019 in place of Mr. Purushottam Thakur who resigned as the Chief Executive Officer & Executive Director of the Company effect from the closure of working hours on 31st December 2018.

Mr. Purushottam Thakur (DIN 06833140) ceased to be a CEO and Executive Director of the Company effective 31st December 2018. Further, the Board of Directors, on the recommendation of the NRC, in accordance with Section 161(1) of the Act and Article 88 of the Company's Articles of Association appointed Mr. Thakur as Additional Director in the capacity of non-executive director effective 1st January 2019. He holds office only upto the date of the forthcoming AGM and a notice under Section 160 (1) of the Companies Act, 2013 (the Act) has been received from the member signifying an intention to propose his appointment as Director. He will also be re-appointed as director subject to the approval of the members at the ensuing AGM.

Based on the recommendations of the NRC, the Board of Directors has appointed Mr. Pulak Datta (DIN 07647537) and Mr. Suvamay Halder (DIN 08293500) with effect from 16th November 2018 and 4th December 2018, respectively, as Additional Director of the Company in accordance with Section 161(1) of the Act and Article 88 of the Company's Article of Association. They hold office only upto the date of the forthcoming AGM and a notice under Section 160 (1) of the Companies Act, 2013 (the Act) has been received from the member signifying an intention to propose their appointment as Director. They will also be re-appointed as director subject to the approval of the members at the ensuing AGM.

- **Re-appointment**

In accordance with the requirements of the Act and the Articles of Association of the Company, Mr. Anand Agarwal, Non-Executive Director of the Company, retires by rotation and is eligible for re-appointment. Member's approval is being sought at the ensuing AGM for his re-appointment.

- **Independent Directors**

In terms of Section 149 of the Act, Mr. Narendra Nath Misra, Ms. Neera Saggi and Mr. Krishnava Dutt are the Independent Directors of the Company. Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the Act.

- **Key Managerial Personnel**

In terms of Section 203 of the Act, the following are the Key Managerial Personnel (KMP) of the Company:

- Mr. Ramesh Jha, Chief Executive Officer
- Mr. Satish Kumar, Chief Financial Officer
- Ms. Poonam Shirke, Company Secretary

- **Number of Board meetings and dates**

Six(6) Board meetings were held during FY19 on 20th April 2018, 19th July 2018, 12th October 2018, 11th December 2018, 18th January 2019 and 16th March 2019.

The names, categories of the Directors on the Board, their attendance at Board meetings held during the year under review (FY19) is as under:

Sr. No.	Name of the Director	Category of Directorship	No. of meetings attended	Remarks
1	Mr. Ashok S. Sethi	Non – Executive Director	6	-
2	Mr. Anand Agarwal		3	-
3	Mr. Purushottam Thakur*		5	-
4	Mr. Nandakumar Tirumalai		1	Resigned w.e.f 31 st May 2018
5	Mr. Asim De		1	Resigned w.e.f 22 nd June 2018
6	Mr. K Chandrashekhar		-	Resigned w.e.f 30 th June 2018
7	Mr. Sanjeev Kumar Seth		1	Resigned w.e.f 30 th September 2018
8	Mr. Subodh Dutta		-	Appointed w.e.f 16 th September 2018 and resigned w.e.f 15 th November 2018
9	Mr. Sourendra Coomer Dutt		1	Appointed w.e.f 8 th October 2018 and resigned w.e.f 15 th November 2018
10	Mr. Pulak Datta		2	Appointed w.e.f 16 th November 2018
11	Mr. Suvamay Halder		2	Appointed w.e.f 4 th December 2018
12	Mr. NarendraNathMisra	Independent Director	6	-
13	Ms. Neera Saggi		6	-
14	Mr. Krishnava Dutt		4	-

*Mr. Purushottam Thakur resigned as CEO and Executive Director on 31st December 2018 and was appointed as additional director in non-executive capacity effective 1st January 2019

- **Committees of the Board**

- a) **Audit Committee of Directors**

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

The composition of the Audit Committee as on 31st March 2019 is as under:

Sr. No.	Name of the Director	Category	Remarks
1	Mr. Krishnava Dutt, Chairman	Independent, Non-Executive Director	-
2	Ms. Neera Saggi, Member		-
3	Mr. Anand Agarwal, Member	Non-Independent, Non-Executive Director	-

Mr. Suvamay Halder, Additional Director is a permanent invitee to the meetings of the Audit Committee.

The Board of Directors of your Company has adopted a Charter of the Audit Committee to bring the terms of 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 powers of the Audit Committee include the following:

- Investigate any activity within the scope of the Charter or as referred to the Committee 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.
- Seek any information from any employee or director of the Company.
- Engage independent counsel and other advisors and seek their advice.
- Have full access to the books of accounts, company facilities, employees and any other service provider to the Company.
- Meet Company's officers, external auditors or outside counsel, as may be necessary.
- Engage valuers, where a valuation needs to be made for any property, stock, shares, debentures, or 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:

- Financial Reporting Processes and Financial Statements
- Statutory Audit
- Internal Audit and Internal Control
- Cost Audit
- Risk management
- Internal Control
- Compliance with statutory / regulatory requirements
- Whistle blowing
- Related party transactions
- Review of information

The Audit Committee invites such of the executives, as it considers appropriate to be present at its meetings. The Chief Executive Officer, the Chief Financial Officer, Head-Finance & Accounts and the Company Secretary attend the meetings. The Statutory Auditors and Internal Auditors are also invited to the meetings. The Company Secretary, acts as the Secretary to the Committee.

Four(4) Audit Committee meetings were held during FY19 on 20th April 2018, 19th July 2018, 12th October 2018, and 18th January 2019.

The details of meetings attended by the Directors during the year are as under:

Sr. No.	Name of the Director	Category of Directorship	No. of meetings attended	Remarks
1	Mr. Krishnava Dutt	Independent Director	3	-
2	Ms. Neera Saggi		4	-
3	Mr. Anand Agarwal	Non-Executive Director	3	-
4	Mr. Nandakumar Tirumalai	Non-Executive Director	1	Resigned w.e.f 31 st May 2018

b) Nomination and Remuneration Committee(NRC) of Directors

In accordance with Section 178 of the Act and rules made thereunder the Audit Committee has been constituted by the Company.

The composition of NRC as on 31st March 2019 is as under:

Sr. No.	Name of the Director	Category	Remarks
1	Mr. Narendra Nath Misra, Chairman	Independent, Non-Executive Director	-
2	Ms. Neera Saggi, Member		-
3	Mr. Ashok S. Sethi, Member	Non-Independent, Non-Executive Director	-

Mr. Suvamay Halder, Additional Director is a permanent invitee to the meetings of the NRC.

The Board of Directors of your Company has adopted the NRC Charter to bring the terms of 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 powers of the NRC include the following:

- Investigate any matter within the scope of its charter or as referred to it by the Board.
- Seek any information or explanation from any employee or director 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:

- Board composition and succession related
- Evaluation related
- Remuneration related

Five(5) NRC meetings were held during FY19 on 21st May 2018, 19th July 2018, 12th October 2018, 11th December, 2018 and 16th March 2019. The details of meetings attended by the Directors during the year are as under:

Sr. No.	Name of the Director	Category of Directorship	No. of meetings attended	Remarks
1	Mr. Narendra Nath Misra, Chairman	Independent, Non-Executive	5	-
2	Ms. Neera Saggi		5	-
3	Mr. Ashok Sethi	Non-Independent, Non-Executive	4	-

c) Corporate Social Responsibility (CSR) Committee of Directors

In accordance with Section 135 of the Act and rules made thereunder the Audit Committee has been constituted by the Company.

Composition of the CSR Committee as on 31st March 2019 is as under:

Sr. No.	Name of the Director	Category	Remarks
1	Mr. Krishnava Dutt, Chairman	Independent, Non-Executive Director	-
2	Mr. Purushottam Thakur	Non-Executive Director	Inducted w.e.f 29 th June 2018
3	Mr. Pulak Datta		-

*Mr. Pulak Datta is inducted as member in the Committee effective 4th December 2018 consequent to the resignation of Mr. Sanjeev Kumar Seth.

Two(2) CSR Committee meetings were held during FY19 on 19th July 2018 and 16th March 2019. The details of meetings attended by the Directors during the year are as under:

Sr. No.	Name of the Director	Category	No. of meetings attended	Remarks
1	Mr. Krishnava Dutt, Chairman	Independent Director	1	-
2	Mr. Purushottam Thakur	Non-Independent, Non-Executive Director	2	-
3	Mr. Sanjeev Kumar Seth		1	Ceased to be a member w.e.f 30 th September 2018
4	Mr. Sourendra Coomer Dutt		-	-
5	Mr. Pulak Datta			Inducted w.e.f 4 th December 2018

*Mr. Sourendra Coomer Dutt was inducted as member in the Committee effective 18th October 2018 consequent to the resignation of Mr. Sanjeev Kumar Seth. Thereafter, Mr. Pulak Datta is inducted as member in the Committee effective 4th December 2018 consequent to the resignation of Mr. Sourendra Coomer Dutt

The Company has adopted CSR policy which indicates the activities to be undertaken by the Company as specified in Schedule VII to the Act.

d) Executive Committee of the Board (ECoB)

Composition of the ECoBas on 31st March 2019 is as under:

Sr. No.	Name of the Director	Category	Remarks
1	Mr. Ashok S. Sethi, Chairman	Non-Independent, Non-Executive Director	-
2	Mr. Anand Agarwal		-
3	Mr. Suvamay Halder		-
4	Mr. Narendra Nath Misra	Independent, Non-Executive Director	-

The ECoB approves opex and capex as per the Schedule of Authorities adopted by the Board.

Three ECoB meeting was held during FY19 on 19th July 2018, 18th January 2019 and 11th March 2019. The details of meeting attended by the Directors during the year are as under:

Sr. No.	Name of the Director	Category	No. of meetings attended	Remarks
1	Mr. Ashok S. Sethi	Non-Independent, Non-Executive	3	-
2	Mr. Anand Agarwal		3	-
3	Mr. Suvamay Halder		2	Inducted as member w.e.f 4 th December 2018
4	Mr. Sanjeev Kumar Seth		1	Ceased to be a member w.e.f 30 th September 2018
5	Mr. Narendra Nath Misra	Independent, Non-Executive	3	-

e) Commercial Committee of the Board

The Company has constituted a Commercial Committee of the Board comprising of Mr. Anand Agarwal inducted as member with effect from 29th June 2018 and Mr. Suvamay Halder as members of the Committee to approve the commercial transactions/sale of power on ST/LT basis.

f) Risk Management Committee

The Company has constituted a Risk Management Committee of the Board comprising of Mr. Krishna Dutt, Chairman, Ms. Neera Saggi, Mr. Anand Agarwal and Mr. Suvamay Halder as member of the Committee. During the year, no meeting of the Committee was convened.

g) Meeting of Independent Directors

During the year under review, a separate meeting of the Independent Directors was held on 16th March 2019. At the said meeting, the Independent Directors reviewed the performance of Non-Independent Directors, the Board as a whole and the Chairman, after taking into account the view of Non-Executive Director(s). They also assessed the quality, quantity and timeliness of flow of information between the Company's management to the Board.

7. BOARD DIVERSITY

Your Company recognises and embraces the importance of a diverse board in its success. Your Company 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 your Company to retain competitive advantage. Your Board has adopted the Policy on Board Diversity and Director Attributes which sets out the approach to the diversity of the Board of Directors which is reproduced in Annexure 'A'.

8. REMUNERATION POLICY FOR THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

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

The Non-Executive Directors are paid remuneration by way of sitting fees. The Company pays sitting fees at the rate of ₹ 75,000/- per meeting of the Board, ₹ 50,000 per meeting of the ECoB, Audit Committee and NRC, ₹ 30,000 per meeting for all other committee meetings. No sitting fees is paid to employees/consultants of Tata Power or DVC, who are nominated on the Board of your Company, for attending meetings of the Board/Committees. No commission is paid to any Director of your Company.

The details of sitting fee paid/ payable to the eligible Directors for the period 1st April 2018 to 31st March 2019 are as follows:

Name of the Director	Sitting fee (₹)
Ms. Neera Saggi	9,25,000
Mr. Narendra Nath Misra	9,75,000
Mr. Krishna Dutt	5,55,000

9. 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 'C'.

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 proviso 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 the 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.

10. ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Board has carried out the annual performance evaluation of its own performance, and that of its Committees and Individual Directors for the year pursuant to the provisions of Section 134(3)(p) of the Act read with Rule 8(4) of the Companies (Accounts) Rules, 2014.

The following processes were adopted for evaluation:

- Feedback was sought from each Director about their views on the performance of the Board as a whole covering various criteria such as degree of fulfillment 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 interest of stakeholders.
- Self-assessment questionnaires were filled by the Directors.
- Feedback was also sought from Committees' member for evaluation of Board appointed Committees covering various criteria such as degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

At its meeting, the NRC then discussed the feedback received from all the Directors regarding self-evaluation. At its meeting, the Independent Directors (IDs) discussed the feedback received from all the Directors regarding Board performance as a whole and of the Chairman and individual performance of the Non-Independent Directors (NIDs).

The Chairman of the NRC summarized the outcomes of discussion held at NRC and IDs meetings as regards evaluation of the Board as a whole and of the Committees and Individual Directors at the Board meeting. The Board then reviewed the performance of all directors (including IDs), as a whole and of its various Committees. Significant learning arising out of the evaluation were discussed by the Board.

11. DEPOSITS

As on 31st March 2019, your Company did not have any outstanding deposits. During the year, your Company did not accept any deposit.

12. LOANS, GUARANTEES, SECURITIES AND INVESTMENTS

The Company being an infrastructure company, is exempt from the provisions as applicable to loans, guarantees and securities under Section 186 of the Act. No investments have been made by the Company.

13. RISK MANAGEMENT FRAMEWORK AND INTERNAL FINANCIAL CONTROLS

Risk Management Framework:

Your Company has a well-defined Enterprise Risk Management System (ERMS) aligned to the stipulations and requirements of ISO 31000:2009. Other than the Risk Management Committee of the Board, your Company also has an internal defined risk management organization structure with the Risk Management Committee (RMC) being chaired by the Chief Executive Officer and Executive Director. The risks are identified and a detailed risk register comprising of the risk premise, indicators, inherent and residual values, probabilities and consequent impacts are carefully evaluated and risk mitigation plans are designed to treat existent risks. The risk are further classified into strategic, operational and tactical risks for monitoring and review. The risks are periodically reviewed and monitored by the RMC. To combat unforeseen adverse situations, unplanned circumstances, your Company has introduced effective Business Continuity Plan (BCP) to ensure sustained operation protecting shareholder interests through improved governance process. Risk management system is striving to maintain business continuity under disruptive incidents and unnatural events. The ERMS encompassed 9 major categories (Asset and catastrophe, Competition strategy and growth, Environment and safety, Financial, Fuel and logistics, Human resource, Projects, Regulations and legal, Technology) and is classified into 28 organization risks, which are broadly covered under the risk register. The top 3 risks of your Company comprise of Risk of Regulatory Disallowances, Risk of Delayed completion of Railway project and Major Catastrophic failure of critical equipment. Risk management framework and processes identifies relevant risks and promotes a pro-active approach treating such impacts by preparing value added mitigation plan through periodic reviews, inputs from various stakeholder meetings, internal

audit recommendations, etc. The concerted risk management efforts of your Company has led to 100% LT/medium term corridor availability for entire generation capacity.

Measures like RMCI, Process Robustness Index (PRI), inherent value and residual value trends determines the efficiency and effectiveness of action plan. Disaster management plan of your Company has been certified to conform to the National Disaster Management Authority (NDMA) guidelines. The policies and review processes of your Company meet the challenges of a continuously changing environment. During FY17, your Company was awarded the statement of compliance to the requirements of ISO 31000:2009 by BSI.

Internal financial controls and systems:

The Company has in place adequate internal financial controls with reference to financial reporting.

The Company implemented suitable controls to ensure its operational, compliance and reporting objectives are achieved. The Company has adequate policies and procedures in place for its current size as well as the future growing needs. These policies and procedures play a pivotal role in the deployment of the internal controls. They are regularly reviewed to ensure both relevance and comprehensiveness, and compliance is ingrained into the management review process.

The internal audit process includes review and evaluation of effectiveness of the existing processes, controls and compliances. Audit universe has been evolved out of risk profile of the Company. It also ensures adherence to policies and systems and mitigation of the operational risks perceived for each area under audit. Significant observations including recommendations for improvement of the business processes are reviewed by the management before reporting to the Audit Committee. The Audit Committee reviews the findings of the internal audit and the status of implementation of the agreed action plan.

14. BUSINESS EXCELLENCE

Your Company has a strong legacy of fair, transparent and ethical governance practices. As an intricate part of its operation structure and to grow from strength to strength, your Company participated in the Tata Business Excellence Model (TBEM) during the year. Adapted from the renowned Malcolm Baldrige model, TBEM encourages continuous improvements through a formal system of benchmarking and assessment. TBEM instills a process centric approach as a means to achieve the chosen business goals. The key actions identified, were presented to your Board and are being implemented across the organization.

In FY19, Your Company has got upgraded to ISO 45001:2018 standards of Occupational Health and Safety Management system and also got first time certified in ISO 50001:2011 standards of Energy Management system. Your Company is re-certified by the Indian Standards Organization (ISO) as ISO 9001, ISO 14001 and OHSAS - ISO 18001. Your Company is also ISO 22301:2012 certified for Business Continuity Management Systems and compliant to ISO 31001:2009 standards for Enterprise Risk Management. Contemporary quality initiatives and techniques like 5S, integrated management system, enterprise process management, strategy deployment matrix, six sigma, etc. were also deployed across the organization for continuous improvement.

15. SUSTAINABILITY

Sustainability for your Company is a key enabler for strategy program. We are guided by responsible business practices in our interactions with external and internal stakeholders. We are convinced that sustainability is a business opportunity, especially in the sense of energy and resource efficiency and a key element for our aim to be the employer of choice. Responsible business practices are an essential part of the corporate world.

The strategic objective of your Company is to build a sustainable organization while generating profitable growth. Your Company adopts a business approach which is guided by sustainable development by integrating economic progress, social responsibility and environmental concerns. The sustainability agenda of your Company addresses all aspects related to resource conservation, energy efficiency, environment protection and enrichment and development of local communities in and around its area of operations.

It has always been your Company's endeavor to achieve its goal of sustainable development by addressing the issues through multi-pronged approach as per details given below:

a) Care for People

i) Safety

Occupational health and safety at the workplace is one of the prime concerns of your Company. Your Company recognizes and accepts its responsibility for establishing and maintaining a safe working environment for all and gives utmost importance to provide it to its employees and associates, inculcate safety awareness among the employees, the workers of contractors and sub-contractors. The station has been certified with Occupational Health & Safety Management Systems (OHSMS ISO 45001:2018) by the Indian Register Quality Systems (IRQS) and Business Continuity Management System ISO: 22301:2012 is in place.



Safety Reward and Recognition



Daily Safety Round By CFT



Safety Speech By CEO



Fire Fighting Training for Stakeholders

Internal safety audits by Company's safety officers, cross functional safety task force and external safety audits by reputed organizations are carried out. There is continuous monitoring of any unsafe working conditions at site and its rectification. For strict compliance and enforcement of safety norms and practices by the contractors, safety clauses are included in general conditions of contract.

Your Company won the Suraksha Puraskar in Manufacturing Sector (Power Generation) for 2018 from the National Safety Council of India. This award was conferred for developing and implementing very effective management systems and procedures and achieving very good performance in Occupational Safety and Health.

Your Company has continued its efforts to minimize the accidents to zero level and encourage safe working practices at the plant during the year. Your Company has been undertaking a number of initiatives on safety and security as under:

- Implementation of reward and recognition for reporting unsafe condition and near miss incident.
- Safety Code of Conduct (SCOC) is communicated to all employees and displayed at site.
- 3 days safety induction is in practice before issue of gate pass to workers.
- Skill base (Electrical Safety, Confined space, Working at Height etc.) safety training conducted for employees including business partners.
- Special training for supervisors/engineers organized
- Refresher training provided to all business associates.
- One week safety induction programme undertaken for engineers joining operation and maintenance department.
- Training on critical safety standard and procedure for employees and business associates.
- Web based safety training for employee is imparted to cover the safety critical procedure.

- Lock out and tag out system is in place.
- Regular plant inspection is in place and safety issues are being periodically reviewed by the top management.
- All high risk job is being audited by cross functional team on regular basis.
- Daily Safety Round is being conducted by cross functional team to identify safe and unsafe Condition/Act and report through SAP EHS Module.
- For enforcement of safety norms and practices, Contractor safety Code of Conduct (CSCC) are in place.
- Business Continuity and Disaster management plan (BCDMP) in line with the National Disaster Management Authority (NDMA) guidelines is in place.
- Reporting of safety related observation using mobile App and monitoring using SAP Environment Health and Safety (EHS) module.
- Preventive maintenance of fire equipment carried out in SAP system.
- Foam flooding system arrangement Implemented on Heavy Fuel Oil and Low Density Oil tanks.
- Old version hydra replaced with new generation F15 hydra.

Specific safety targets with lead and lag indicators are monitored against targets. A summary of safety results achieved (both employees and contract workforce) is given below:

Sr. No.	Safety Parameters (Employees and contractors)	FY19	FY18
1	Fatality (Number)	Nil	Nil
2	LTIFR (Lost Time Injuries Frequency Rate) (per million man hours)	Nil	Nil
3	Total Injuries Frequency Rate (TIFR) (Number of injuries per million man hours)	Nil	Nil
4	First Aid cases (Number)	06	10



Social Security Awareness Program



Social Security Awareness Program

ii) Security

Your Company recognizes and accepts its responsibility for establishing and maintaining a secured working environment for all its installations, employees and associates. This is being taken care by deploying adequate number of security at the plant. Concrete steps are being taken for upgrading surveillance systems at the plant location by installation of modern security systems.

iii) Employee Township

Your Company has constructed field hostel for its shift engineers within plant premises, which can accommodate around 40 officials. The field hostel facility is now being expanded with construction of one more block which will have 10 more rooms.

b) Care for Community

While aiming to grow and generate profits, your Company has always endeavored towards its social and environmental responsibilities to fulfill the need and expectations of the larger society. Your Company believes that its business values and operations need integration to meet the expectations of its stakeholders. The key stakeholders of your Company are the communities around its plant periphery situated at Maithon in the district of Dhanbad, Jharkhand. Your Company is committed to ensure that, the community is benefitted from its presence in their neighborhood.

In line with the CSR policy, your Company undertook certain initiatives in following focus areas:

- Education (upto Primary level)
- Health and Sanitation
- Livelihood and Employability
- Water
- Financial Inclusion

The overall impact of these initiatives includes improvement in health, academic success, livelihood/employability, water and Financial and social security.

Your Company focuses on enhancing employability options by covering 21 villages in and around its plant area, through the following activities:

Livestock improvement, horticulture promotion and land development programs, wherein around 225 acres of land is developed and brought under integrated farming. 250 nos of family will be promoted through agriculture/wadi and vegetable development. Average monthly income has crossed 5000 per month per family. Apart from vegetables and fruits sale the family income include self-consumption also.



Medical Camp



Samvaad Camp



Skill Development Program

1000 families will be promoted through animal husbandry. Annual income of these families is approximately ₹30,000 per household. 60 women in SHG has been made self-sustainable through tailoring and handcraft making utilizing tiger grass. Average income of each family from tailoring unit is ₹2500 per month per women. 400 families have been linked with social security schemes.

The Company has successfully connected 2000 families with various government benefiting schemes. Out of which 1000 people are PAP's of the Company.

4,500 students have been given grade specific learning through digital learning. The project of digital learning under the banner of MPL-CSR has been praised by the government of Jharkhand in various form in district and state throughout the year.

16,000 patients treated with required medicines. More than 10,000 villagers has been given health awareness training and have changed health habits. 400 HH toilets have been constructed through utilizing state government fund and all are in use.

50 candidates of 10th drop out were trained successfully in skill development training and 35 have been successfully placed with different companies.

150 graduates trained and 54 youths were placed in TCS - Kolkata.

Girls of 26 year age and have not selected in TCS are being lined up for interview with TAJ - Risikhase. Around 100 youths were given coaching in government competitive exams. Similarly, around 250 school students were successfully trained in basics of computer operations.

Organizing regular football coaching camps for youth of the peripheral villages. 124 ST youths were trained. One youth has been selected in the under 17 National team. TPSDI - 455 Dip/ Grad Youth against a target of 300 & 449 ITI youth against a target of 350.

Worked for better infrastructure in the village which adds socio-economic value and social Infrastructure are as follows:

- A. 4 nos of roads were constructed having total length of 4 kms.
- B. Rain water harvesting structure, ponds were made in 05 villages.
- C. Study was done to increase the ground water table.
- D. Strengthening of handcraft centre with drinking water and toilet facilities for boys and girls.
- E. Construction of 400 toilets in 21 village. Made one panchayat ODF. Panchayat name - Pallarpur.
- F. Had meeting and discussion at different levels (Government/ private) for solving the drinking water problem at Pandra. Your Company has arranged pipes line of 1 KM and took permission for connection with the main water line of Maithon - Dhanbad. Construction completed and commissioning done for 06 Nos of overhead tanks. Water supply during summer season. This was done during extreme summer and water sources dry up.

Pursuant to Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Annual Report on CSR for FY19 is annexed herewith as Annexure 'D'.

c) Care for Environment

Your Company is pursuing the objective of environment protection as one of its prime responsibilities and focuses its efforts to mitigate the impact of its operation on surrounding environment. Your Company continually strives towards sustainable development by trying to find a balance between the needs of its customers and responsible care for the environment.

It has environmental management systems in place which is responsible for all environmental activities, as under:

- Rain water harvesting system has been implemented at site through roof top rain water harvesting and by constructing storage cum percolation pond.
- A continuous ambient air quality monitoring system has been installed at site which can monitor the ambient air as well as weather parameters.



Water Management

- Wind screen has been established all around the coal yard to control the dispersion of fugitive emission with bamboo/MS structure and green cloth. Bamboo sapling has been planted all around the structure in coal yard area. The total length covered is 1.6 km. This will enhance the quality of ambient air of the surrounding areas.
- In and around the ash pond, precast pole with fence has been established. Additionally, creepers would be planted all around the fence which will act as wind screen or filter media and improve the ambient air quality of the surrounding areas.
- Green belt developed in an area of 95 hectare in and around the plant premises to increase the aesthetic of the surrounding area as well as to comply with the statutory requirement.
- Mobile dust suppression system has been installed at the track hopper area for continuous spray of water mist on all directions and suppress the dust.
- Company has installed Zero Liquid Discharge (ZLD) plant to treat and effectively reuse the major liquid effluent being blown down by cooling tower.
- Utilisation of fly ash brick within plant premises for conservation of top soil.
- Various cement plants, NH contractors and ash brick manufacturing units have been contacted for utilisation of fly ash.
- Bio-degradable waste converter has been installed at plant and employees' township to manage biodegradable waste in an eco-friendly manner and the final output i.e. manure is used in horticulture.
- A unique concept of light pipes and turbo ventilator at the main store has been implemented to reduce energy consumption and improve the working environment.
- Water sprinkling system is under installation at ash pond. This project is taken for controlling of fugitive dust at ash pond area.
- RO plant PG test has been completed successfully & continuous operation will help to reduce the specific water consumption as well as fulfill the purpose of complete ZLD.
- We are in the process of mapping the green coverage developed through GIS/remote sensing technology.
- The company has been granted biomedical waste authorisation for a life time period by JSPCB.
- E waste has been disposed off through authorized recycler.
- As per CPCB direction remote calibration facility for SO₂ and NO_x of on line flue gas monitoring system has been implemented.

Ash management

The Company generated approximately 17.34 lakh MTPA of ash comprising approximately 13.0 lakh MTPA of fly ash and 4.95 lakh MTPA of bottom ash, out of both the units of 525 MW each, at PLF of 79% during FY19.

The status of ash utilised during last four financial years of the station is tabled below:

Financial year	Ash utilization (%)
FY16	106.63
FY17	109.9
FY18	106.2
FY19	102.27

There are various ways for utilization of fly ash e.g. in cement industry, brick manufacturing, ready mix concrete plant, road embankment, mine filling, ash dyke raising and land development, etc. Your Company has developed local self-help groups consisting of land losers and villagers and extended to set up fly ash brick manufacturing unit. Bricks are purchased by your Company from this unit for its own use, thereby ensuring usage of fly ash and improving the economic condition of the villagers. Your Company has set up a bagging plant inside the plant premises and engaged contractor for transporting bagged fly ash to various cement companies.

In order to meet the MoEF stipulation to achieve 100% ash utilization on a long term basis, it is necessary to identify other bulk users who may have perpetual use of ash in their businesses. Your Company is exploring scientific basis to develop safe technique of back filling of abandoned mines with ash. The initial results indicate that there is a good potential in this area. As per the preliminary assessment, the space available in such void mines is capable enough to address the issue of ash disposal of the Company for entire life of the project.

- **New environment regulation for stack emission**

The MoEF has issued a new notification regarding stack emission from thermal power plants on 7th December 2015. The Central Pollution Control Board (CPCB) has vide its letter dated 11th December 2017, informed the Company about the revised timelines, for compliance with the environmental norms, as under:

- a) That plant shall install/retrofit Electrostatic Precipitators (ESP) immediately so as to comply PM emission limit.
- b) That plant shall install FGD by 30th September 2021 and 30th June 2022 for Unit#1 and Unit #2, respectively, so as to comply SO₂ emission limit.
- c) That plant shall take immediate measures like installation of low NO_x burners, providing Over Fire Air (OFA), etc. and achieve progressive reduction so as to comply NO_x emission limit by the year 2022.
- d) The specific water consumption is 3.5 m³/Mwh.

The Company has filed petition before CERC seeking it's in principle approval for incurring capex to comply with MoEF directives by December 2017. On the receipt of in principle approval from CERC, the Company would take necessary steps for compliance of this pollution norms. Following are the compliance status of revised norms:

- a) Existing ESP are designed for emission of less than 50 mg/Nm³ of applicable norms.
- b) Your company has taken steps to install the FGD by stipulated time. However, it would be subject to approval of the capex by CERC so as to recover the cost through tariff.
- c) Currently the NO_x emissions are in the range of 500 mg/Nm³ to 700 mg/Nm³. The units are designed for NO_x with emission limit of 880 mg/Nm³. With operational practices like combustion efficiency, installation of SOFA and SNCR in future, shall be adopted to maintain NO_x emission limits well within the applicable limits. As suggested by Ministry of Power, the applicability of emission limit of 300 mg/Nm³ for NO_x is being reviewed by Sub group Chaired by Chairman CPCB, and representatives from CPCB, MOP/CEA and MOEF&CC. The group recommendations shall be adhered.
- d) The Specific water consumption is 2.25 m³/Mwh. which is well within the stipulated limit of 3.5 m³/Mwh.

- **Tree Plantation**

As per the conditions of Environmental Clearance of the project, your Company is mandated to develop greenbelt covering an area of 95 hectares. So far, the Company could develop green belt in and around the plant area with the plantation of approx. 2.5 lakh trees. It has not only contributed to the aesthetics but also helped in carbon sequestration by serving as a "sink" for CO₂ release from the stations and thereby protecting the quality of ecology and environment.

- **Tiger Grass handicrafts under Dhaaga Initiative**

The Company has been relentlessly working towards the development and welfare of the communities living in and around its operational areas. Under its Dhaaga initiative, the Company in collaboration with Amarkutir Society for Rural Development, has started a handicraft training and production center for Women Artisans from the peripheral villages of the project.

The venture aims to uplift the livelihood of the community women and foster their holistic development. The women artisans at the center make hand woven crafts made of Tiger grass, a perennial grass native to the Indian subcontinent. With a monthly income of ₹500 to ₹ 700, more than five women are associated with initiative. The Company markets these products in a boutique at Asansol and Amarkutir Society for Rural Development to make these women financially independent.

Since 2013, the Company has undertaken initiative skill development and production activities that help these women artisans become self-dependent and support their households financially.



Plantation



Dhaaga

16. INFORMATION TECHNOLOGY AND COMMUNICATION TECHNOLOGY

The Information Technology in your Company is not only a service provider but also being used as a key business driver. Most of the business processes in the Company have been IT enabled. The Company's IT infrastructure is continuously reviewed and renewed in line with the business requirements and technology enhancements. The Company continues to invest in Information Technology (IT) to enhance customer experiences, improve productivity and bolster agility by refining operational efficiency through automation and better data driven insights.

Your Company has been using SAP Enterprise Resource Planning (ERP) package, extended by Tata Power, covering maximum possible processes across the organisation. In addition to the core business, it encompasses the employee self-service functionality, procurement to pay, knowledge management, business intelligence, document management workflow, security intelligence system, vendor invoice management, billing to cash, etc. The SAP ERP system is fully managed through expertise from the process and technical group.

You Company widely uses video conferencing facility, to hold meetings in a secured manner with outside Company network location.

17. HUMAN RESOURCES

The Human Resource function of your organization is actively pursuing the agenda of supporting the organization in its strategic objectives. The company believes that employees are its most valuable resource and has implemented effective Human Resource management practices, which has helped in making the Organization robust, progressive and dynamic.

Your company is preparing for the future ready workforce and has focused on the capability building of its officers as well as allied workforce. During the year under review several HR initiatives were undertaken to supplement the Company's effort towards business sustainability and preparing for growth. These initiatives are aimed at developing leaders, creating bench strength for the future and skill and competency development of the Company's existing human capital. Several training programs were conducted to ensure development of the required competencies. Some of the major human resource initiatives undertaken by the Company during the period under review to supplement efforts towards organizational growth include:



Annual Athlete program



Cricket Tournament of workers



Football



Team Football

a) Manpower

Manpower (officers) stood at 243 at the close of the year as compared to 252 in the previous year. In FY19, the Company has targeted in optimizing the manpower resources by delegation of multiple responsibilities along with cross functional activities to give more exposure to individuals for better understanding of business and develop multi-skilled and future ready workforce.

With focus on Talent mobility, for manpower sourcing, whenever required, internal job postings (IJP) within Tata Power group companies was given priority to attract right talent and to address the need of development and growth of internal talents. Company has also utilized TPSDI (Tata Power Skill Development Institute) to strengthen the development of their trainees through their programs.

For future readiness the Company also undertook a detailed succession planning exercise considering the normal attrition rate and the criticality of the functions. This exercise is revisited regularly in view of various changes and developments taking place in the organization.

b) Technical and Behavioral Training

With a target of enhancing the functional skill of the workforce various training programs were planned before hand and priority was given on utilising the experience of Internal trainers, who are more accustomed with the existing systems running in the company, thereby giving the trainees a better and practical understanding of the system and functions. External experts, wherever required, were also called to part their knowledge to our workforce to ensure capability development of the workforce.

Taking into consideration of the overall development of the workforce, apart from technical training, the Company has also facilitated in design and execution of various behavioral training programs related to Team building, stress management and emotional intelligence from time to time to help its employees understand and develop their soft skills in their journey on the path of achieving their potential. To maintain a better work life balance, officers were also taken through a workshop facilitated by Art of Living to enlighten them on better way of living their life.

Apart from behavioral and technical trainings identified during PMS process in respect of every officers, Focused group discussion sessions were conducted wherein technical discussion were conducted on various issue for arriving a better solution and enhancement of knowledge.

To address organizational needs on S+5S (Safety + Sort, Set in Order, Shine, Standardize, and Sustain) drive, Health & wellness, Care for Environment, SAP, Business Excellence and RCM drive focused on ensuring reliability, separate programs were also conducted throughout the year.

Safety capability building was another area on which continuous focus was kept during the year.

For allied workforce apart from regular technical training, Tata Power Skill Development Institute (TPSDI) at Maithon, was utilized for providing the basic safety trainings (L1) to induct the safety aspects of their job in their behavioral genes. TPSDI platform was further systematically utilized for enhancing the skill set of the allied workforce in technical areas.

c) Employee Engagement and CONNECT

Company's employee engagement platforms are inclusive and empowering. It connects employees with leaders, their peers and Human Resource function. Forums such as Townhalls, Employee Connect meetings, Skip level meetings, Manager connect meetings, Monthly review meetings like MPL BSC, Daily O&M and Project meetings provide interactive platforms for sharing information and feedback and also conferring rewards and recognitions. Various initiatives in the field of Employee Recreation have also been instrumental in sustaining the engagement levels at the highest level.

Apart from increasing the capability of our employees, the company have continued the initiative for motivating employees to increase their educational qualification through Higher educational support policy as well as Qi (Quotient Intent) program to help them pursue their aspiration for higher education.



Fun at work



Holi celebration



New Year Eve Party



Reward and Recognition Program

An HR thematic in-house survey was conducted to understand the happiness quotient of the officers as well as to identify the OFIs.

Many Fun @ work initiatives were undertaken on larger scale wherein the birthday of officers was celebrated together, various sports activities were conducted for reducing the monotony of the work and facilitating events (like Football World cup) were organized for employees as well as families.

Festival centric decoration were created at the office stations for giving the festival feeling at various intervals to the workforce working on festive days.

Reward & Recognition system was revamped through a very attractive design to boost the performers as well as motivating others to be a part of their colleague's achievements. d) Leadership Development and Synergy

For preparing the leadership team ready with the challenging scenario, your Company has organized leadership strategy workshop for senior management team as part of leadership development program with a view to have a higher level of collaborations and operational excellence.

Similarly, workshops were conducted involving the majority of officers in middle and junior management level for maintaining a higher level of synergy among functions and alignment to organizational goals.

d) Leadership Development and Synergy

For the development of the leadership team, your Company has organized leadership development program (UTKARSH) along with an assessment of the leaders to have a clear understanding about their behavioral pattern and future potentials.

Similarly, workshops were conducted involving the majority of officers in middle and junior management level for developing their managerial effectiveness as well as maintaining a higher level of synergy among functions and alignment to organizational goals.

e) New initiatives

The Company emphasizes Innovation as part of its work culture. It organized an **“Improvement Convention”** where all the departments showcased their Best Practices, Innovations & Jugaads – via various means (charts, photographs, models, sketches, audio/video, skits etc). A total of 52 entries were received showcasing the great learning & sharing of knowledge across the organization.

Also, your Company's entry in Dare To Try (DTT) category “Modification in Soot blowing operation” from Operations has been shortlisted for 2nd round in Tata Innovista competition 2019 which is a popular, annual, Group wide program to showcase and recognize the best innovations.

f) Policy on prevention of sexual harassment of women

Policy on prevention of sexual harassment of women 2013 (“SHWW”) notified in December, 2013 requires an organization employing 10 or more persons to constitute an internal complaints committee (“ICC”) for hearing complaints of sexual harassment and to include in its annual report the number of cases filed with the ICC and disposed of in the previous financial year. The Company follows Tata Power's policy on prevention of sexual harassment of women to ensure a free and fair inquiry process within defined timelines. No cases of sexual harassment and discriminatory employment were reported in the last financial year.

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 workshops/awareness programme against sexual harassment carried out: 2

g) Industrial Relations

Your Company has, since its inception, supported working collaboratively with all stakeholders to maintain a cordial industrial relationship. Continuing the trend of the last couple of years this year also your company has managed the IR front quite well and achieved no work days loss.

Continuous engagement with the community and stakeholders was undertaken on different matters to ensure continuous dialogue with them and ensuring smooth operation of the Plant. Various initiatives were taken round the year for building the capability of allied workforce, ensuring welfare amenities like cold drinking water points, introduction of bio-toilets at remote locations inside Plant and dedicated workers canteen.

Initiatives were undertaken to build increase the engagement of the allied work force by organizing various sports activities, Safety march, Women's Day celebration and health awareness for female workers and PF KYC updation drive to help in their welfare. Special Talent hunt program was organized to give a platform to the allied workforce to showcase their various talents. To build a cordial relationship between the workers and the officers, “Friendship Cup” cricket match was organized.



Vendor's Reward and Recognition Program

18. WHISTLE BLOWER POLICY AND VIGIL MECHANISM

Your Company believes in upholding professional integrity and ethical behavior in the conduct of its business. To uphold and promote these standards, the Company has adopted a Whistleblower Policy and Vigil Mechanism to provide a formal mechanism to the Directors, employees and its stakeholders to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy without fear of reprisal.

Protected disclosures can be made by a whistleblower through several channels. The policy provides for adequate safeguards against victimisation of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

19. RELATED PARTY TRANSACTIONS

Your Company has formulated Related Party Transaction (RPT) Policy and framework and guidelines. All RPTs entered into during FY 2018-19 were on an arm's length basis and in the ordinary course of business.

No material related party transactions were entered during the financial year by the Company. All transactions with related parties were reviewed and approved by the Audit Committee. The disclosure of material RPTs as required under Section 134(3)(h) read with Section 188(2) of the Act in Form No.AOC-2 is annexed herewith as Annexure 'E'. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis. The transactions entered into pursuant to the omnibus approval so granted are reviewed by the internal audit team. Thereafter, a statement giving details of all related party transactions is placed before the Audit Committee on a quarterly basis for its review. There are no materially significant RPTs made by the Company with Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of your Company at large.

20. CREDIT RATING

Your Company has received improved Credit rating of CRISIL AA-(Positive) credit rating for long term banking and NCD-I as well as working capital facilities of the Company by CRISIL and has reaffirmed CARE AA (stable) for long term banking and NCD-II by CARE. The credit rating for Commercial Paper is "CRISIL A1+" as certified by CRISIL.

21. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on the conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as Annexure 'F'.

22. AUDITORS

M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company, holds office until the conclusion of 22nd AGM to be held in the year 2022, subject to ratification of its appointment at every AGM, if required under law.

23. AUDITORS' REPORT

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (IndAS) notified under Section 133 of the Companies Act, 2013. Further, the report of the Statutory Auditors along with notes to Schedules is enclosed to this Report. The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

24. COST AUDITOR AND COST AUDIT REPORT

As per the Cost Audit Orders, Cost Audit is applicable to the Company's products. In view of the same and in terms of the provisions of Section 148 and all other applicable provisions of the Act read with the Companies (Audit and Auditors) Rules, 2014, M/s. Sanjay Gupta & Associates; Cost Accountants have been appointed as Cost Auditors to conduct the audit of cost records of your Company for the FY 2018-19. The remuneration proposed to be paid to them requires ratification of the shareholders of the Company. In view of this, your ratification for payment of remuneration to Cost Auditors is being sought at the ensuing AGM.

25. SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. Parikh & Associates, Practicing Company Secretaries have been appointed as Secretarial Auditors of the Company. The report of the Secretarial Auditors is enclosed as Annexure G to this Report. The report is self-explanatory and do not call for any further comments

26. 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 the Annual Return in Form MGT-9 is annexed herewith as Annexure 'H'.

27. TRANSITION TO INDIAN ACCOUNTING STANDARDS

With effect from 1st April 2016, your Company was required to align its accounting policies and disclosures with new Indian Accounting Standards or IndAS. Consequently, the financial statements to be issued thereafter are different from those issued from the previous set. Apart from differences in the way assets, liabilities, income, expenses and losses are measured, even the disclosure requirements, as also the various statements comprising the financial report, have substantially changed

28. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's compliance systems were adequate and effective during the financial year 2018-19.

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

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures therefrom;
- b) they have, in the selection of the accounting policies, consulted the Statutory Auditors and have 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 profit of the Company for that period;
- c) they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

29. ACKNOWLEDGEMENTS

The Board of Directors would like to place on record their deep sense of appreciation to all shareholders, customers, business partners, contractors and suppliers, auditors, bankers, financial 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, Corporation, Gram Panchayat and Municipal authorities of the areas where your Company operates and the communities associated with its area of operation.

The Board of Directors take this opportunity to place on record their gratitude for the timely and valuable assistance and support received from officers and employees of DVC and Tata Power. We wish to place on record our appreciation for the tireless effort and contribution made by each employee at all levels to ensure that the Company continue to grow and excel.

On behalf of the Board of Directors,

Date: 17th April 2019
Place: Mumbai

Ashok S. Sethi
Chairman
(DIN 01741911)

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 Maithon Power Limited (the company).
- 1.2 The company recognises that diversity at board level is unnecessary 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

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

i) Gender diversity:

Having at least one woman director on the Board with an aspiration to reach three women directors.

ii) Age

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

iii) 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.

iv) 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.

Additional Attributes

- 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.
- 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.
- 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.
- The directors should not be the subject of allegations of illegal or unethical behaviour, in their private or professional lives.
- 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 Maithon 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:

• **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 employees¹**

- 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' (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 a c c i d e n t insurance.
 - The company provides retirement benefits as applicable.
 - [In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the company provides MD/ EDs such remuneration by way of commission, calculated with reference to the net profits of the company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD/ EDs would be based on performance as evaluated by the Board or the NRC and approved by the Board.]²
 - [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.]³
 - 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:

 - a) The services rendered are of a professional nature; and
 - b) 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 if Commission is provided to MD/ EDs

3 To be retained only if Commission is not provided to MD/ EDs

ANNEXURE 'C'

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. Nandakumar S. Tirumalai	N.A.
Mr. Anand Agarwal	N.A.
Mr. Asim De	N.A.
Mr. K Chandrashekhar	N.A.
Mr. Sanjeev Kumar Seth	N.A.
Mr. Subodh Datta	N.A.
Mr. Sourendra Coomer Dutt	N.A.
Mr. Pulak Datta	N.A.
Mr. Suvamay Halder	N.A.
Mr. Narendra Nath Misra	0.92
Ms. Neera Saggi	0.88
Mr. Krishnava Dutt	0.53
Mr. Purushottam Thakur	N.A.

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. Nandakumar S. Tirumalai	N.A.
Mr. Sanjeev Kumar Seth	N.A.
Mr. Asim De	N.A.
Mr. Subodh Datta	N.A.
Mr. Sourendra Coomer Dutt	N.A.
Mr. Pulak Datta	N.A.
Mr. Suvamay Halder	N.A.
Mr. Narendra Nath Misra	30

ANNEXURE 'C' (Contd.)

Name of the Director and Key Managerial Personnel	Percentage increase in remuneration in the financial year
Ms. Neera Saggi	2.80
Mr. Krishnava Dutt	(5.1)
Mr. K. Chandrashekhar	N.A
Mr. Asim De	N.A
Mr. Purushottam Thakur ¹	N.A
Mr. Ramesh Jha ²	N.A
Mr. Satish Kumar, Chief Financial Officer	95.90
Ms. Poonam Shirke ³	N.A

1. Percentage increase in not applicable for Mr. Purushottam as he was appointed during the FY19 and ceased to be CEO & Executive Director as on 31st December 2018.
2. Mr. Ramesh Jha was appointed as Chief Executive Officer w.e.f 1st January 2019, therefore increase in percentage cannot be calculated.
3. Ms. Poonam Shirke was appointed as Company Secretary w.e.f 20th April 2018, therefore increase in percentage cannot be calculated

- iii) The percentage increase in the median remuneration of employees in the financial year: 12.43%
- iv) The number of permanent employees on the rolls of the Company: 244
- 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): NIL. For employees of Maithon Power Limited, the median increase was 12.43%
- 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.

ANNEXURE 'D'**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.**

As per the CSR Policy, the CSR activities proposed to be undertaken by the Company are divided into six major thrust areas as under:

- Gender Balance in Education (up to Secondary)
- Positive Health and Sanitation Practices
- Farm and Non Farm Livelihood
- Social Capital and Institution Building
- Financial Inclusivity and Renewable Energy
- Water

These six thrust areas are mapped with the activities as suggested in Schedule VII to the Companies Act, 2013.

2. The composition of the CSR Committee

The CSR Committee consists of the following directors:

- Mr. Krishnava Dutt - Chairman (Independent Director)
- Mr. Purushottam Thakur - Director
- Mr. Pulak Datta - Director

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

The average profits during the last three immediately preceding financial years is ₹ 263.47 crore.

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

₹ 526.94 crore

5. Details of CSR spent during the financial year

- (a) Total amount spent for the financial year: ₹ 5.32 crore
- (b) Amount unspent, if any: Nil
- (c) Manner in which the amount spent during the financial year: As per Schedule-I

6. In case the Company has failed to spend the two percent 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 explanations 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 the Company.

Ashok Sethi
Chairman
(DIN 01741911)

Krishnava Dutt
Chairman of CSR Committee
(DIN 02792753)

SCHEDULE I TO THE ANNUAL REPORT ON CSR ACTIVITIES

In ₹

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Project/Program (Specify local area/state and district)	Amount Outlay (Budget) project wise	Amount Spent on projects or programs		Cumulative expenditure up to reporting period	Amount spent: Direct or through implementation agency
					Subheads: Direct	and Overheads		
1	Gender Balance in Education (up to Secondary)	promotion of education; promoting gender equality and empowering women;	Villages of Nirsa Block, Dhanbad, Jharkhand	31,77,000	31,77,000	00.00	66,60,000	Implementing Agency (Tata Power Community Development Trust)
2	Positive Health and Sanitation Practices	Health Care and Drinking Water Projects: Promoting Preventive healthcare and making available safe drinking water	Villages of Nirsa Block, Dhanbad, Jharkhand	82,80,000	82,80,000	00.00	1,64,61,000	Implementing Agency (Tata Power Community Development Trust)
3	Farm and Non Farm Livelihood	Livelihood enhancement projects; Promoting gender equality, empowering women and measures for reducing inequalities faced by socially and economically backward groups	Villages of Nirsa Block, Dhanbad, Jharkhand	1,41,23,000	1,41,23,000	00.00	3,04,52,000	Implementing Agency (Tata Power Community Development Trust)
4	Social Capital and Institution Building	Rural Development Projects; Development of Basic Infrastructures	Villages of Nirsa Block, Dhanbad, Jharkhand	00.00	00.00	00.00	14,29,000	Implementing Agency (Tata Power Community Development Trust)
5	Financial Inclusivity and Renewable Energy	Promotion of Renewable Energy and Sustainable Integrated Development	Villages of Nirsa Block, Dhanbad, Jharkhand	8,17,000	8,17,000	00.00	12,22,000	Implementing Agency (Tata Power Community Development Trust) Direct
6	Water	Making available safe drinking water, conservation of natural resources and maintaining of quality of soil, air and water	Villages of Nirsa Block, Dhanbad, Jharkhand	1,25,02,000	1,25,02,000	00.00	2,05,21,000	Implementing Agency (Tata Power Community Development Trust)
		Administrative & Overhead Expenses		1,37,95,000	1,37,95,000	00.00	1,99,49,000	Implementing Agency (Tata Power Community Development Trust)
	Total			5,26,94,000	5,26,94,000	00.00	9,66,94,000	

ANNEXURE 'E'
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)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

- 1) Details of 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 of the contract/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transaction	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
NA	NA	NA	NA	NA	NA	NA	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 of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Damodar Valley Corporation	Sale of Electricity	During FY 18-19	₹409.41 crore (As per long term Power Purchase Agreement pursuant to CERC Regulations)	NA	NA
The Tata Power Trading Company Limited	Sale of Electricity	During FY 18-19	₹1595.82 crore (As per long term Power Purchase Agreement pursuant to CERC Regulations)	NA	NA

On behalf of the Board of Directors,

Date: 17th April 2019
Place: Mumbai

Ashok S. Sethi
Chairman
(DIN 01741911)

ANNEXURE 'F'
CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO
A. Conservation of energy:

(i) Energy conservation measures taken	<ul style="list-style-type: none"> • Combustion optimization achieved. Optimizing excess air by reducing APH inlet O2 set-point • High energy drain audit and rectification of identified passing valves at earliest opportunity. • Initiative for APC reduction: <ol style="list-style-type: none"> 1. CT fans blade angle optimization during winter season. 2. Stopping of 1 out of 3CW pumps at part load operation in winter season. 3. Unit startup with one set of fan. • Optimization of Raw water consumption by proper water management.
(ii) Steps taken for utilizing alternate sources of energy	-
(iii) Capital investment on energy conservation equipment	-

B. Technology absorption:

(i) Efforts made towards technology absorption	<ul style="list-style-type: none"> • Coal Auger Sampler (for availability) • Installation of Energy management System through PI system. • Duct diverters at Furnace Exit in Economiser area. • Reliability Centered Maintenance (RCM)
(ii) The benefits derived like product improvement, cost reduction, product development or import substitution	<ul style="list-style-type: none"> • Representative coal sample collection from Hyva Top. • Cost reduction by identifying the equipment's consuming more power. • To reduce erosion of the tubes near the area due to Flue gas velocity. • To reduce O&M expenditure and healthy life of the units through optimizing their performance.
(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- a) The details of technology imported b) The year of import c) Whether the technology been fully absorbed d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	Nil
(iv) The expenditure incurred on Research and Development	Nil

C. Foreign exchange earnings and outgo:

(₹crore)

Particulars –Standalone	FY19	FY18
Foreign Exchange Earnings mainly on account of interest, dividend	-	-
Foreign Exchange Outflow mainly on account of:		
Fuel purchase	63.24	-
Interest on foreign currency borrowings	-	-
Purchase of capital equipment, components and spares and other miscellaneous expenses	1.10	1.10

ANNEXURE 'G'
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 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Maithon Power Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Maithon 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 my 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 and also 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 there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing. (Not Applicable to the Company during the audit period).
- (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 (Not Applicable to the Company during the audit period)
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable to the Company during the audit period)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client. (Not Applicable to the Company during the audit period).
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the audit period) and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (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 Electricity Rules 2005
 - c) National Tariff Policy
 - d) Explosives Act 1884
 - e) Mines and Minerals (Regulation and Development) Act, 1957

ANNEXURE 'G' (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 which are generally complied with.
- (ii) The Listing Agreement entered into by the Company with the 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 complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

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

Adequate notice was given to all directors to schedule the Board Meetings and agenda items 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 Meeting 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 no events have occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

For Parikh & Associates
Company Secretaries

Mitesh Dhaliwala
Partner
FCS No. 8331
CP No. 9511

Date: 17th April 2019
Place: Mumbai

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,
Maithon Power Limited,

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 processes 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 processes 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 procedures 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

Mitesh Dhaliwala
Partner
FCS No. 8331
CP No. 9511

Date: 17th April 2019
Place: Mumbai

ANNEXURE 'H'
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

i)	CIN	U74899MH2000PLC267297
ii)	Registration Date	26 th July 2000
iii)	Name of the Company	Maithon Power Limited
iv)	Category/Sub-Category of the Company	Company having share capital
v)	Address of the Registered Office and contact details	Corporate Center, 34 Sant Tukaram Road, Carnac Bunder, Mumbai - 400 009
vi)	Whether listed Company	Yes (Debt listed)
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	TSR Darashaw 6-10, Haji Moosa Patrawala Industrial Estate 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011 Tel No. : +91 22 6656 8484 Fax No. :+ 91 22 66568494 Email: nnair@tsrdarashaw.com Contact Person : Ms. Nandini Nair, Chief Manager

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

Sr. No.	Name and Description of main products / services	NIC Code of the product/service	% to total turnover of the Company
1	Generation of Electricity	35102	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/Associate	% of shares held	Applicable Section
1	The Tata Power Company Limited	L28920MH1919PLC000567	Holding	74.00	2(46)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

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	-	392318609	392318609	26.00	-	392318609	392318609	26.00	-

ANNEXURE 'H' (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.	-	1116599120	1116599120	74.00	-	1116599120	1116599120	74.00	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other...	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):	-	1508917729	1508917729	100.00	-	1508917729	1508917729	100.00	-
(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)	-	1508917729	1508917729	100.00	-	1508917729	1508917729	100.00	-
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) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
l) Other (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	-	-	-	-	-	-	-	-	-

ANNEXURE 'H' (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	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)= (B)(1) + (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDR & ADR	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	1508917729	1508917729	100.00	-	1508917729	1508917729	100.00	-

(ii) Shareholding of Promoters

Sr. 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 Limited	1116599120	74.00	-	1116599120	74.00	-	-
2	Damodar Valley Corporation	392318609	26.00	-	392318609	26.00	-	-
	Total	1508917729	100.00	-	1508917729	100.00	-	-

ANNEXURE 'H' (Contd.)**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	1508917729	100.00	1508917729	100.00
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/sweat equity, etc):	-	-	-	-
	At the end of the year	1508917729	100.00	1508917729	100.00

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/sweat equity, etc):	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	-	-	-	-

(iv) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/sweat equity, etc):	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil

ANNEXURE 'H' (Contd.)

V. INDEBTEDNESS

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

(₹ crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,129.23	-	-	2,129.23
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	20.6301	-	-	20.6301
Total (i+ii+iii)	2,149.86	-	-	2,149.86
Change in indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	181.38	-	-	181.38
Net Change	(181.3768)	-	-	(181.3768)
Indebtedness at the end of the financial year				
I) Principal Amount	1,947.16	-	-	1,947.16
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	21.3235	-	-	21.3235
Total (i+ii+iii)	1,968.48	-	-	1,968.48

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount (₹ lakh)
		Mr. Purushottam Thakur (CEO & ED) [#]	
1	Gross salary		1,04,50,579
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961		
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961		
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961		
2.	Stock Option		Nil
3.	Sweat Equity		Nil
4.	Commission - as % of profit - other, specify		Nil
5.	Others, please specify		Nil
	Total (A)		1,04,50,579
	Ceiling as per the Act (@5% of profit calculated under Section 198 of the Companies Act, 2013)		17.95 crore

#Ceased to be a CEO & Executive Director w.e.f 31st December 2018.

ANNEXURE 'H' (Contd.)

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount (₹)
1	Independent Directors	-	-
	Fee for attending Board/Committee meetings	Mr. Narendra Nath Misra Ms. Neera Saggi Mr. Krishnava Dutt	9,75,000 9,25,000 5,55,000
	Commission	-	-
	Others, please specify	-	-
	Total (1)		24,55,000
2	Other Non-Executive Directors		-
	Fee for attending Board/Committee meetings	-	-
	Commission	-	-
	Others, please specify	-	-
	Total (2)	-	-
	Total Managerial Remuneration (1+2)		24,55,000
	Ceiling as per the Act(@1% of profit calculated under Section 198 of the Companies Act, 2013)	-	3.59 crore

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount (₹ lakh)
		Mr. Ramesh Jha Chief Executive Officer*	Mr. Satish Kumar Chief Financial Officer	Ms. Poonam Shirke Company Secretary^	
1	Gross salary	15,88,928	61,72,360	4,25,087	81,86,375
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-	-	-
	(b) Value of perquisites Under Section 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - other, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A)	15,88,928	61,72,360	4,25,087	81,86,375

*Appointed with effect from 1st January 2019^Appointed with effect from 20th April 2018

ANNEXURE 'H' (Contd.)
VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES : NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fee imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

INDEPENDENT AUDITOR'S REPORT

To the Members of Maithon Power Limited**Report on the Audit of the Ind AS Financial Statements****Opinion**

We have audited the accompanying Ind AS financial statements of Maithon 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 financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2019. 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
Accrual of regulated assets/regulated liability (as described in note 10 of the Ind AS financial statements)	
The Company's revenue recognition is guided by the tariff norms prescribed by the Central Electricity Regulatory Commission (CERC) guidelines and the tariff orders passed based on these regulations. Consequently, regulatory assets/ liabilities are recognized for items which are subject matter of true up in future tariff orders. Judgement is exercised by management in estimating recoverability of such regulatory assets in the books. As on 31 st March 2019, the Company is carrying an amount of ₹ 25,835 lacs as regulatory assets (Net of Regulatory Liability of ₹ 15,969 lacs) which is material to the financial statements of the Company. Considering the judgements involved in the estimates of various elements of capital and operational costs used in the computation of revenue as per applicable regulations and the amount involved we have determined this to be a key audit matter.	<p>Following procedures have been performed to address this key audit matter:-</p> <ol style="list-style-type: none"> 1. We have carried out testing of the design and implementation as well as the operating effectiveness of key controls related to the valuation and recoverability of such regulated assets/liabilities. 2. We have evaluated the estimation by management of recognition of these regulatory assets/ liabilities with reference to tariff orders on similar matters in earlier years and also the underlying records of the Company. 3. We discussed with management to understand their assessment on each of the qualitative factors and ensured consistency of the management's explanation with the underlying documentation, rules and regulations. 4. We have re-calculated the workings obtained from the management to check the arithmetical accuracy of the calculations. 5. We have analysed the responses received from the legal counsel of the Company in respect of certain matters constituting the net regulatory assets and noted the merits of the management contention. 6. We have also checked the adequacy of the disclosure on these matters in the financial statements of the Company.

Recoverability of MAT Credit Entitlement in future (as described in note 20 of the standalone Ind AS financial statements)	
<p>The Company does not have taxable income owing to unabsorbed depreciation and therefore it has been paying Minimum Alternate Tax (MAT) under the relevant provisions of the Income Tax Act, 1961. The Act also provides that such MAT paid can be carried forward (MAT credit entitlement) for set off against regular tax payable in subsequent fifteen year period.</p> <p>Such MAT credit entitlement are recognized when it is probable that normal taxable profit will be available against which these MAT credits can be utilized. The Company's ability to recognize these MAT credit assets is assessed by management at the end of each reporting period, taking into account forecasts of future taxable profits and the law and jurisdiction of the land in force. The assumptions on these projections are determined by management.</p> <p>At March 31, 2019, MAT credit entitlement recognized in the Company's financial statements totaled ₹ 28,926 lacs.</p> <p>Given the degree of judgment involved in making a forecast of the profitability of the Company and the materiality of the amounts involved, we deemed this issue to be a key audit matter</p>	<p>Following procedures have been performed to address this key audit matter:-</p> <ul style="list-style-type: none"> · We have carried out testing of the design and implementation as well as operating effectiveness of key controls related to the calculation and recognition of such MAT credit. · We have assessed the appropriateness of the methodology applied by the Company with current accounting standards and applicable taxation laws along with the future business forecast of taxable profits. · We have assessed the likelihood of the Company to utilize the available MAT credit entitlements in the future with underlying projections and assumptions relating to future estimated profits, future capitalization and depreciation allowance thereon and future estimates of taxable income. · We have re-calculated the future taxability workings obtained from the management to check the arithmetical accuracy of the working. · We have also checked the adequacy of the disclosure on these matters in the financial statements of the Company.

We have determined that there are no other key audit matters to communicate in our report.

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 Annual report, but does not include the Ind AS financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and those charged with Governance for the Ind AS Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

- (e) On the basis of the written representations received from the directors as on March 31, 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 with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 35 to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Tanmoy Das Mahapatra

Partner

Membership Number: 058259

Date: 17th April 2019

Place: Mumbai

"ANNEXURE 1" TO THE INDEPENDENT AUDITOR'S REPORT

"ANNEXURE 1" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MAITHON POWER LIMITED

TO THE MEMBERS OF Maithon Power Limited

- (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 the period of three years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the program, fixed assets were physically verified by the management during the year. According to the information and explanation given to us, no material discrepancies were identified on such verification.
 - (c) According to the information and explanation given to us and the records examined by us and based on the examination of the registered sale deed/transfer deed/conveyance deed provided to us, we report that, the title deeds, comprising of all the immovable properties of land which are freehold, are in the name of the company as at the balance sheet date, except the following:

Type of Land	Area	In lakh	Remarks
Raiyati Land (Free hold) located at Maithon, Jharkhand.	564.67 acres	15,980	The title deed to the Private land is in the name of Damodar Valley Corporation (DVC). Pending transfer of title as per the shareholders agreement, the Company had entered into an Indenture deed with DVC on 5 December, 2008, which provided inter-alia, lease of private land for a period of 35 years (and extendable for another 35 years at the option of the Company).
Railway Land (Freehold Land) located at Maithon, Jharkhand.	69.16 acres	13,712	The title deed to the Private land is in the name of Damodar Valley Corporation (DVC). As required by the shareholders agreement, DVC is in the process of transferring title in these lands in favour of the Company as per applicable laws of the State of Jharkhand.

- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) According to the information and explanation given to us the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the generation of electricity, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it with appropriate authorities.
- (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 information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax, goods and service tax and cess which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us 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. The Company did not have any outstanding loans or borrowing in respect of financial institution and government.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments. The term loan have been applied by the company during the year for the purpose for which they were raised.
- (x) To the best of our knowledge and according to the information and explanation given to us, no fraud by the company or no 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 managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (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, 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. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Tanmoy Das Mahapatra

Partner

Membership Number: 058259

Date: 17th April 2019

Place: Mumbai

"ANNEXURE 2" TO THE INDEPENDENT AUDITOR'S REPORT

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF [MAITHON 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 Maithon Power Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Ind AS 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 Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Ind AS 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 Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS 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. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Tanmoy Das Mahapatra

Partner

Membership Number: 058259

Date: 17th April 2019
Place: Mumbai

BALANCE SHEET AS AT 31ST MARCH, 2019

	Notes	As at 31 st March, 2019 ₹ Lacs	As at 31 st March, 2018 ₹ Lacs
Assets			
Non-current Assets			
(a) Property, Plant and Equipment	5	333,715.84	355,144.57
(b) Capital Work-in-Progress		36,028.44	26,825.45
(c) Intangible Assets	6	49.32	2.22
(d) Financial Assets			
(i) Loans	7	24.78	23.42
(ii) Other Financial Assets	8	33.87	31.48
(e) Non-current Tax Assets	9	975.00	1,027.91
(f) Other Non-current Assets	10	10,451.27	8,251.28
Total Non-current Assets		381,278.52	391,306.33
Current Assets			
(a) Inventories	11	21,846.08	10,977.26
(b) Financial Assets			
(i) Investments	12	-	9,853.65
(ii) Trade Receivables	13	36,298.99	26,363.09
(iii) Unbilled Revenue		9,879.01	4,019.15
(iv) Cash and Cash Equivalentents	14	10.21	5,009.70
(v) Loans	7	2.40	2.40
(c) Other Current Assets	10	36,712.79	16,829.03
Total Current Assets		104,749.48	73,054.28
Total Assets		486,028.00	464,360.61
Equity and Liabilities			
Equity			
(a) Equity Share Capital	15	150,891.77	150,891.77
(b) Other Equity	16	57,169.06	47,410.87
Total Equity		208,060.83	198,302.64
Liabilities			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	175,954.04	194,228.31
(ii) Other Financial Liabilities	18	928.91	778.60
(b) Provisions	21	519.83	735.36
(c) Deferred Tax Liabilities (Net)	20	1,433.95	631.00
(d) Other Non-current Liabilities	22	1,697.45	1,697.45
Total Non-current Liabilities		180,534.18	198,070.72

BALANCE SHEET AS AT 31ST MARCH, 2019 (Contd.)

	Notes	As at 31 st March, 2019 ₹ Lacs	As at 31 st March, 2018 ₹ Lacs
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	46,097.70	2,818.21
(ii) Trade Payables	19	16,180.08	15,133.05
(iii) Other Financial Liabilities	18	31,196.32	49,313.10
(b) Provisions	21	534.74	119.39
(c) Current Tax Liabilities	9	1,259.21	-
(d) Other Current Liabilities	22	2,164.94	603.50
Total Current Liabilities		97,432.99	67,987.25
Total Liabilities		277,967.17	266,057.97
Total Equity and Liabilities		486,028.00	464,360.61

See accompanying notes to the Financial Statements

1-42

As per our report of even date

For S. R. Batliboi & Co LLP

Chartered Accountants

ICAI Firm registration number: **301003E/E300005****Tanmoy Das Mahapatra**

Partner

Membership No: 058259

Place: Mumbai

Date: 17th April, 2019**Ashok Sethi**

Chairman

Place: Mumbai

Date: 17th April, 2019**Suvamay Halder**

Director

Place: Mumbai

Date: 17th April, 2019**Ramesh Jha**

Chief Executive Officer

Place: Mumbai

Date: 17th April, 2019**Poonam Shirke**

Company Secretary

Place: Mumbai

Date: 17th April, 2019**Satish Kumar**

Chief Financial Officer

Place: Mumbai

Date: 17th April, 2019**For and on behalf of the Board,**

NOTICE

BOARD'S REPORT

FINANCIALS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

	Notes	Year Ended 31 st March, 2018 ₹ Lacs	Year Ended 31 st March, 2017 ₹ Lacs
(I) Revenue from Operations	24	277,605.28	227,041.41
(II) Other Income	25	6,505.14	1,877.95
(III) Total Income		284,110.42	228,919.36
(IV) Expenses			
Cost of Power Purchased		140.47	204.06
Cost of Fuel		176,984.52	135,044.58
Employee Benefits Expense	26	4,118.11	4,375.30
Finance Costs	27	20,484.88	20,405.93
Depreciation and Amortisation Expenses	28	23,824.33	23,739.74
Other Expenses	29	22,685.99	22,910.87
Total Expenses		248,238.30	206,680.48
(V) Profit Before Tax		35,872.12	22,238.88
(VI) Tax Expense			
Current Tax		7,779.54	3,374.72
MAT Credit		(11,850.05)	(7,345.45)
Deferred Tax		12,653.00	8,040.15
Total Tax Expense	30	8,582.49	4,069.42
(VII) Profit For The Year		27,289.63	18,169.46
(VIII) Other Comprehensive Income			
Add/(Less):			
(i) Items that will not be reclassified to profit and loss			
(a) Remeasurement of the Defined Benefit Plans		(48.32)	(7.83)
(ii) Tax relating to items that will not be reclassified to profit or loss			
(a) Current Tax		16.89	2.71
Total Other Comprehensive Income		(31.43)	(5.12)
(IX) Total Comprehensive Income for the year (IX+ X)		27,258.20	18,164.34
(X) Earnings Per Equity Share (Face Value ₹10/- Per Share)	32		
(i) Basic (₹)		1.81	1.20
(ii) Diluted (₹)		1.81	1.20
See accompanying notes to the Financial Statements	1-42		

As per our report of even date

For S. R. Batliboi & Co LLP

Chartered Accountants

 ICAI Firm registration number: **301003E/E300005**
Tanmoy Das Mahapatra

Partner

Membership No: 058259

Place: Mumbai

 Date: 17th April, 2019

Ashok Sethi

Chairman

Place: Mumbai

 Date: 17th April, 2019

For and on behalf of the Board,
Suvamay Halder

Director

Place: Mumbai

 Date: 17th April, 2019

Poonam Shirke

Company Secretary

Place: Mumbai

 Date: 17th April, 2019

Ramesh Jha

Chief Executive Officer

Place: Mumbai

 Date: 17th April, 2019

Satish Kumar

Chief Financial Officer

Place: Mumbai

 Date: 17th April, 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

A. Equity Share Capital

₹ Lacs

Equity Shares of ₹10 each issued, subscribed and fully paid

	No. of Shares	Amount
Balance as at 1 st April, 2017	1,508,917,729	150,891.77
Issue of Equity Shares during the year	-	-
Balance as at 31 st March, 2018	1,508,917,729	150,891.77
Balance as at 1 st April, 2018	1,508,917,729	150,891.77
Issue of Equity Shares during the year	-	-
Balance as at 31 st March, 2019	1,508,917,729	150,891.77

B. Other Equity

₹ Lacs

	Reserves and Surplus		
	Debenture Redemption Reserve	Retained Earnings	Total
Balance as at 1 st April, 2017	2,635.87	34,522.50	37,158.37
Profit for the year	-	18,169.46	18,169.46
Other Comprehensive Income/(Expense) for the year (Net of Tax)	-	(5.12)	(5.12)
Total Comprehensive Income	-	18,164.34	18,164.34
Dividend paid	-	(6,646.86)	(6,646.86)
Dividend Distribution Tax	-	(1,264.98)	(1,264.98)
Transfer to Debenture Redemption Reserve	3,420.04	(3,420.04)	-
	3,420.04	(11,331.88)	(7,911.84)
Balance as at 31 st March, 2018	6,055.91	41,354.96	47,410.87
Balance as at 1 st April, 2018	6,055.91	41,354.96	47,410.87
Profit for the year	-	27,289.63	27,289.63
Other Comprehensive Income/(Expense) for the year (Net of Tax)	-	(31.43)	(31.43)
Total Comprehensive Income	-	27,258.20	27,258.20
Dividend paid	-	(14,516.16)	(14,516.16)
Dividend Distribution Tax	-	(2,983.84)	(2,983.84)
Transfer to Debenture Redemption Reserve	3,420.04	(3,420.04)	-
	3,420.04	(20,920.04)	(17,500.00)
Balance as at 31 st March, 2019	9,475.95	47,693.12	57,169.07

See accompanying notes to the Financial Statements 1-42

As per our report of even date

For S. R. Batliboi & Co LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

Tanmoy Das Mahapatra

Partner

Membership No: 058259

Place: Mumbai

Date: 17th April, 2019

Ashok Sethi

Chairman

Place: Mumbai

Date: 17th April, 2019

For and on behalf of the Board,

Suvamay Halder

Director

Place: Mumbai

Date: 17th April, 2019

Poonam Shirke

Company Secretary

Place: Mumbai

Date: 17th April, 2019

Ramesh Jha

Chief Executive Officer

Place: Mumbai

Date: 17th April, 2019

Satish Kumar

Chief Financial Officer

Place: Mumbai

Date: 17th April, 2019

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2019

	Year Ended 31st March, 2019 ₹ Lacs	Year Ended 31st March, 2018 ₹ Lacs
A. Cash Flow from Operating Activities		
Profit before tax	35,872.12	22,238.88
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and Amortisation Expense	23,824.33	23,739.74
Interest Income	(26.48)	(143.24)
Delayed Payment Charges	(5,863.87)	
Finance Cost	20,484.88	20,405.93
(Gain)/loss on disposal of property, plant and equipment	3.01	7.02
Gain/loss on Sale of Current Investments (Including fair value change)	(371.66)	(1,311.51)
Amortization of Leasehold Land	600.92	414.65
	38,651.13	43,112.59
	74,523.25	65,351.47
Working Capital Adjustments		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(10,868.81)	517.97
Trade receivables	(9,935.90)	2,083.84
Other current assets	(15,503.08)	(6,986.88)
Other non-current assets	(1,673.73)	-
Unbilled revenue	4.01	(682.05)
Other Financial Assets - Current	(0.16)	-
Other Financial Assets - Non Current	(3.75)	0.69
Movement in operating asset	(37,981.42)	(5,066.43)
	36,541.83	60,285.04
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	1,046.99	2,939.10
Other current liabilities	(228.86)	280.45
Short-term provisions	367.03	(65.41)
Long-term provisions	(215.54)	298.64
Other Financial Liabilities - Current	(31,318.64)	(9,646.65)
Movement in operating liability	(30,349.02)	(6,193.87)
Cash flow from/(used in) operations	6,192.81	54,091.17
Income tax paid	(6,467.42)	(4,089.00)
Net Cash Flow from/(used) in Operating Activities	(274.61)	50,002.17
B. Cash Flow from Investing Activities		
Capital expenditure on fixed assets, including capital advances	(12,654.33)	(6,638.88)
Proceeds from sale of fixed assets	3.99	14.30
Purchase of Current Investments	(219,595.66)	(260,956.00)
Proceeds from Sale of Current Investments	229,822.75	288,303.64
Interest Earned	26.48	143.24
Loan given to Employees (Net)	-	(1.41)
Bank Balance not considered as Cash and Cash Equivalents (Deposits)	-	0.10
Net Cash Flow from/(used) in Investing Activities	(2,396.77)	20,864.99

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2019 (Contd.)

	Year Ended 31 st March, 2019 ₹ Lacs	Year Ended 31 st March, 2018 ₹ Lacs
C. Cash flow from Financing Activities		
Interest and Other Borrowing Costs	(19,808.90)	(20,829.03)
Proceeds from Long term borrowings	-	130,400.00
Repayment of Long term borrowings	(18,814.00)	(149,213.29)
Proceeds from Short term borrowings	222,209.29	52,797.92
Repayment of Short term borrowings	(178,914.50)	(56,102.03)
Dividend paid (including DDT)	(7,000.00)	(22,912.86)
Net Cash Flow from/(used) in Financing Activities	(2,328.11)	(65,859.29)
Net Increase in Cash and Cash Equivalents	(4,999.49)	5,007.87
Cash and Cash Equivalents as at 1st April	5,009.70	1.83
Cash and Cash Equivalents as at end of the period	10.21	5,009.70

Notes:

Cash and Cash Equivalents include:

	As at 31 st March, 2019 ₹ Lacs	As at 31 st March, 2018 ₹ Lacs
(i) Balances with banks		
In current accounts	10.21	5,009.70
	10.21	5,009.70

See accompanying notes to financial statements

1-42

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash and cash equivalents include balances with banks which are unrestricted for withdrawal and usage

As per our report of even date

For S. R. Batliboi & Co LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

Tanmoy Das Mahapatra

Partner

Membership No: 058259

Place: Mumbai

Date: 17th April, 2019**Ashok Sethi**

Chairman

Place: Mumbai

Date: 17th April, 2019

For and on behalf of the Board,

Suvamay Halder

Director

Place: Mumbai

Date: 17th April, 2019**Ramesh Jha**

Chief Executive Officer

Place: Mumbai

Date: 17th April, 2019**Poonam Shirke**

Company Secretary

Place: Mumbai

Date: 17th April, 2019**Satish Kumar**

Chief Financial Officer

Place: Mumbai

Date: 17th April, 2019

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate Information

MAITHON POWER LIMITED ('the Company'), has been set up pursuant to an agreement entered into between The Tata Power Company Limited (TPCL) and Damodar Valley Corporation (DVC) with 74% and 26% shareholding respectively, to operate and maintain Electric power generating stations. The Company has set up a thermal power generation plant (comprising of two units of 525 MW each namely 'Unit I and Unit II') at Maithon, Jharkhand with a total capacity of 1050 MW. Unit I and Unit II of the project were commissioned on 1 September, 2011 and 24 July, 2012 respectively. The registered office of the Company is Corporate Center, 34 Sant Tukaram Road, Carnac Bunder, Mumbai 400009, Maharashtra, India.

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 (the Act) (as amended from time to time).

2.2 Basis of preparation and presentation

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value.

Land classified under property, plant and equipment on transition from earlier GAAP to IND AS.

Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

Some of the assets and liabilities are measured at fair value for financial reporting purposes. The Company had appointed a professional valuer in a previous year, to determine the fair value by using appropriate valuation techniques and inputs for fair value. In estimating the fair value of an asset or a liability, the company uses market-observable data to the extent it is available. Where level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The cross functional team of the Group works closely with the valuer to establish the appropriate valuation techniques and inputs to the model.

Historical cost is generally based on fair value of 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.

2.3 Use of Estimates

In the application of the Company's accounting policies, the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily available 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 recognized 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 current tax and deferred tax expense - Note 30
Regulatory deferral accounts - Note 10
Estimation of values of contingent liabilities - Note 35
Estimation on recoverability of Late Payment Surcharge (LPSC) - Note 24

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.

Valuation of deferred tax assets:

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 30

MAT

The company estimates that MAT credit will be utilized from 2027-28 to 2031-32, has been mentioned in Note 20.

3. Other Significant Accounting Policies

3.1 Leasing

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

The Company as Lessee

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

3.2 Foreign Currencies

The functional currency of the Company is Indian rupee (₹)

Income and expenses in foreign currencies are recorded 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 and exchange gains and losses arising on settlement and restatement are recognized in the statement of profit and loss. 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 recognized 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.

3.3 Current Vs Non Current

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.

3.4 Classification as debt or equity

Debt and equity instruments issued by Company 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.

3.5 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 Company are recognized at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3.6 Contingent Liabilities

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.

3.7 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.

3.8 Financial Instruments

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

Financial assets and financial liabilities are recognized 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 recognized immediately in statement of profit and loss.

3.9 Financial Assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way 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 marketplace.

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

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.

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 cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cashflows 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.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Other financial assets 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 recognized in profit or loss.

Impairment of financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a Company 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 all contract assets and / or all 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.

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:

- i. the right to receive cash flows from the asset have expired, or
- ii. 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.

3.10 Financial liabilities

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

Financial Liabilities subsequently measured at amortised cost using the effective interest method.

Financial liabilities subsequently measured at amortised cost

Financial liabilities are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on 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.

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.

3.11 Dividend Distribution to equity shareholders of the company

The Company recognises a liability to make dividend distributions to its equity holders when the distribution is authorised and the distribution is no longer at its discretion. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity. In case of Interim Dividend, the liability is recognised on its declaration by the Board of Directors.

3.12 Changes in accounting policies and disclosure

The Company applied for the first time certain amendments to the standards, which are effective for annual periods beginning on or after 1st April, 2018. The nature and the impact of each amendment is described below:

Amendments to Ind AS 7 Statement of Cash Flows: Disclosure Initiative

The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Company has provided the information for the current period. (Refer note 14 to the financial statements for the year ended March 31 2019).

Implementation of Ind AS 115

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as at 1 April 2018. However, the application of Ind AS 115 does not have any impact on the recognition and measurement of revenue and related items.

Late Payment Charges

Delayed payment charges including interest thereon earlier accounted for when recovered is now accounted for based on assesment of certainty. Refer note 24 for further details.

4. Standards issued but not 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 1 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 present 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, which is not expected to be material.

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

5. Property, Plant and Equipment**Accounting Policy**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price (Net of trade discount & 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 Company's accounting policy.

Cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. 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 recognized 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 recognized in profit or loss as incurred.

Depreciation

Depreciation commences when the assets are ready for their intended use.

Freehold land and Assets held for sale are not depreciated.

Regulatory Assets

Depreciation on building, plant and equipment in respect of electricity business of the Company is covered under Part B of Schedule II of the Companies Act, 2013, has been provided on the straight line method at the rates using the methodology required by relevant provisions of Central Electricity regulatory Commission.

Non-Regulatory Assets:

Depreciation is recognized so as to depreciate the cost of assets less their residual values over their estimated useful lives, using the straight-line method.

Useful life is prescribed in the schedule II of the Companies Act 2013 has been considered except for certain assets, where useful life is considered based on the technical evaluation done by the company.

Useful lives of tangible assets:

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.

Estimated useful lives of the assets are as follows:

Type of Asset	Useful Lives
Buildings-Plant	25 Years
Buildings-Others	25 Years
Plant and Equipment	25 Years
Computer	3 Years
Furniture and Fixtures	5 to 10 years
Office Equipment	5 to 13 years
Motor vehicles etc	5 Years

Derecognition of tangible assets

A tangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of a tangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

Impairment of tangible and intangible assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment Testing for an asset is required, the Company estimates the asset's recoverable amount. an asset's recoverable amount is the higher of an asset's or Cash-generating unit's (CGU) fair value less costs of disposal and its value in use. recoverable amount is determined for an individual asset, unless the asset does not generate Cash inflows that are largely independent of those from other assets or Companies of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

₹ Lakhs

Description	Freehold Land	Buildings - Plant	Buildings - Others	Plant and Equipment	Furniture and Fixtures	Office Equipment	Motor Vehicles	Total
Cost								
Balance as at 1st April,2018	29,692.14	24,513.49	17,642.71	423,864.89	1,340.81	714.72	320.71	498,089.47
Additions	172.21	597.37	151.31	1,441.47	16.93	-	14.65	2,393.94
Disposals	-	-	-	17.35	-	17.03	46.99	81.37
Balance as at 31st March,2019	29,864.35	25,110.86	17,794.02	425,289.01	1,357.74	697.69	288.37	500,402.04
Accumulated depreciation								
Balance as at 1 st April,2018	-	4,478.34	2,162.50	134,718.79	759.61	617.37	208.29	142,944.90
Depreciation Expense.....	-	827.80	586.56	22,204.35	128.97	29.52	38.47	23,815.67
Eliminated on disposal of assets	-	-	-	12.70	-	17.03	44.64	74.37
Balance as at 31st March,2019	-	5,306.14	2,749.06	156,910.44	888.58	629.86	202.12	166,686.20
Net carrying amount								
As at 31st March,2019	29,864.35	19,804.72	15,044.96	268,378.57	469.16	67.83	86.25	333,715.84
As at 31st March,2018	29,692.14	20,035.15	15,480.21	289,146.10	581.20	97.35	112.42	355,144.57

₹ Lakhs

Description	Freehold Land	Buildings - Plant	Buildings - Others	Plant and Equipment	Furniture and Fixtures	Office Equipment	Motor Vehicles	Total
Cost								
Balance as at 1st April, 2017	29,692.14	24,306.23	17,371.90	422,208.69	1,380.61	717.26	277.10	495,953.93
Additions.....	-	207.26	270.81	1,714.68	-	-	75.03	2,267.78
Disposals.....	-	-	-	(58.48)	(39.80)	(2.55)	(31.42)	(132.25)
Balance as at 31st March, 2018	29,692.14	24,513.49	17,642.71	423,864.88	1,340.81	714.72	320.71	498,089.46
Accumulated depreciation								
Balance as at 31st March, 2017	-	3,663.25	1,585.17	112,644.44	651.16	580.49	194.55	119,319.06
Depreciation Expense.....	-	815.09	577.33	22,119.32	143.15	39.31	42.94	23,737.14
Eliminated on disposal of assets	-	-	-	(44.97)	(34.70)	(2.43)	(29.20)	(111.30)
Balance as at 31st March, 2018		4,478.34	2,162.50	134,718.79	759.61	617.37	208.29	142,944.90
Net carrying amount								
As at 31st March, 2018	29,692.14	20,035.15	15,480.21	289,146.10	581.20	97.34	112.42	355,144.57
As at 31st March, 2017	29,692.14	20,642.98	15,786.73	309,564.25	729.45	136.77	82.55	376,634.87

Note:

- 5(a) The Plant land of 1,116 acres comprising Private land (565 acres), Gair Mazura (GM) land (115 acres) and Forest land (436 acres) was identified and acquired by Damodar Valley Corporation (DVC) exclusively for the Maithon Right Bank Thermal Power Project.

The title to the private land measuring 565 acres, acquired for the site, where the power generating station is set up, is in the name of DVC. As per the Shareholders Agreement, the title is to be transferred to the Company. Pending transfer of title as stated above, the Company had entered into an Indenture Deed with DVC on 5 December, 2008, which provided inter-alia, lease of private land for a period of 35 years (and extendable for another 35 years at the option of the Company) and provision to create security in favour of Lenders and transfer this land to the Company at the cost at which it was acquired subject to approval of the Government of the State of Jharkhand. Subsequently, the Company had created security in favour of Lenders on 17 July, 2017, as per the terms of the CLA and accordingly the lease rent has been fixed at ₹ 1 per annum.

The expenditure in connection with private land including land compensation and rehabilitation and resettlement expenses has been capitalised as freehold land.

- 5(b) DVC had also acquired GM Land (115 acres) and Forest Land (436 acres) from the State of Jharkhand with the right to use them for the project. As per the Shareholders Agreement, the lease is to be transferred to the Company. Pending transfer of lease in the name of the Company by DVC, the Company had entered into a License Agreement with DVC for GM Land (115 acres) and Forest Land (238 acres) on 18 January, 2008 for use of these lands initially for a period of five years and which is to be automatically renewed thereafter. The process for 30 years lease in the name of MPL directly of balance land of Jangal Jhar (forest land) is in process.
- 5(c) Railway infrastructure land of 133 acres comprising Private land (70 acres), Gair Mazura (GM) land (28 acres) and Eastern Railway land (35 acres) was identified exclusively for the Railway Corridor of Maithon Right Bank Thermal Power Project. DVC has acquired Private land (67 acres) and GM land (18 acres). As per the shareholders agreement, the title / lease of these lands is to be transferred to the Company. DVC is in the process of transferring title / lease in these lands in favour of the Company as per applicable laws of the State of Jharkhand. The Company has directly acquired 2.42 out of 3.12 acres in name of MPL and the balance is in process of acquiring. The company has acquired 35 acres (14.274 hectares) through lease from Eastern Railway (ER) as required for the construction of railway infrastructure. The said land has been licensed for five years by the ER in favour of your Company with a provision of successive renewal. The expenditure in connection with private land including land compensation and rehabilitation and resettlement expenses has been capitalised as freehold land and expenditure in connection with GM land and Eastern Railway land has been included under note 10: Other Assets as unamortised premium for leasehold land.

- 5(d) The Company has elected to fair value its freehold land and use that fair value in its opening Ind AS Balance Sheet as at 1 April, 2015 as deemed cost. Accordingly, the freehold land is carried at fair value of ₹ 29,692.14 lakhs and carrying amount reported under previous GAAP was ₹ 17,270.95 lakhs. Accordingly an amount of ₹ 12,351.21 lakh has been credited to retained earnings as at 1 April, 2015 (transition date).
- 5(e) Freehold land with a carrying amount of ₹ 29,864.35 lakhs (as at 31 March, 2018 - ₹ 29,692.14 lakhs) has been pledged to secure borrowings of the Company (see note 17).
Property, plant and equipment (other than freehold land) with a carrying amount of ₹ 3,03,851.49 lakhs (as at 31 March, 2018 - ₹ 3,25,452.43 lakhs) have also been pledged to secure borrowings of the Company (see note 17).
- 5(f) Computers is included under Plant and Equipment.

6. Other Intangible Assets

Accounting Policy

Intangible assets acquired separately

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Derecognition of intangible assets

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

Useful lives of intangible assets

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. The company has capitalised Computer Software as Intangibles and are depreciated over a period of 5 years.

	₹ Lakhs	
	Computer software	Total
Cost		
Balance as at 1st April,2018	50.12	50.12
Additions	55.76	55.76
Disposal	-	-
Balance as at 31st March,2019	105.88	105.88
Accumulated amortisation and impairment		
Balance as at 1st April,2018	47.90	47.90
Amortisation expense.....	8.66	8.66
Impairment losses recognised in the statement of profit or loss	-	-
Balance as at 31st March,2019	56.56	56.56
Net Block		
As at 31st March,2019	49.32	49.32
As at 31st March,2018	2.22	2.22

₹ Lakhs

	Computer software	Total
Cost		
Balance as at 1st April, 2017	50.12	50.12
Additions	-	-
Disposal	-	-
Balance as at 31st March, 2018	50.12	50.12
Accumulated amortisation and impairment		
Balance as at 1st April, 2017	45.30	45.30
Amortisation expense	2.60	2.60
Balance as at 31st March, 2018	47.90	47.90
Net Block		
As at 31st March, 2018	2.22	2.22
As at 31st March, 2017	4.82	4.82

7. Financial Assets

Loans, secured considered good unless otherwise stated

Non-current

Loans to Employees

Including loans due by officers of the Company - ₹ 1.35 Lacs

(As at March 31, 2018 - ₹ 1.55)

24.78 23.42

Current

Loans to Employees

Including loans due by officers of the Company - ₹ 0.20 Lacs

(As at March 31, 2018 - ₹ 0.20 lacs)

2.40 2.40

24.78 23.42

8. Other Financial Assets

Non-current

Loans

With related parties (Refer note 33)

20.00 20.00

With Others

13.77 11.38

With bank in deposit accounts with more than 12 month maturity*

0.10 0.10

33.87 31.48

* Under lien with District Mining Authority, Jharkhand

9. Non-current tax Assets/liabilities

Non-current tax assets

Advance Income-tax (Net)

975.00 1,027.91

975.00 1,027.91

Current tax liabilities

Income-tax payable

1,259.21 -

1,259.21 -

	As at 31st March, 2019 ₹ Lacs	As at 31st March, 2018 ₹ Lacs
10. Other Assets		
Non-current		
(Unsecured, considered good)		
(i) Capital Advances	1,863.87	2,677.75
(ii) Unamortised Premium for Leasehold Land	6,913.67	5,573.53
(iii) Other Advances		
Claim Receivable from Supplier	1,673.73	-
	10,451.27	8,251.28
Current		
(Unsecured, Considered Good)		
(i) Unamortised Premium for Leasehold Land	416.88	416.88
(ii) Other Loans and Advances		
Prepaid Expenses	390.66	303.70
Advances to Vendors	10,068.89	5,299.86
	10,459.55	5,603.56
(iii) Regulatory Assets (Net)	25,835.92	10,808.59
	36,712.79	16,829.03

Note:

The Central Electricity Regulatory Commission has allowed the ash disposal expenses as additional O&M for the period 2011-14. However the claim of additional O&M expenses for ash disposal for 2014-19 has not been considered at this stage and it has been linked with the petition of NTPC praying for recovery of additional expenditure of ash disposal and the same is pending for consideration of the commission. The commission has also requested to furnish the details of actual expenditure at the time of truing up. Further the commission has allowed Capital cost for the FY 2009-14 which is without adjustment of liquidated damages (LD) which is expected to ₹16,000 lacs and undischarged liabilities amounting to ₹ 5,000 lacs. However, the commission has requested to furnish the details of LD settlement and undischarged liabilities at the time of truing up of orders. In view of this, the company has created "Regulatory Assets" amounting to ₹ 41,703.87 lacs as on 31st March 2019 (₹ 15,189.28 Lacs on 31st March 2018) and Regulatory Liability is ₹ 15,867.95 lacs on 31st March 2019 (₹ 4,380.69 Lacs on 31st March 2018).

Regulatory assets has been considered as current in view of that order is reserved by the relevant authority and which is expected to be passed within next financial year.

11. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Costs of inventories are determined on 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. Unserviceable / damaged stores and spares are identified and written down based on technical evaluation.

	As at 31st March, 2019 ₹ Lacs	As at 31st March, 2018 ₹ Lacs
(a) Raw Materials		
Fuel	15,567.70	7,383.48
Fuel-in-Transit	1,911.02	307.52
(b) Stores and Spares		
Stores and Spare Parts	4,360.51	3,284.91
(c) Loose Tools	6.85	1.35
	21,846.08	10,977.26

12. Current Investments**Investments carried at Fair Value through Profit and Loss****Mutual Funds (Unquoted)**

- i. DSP BlackRock Liquidity Fund - direct growth plan Nil units (31st March, 2018 : 80,741.72)
- ii. Invesco India Liquid Fund - direct plan growth Nil units (31st March, 2018: 85,736.40)
- iii. Axis Liquid Fund-direct growth Nil units (31st March, 2018: 98,946.09)
- iv. Tata Money Market-direct plan growth Nil units (31st March, 2018: 74,246.36)
- v. UTI Liquid Cash Plan-direct plan growth Nil units (31st March, 2018:95.178.65 units)

Aggregate carrying value and market value of Investments

13. Trade Receivables**Current Trade Receivables**

- Secured Considered good
- Unsecured Considered good

	As at 31 st March, 2019 ₹ Lacs	As at 31 st March, 2018 ₹ Lacs
	-	2,006.68
	-	2,050.87
	-	1,907.22
	-	2,033.14
	-	1,855.74
	-	9,853.65
	-	9,853.65
	17,091.15	9,251.75
	19,207.84	17,111.34
	36,298.99	26,363.09

The average credit period for the company's receivable from its sale of power is 60 days. As per the relevant provisions of the CERC Regulations, penal interest @ 18% pa is claimable from the customers as Late payment Charges (LPC). As stated in note 24 to financial statements Late Payment Charges (LPC) are recognised on actual realisation or accrued based on an assessment of certainty of realization supported by either an acknowledgement from customers or on receipt of favourable order from regulator / authorities.

The age profile of the receivables is as under.

Particulars

- Within credit period
- 1-30 days past due
- 31-90 days past due
- More than 90 days past due

	As at 31 st March, 2019 ₹ Lacs	As at 31 st March, 2018 ₹ Lacs
	28,101.51	4,440.89
	1,140.25	-
	2,280.51	1,389.00
	4,776.72	20,533.20
	36,298.99	26,363.09

14. Cash and cash equivalents
Accounting Policy

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash and cash equivalents include balances with banks which are unrestricted for withdrawal and usage.

	As at 31 st March, 2019 ₹ Lacs	As at 31 st March, 2018 ₹ Lacs
(i) Balances with Banks:		
In Current Accounts	10.21	5,009.70
(ii) Cash on Hand	-	-
Cash and Cash Equivalents as per Balance Sheet	10.21	5,009.70
Cash and Cash Equivalents as per Statement of Cash Flows	10.21	5,009.70

IND AS 7 requires the entities to provide disclosures that enable users of the financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities. Movement between opening and closing balances in Balance Sheet for liabilities arising from financing activities relates to only proceeds and repayments which have already been disclosed in the cash flow statement.

15. Equity - Share Capital

	As at 31 st March, 2019		As at 31 st March, 2018	
	Numbers	₹Lakhs	Numbers	₹Lakhs
Authorised				
Equity Shares of ₹ 10/- each	2,000,000,000	200,000.00	2,000,000,000	200,000.00
		200,000.00		200,000.00
Issued and Subscribed Capital				
Equity shares of ₹10 each fully paid up	1,508,917,729	150,891.77	1,508,917,729	150,891.77
Total Issued, Subscribed and fully Paid-up Share Capital		150,891.77		150,891.77

As per 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 shares is entitled to one vote per share and is entitled for dividend approved in the Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	As at 31 st March, 2019		As at 31 st March, 2018	
	Numbers	₹Lakhs	Numbers	₹Lakhs
Equity Shares				
At the beginning of the year and at the end of the year	1,508,917,729	150,891.77	150,89,17,729	150,891.77

(ii) Details of shareholders holding more than 5% shares in the Company and shares held by holding Company

	As at 31 st March, 2019		As at 31 st March, 2018	
	Numbers	% Holding	Numbers	% Holding
Equity Shares of ₹10/- each fully paid				
The Tata Power Company Limited (the holding Company)	1,116,599,120	74%	1,116,599,120	74%
Damodar Valley Corporation	392,318,609	26%	392,318,609	26%

16. Other Equity**(i) Debenture Redemption Reserve (DRR)**

	As at 31 st March, 2019 ₹ Lacs	As at 31 st March, 2018 ₹ Lacs
As at the beginning of the year	6,055.91	2,635.87
Add: Amount transferred from Retained Earnings	3,420.04	3,420.04
As at the end of the year	9,475.95	6,055.91

The Company has issued non convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the company to create DRR out of profits of the company available for payment for dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued.

(ii) Retained Earnings

	As at 31 st March, 2019 ₹ Lacs	As at 31 st March, 2018 ₹ Lacs
As at the beginning of the year	41,354.96	34,522.50
Add: Remeasurement of Defined Benefit Obligation (Net of Tax)	(31.43)	(5.12)
Profit for the period	27,289.63	18,169.46
Less: Interim Dividend	14,516.16	6,646.86
Tax on Dividend	2,983.85	1,264.98
Transfer to Debenture Redemption Reserve	3,420.04	3,420.04
Movement for the year	6,338.15	6,832.46
As at the end of the year	47,693.11	41,354.96
	57,169.06	47,410.87

Note:

- On 29th September, 2018, Interim dividend of ₹ 0.385 per share (3.85%) aggregating ₹ 5,807 lakhs. was paid to the holders of fully paid equity shares. On 29th March, 2019, Interim dividend of ₹ 0.57 per share (5.77%) aggregating to ₹ 8,710 lakhs was declared to the holders of fully paid equity shares.
- The Company proposes to declare a final dividend of ₹ 27,500 lacs (Including Dividend Distribution Tax) based on the reserves and surplus in the books of accounts as on 31st March 2019 in addition to the interim dividend of ₹ 17,500 lacs (Including Dividend Distribution Tax) already declared and paid.

17. Non-current Borrowings**Secured - At Amortised Cost**

	As at 31 st March, 2019 ₹ Lacs	As at 31 st March, 2018 ₹ Lacs
(i) Redeemable Non-Convertible Debentures (See Note I below)	99,628.06	99,471.13
(ii) Term Loans from Banks (See Note II below)	76,325.98	94,757.18
	175,954.04	194,228.31

I. Redeemable Non-Convertible Debentures**(i) Debenture of Rs. 50,000 lakhs issued on 30 November, 2015****(a) Security**

The Company has issued ₹ 50,000.00 lakhs of secured, non-cumulative and non-convertible redeemable debentures of face value ₹10.00 lakhs each on 30 November, 2015 at par. The debentures have been issued for the part-refinancing of the outstanding term loan from banks and financial institution. The debentures are listed in the wholesale debts market segment of National Stock Exchange of India Limited (NSE).

The debentures are secured in favour of the debenture trustee (for the benefit of the debenture holders) in the following manner:

- First ranking pari passu charge on the Hypothecated Assets created and perfected within 3 (three) months from the closure of the Issue;
- First ranking pari passu mortgage and charge over the freehold land of the plant (included under property, plant and equipment as freehold land) pertaining to the Company, both present and future, which in aggregate would measure approximately 565 acres acquired by the Company from Damodar Valley Corporation (DVC) under indenture of lease entered into between Damodar Valley Corporation (DVC) and the Company;
- First ranking pari passu mortgage by way of an equitable mortgage or any other mortgage on the freehold railway land (78 acres included under property, plant and equipment as freehold land) within a period of three months from the date on which this land is transferred in the name of the Company along with the right to create security.
- First ranking pari passu mortgage by way of an equitable mortgage or any other mortgage on the entire GM land (133 acres) (payments in respect of which included under other assets as prepayment for leasehold land) within a period of three months from the date on which this land is transferred in the name of the Company along with the right to create security.

The above security will at all times, rank pari-passu inter se with the existing lenders and the debentureholders.

The Company will have to take a prior written no-objection certificate from the debentureholders in the event it intends to create a security over the above secured properties in favor of its working capital lenders over and above ₹ 100,000.00 lakhs.

(b) Interest

The debentures carry a floating rate of interest which shall be calculated at a sum of the floating base rate of HDFC Bank Limited plus 15 basis points. Interest is payable on the November of each year.

(c) Redemption terms

The debentures which were issued on 30 November, 2015 have the following redemption schedule:

Redemption	Date	Principal amount
First redemption	30 November, 2021	33%
Second redemption	30 November, 2022	33%
Final redemption	30 November, 2023	34%

(ii) Debenture of Rs. 50,000 lakhs issued on 9 February, 2017**(a) Security**

The Company has issued ₹ 50,000.00 lakhs each of secured, non-cumulative and non-convertible redeemable debentures of face value ₹50.00 lakhs each 9 February, 2017 at par respectively. The debentures have been issued for the part-refinancing of the outstanding term loan from banks and financial institution. The debentures are listed in the wholesale debts market segment of National Stock Exchange of India Limited (NSE).

- a. First ranking pari passu mortgage and charge over the freehold land of the plant (included under property, plant and equipment as freehold land) pertaining to the Company, both present and future, which in aggregate would measure approximately 565 acres acquired by the Company from Damodar Valley Corporation (DVC) under indenture of lease entered into between Damodar Valley Corporation (DVC) and the Company.
- b. First ranking pari passu mortgage by way of an equitable mortgage or any other mortgage on the freehold railway land (78 acres included under property, plant and equipment as freehold land) within a period of three months from the date on which this land is transferred in the name of the Company along with the right to create security.
- c. First ranking pari passu mortgage by way of an equitable mortgage or any other mortgage on the entire GM land (133 acres) (payments in respect of which included under other assets as prepayment for leasehold land) within a period of three months from the date on which this land is transferred in the name of the Company along with the right to create security.
- d. A first pari-passu charge on all movable properties and assets including, but not limited to plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and other movable assets of the Issuer related to the Project, both present and future.
- e. First pari-passu charge on all the bank accounts of the company and each of the other accounts required to be created by the Issuer under any project document or contract.
- f. First pari-passu charge over all current assets of the Issuer in relation to the Project including book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, intangibles, goodwill, uncalled capital of the Issuer pertaining to the Project, both present and future.
- g. A first pari-passu charge on all intangible assets of the Project including but not limited to the goodwill and undertaking of the Project.
- h. Assignment by way of security over letters of credit, performance bonds or guarantees provided by any person for any contract in relation to the Project in favour of the Issuer.
- i. Assignment by way of security of all the rights, title, interest, benefits, claims and demands whatsoever of the Issuer in each of the Project Documents.
- j. Assignment by way of security of all insurance contracts/proceeds under insurance contracts in relation to the Project.

The above security will at all times, rank pari-passu inter se the existing lenders and the debentureholders.

The Issuer will have to take a prior written no-objection certificate from the debentureholders in the event it intends to create a security over the above secured properties in favour of its working capital lenders over and above Rs. 1,00,000 lakhs. The Issue shall at all times maintain a Fixed asset coverage ratio of 1.15 times.

(b) Interest

The debentures carry a fixed rate of interest of 8% per annum. Interest is payable on the February of each year.

(c) Redemption terms

The debentures which were issued on 9 February, 2017 have the following redemption schedule:

Redemption	Date	Principal amount payable (₹ Lakhs)
First redemption	9 February, 2023	10,000.00
Second redemption	9 February, 2024	10,000.00
Third redemption	7 February, 2025	10,000.00
Fourth redemption	9 February, 2026	10,000.00
Final redemption	9 February, 2027	10,000.00

II. Term loans from banks and financial institution
(a) Security

- a. On 26 February, 2014 the Company entered into a 'Common Loan agreement' (CLA) with a consortium of 12 banks and 1 financial institution, State Bank of India being the Lead banker. The total sanctioned amount as per the CLA is ₹ 362,760.00 lakhs divided into 3 tranches of Term Loan-I, Term Loan-II and Term Loan-III of ₹ 323,040.00 lakhs, ₹ 12,350.00 lakhs and ₹ 27,370.00 lakhs respectively. On 6 February, 2017 the Company entered into a 'Deed of accession' whereby the loan taken from HDFC Bank is taken over by Aditya Birla Finance Limited. On 2 May, 2017 the Company repaid outstanding consortium loan to 8 banks and 2 financial institution.
- b. The Company has repaid the term loan and has entered into a new 'Common Loan Agreement' with the State Bank of India on 18 July, 2017. The total Sanctioned amount is ₹ 1,30,400.00 lakhs.

In terms of CLA, the above term loans drawn are secured by:

- i. a first charge over all the immovable properties (including mortgage of leasehold rights in case of leasehold land, if any and excluding forest land (436.41 acres), railway land (34.50 acres) and the land admeasuring 14,000 (fourteen thousand) square meters acquired by the MPL from DVC on lease basis for construction of staff quarters) and asset of the borrower related to the Project, both present and future;
- ii. a first charge on all moveable properties and assets including, but not limited to plant & machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and other movable assets of the borrower related to the Project, both present and future;
- iii. a first charge on all the bank accounts of the Company including but not limited to Debt Service Reserve Accounts (DSRA) and each of other accounts required to be created by the Borrower under any Project Document or contract;
- iv. a first charge over all current assets of the Borrower including book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, intangibles, goodwill, uncalled capital of the Borrower, both present and future;
- v. a first charge on all intangibles assets of the Company including but not limited to goodwill and undertaking of the Project.
- vi. An assignment by way of security over letters of Credit, performance bonds or guarantees provided by any person for any contract in relation to the Project in favour of the Borrower;
- vii. An assignment by way of security of all the rights, licenses, permits, approvals, consents, contracts, title, interest, benefits, claims and demands whatsoever of the Borrower in each of the Project Documents; such assignment being duly acknowledged and consented to by the relevant counter parties to such Project Documents, if required as per terms of such Project Documents, including the rights to receive any Liquidated Damages;
- viii. Negative lien on shareholding of Borrower.
- ix. An assignment by way of security of all Insurance Contracts/proceeds under Insurance Contracts in relation to the Projects.

(b) Interest

Interest rate shall be calculated at floating base rate of State Bank of India plus 50 basis points.

(c) Repayment terms

The repayment schedule of outstanding balance of loan as at 31 March, 2019 is as under:

Period	Number of installments	Amount of installments (₹ Lakhs)	Total Amount (₹ Lakhs)
1 April 2019 to 1 October, 2020	6 (quarterly installments)	4,703.50	28,221.00
1 January, 2021	1	67,203.00	67,203.00
			95,424.00
Less: Impact of recognition of borrowing at amortised cost using effective interest method under Ind AS			284.02
Balance outstanding as at 31 March, 2019			95,139.98

The repayment schedule of outstanding balance of loan as at 31 March, 2018 is as under:

Period	Number of installments	Amount of installments (₹ Lakhs)	Total Amount (₹ Lakhs)
1 April 2018 to 1 October, 2020	10 (quarterly installments)	4,703.50	47,035.00
1 January, 2021	1	67,203.00	67,203.00
			114,238.00
Less: Impact of recognition of borrowing at amortised cost using effective interest method under Ind AS			785.80
Balance outstanding as at 31 March, 2018			113,452.20

(d) The loan contains certain debt covenants relating as net borrowings to EBITDA ratio, interest coverage ratio, fixed asset coverage ratio, gross DSCR. The Company has satisfied all debt covenants prescribed in the terms of bank loan.

(e) The Company has not defaulted on any loans payable.

18. Other Financial Liabilities

Non-current

	As at 31 st March, 2019 ₹ Lacs	As at 31 st March, 2018 ₹ Lacs
Payables towards Purchase of Fixed Assets	928.91	778.60
	928.91	778.60

Current

(a) Current Maturities of Long-term Debt	18,761.94	18,695.01
(b) Interest accrued but not due on Borrowings	2,132.35	2,063.01
(c) Provision for Interim Dividend	8,709.70	-
(d) Payables towards Purchase of Fixed Assets	1,493.80	1,518.60
(e) Advance from Consumers	-	26,991.62
(f) Security Deposits from Others	98.53	44.86
	31,196.32	49,313.10

19. Trade Payables

	As at 31 st March, 2019 ₹ Lacs	As at 31 st March, 2018 ₹ Lacs
(a) Total outstanding dues of micro enterprises and small enterprises (Refer Note 23.1)	37.07	48.35
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	16,143.01	15,084.70
	16,180.08	15,133.05

	As at 31 st March, 2019 ₹ Lacs	As at 31 st March, 2018 ₹ Lacs
20. Deferred Tax Assets / Liabilities (Net)		
Deferred Tax Asset/Liabilities	30,360.00	17,707.00
MAT Credit entitlement	28,926.05	17,076.00
Net Deferred Tax - Liability / (Assets)	1,433.95	631.00

For Year ended 31st March 2019
Particulars

	Opening Balance	Recognised in profit or loss	Recognised in Other Comprehensive income	Closing balance
MAT credit entitlement	17,076.00	11,850.05	-	28,926.05
Deferred tax assets / (liabilities) in relation to:				
Property, plant and equipment.....	(42,283.15)	52.44	-	(42,335.58)
Provision for compensated absences	101.90	(50.35)	-	152.25
Unabsorbed depreciation.....	24,474.25	12,650.91	-	11,823.35
	(17,707.00)	12,653.00	-	(30,360.00)

For Year ended 31st March 2019
Particulars

	Opening Balance	Recognised in profit or loss	Recognised in Other Comprehensive income	Closing balance
MAT credit entitlement	9,730.55	7,345.45	-	17,076.00
Deferred tax assets / (liabilities) in relation to:				
Property, plant and equipment.....	(41,984.61)	(298.54)	-	(42,283.15)
Provision for compensated absences	119.82	(17.92)	-	101.90
Unabsorbed depreciation.....	32,197.94	(7,723.69)	-	24,474.25
	(9,666.85)	(8,040.15)	-	(17,707.00)

Note:

- Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws.
- The Company is entitled for availing the tax benefit under section 80IA of the Income-tax Act, 1961, with effect from the financial year 2016-17 for 10 years. Deferred tax liabilities as at 31 March, 2019, reflect the quantum of tax liabilities accrued upto the period end but payable after the expiry of the tax holiday period.
- Pursuant to amendment in section 115JAA of Income Tax Act, 1961, MAT credit can be utilised upto the 15th assessment year as against the 10th assessment year earlier. Accordingly, the Company has recognised MAT credit aggregating to ₹ 28,926.05 lakhs as at the year-end, to the extent that there will be sufficient future taxable income against which such MAT credit entitlement can be adjusted.
- The Company has recognised MAT credit entitlement of ₹ 28,926.05 lacs as at March 31, 2019 (as at March 31, 2018: ₹ 17,076 lacs). Basis the existing tax laws and the projections of future profitability considering definitive Power purchase agreements which are completely tied up with the plant capacity, management expects that the Company will be subjected to normal taxation from the financial year 2025-26 onwards. The management is not expecting any major capitalisation / new projects eligible under Section 80IA of the Income Tax Act, 1961 till atleast FY 2031-32. Accordingly, the management is confident of earning taxable profits each year and will be able to utilise the entire amount of MAT credit entitlement recognised in the books.

21. Provisions**Accounting Policy**

Provisions are recognized 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 recognized 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 time value of money is material)

	As at 31 st March, 2019 ₹ Lacs	As at 31 st March, 2018 ₹ Lacs
Non-Current		
Compensated Absences	123.33	454.52
Post-Employment Medical Benefits	70.78	-
Other Defined Benefit Plans	145.90	125.62
Other Employee Benefits	179.82	155.22
	519.83	735.36
Current		
Compensated Absences	399.13	9.96
Gratuity (Net)	108.50	83.67
Post-Employment Medical Benefits	0.10	-
Other Defined Benefit Plans	14.25	12.07
Other Employee Benefits	12.76	13.69
	534.74	119.39

21.1 Defined Contribution plan

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution retirement benefit plans for eligible employees. The provident fund plan is operated by the Regional Provident Fund Commissioner. The Superannuation fund is managed by LIC of India. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The only obligation of the Company with respect to the retirement benefit scheme is to make the specified contributions.

The Company has recognized ₹ 138.63 lakhs (31st March, 2018 ₹ 134.79 lakhs) for provident fund contributions and ₹ 59.61 lakhs (31st March, 2017 ₹ 58.88 lakhs) for superannuation contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

21.2 Defined benefit plans**(i) Unfunded****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 (Including Director 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. Executive Director, on retirement, is entitled to pension payable for life including HRA benefit. The level of benefit is approved by the Board of Directors of the Company from time to time.

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 along with 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.

(ii) Funded
Gratuity Plan

The Company has a defined benefit gratuity plan. The gratuity plan is primarily governed by the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The level of benefits provided depends on the member's length of service and salary at the retirement, withdrawal, resignation, death of an employee. The gratuity plan is funded plan. The gratuity fund is managed by Aditya Birla Sun Life Insurance Company Limited. The fund has the form of a trust and is governed by Trustees appointed by the Company. The Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy in accordance with the regulations. The funds are deployed in recognized insurer managed funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimates of expected gratuity payments. The Plan assets include investments include significant investments in G-Sec Bonds and accordingly exposed to financial risk.

(iii) Risks associated with Plan Provisions

Risks associated with the plan provisions are actuarial risks. These risks are: - (i) investment risk, (ii) interest risk (discount rate risk), (iii) mortality risk and (iv) salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government Bonds Yield. If plan liability is funded and return on plan assets is below this rate, it will create a plan deficit.
Interest risk (discount rate risk)	A decrease in the bond interest rate (discount rate) will increase the plan liability.
Mortality risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after the employment. Indian Assured Lives Mortality (2006-08) ultimate table has been used in respect of the above. A change in mortality rate will have a bearing on the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31 March, 2019 by Mr. Kulin Patel, Fellow, Institute of Actuaries of India. The present value of defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

(iv) The principal assumptions used for the purposes of the actuarial valuations were as follows:

S. No.	Particulars	Refer note below	As at 31st March, 2019 ₹ Lacs	As at 31st March, 2018 ₹ Lacs
i.	Discount rate (p.a)	1	7.40%	7.70%
ii.	Salary escalation rate (p.a)	2	7.00%	7.00%
iii.	Retirement Age		60 years	60 years
iv.	Mortality Table		Indian Assured Lives Mortality (2006-08) (modified) Ult	Indian Assured Lives Mortality (2006-08) (modified) Ult
v.	Withdrawal Rate			
	44>Age>21		2.50%	2.50%
	Age>44		1.00%	1.00%
vi.	Rate of Gold Inflation		8.00%	8.00%

Note:

1. The discount rate is based on the prevailing market yields of India Government securities as at the balance sheet date for the estimated term of obligations.
2. The gratuity plan is funded
3. The estimates of future salary increases considered take into account the inflation, seniority, promotion and other relevant factors.

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

i. Amounts recognized in the Statement of Profit and Loss in respect of the funded defined benefits plans are as follows:

Particulars	Year ended 31 st March, 2019 ₹ Lacs	Year Ended 31 st March, 2018 ₹ Lacs
Current service cost	98.61	82.06
Net interest expenses	2.20	4.87
Components of defined benefit costs recognized in profit or loss	100.81	86.93
ii. Remeasurement on the net defined benefit liability:		
Particulars		
Actuarial (gain)/Loss due to DBO Experience	22.82	65.41
Actuarial (gain)/Loss due to assumption Changes	36.76	(63.50)
1. Actuarial (gain)/loss arising during period	59.58	1.91
2. Return on plan assets (greater)/less than discounting rate	(5.07)	(5.31)
Component of defined benefit costs recognized in Other Comprehensive Income	54.51	(3.40)

Note:

- 1) The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' in the Statement of Profit and Loss.
- 2) The remeasurement of the net defined benefit liability is included in the other comprehensive income.

iii. The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefits plans as follows:

Particulars	Year ended 31 st March, 2019 ₹ Lacs	Year Ended 31 st March, 2018 ₹ Lacs
Present value of funded defined benefit obligation	(1,100.11)	(955.34)
Fair value of plan assets	1,046.12	868.27
Funded status surplus/(deficit)	(53.99)	(87.07)
iv. Movement in the fair value of the defined benefit obligation:		
Opening defined benefit obligation	955.34	863.97
Current service cost	98.61	82.05
Interest cost on defined benefit obligation	72.98	58.01
Acquisitions cost	(71.27)	20.01
Actuarial (gains) / loss arising from changes in demographic assumptions	-	75.64
Actuarial (gains) / loss arising from changes in experience	22.81	65.41
Actuarial (gains) / loss arising from changes in financial assumption	36.76	(139.13)
Benefits paid	(15.12)	(70.62)
Closing defined benefit obligations	1,100.11	955.34

v. Movement in the fair value of the plan assets are as follows:

Particulars	Year ended	Year Ended
	31 st March, 2019	31 st March, 2018
	₹ Lacs	₹ Lacs
Opening fair value of plan assets	868.27	708.22
Interest income	70.79	53.13
Employer contributions	101.99	101.61
Return on plan assets (excluding amount included in net interest expenses)	5.07	5.31
Benefits paid	-	-
Closing fair value of plan assets	1,046.12	868.27

Note:

- 1) The plan assets of the Company managed through a trust are managed by Birla Sun Life Insurance (BSLI) Company Limited. The details of investments relating to these assets are not shown by BSLI. Hence, the composition of each major category of plan assets, the percentage or amount that each major category constitutes to the fair value of the total plan assets has not been disclosed.
- 2) The Company expects to make a contribution of ₹ 108.32 lakhs (as at 31 March, 2018: 101.96 lakhs) to defined benefit plan during the next financial year.

vi. Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

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

Particulars	As at		As at	
	31 st March, 2019		31 st March, 2018	
	₹ Lacs		₹ Lacs	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+0.5%)	65.65	(60.24)		
(Prior period (-/+ 0.5%))			54.48	(49.93)
Salary Growth Rate (-/+0.5%)	(60.74)	65.61		
(Prior period (-/+ 0.5%))			(50.48)	54.61
Withdrawal Rate (-/+ 5%)		(64.93)		
(Prior period (-/+ 5%))			23.08	(46.53)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit liability recognized in the Balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

vii. The expected maturity analysis of defined benefit obligation (valued on undiscounted basis) is as follows:

Time Period	31st March, 2019 ₹ Lacs	31st March, 2018 ₹ Lacs
Within 1 year	89.73	19.88
Between 1-2 years	22.24	90.96
Between 2-3 years	41.84	138.48
Between 3-4 years	29.97	40.65
Between 4-5 years	76.09	28.6
Beyond 5 years	906.45	701.83

Particulars	31st March, 2019	31st March, 2018
	8.1 years	8.1 years

The average duration of the defined benefit plan obligation represents average duration for active members (based on discounted cash flows)

21.4 Other Defined benefit plans

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

i. Amounts recognized in the Statement of Profit and Loss in respect of these defined benefits plans are as follows:

Particulars	Year ended 31st March, 2019 ₹ Lacs	Year Ended 31st March, 2018 ₹ Lacs
Current service cost	94.46	84.13
Past Service Cost	55.00	205.34
Net interest expenses	62.19	45.78
Actuarial Gain/ (Loss)	9.77	(26.45)
Components of defined benefit costs recognized in profit or loss	221.42	308.80
ii. Remeasurement on the net defined benefit liability:		
Particulars		
Actuarial (gain)/Loss due to DBO Experience	(15.83)	(10.66)
Actuarial (gain)/Loss due to assumption Changes	9.64	21.89
Component of defined benefit costs recognized in Other Comprehensive Income	(6.19)	11.23

Note:

- 1) The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' in the Statement of Profit and Loss.
- 2) The remeasurement of the net defined benefit liability is included in the other comprehensive income.

iii. Movement in the fair value of the defined benefit obligation:

Particulars	Year ended	Year Ended
	31 st March, 2019	31 st March, 2018
	₹ Lacs	₹ Lacs
Net defined benefit asset/ (liability) at end of prior period	(772.38)	(459.50)
Current service cost	(94.46)	(289.47)
Past service cost	(55.00)	-
Net interest on net defined benefit liability/ (asset)	(62.19)	(45.78)
Amount recognized in OCI	6.18	15.22
Actuarial Gains/ (Losses)	(9.77)	-
Employer contributions	-	-
Benefit paid directly by the Company	39.36	21.59
Acquisitions credit/ (cost)	2.19	(14.44)
Closing defined benefit obligations	(946.07)	(772.38)

iv. Sensitivity analysis

Particulars	As at		As at	
	31 st March, 2019		31 st March, 2018	
	₹ Lacs		₹ Lacs	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+0.5%)	63.59	(57.39)		
(Prior period (-/+ 0.5%))			45.40	(32.55)
Salary Growth Rate (-/+0.5%)	(40.70)	43.98		
(Prior period (-/+ 0.5%))			34.14	(31.49)
Withdrawal Rate (-/+ 5%)		(223.12)		
(Prior period (-/+ 5%))			(77.07)	17.57
Gold Inflation Rate (-/+ 5%)	(5.72)	6.23		
(Prior period (-/+ 5%))			10.08	(0.32)
Medical Inflation Rate (-/+ 5%)	(9.28)	10.93		
(Prior period (-/+ 5%))			-	-

vi. The expected maturity analysis of defined benefit obligation (valued on undiscounted basis) is as follows:

Time Period	31 st March, 2019	31 st March, 2018
	₹ Lacs	₹ Lacs
Within 1 year	52.92	32.36
Between 1-2 years	40.91	51.48
Between 2-3 years	57.65	63.88
Between 3-4 years	51.95	55.84
Between 4-5 years	81.16	46.00
Beyond 5 years	489.51	438.27

	As at 31 st March, 2019 ₹ Lacs	As at 31 st March, 2018 ₹ Lacs
22. Other Liabilities		
Non-current		
Consumers' Benefit Account	1,697.45	1,697.45
	1,697.45	1,697.45
Current		
Tax Payable on Dividend	1,790.30	-
Statutory Liabilities	366.79	598.40
Other Liabilities	7.85	5.10
	2,164.94	603.50
23. Current Borrowings		
Unsecured - At Amortised Cost		
From Banks		
Commercial Paper	30,000.00	-
	30,000.00	-
Secured - At Amortised Cost		
From Banks		
(a) Cash Credit Account	1,809.29	20.29
(b) Short term loan from Bank	12,467.43	-
(c) Letter of Credit	1,820.98	2,797.92
	16,097.70	2818.21
	46,097.70	2,818.21

Note:

- i. The Company has entered into 'Working Capital Facility Agreement' with State Bank of India, Kotak Mahindra Bank and Allahabad Bank for availing cash credit facility which is secured by way of first pari-pasu charge on movable and immovable assets of the Company present and future, with other term loan and working capital lenders.
- ii. The Company has entered into an agreement with Kotak Mahindra Bank to avail Letter of Credit facility.
- iii. The rate of interest for outstanding commercial papers are 7.61% and 7.63% respectively.
- iv. The letter of credit is secured by first hypothecation charge on all existing and future current assets of the Company.

23.1 MSME Disclosure

Details of dues to micro and small enterprises as defined under Micro, Small and Medium Enterprise Development Act, 2006 (MSMED)

	As at 31st March, 2019 ₹ Lacs	As at 31st March, 2018 ₹ Lacs
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
i) Principal amount due to micro and small enterprise	37.07	48.35
ii) Interest due on above	-	-
iii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
v) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-
The above particulars, as applicable, have been given in respect of MSEs to the extent they could be identified on the basis of information available with the Group		
	37.07	48.35

24. 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 sale of power is recognised net of estimated rebates and other similar allowances when the units of electricity is delivered. Revenue from such contracts is recognised over time for each unit of electricity delivered at the contracted rate. Input method is used to recognize revenue based on the Company's efforts or inputs to the satisfaction of a performance obligation to deliver power. If the Company's effort's or inputs are expended evenly through out performance obligation to deliver power, revenue is recognized on straight line basis. The Company as per the prevalent tariff regulations is required to recover its Annual Revenue Requirement ('ARR') comprising of expenditure on account of fuel cost, operations and maintenance expenses, financing costs, taxes and assured return on regulator approved equity with additional incentive for operational efficiencies. As per tariff regulations, the Company determines ARR and any surplus/shortfall in recovery of the same is accounted as 'Income to be adjusted in future tariff determination.

Late Payment Charges

Late 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 supported by either an acknowledgement from customers or on receipt of favourable order from regulator / authorities.

Change in Accounting Policy

Late payment charges were hitherto recognized, on grounds of prudence, when recovered. With effect from 1.4.2018, the Company has revised its accounting policy to recognize Late Payment Charges (LPC) on accrual basis based on contractual terms and an assessment of certainty of realization which could be based either an acknowledgement of the charges by the concerned customer or if a regulatory or statutory body passes a favourable order. 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 has resulted in increase in Other income and profit before tax by ₹5,863.87 Lacs, tax expenses by ₹2,038.53 lacs, profit after tax by ₹3,825.34 Lacs and basic and diluted earnings per share by ₹0.25 per share for the year ended March 31, 2019 and increase in unbilled revenue by ₹5,863.87, tax liabilities by ₹1,266.54 lacs, Deferred Tax liabilities by ₹2,052.00 Lacs and MAT Credit entitlement by ₹1,266.54 Lacs as at March 31, 2019. There is no impact on the opening balances and the comparative periods presented.

Dividend and interest income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established. Interest income from a financial asset is recognized 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.

24. Revenue from Operations (Continue)**(a) Revenue from Power Supply**

(Less): Cash Discount (5,526.67)
 (Less)/Add: Income to be adjusted in future tariff determination (Net)

(b) Other Operating Revenue

Rental of Buildings 4.09
 Income in respect of Services Rendered 27.69
 Sale of Fly Ash 12.65

	Year ended 31st March, 2019 ₹ Lacs	Year Ended 31st March, 2018 ₹ Lacs
	286,015.58	252,007.57
	(5,526.67)	(5,215.89)
	(2,928.06)	(19,830.25)
	277,560.85	226,961.43
	4.09	3.71
	27.69	53.50
	12.65	22.77
	44.43	79.98
	277,605.28	227,041.41

Note:-

The tariff to be charged from Long Term beneficiaries is determined by the Central Electricity Regulatory Commission (CERC) in accordance with the tariff regulations/norms notified by CERC. The tariff consists of two parts namely, capacity charge (for recovery of fixed cost based on plant availability) and energy charges (for recovery of fuel costs). The Company is raising invoices on long term beneficiaries as per the approved CERC tariff order. The Company has adjusted billed revenue for supply of power to long term beneficiaries on the basis of plant availability and actual capital cost incurred by the Company pursuant to the notified tariff regulation. As and when tariff orders for truing up are received, adequate adjustments are carried out.

	Year ended 31 st March, 2019 ₹ Lacs	Year Ended 31 st March, 2018 ₹ Lacs
25. Other Income		
(a) Interest Income		
On Financial Assets held at Amortised Cost		
Interest on Banks Deposits	-	9.57
Interest on Income-tax Refund	24.74	132.38
Other Interest	1.74	1.29
	26.48	143.24
(b) Gain on Investments		
Gain on sale of Current Investment measured at FVTPL	371.66	1,311.51
	371.66	1,311.51
(c) Other Non Operating Income		
Loss on Disposal of Property, Plant and Equipment (Net)	(3.01)	(7.02)
Miscellaneous Income	246.14	430.22
(d) Late Payment Surcharge	5,863.87	-
	6,107.00	423.20
	6,505.14	1,877.95

Note:

Late payment surcharges represents amount claimable by the Company from one of its customers pursuant to a favourable order dated April 8, 2019 received from CERC.

26. Employee Benefits Expense

Accounting Policy

Defined Contribution Plans

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

Defined Benefit 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, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized 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 recognized in profit or loss on the earlier of:- The date of the plan amendment or curtailment, and- The date that the Company recognizes related restructuring costs Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and nonroutine settlements; and- Net interest expense or income A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

A liability is recognized 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 recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognized in respect of other long-term 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.

26. Employee Benefits Expense (Continue)

	Year ended 31 st March, 2019 ₹ Lacs	Year Ended 31 st March, 2018 ₹ Lacs
Salaries and Wages	3,780.68	3672.57
Contribution to Provident Fund	138.63	134.79
Contribution to Superannuation Fund	59.61	58.88
Retiring Gratuities	100.81	86.93
Leave Encashment Scheme	104.20	56.41
Pension Scheme	36.95	44.62
Staff Welfare Expenses	437.68	621.18
	4,658.56	4675.38
Less:		
Employee Cost Capitalised	540.45	300.08
	540.45	300.08
	4,118.11	4,375.30

27. Finance Costs Accounting Policy

Borrowing costs directly attributable to the acquisition, construction or production 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 recognized in statement of profit and loss in the period in which they are incurred

	Year ended 31 st March, 2019 ₹ Lacs	Year Ended 31 st March, 2018 ₹ Lacs
(a) Interest Expense:		
Borrowings		
Interest on Debentures	8,762.29	8,351.17
Interest on Loans from banks	10,115.37	10,731.63
Interest on borrowings from related party (Refer Note 33)	2.08	-
Interest on Commercial Paper	1,315.09	-
Others		
Other Interest and Commitment Charges	60.89	22.45
	20,255.72	19,105.25
(b) Other Borrowing Cost:		
Other Finance Costs	229.16	1,300.68
	229.16	1,300.68
	20,484.88	20,405.93

	Year ended 31st March, 2019 ₹ Lacs	Year Ended 31st March, 2018 ₹ Lacs
28. Depreciation and Amortisation expenses:		
Depreciation on Tangible Assets (Refer Note 5)	23,815.67	23,737.14
Amortisation on Intangible Assets (Refer Note 6)	8.66	2.60
	23,824.33	23,739.74
29. Other Expenses		
Consumption of Stores, Oil, etc. (Excludes stores issued for repair and maintenance)	901.00	854.04
Rental of Land, Buildings etc.	435.56	483.70
Repairs and Maintenance -		
(i) To Buildings and Civil Works	469.09	277.84
(ii) To Machinery and Hydraulic Works	7,310.08	7,572.32
(iii) To Furniture, Vehicles, etc.	254.15	252.96
	8,033.32	8,103.12
Rates and Taxes	991.70	1,022.96
Insurance	514.51	760.02
Other Operation Expenses	847.05	937.22
Ash Disposal Expenses	3,340.46	3,320.87
Transmission Charges	11.07	211.05
Travelling and Conveyance Expenses	315.28	255.70
Consultants' Fees	221.85	153.87
Auditor's Remuneration	41.06	56.20
Cost of Services Procured	6,442.54	6,079.35
Legal Charges	1.38	9.52
Corporate Social Responsibility Expenses	532.22	563.10
Miscellaneous Expenses	56.99	100.15
	22,685.99	22,910.87
I. Payment to the Auditors (Inclusive of tax)		
Statutory Audit Fees	19.82	25.49
Taxation Services	2.36	19.63
Other Services	15.20	6.42
Reimbursement of Expenses	3.68	4.66
	41.06	56.20*
*(Includes ₹ 28.36 lacs paid to erstwhile auditors)		
II. Corporate Social Responsibility Expenses		
a) Gross amount required to be spent by the company	526.94	555.00
(b) Amount spent by the Company		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than above	532.22	563.10
In Cash and cash equivalents	532.22	563.10
Yet to be Paid in Cash	-	-
Total	532.22	563.10

30. Income taxes**Accounting Policy****Current and deferred tax for the year**

Current and deferred tax are recognised in profit or loss except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred taxes also recognised in other comprehensive income or directly in equity respectively.

Deferred Tax

Deferred tax is recognized 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 recognized for all taxable temporary differences. Deferred tax assets are generally recognized 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 recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax 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. The company's operations are carried out under tax holiday period (80IA benefits of Income Tax Act, 1961). Deferred tax assets or liabilities, 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 recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

In the situation when Company is entitled to a tax holiday under tax laws, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the gross total income is subject to deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the recognition of deferred tax assets are restricted to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first. 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.

MAT Credit Entitlement

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The company reviews the "MAT credit entitlement" asset at each reporting date.

Income tax recognised in profit and loss

	Year ended 31st March, 2019 ₹ Lacs	Year Ended 31st March, 2018 ₹ Lacs
Current tax		
For The Period	7,778.00	4,784.00
In respect of earlier years	1.54	(1,409.28)
	7,779.54	3,374.72
Deferred tax	12,653.00	8,040.15
MAT Credit	(11,850.05)	(7,345.45)
Total income tax expense recognised in the current year	8,582.49	4,069.42

The reconciliation between the provision of income tax of the company and the amounts computed by applying the Indian Statutory rate to profit before tax is as follows.

	Year ended 31st March, 2019 ₹ Lacs	Year Ended 31st March, 2018 ₹ Lacs
Profit before tax	35,872.12	22,238.88
Applicable income tax rate	34.94%	34.61%
Income tax expense calculated at applicable rate	12,533.72	7,696.88
Temporary difference reversed during tax holiday period.	375.08	280.77
On other permanent difference	185.96	194.88
Impact of change in Rate	(58.79)	-
Adjustment in respect of current income tax of previous years	1.54	(1,409.28)
Differential tax impact between MAT and Normal Tax.	(4,072.05)	(2,561.45)
Other Adjustments	(382.97)	(132.38)
Total income tax expense	8,582.49	4,069.42

1. The tax rate used for the financial years 2018-19 and 2017-18 reconciliations above is the corporate tax rate of 34.94% and 34.61% respectively payable by the corporate entities in India on taxable profits under the Indian tax law.
2. The company has to pay taxes based on higher of income tax on profit of the company or MAT @21.55% and @21.34% of book profit for the years 2018-19 and 2017-18 respectively.
3. The rate used for calculation of deferred tax is @34.94% for FY 2018-19 and was @34.61% for FY 2017-18 being statutory enacted rates at respective Balance Sheet Dates.

30.1 Income tax recognised in other comprehensive income

Arising on income and expenses reclassified in other comprehensive income:

	Year ended 31st March, 2019 ₹ Lacs	Year Ended 31st March, 2018 ₹ Lacs
Remeasurement of the defined benefit plan	16.89	2.71
Total income tax expense recognised in other comprehensive income	16.89	2.71

Bifurcation of the income tax recognised in other comprehensive income into:

- Items that will not be reclassified to profit or loss	16.89	2.71
- Items that may be reclassified to profit or loss	-	-
	16.89	2.71

30.2 Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for

	8,779.60	16,437.51
	8,779.60	16,437.51

Net of capital advance of

₹ 1,863.87 Lacs (31st March 2019) and ₹ 2,677.75 lacs (31st March 2018)

31. Interest rate risk management

The Company is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

The Company's exposure to interest rates risk on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest Rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for borrowings at the end of year. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the year was outstanding for the whole year. A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended 31 March, 2019 would decrease/increase by ₹ 727.12 Lakhs (for the year ended March 2018: decrease/ increase by ₹ 821.19 Lakhs). This is mainly attributable to the Company's exposure to the interest rates on its variable rate borrowings.

The Company's sensitivity to interest rates has decreased during the current year mainly due to the reduction in variable rate debt instruments.

31.1 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in net assets value (NAV) of the financial instruments held. The Company manages the surplus funds majorly through investments in debt based mutual fund schemes. The price of investment in these mutual fund schemes is reflected through Net Asset Value (NAV) declared by the Asset Management Company on daily basis as reflected by the movement in the NAV of invested schemes. The Company is exposed to price risk on such investments.

The carrying amount of the Company's investments designated as at fair value through profit or loss at the end of the reporting period are as follows:

Particulars

Investments in mutual funds

	As at 31 st March, 2019 ₹ Lacs	As at 31 st March, 2018 ₹ Lacs
	-	9,853.65

31.2 Credit risk management

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management regularly. Trade receivables consist of few major customers for sale of power. Ongoing credit evaluation is performed based on the financial condition of accounts receivables and collaterals as appropriate are held as security.

Collateral held as security

The Company holds collateral i.e. letter of credit and bank guarantee to partly secure its outstanding trade receivables. Credit risk associated with receivables is mitigated because the receivables are partly secure.

31.3 Commodity price risk

The operating activity of the company involves generation of power and therefore requires continuous supply of coal. The company has entered into fuel supply agreements with Central Coalfields Limited and Bharat Coking Coal Limited and any price fluctuation is passed on to the customers

32. 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.

	Year ended 31st March, 2019 ₹ Lacs	Period Ended 31st March, 2018 ₹ Lacs
Basic/diluted earnings per share (face value of Rs. 10 each)	1.81	1.20
	1.81	1.20

Note:

The recognition of Late Payment Surcharge increases the EPS by ₹ 0.25/ share. (refer note 24)

Basic/diluted earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic/diluted earnings per share are as follows:

	Year ended 31st March, 2019 ₹ Lacs	Year Ended 31st March, 2018 ₹ Lacs
Profit After Tax	27,289.63	18,169.46
The weighted average number of equity shares for the purposes of diluted earnings	1,508,917,729	1,508,917,729

Note: The Company did not have any potentially dilutive securities in any of the period presented.

33. Related Party Transactions

a. List of related parties

i. Controlling Entity

The Tata Power Company Limited (TPCL) (Holding Company)

ii. Entity exercising significant influence

Damodar Valley Corporation (DVC)

iii. Fellow Subsidiaries

Tata Power Trading Company Limited (TPTCL)

Coastal Gujarat Power Limited (CGPL)

Tata Power Ajmer Distribution Limited (TPADL)

Industrial Energy Limited (IEL)

Tata Power Solar System Ltd (TPSSL)

Walwhan Renewable Energy Private Limited (WREPL)

iv. Key Management Personnel (KMP)

Mr. Purushottam Thakur (CEO and Executive Director) (till 31st December 2018)

Mr. Purushottam Thakur (Director) (w.e.f 1st January 2019)

Mr. Ramesh Jha (Chief Executive Officer) (w.e.f 1st January 2019)

Mr. Satish Kumar (Chief Financial Officer)
 Mrs. Neera Saggi- (Director)
 Mr. Narendra Nath Mishra (Director)
 Mr. Krishnavia Dutt (Director)
 Mr. Ashok Sethi (Chairman)
 Mr. Nandakumar Tirumalai (Director) (till 31st May 2018)
 Mr. Sanjeev Kuar Seth (Director) (till 30th September 2018)
 Mr. Asim De (Director) (till 22nd June 2018)
 Mr. K Chandrashekhar (Director) (till 30th June 2018)
 Mr. Anand Agarwal (Director) (w.e.f 29th June 2018)
 Mr. Subodh Datta (Director) (till 15th November 2018)
 Mr. Sourendra Coomer Dutt (Director) (till 15th November 2018)
 Mr. Suvamay Halder (Director) (w.e.f 4th December 2018)
 Mr. Deb Kumar Aich (Director) (till 30th June 2018)
 Mr. Pulak Datta (Director) (w.e.f 16th November 2018)

b. Transactions/balances outstanding with related parties

	CE	SI	Fellow subsidiaries					KMP	Total	
	TPCL	DVC	TPTCL	CGPL	IEL	WREPL	TPSSL	Subtotal(FS)		
Revenue from power supply	-	40,940.95	159,581.66	-	-	-	-	159,581.66	-	200,522.61
	(-)	(25,568.84)	(102,550.72)	(-)	(-)	(-)	(-)	(102,550.72)	(-)	(128,119.56)
Cash discount on power sales	-	64.32	3,575.54	-	-	-	-	3,575.54	-	3,639.86
	(-)	(484.17)	(2,722.17)	(-)	(-)	(-)	(-)	(2,722.17)	(-)	(3,206.34)
Late payment surcharge	-	5,863.87	-	-	-	-	-	-	-	5,863.87
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Electricity Charges	-	35.55	-	-	-	-	-	-	-	35.55
	(-)	(39.20)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(39.20)
Water charges	-	930.54	-	-	-	-	-	-	-	930.54
	(-)	(921.16)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(921.16)
Rent and hire charges	-	12.59	-	-	-	-	-	-	-	12.59
	(6.38)	(15.13)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(21.51)
Operation and maintenance charges	5,770.77	-	-	-	-	-	-	-	-	5,770.77
	(5,180.15)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(5,180.15)
Receipt and payment of ICD	4,704.00	-	-	-	-	-	-	-	-	4,704.00
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Payment of ICD	4,704.00	-	-	-	-	-	-	-	-	4,704.00
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

	CE	SI	Fellow subsidiaries						KMP	Total
	TPCL	DVC	TPTCL	CGPL	IEL	WREPL	TPSSL	Subtotal(FS)		
Trading margin on power sales	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(21.75)	(-)	(-)	(-)	(-)	(21.75)	(-)	(21.75)
Sale of property, plant and equipment	-	-	-	-	-	-	0.44	0.44	-	0.44
	(0.11)	(-)	(-)	(-)	(0.08)	(-)	(0.61)	(0.69)	(-)	(0.80)
Interest on loan	2.08	-	-	-	-	-	-	-	-	2.08
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Purchase of property, plant and equipment	-	-	-	0.32	-	-	-	0.32	-	0.32
	(0.54)	(-)	(-)	(1.45)	(-)	(-)	(-)	(1.45)	(-)	(1.99)
Reimbursement of expenses to the Company	-	12.24	124.13	-	-	-	-	124.13	-	136.37
	(-)	(10.86)	(43.45)	(-)	(-)	(-)	(-)	(43.45)	(-)	(54.31)
Reimbursement of expenses by the Company	-	-	-	-	-	-	-	-	-	-
	(386.10)	(8.78)	(7.33)	(-)	(-)	(-)	(-)	(7.33)	(-)	(402.21)
Service received related to CWIP	48.62	-	-	-	-	-	-	-	-	48.62
	(15.93)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(15.93)
Remuneration (includes sitting fees)	-	-	-	-	-	-	-	-	188.47	188.47
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(183.74)	(183.74)
Dividend	10,741.96	3,774.20	-	-	-	-	-	-	-	14,516.16
	(4,918.67)	(1,728.18)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(6,646.85)
Interest on Loan to KMP	-	-	-	-	-	-	-	-	0.09	0.09
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(0.10)	(0.10)
Loan repaid by KMP	-	-	-	-	-	-	-	-	0.20	0.20
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(0.20)	(0.20)

Figures in brackets stated pertain to the year ended 31st March, 2018.

	CE	SI	Fellow subsidiaries						KMP	Total
	TPCL	DVC	TPTCL	CGPL	IEL	WREPL	TPSSL	Subtotal(FS)		
Trade receivables As at 31-03-2019 As at 31-03-2018	-	13,627.53	12,834.78	34.56	-	-	-	12,869.34	-	26,496.87
	(-)	(21,343.57)	(5,595.77)	(-)	(-)	(-)	(-)	(5,595.77)	(-)	(26,939.34)
Advance from Customer As at 31-03-2019 As at 31-03-2018	-	-	-	-	-	-	-	-	-	-
	(-)	(7,853.50)	(18,690.63)	(-)	(-)	(-)	(-)	(18,690.63)	(-)	(26,544.13)
Unbilled revenue As at 31-03-2019 As at 31-03-2018	-	9,513.21	91.10	-	-	-	-	91.10	-	9,604.31
	(-)	(3,216.18)	(158.03)	(-)	(-)	(-)	(-)	(158.03)	(-)	(3,374.21)

	CE	SI	Fellow subsidiaries						KMP	Total
	TPCL	DVC	TPTCL	CGPL	IEL	WREPL	TPSSL	Subtotal(FS)		
Dividend Payable	6,445.18	2,264.52	-	-	-	-	-	-	-	8,709.70
As at 31-03-2019										
As at 31-03-2018	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	20.00
Security deposits	-	20.00	-	-	-	-	-	-	-	-
As at 31-03-2019										
As at 31-03-2018	(-)	(20.00)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(20.00)
Other current assets- others	-	8.25	-	-	-	-	-	-	-	8.25
As at 31-03-2019										
As at 31-03-2018	(5.75)	(8.25)	(-)	(0.70)	(-)	(-)	(-)	(0.70)	(-)	(14.70)
Trade payables	708.52	-	-	0.39	-	2.14	-	2.53	-	711.05
As at 31-03-2019										
As at 31-03-2018	(735.50)	(95.05)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(830.55)
Letter of credit	-	3,260.00	6,207.47	-	-	-	-	6,207.47	-	9,467.47
As at 31-03-2019										
As at 31-03-2018	(-)	(2,640.00)	(6,415.32)	(-)	(-)	(-)	(-)	(6,415.32)	(-)	(9,055.32)
Other Receivables	-	-	-	-	-	-	-	-	-	-
As at 31-03-2019										
As at 31-03-2018	(-)	(-)	(-)	(-)	(-)	(-)	(-)	-	(-)	-
KMP (Loan Outstanding)	-	-	-	-	-	-	-	-	1.55	1.55
As at 31-03-2019										
As at 31-03-2018	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1.75)	(1.75)

Notes:

Figures in brackets stated pertain to year ended 31 March, 2018.

34. Financial Instruments

1. Financial assets and liabilities

1.1 The carrying value and fair value of financial instruments by categories as of 31st March, 2019 is as follows.

Particulars	₹ Lakhs				
	Fair Value through P&L	Fair Value through OCI	Ammortised Cost	Total Carrying Value	Total Fair Value
Assets					
Cash and Cash Equivalents.....	-	-	10.21	10.21	10.21
Trade Receivables	-	-	36,298.99	36,298.99	36,298.99
Investments					
Equity and Others	-	-	-	-	-
Unbilled Revenues.....	-	-	9,879.01	9,879.01	9,879.01
Loans	-	-	27.18	27.18	27.18
Other financial Assets	-	-	33.87	33.87	33.87
Total	-	-	46,249.26	46,249.26	46,249.26

Liabilities:

Trade Payables	-	-	16,180.08	16,180.08	16,180.08
Borrowings (Includes Current Maturities)	-	-	240,813.68	240,813.68	240,813.68
Other Financial Liabilities	-	-	13,363.29	13,363.29	13,363.29
Total	-	-	270,357.05	270,357.05	270,357.05

1.2 The carrying value and fair value of financial instruments by categories as of 31st March, 2018 is as follows.

Assets

Cash and Cash Equivalents	-	-	5,009.70	5,009.70	5,009.70
Trade Receivables	-	-	26,363.09	26,363.09	26,363.09
Investments					
Equity and Others	9,853.65	-	-	9,853.65	9,853.65
Unbilled Revenues	-	-	4,019.15	4,019.15	4,019.15
Loans	-	-	25.82	25.82	25.82
Other Financial Assets	-	-	31.48	31.48	31.48
Total	9,853.65	-	35,449.24	45,302.89	45,302.89

Liabilities:

Trade Payables	-	-	15,133.05	15,133.05	15,133.05
Borrowings (Includes Current Maturities)	-	-	215,741.53	215,741.53	215,741.53
Other Financial Liabilities	-	-	31,396.69	31,396.69	31,396.69
Total	-	-	262,271.27	262,271.27	262,271.27

34.1 Fair value measurements

Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis

The Company's investments in mutual funds are measured at fair value at the end of each reporting period. The following table gives information on determination of its fair value, the valuation technique and inputs used.

Particulars	Fair value As at		Fair value hierarchy	Valuation techniques and key inputs
	31 st March, 2019	31 st March, 2018		
Investment in mutual funds designated as at fair value through profit or loss	-	9,853.65	Level 1	NAV of mutual fund investments at reporting date

Fair value of the Company's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

34.2 Capital Management

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Capital structure of the Company consists of net debt (borrowings as detailed in notes 17, 18 and 23 offset by cash and cash equivalents) and total equity of the Company.

The management reviews the capital structure of the Company on a quarterly basis. As part of this review, the management considers cost of capital and the risks associated with each class of capital.

Gearing ratio

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

	As at 31 st March, 2019 ₹ Lacs	As at 31 st March, 2018 ₹ Lacs
Debt (i)	240,813.68	215,741.53
Cash and cash equivalents	10.21	5,009.70
Net debt	240,803.47	210,731.83
Total equity	208,060.83	198,302.64
Net debt to equity ratio (%)	116%	106%

(i) Debt is defined as long-term and short-term borrowings, as described in notes 17, 18 and 23.

34.3 Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows. The Company generates sufficient cash flows from current operations which together with the available cash and cash equivalents and short-term investments provide liquidity both in the short-term as well as in the long-term. Note below sets out details of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

34.4 Expected maturity for financial liabilities

31st March, 2019

Non-derivative financial liabilities

	0-1 year	1-5 years	5+ years	Total	Carrying Value
Borrowings*	35,279.54	191,259.60	22,176.44	248,715.58	194,715.98
Trade payables	16,180.08	-	-	16,180.08	16,180.08
Other financial liabilities	31,196.32	928.91	-	32,125.23	32,125.23

31st March, 2018

Non-derivative financial liabilities

Borrowings*	36,701.18	183,358.15	65,687.84	285,747.16	212,923.32
Trade payables	15,196.22	-	-	15,196.22	15,196.22
Other financial liabilities	50,735.83	548.80	-	51,284.63	51,284.63

*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.

34.5 Financing facilities

	As at 31 st March, 2019 ₹ Lacs	As at 31 st March, 2018 ₹ Lacs
Unsecured working capital loan facility:		
-amount used	30,000.00	-
-amount unused	-	-
	30,000.00	-
Secured cash credit and unsecured working capital loan facility:		
-amount used	14,276.72	20.29
-amount unused	19,723.28	8,979.71
	34,000.00	9,000.00
Secured bank loan facilities as per CLA entered on 18 July, 2017 (See note 17(II))		
-amount used	130,400.00	130,400.00
-amount unused	-	-
	130,400.00	130,400.00

35. Contingent liabilities

- (a) The Company has received a demand of ₹ 4,500.00 lakhs from the Office of Assistant Commissioner, Dhanbad under the Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 contending that the Company has to pay 1% of the Project Cost (estimated to be ₹ 450,000.00 lakhs) as cess. As per legal advice obtained by the Company, the Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 is applicable on cost of construction and not on supply of equipment, accordingly the Company had deposited an amount of ₹ 126.00 lakhs as cess for cost of construction and raised the demand on the concerned contractor / vendor. Further, the Company is of the view that any such demand if payable will be borne by the contractor/vendors. Accordingly, no provision has been made in the books of account.
- (b) Claims against the Company not acknowledged as debts for demands raised by the office of the Zonal Jt. Director General Trade for revocation of grant of deemed export benefits which has been disputed by the Company ₹ 3,641.14 lakhs (31 March, 2018 : ₹ 3,641.14 lakhs).
- (c) There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated 28th February, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The Company is consulting Legal counsel for further clarity and evaluating its impact on its financial statement.

36. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.**37. Segment Reporting**

The Company is mainly engaged in the business of generation and selling of power in India. Based on the information reported to the chief operating decision maker (CODM) for the purpose of resource allocation and assessment of performance, there are no reportable segments in accordance with the requirements of Indian Accounting Standard 108-'Operating Segment Reporting', notified under the Companies (Indian Accounting Standards) Rules, 2015.

38.

- (a) The year end foreign currency exposures of the Company is ₹ Nil (31 March, 2018: Nil)
- (b) The Company did not have any long term contract including derivative contract for which there were any material foreseeable losses.

39. Mega power status

The Company had applied to the Ministry of Power, Government of India along with necessary documents for grant of Mega Power Status to the Company's 1050 MW Maithon Right Bank Thermal Power Plant. Pending receipt of the mega power certificate, the Company remains liable to pay excise and customs duty on its receipts of goods and materials wherever applicable. Accordingly, the Company had paid excise duty to its vendors aggregating to ₹ 12,024 lakhs (31 March, 2018: ₹ 12,024 lakhs) upto 31 March, 2019. Out of total payment of excise duty to suppliers ₹ 11,911 lakhs (net of receipts) had been capitalised and the balance amount of ₹ 113 lakhs is included in capital work-in-progress as at 31 March, 2019.

39.1 Final Dividend

The Company proposes to declare a final dividend of ₹ 27,500 Lacs (Inclusive of DDT) based on the reserves and surplus in the books of accounts as on 31st March 2019 in addition to the interim dividend of ₹ 17,500 (Inclusive of DDT) Lacs already declared during the year.

40. Significant Events after the Reporting Period

There were no significant adjusting event that occurred subsequent to the period other than the events disclosed in the note 24.

41. Figures for the previous periods/year are re-classified/re-arranged/re-grouped, wherever necessary.**42. Approval of financial statements**

The financial statements were approved by the Board of Directors on 17th April, 2019.

As per our report of even date

For S. R. Batliboi & Co LLP

Chartered Accountants

ICAI Firm registration number: **301003E/E300005**

Tanmoy Das Mahapatra

Partner

Membership No: 058259

Place: Mumbai

Date: 17th April, 2019

Ashok Sethi

Chairman

Place: Mumbai

Date: 17th April, 2019

For and on behalf of the Board,

Suvamay Halder

Director

Place: Mumbai

Date: 17th April, 2019

Poonam Shirke

Company Secretary

Place: Mumbai

Date: 17th April, 2019

Ramesh Jha

Chief Executive Officer

Place: Mumbai

Date: 17th April, 2019

Satish Kumar

Chief Financial Officer

Place: Mumbai

Date: 17th April, 2019



Maithon Power Limited

CIN: U74899MH2000PLC267297

Registered Office: Corporate Center, 34, Sant Tukaram Road, Carnac Bunder, Mumbai - 400 009, Maharashtra, India.
Tel: (022) 6717 1232 / 6717 1255 E-mail: poonam.shirke@tatapower.com

Attendance Slip

19th ANNUAL GENERAL MEETING ON FRIDAY, 14th JUNE 2019 AT 11.00 A.M.

in the Conference Room of The Tata Power Company Limited,
7th Floor of Corporate Center, 'B' Block, 34, Sant Tukaram Road, Carnac Bunder, Mumbai - 400 009.

Folio No. DP ID No. Client ID No.

Name of the Member Signature

Name of the Proxy holder Signature

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



Maithon Power Limited

Registered Office: Corporate Center, 34, Sant Tukaram Road, Carnac Bunder, Mumbai - 400 009, Maharashtra, India.
Tel: (022) 6717 1232 / 6717 1255 E-mail: poonam.shirke@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:U74899MH2000PLC267297

Name of the Company: **Maithon Power Limited**

Registered office: Corporate Center, 34, Sant Tukaram Road, Carnac Bunder, Mumbai - 400009, Maharashtra

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:

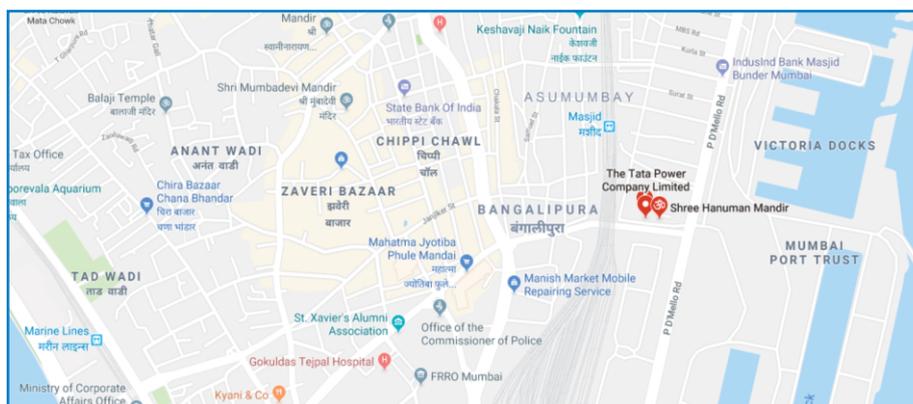
Address:

..... 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 19th Annual General Meeting of the Company, to be held on Friday, the 14th day of June 2019 at 11:00 a.m. in the Conference Room of The Tata Power Company Limited on the 7th Floor of Corporate Center, 'B' Block, 34, Sant Tukaram Road, Carnac Bunder, Mumbai - 400 009 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

Route Map to the AGM Venue

Venue : Conference Room, The Tata Power Company Limited,
7th Floor of Corporate Center, 'B' Block, 34, Sant Tukaram Road, Carnac Bunder, Mumbai - 400 009.



Resolution No.	Description	For	Against
1.	Adoption of Audited Financial Statements for the year ended 31 st March 2019, together with the Reports of the Board of Directors and the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2.	(a) To confirm the payment of two interim dividends on Equity Shares declared and paid for the financial year ended 31 st March 2019; and (b) To declare a final dividend on Equity Shares for the financial year ended 31 st March 2019.	<input type="checkbox"/>	<input type="checkbox"/>
3.	To appoint a Director in place of Mr. Anand Agarwal, who retires by rotation and, being eligible, offers himself for re-appointment.	<input type="checkbox"/>	<input type="checkbox"/>
4.	Appointment of Mr. Suvamay Halder as a Director	<input type="checkbox"/>	<input type="checkbox"/>
5.	Appointment of Mr. Purushottam Thakur as a Director	<input type="checkbox"/>	<input type="checkbox"/>
6.	Ratification of Cost Auditors' Remuneration	<input type="checkbox"/>	<input type="checkbox"/>

Signed this day of 2019

Signature of Member

Signature of Proxy holder(s)



Notes

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at Corporate Center, 34, Sant Tukaram Road, Carnac Bunder, Mumbai - 400 009, not less than 48 hours before the commencement of the Meeting.



Memento to Chairman



MD Visit in Plant 2018



MPL

MAITHON POWER LIMITED

(a Joint venture of Tata Power & DVC)

Registered Office

Corporate Center, 34, Sant Tukaram Road,
Carnac Bunder, Mumbai - 400 009, Maharashtra, India.