COASTAL GUJARAT POWER LIMITED

S R B C & CO LLP
Chartered Accountants

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Mumbai - 400 028, India
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INDEPENDENT AUDITOR'S REPORT

To the Members of Coastal Gujarat Power Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Coastal Gujarat Power Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

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

Key Audit Matters

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

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated 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 consolidated 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 consolidated Ind AS financial statements.

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

As per the requirements of Ind AS 36, the Company tests at the end of every reporting period, whether there is any indication that the asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset.
 	
The determination of recoverable amount, being the higher of fair value less costs to sell and value-in-use involves significant estimates, assumptions and judgements of the long term financial projections.
 	
During the previous year, the Company has recognized impairment provision with respect to its assets. During the year, as the indication exists, the Company has reassessed its impairment assessment with respect to the asset.
 	
Impairment of assets is a key audit matter considering the significance of the carrying value, long term estimation and the significant judgments involved in the impairment assessment.
	• Our audit procedures included assessing the Company's accounting policies with respect to impairment in accordance with Ind AS 36 "Impairment of assets"
	
	• We performed test of controls over impairment process through inspection of evidence of performance of these controls.
	
	• We performed the following tests of details:
	  • We obtained the management's impairment assessment
	  • We evaluated the key assumptions including projected generation, coal prices, exchange rate, energy prices post power purchase agreement period and weighted average cost of capital by comparing them with prior years and external data, where available.
	  • We have obtained and reviewed the sensitivity analysis.
	
	• We have assessed the adequacy of the disclosures in accordance with Ind AS 36 "Impairment of assets".

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

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

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

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

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Management's Responsibility for the Ind AS Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Other Matter

The comparative Ind AS financial information of the Company for the corresponding year as at April 1, 2017 included in these Ind AS Financial Statements, were audited by the predecessor auditor whose report for the year ended March 31, 2017 dated May 19, 2017 expressed an unmodified opinion on those Ind AS financial statements.

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The comparative financial information is based on the previous Ind AS financial statements prepared in accordance with the principles laid down in the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India, and is adjusted for the differences as explained in note 26.9 of these Ind AS financial statements, which have been audited by us.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:

(a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) the Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) on the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2";

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. the Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 26.3 to the Ind AS financial statements;

ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

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iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Agarwal

per Abhishek Agarwal
Partner
Membership Number: 112773
Place of Signature: Mumbai
Date: April 22, 2019

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

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

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

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

(ii) Management has conducted the physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed during the physical verification.

(iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect to loans advances given, investments made, guarantees and securities given have been complied with by the Company.

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

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

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(vii) According to the information and explanations given to us in respect to statutory dues:

(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions relating to sales tax, duty of custom, duty of excise, value added tax, cess are not applicable to the Company.

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

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

Name of statue	**Nature of the Dues**	**Amount (in crores)**	**Period to which the amount relates (Financial Year)**	**Forum where the dispute is pending**	**Remarks, if any**
Customs Laws	Customs Duty	23.87*	2011-12 to 2012-13	Supreme Court	
Bombay Stamp Act	Stamp Duty	28.26	2012-13 to 2016-17	Supreme Court	
Income Tax Act, 1961	Income tax	101.75	2008-09 to 2010-11	Upto Bombay High court	

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

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

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

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

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(xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V to the Companies Act, 2013 are not applicable to the Company.

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

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

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

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

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

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

Agarwal

per Abhishek Agarwal
Partner
Membership Number: 112773
Place of Signature: Mumbai
Date: April 22, 2019

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

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

We have audited the internal financial controls over financial reporting of Coastal Gujarat Power Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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S R B C & CO LLP
Chartered Accountants

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Agarwal

S R B C & CO. LLP
MUMBAI
CHARTERED ACCOUNTANTS

per Abhishek Agarwal
Partner
Membership Number: 112773
Place of Signature: Mumbai
Date: April 22, 2019

Coastal Gujarat Power Limited
Balance Sheet as at 31st March, 2019

All amounts are in Rs. crores unless otherwise stated

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

* Restated (Refer Note 26.9)
See accompanying notes to the Financial Statements

In terms of our report attached.

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

per Abhishek Agarwal
Partner
Membership no.: 112773

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Place : Mumbai
Date : 22nd April, 2019

For and on behalf of the Board of Directors

Ashok S. Sethi
Chairman

Vijay V. Namjoshi
Chief Executive Officer

Bijay Mohanty
Chief Financial Officer

Darshan Soni
Company Secretary

Place : Mundra
Date : 22nd April, 2019

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Coastal Gujarat Power Limited
Statement of Profit and Loss for the year ended 31st March, 2019

All amounts are in Rs. crores except for earnings per share information

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

* Restated (Refer Note 26.9)

See accompanying notes to the Financial Statements

In terms of our report attached.

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

per Abhishek Agarwal
Partner
Membership no.: 112773

Place : Mumbai
Date : 22nd April, 2019

For and on behalf of the Board of Directors

Ashok S. Sethi
Chairman

Vijay V. Namjoshi
Chief Executive Officer

Bijay Mohanty
Chief Financial Officer

Darshan Soni
Company Secretary

Place : Mundra
Date : 22nd April, 2019

Coastal Gujarat Power Ltd
Cash Flow Statement For the year ended 31st March, 2019

All amounts are in Rs. crores unless otherwise stated

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

MUMBAI

Coastal Gujarat Power Limited
Cash Flow statement for the year ended 31st March, 2019

All amounts are in Rs. crores unless otherwise stated

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

Note 2:

Changes in liabilities arising from financing activities

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

* Restated (Refer Note 26.9)
See accompanying notes to the Financial Statements

In terms of our report attached.

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

For and on behalf of the Board of Directors

per Abhishek Agarwal
Partner
Membership no.: 112773

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Ashok S. Sethi
Chairman

Vijay V. Namjoshi
Chief Executive Officer

Bijay Mohanty
Chief Financial Officer

Darshan Soni
Company Secretary

Place : Mumbai
Date : 22nd April, 2019

Place : Mundra
Date : 22nd April, 2019

9

Coastal Gujarat Power Limited
Statement of changes in equity

All amounts are in Rs. crores unless otherwise stated

A. Equity Share Capital

	No. of Shares	Amount
Balance as at 1st April, 2017	608,34,20,000	6,083.42
Issue of equity shares of Rs. 10 fully paid (at par) during the year	-	-
Balance as at 31st March, 2018	608,34,20,000	6,083.42
Balance as at 1st April, 2018	608,34,20,000	6,083.42
Issue of equity shares of Rs. 10 fully paid (at par) during the year	191,70,00,000	1,917.00
Balance as at 31st March, 2019	800,04,20,000	8,000.42

B. Unsecured Perpetual Securities

	Amount
Balance as at 1st April, 2017	4,459.88
Issued during the year	1,017.00
Balance as at 31st March, 2018	5,476.88
Balance as at 1st April, 2018	5,476.88
Issued during the year	1,509.00
Balance as at 31st March, 2019	6,985.88

C. Other Equity

Description	Reserves and Surplus		Total
	Retained Earnings	Deemed Capital Contribution	
Balance as at 1st April, 2017 *	(7,269.72)	592.85	(6,676.87)
Profit/(loss) for the year	(1,783.04)	-	(1,783.04)
Other Comprehensive Income/(Expense) for the year (Net of Tax)	1.50	-	1.50
Total Comprehensive Income for the year	(1,781.54)	-	(1,781.54)
Balance as at 31st March, 2018 *	(9,051.26)	592.85	(8,458.41)
Balance as at 1st April, 2018 *	(9,051.26)	592.85	(8,458.41)
Profit/(loss) for the year	(1,653.72)	-	(1,653.72)
Other Comprehensive Income/(Expense) for the year (Net of Tax)	0.73	-	0.73
Total Comprehensive Income for the year	(1,652.99)	-	(1,652.99)
Balance as at 31st March, 2019	(10,704.24)	592.85	(10,111.39)

* Restated (Refer Note 26.9)

See accompanying notes to the Financial Statements

In terms of our report attached.

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

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

per Abhishek Agarwal
Partner
Membership no.: 112773

Place : Mumbai
Date : 22nd April, 2019

For and on behalf of the Board of Directors

Ashok S. Sethi
Chairman

Vijay V. Namjoshi
Chief Executive Officer

Bijay Mohanty
Chief Financial Officer

Darshan Soni
Company Secretary

Place : Mundra
Date : 22nd April, 2019

1. Corporate information

Coastal Gujarat Power Limited (the "Company") was incorporated on 10th February, 2006 as a wholly owned subsidiary of Power Finance Corporation Limited and was a special purpose vehicle formed to establish the 4000 MW Ultra Mega Power Project (UMPP) at Mundra in the State of Gujarat which was awarded through a competitive bidding process. In terms of the Share Purchase Agreement dated 22nd April, 2007, the entire shareholding of Power Finance Corporation Limited in the Company was acquired by The Tata Power Company Limited. The business of the Company is to generate electricity at its 4,000MW UMPP at Mundra by using imported coal. During the current year, the Company has issued redeemable non-convertible debentures amounting to Rs. 2,700.00 crores which are listed on National Stock Exchange.

2.1 Statement of compliance

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

2.2 Basis of preparation and presentation

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

3 Other Significant Accounting Policies

3.1 Foreign Currencies

The functional currency of the Company is Indian rupee.

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

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

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

3.2 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:
- expected to be realised or intended to be sold or consumed in normal operating cycle,
- held primarily for the purpose of trading,
- expected to be realised within twelve months after the reporting period, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

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

The Company classifies all other liabilities as non-current.

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

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

3.3 Onerous contracts

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

3.4 Financial Instruments

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

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

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3.5 Financial Assets

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

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

3.5.1 Financial assets at amortised cost

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

3.5.2 Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, the Company makes an irrevocable election on an instrument-by-instrument basis to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments, other than equity investment which are held for trading. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

3.5.3 Financial assets at fair value through profit or loss

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

3.5.4 Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:
- the right to receive cash flows from the asset have expired, or
- the Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

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

3.6 Financial liabilities and equity instruments

3.6.1 Classification as debt or equity

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

3.6.2 Equity Instruments

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

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

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3.6.3 Financial liabilities

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

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

3.6.4 Derecognition of financial liabilities

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

3.6.5 Financial guarantee contracts

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

3.7 Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

3.8 Reclassification of financial assets and liabilities

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

3.9 Offsetting of financial instruments

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

3.10 Cash Flow Statement

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

3.11 Operating Cycle

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

3.12 Government Grant

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

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

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3.13 Standards issued but not yet effective

Ind AS 116 - Leases

Ind AS 116 Leases was notified in March 2019 and it replaces Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after 1st April, 2019. It sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Ind AS 116 requires lessees and lessors to make more extensive disclosures than under Ind AS 17. The Company is in the process of evaluating the requirements of the standard and its impact on its financial statements.

3.14 Changes in accounting policies and disclosures

Delayed payment charges

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

Adoption of Ind AS 115 Revenue from Contract with Customers

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

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

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

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

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

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

Amount in Rs. Crores

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

Figures in bracket signify negative impact on the respective item.

4 Critical accounting estimates and judgements

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

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

The areas involving critical estimates or judgements are:

Estimation of useful life of PPE – Note 5
Estimation of value in use for impairment - Note 5
Estimation of fair values of contingent liabilities - Note 37

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

Estimates and judgement are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

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5. Property, Plant and Equipment

Accounting Policy

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

Depreciation

Freehold land is not depreciated.

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

Useful life

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

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

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

Impairment of tangible and intangible assets

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

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

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

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

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Coastal Gujarat Power Limited
Notes forming part of the Financial Statements
All amounts are in Rs. crores unless otherwise stated

5(i) Property, Plant and Equipment

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

Description	Freehold Land *	Buildings - Plant	Buildings - Others	Roads, Crossings, etc.	Plant and Machinery	Transmission Lines, Cable Network, etc.	Furniture and Fixtures	Office Equipment	Motor Vehicles	Total
Cost										
Balance as at 1st April, 2017	164.59	449.45	242.81	47.78	16,788.18	0.61	18.91	5.08	14.33	17,731.74
Additions	0.12	7.00	-	1.47	50.35	0.11	0.27	0.27	8.62	68.21
Disposals	-	-	-	-	(6.74)	-	-	-	(2.65)	(9.39)
Balance as at 31st March, 2018	**164.71**	**456.45**	**242.81**	**49.25**	**16,831.79**	**0.72**	**19.18**	**5.35**	**20.30**	**17,790.56**
Accumulated depreciation and impairment										
Balance as at 1st April, 2017	-	77.25	36.88	44.25	1,876.20	0.53	12.72	0.96	9.53	2,058.32
Depreciation Expense	-	10.76	8.13	0.61	434.79	0.05	1.48	0.56	3.05	459.44
Disposals	-	-	-	-	(6.73)	-	-	-	(2.59)	(9.32)
Charge for the year - Impairment [Refer Note 5(iv)]	-	7.16	3.81	0.77	295.73	0.01	0.30	0.08	0.32	308.18
Balance as at 31st March, 2018	**-**	**95.17**	**48.82**	**45.63**	**2,599.99**	**0.59**	**14.50**	**1.60**	**10.31**	**2,816.61**
Net carrying amount										
As at 31st March, 2018	**164.71**	**361.28**	**193.99**	**3.62**	**14,231.80**	**0.13**	**4.68**	**3.75**	**9.99**	**14,973.95**
As at 1st April, 2017	**164.59**	**372.20**	**205.93**	**3.53**	**14,911.98**	**0.08**	**6.19**	**4.12**	**4.80**	**15,673.42**

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

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5(ii) Intangible Assets

Accounting Policy

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

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

Useful life of intangible assets
Operating right to use the sea water intake channel is amortised on the straight line method over 25 years. Computer software is amortised on straight line method over 5 years

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

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

5(iii) Depreciation and amortization expenses

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

5(iv) Impairment of Assets:

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

During the year ended 31st March, 2019, the Company has performed the impairment assessment and determined the value in use based on estimated cash flow projections over the life of the assets. Based on the reassessment, the Company has marginal surplus available which is primarily on account of unwinding of discounted cash flows and revisions in assumptions. The Company has not reversed the impairment provision as it does not reflect the improvement in the estimated service potential of the assets. The Company is in discussions with the Procurers on amendment of the PPA as per the recommendations of High Powered Committee. As the recommendations are still under discussion and not binding, they have not been considered in the impairment assessment.

Key assumptions used for value in use calculation include coal prices, energy prices post the PPA period, future capex, discount rates and exchange rates. Coal prices and energy prices used in the projections are based on projections made by reputed external experts. Discount rate represents the current market assessment of the risk specific to the sector taking into consideration the time value of money. Discount rate (pre tax) used in the calculation of value in use in the assessment is 10.61% per annum (PY: 11.15% per annum).

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6. **Financial Assets:**

Non-current Investments

Accounting Policy

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

	As at 31st March, 2019		As at 31st March, 2018		As at 1st April, 2017	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Investments carried at cost less impairment, if any						
Investment in Subsidiary #						
Unquoted						
Equity shares in Energy Eastern Pte. Ltd. fully paid up *	-	-	7,11,032	3.40	7,11,032	3.40
Total (A)		-		3.40		3.40
* No. of shares pledged with lenders of the Company	-		7,11,032		7,11,032	

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

Current Investments

	As at 31st March, 2019		As at 31st March, 2018		As at 1st April, 2017	
	No. of units	Amount	No. of units	Amount	No. of units	Amount
Investment carried at Fair Value through Profit and Loss						
Investments in Mutual Funds						
Unquoted						
J M High Liquidity fund- DIR - Growth	-	-	-	-	112,35,753	50.03
Invesco Liquid Fund - DIR - Growth	-	-	-	-	2,98,914	66.94
Total (B)		-		-		116.97
Aggregate carrying value of unquoted investments Total (A + B)		-		3.40		120.37

7. **Income tax assets**

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

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8. Other Assets

Unsecured, considered good, unless otherwise stated

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

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

Accounting Policy

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

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

10. Trade Receivables

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

Notes:-

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

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

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

4) **Age of Receivables**

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

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

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

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11(i) Cash and Cash Equivalents

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

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

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

11(ii) Other bank balances

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

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

12. Other Financial Assets

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

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

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Coastal Gujarat Power Limited
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13. Equity Share Capital

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

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

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

(ii) **Terms/rights attached to Equity Shares**

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

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

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

14. Other Equity

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

Nature of Reserves

Retained Earnings

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

Deemed capital contribution

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

15. Unsecured Perpetual Securities

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

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

All amounts are in Rs. crores unless otherwise stated

16. Non-current Borrowings

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

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

Security

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

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

(iii) As at 31 March, 2019 the Company has created security on land of 1,193 hectare (31 March, 2018 - 1,193 hectares) (721 hectare of Government land + 187 hectare of Private land + 236 hectare of outfall channel + Township land 49 hectare) and has taken waiver for the security creation on 168 hectares of land.

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

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All amounts are in Rs. crores unless otherwise stated

16. Non-current Borrowings (*Contd.*)

Terms of Repayment

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

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

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All amounts are in Rs. crores unless otherwise stated

17. Other Financial Liabilities

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

18. Provisions

Accounting Policy

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

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

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

All amounts are in Rs. crores unless otherwise stated

18. Provisions (Contd.)

Employee Benefit Plans

1. Defined contribution plans

Provident Fund

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

The total expense recognized in Statement of Profit & Loss is Rs. 1.94 crores (for the year ended 31st March, 2018 Rs. 2.07 crores) represents contribution for the year paid/payable to the Employee Provident Fund. The contribution outstanding as at 31st March, 2019 of Rs. 0.34 crores (as at 31st March, 2018: Rs 0.37 crores) due in respect of Financial Year 2018-19 (Financial Year 2017-18) is payable in the subsequent reporting periods.

2. Defined benefit plans

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

Gratuity

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

Post Employment Medical Benefits

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

Pension

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

Ex-Gratia Death Benefit

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

Retirement Gift

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

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

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

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All amounts are in Rs. crores unless otherwise stated

18. Provisions (Contd.)

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

Unfunded Plan:	Amount
Balance as at 1st April, 2017	*10.40*
Current service cost	*1.29*
Past service cost	*1.77*
Interest Cost/(Income)	*0.87*
Amount recognised in statement of profit and loss	*3.93*
Remeasurement (gains)/losses	
Actuarial (gains)/losses arising from changes in demographic assumptions	*Nil*
Actuarial (gains)/losses arising from changes in financial assumptions	*0.96*
Actuarial (gains)/losses arising from experience	*(1.70)*
Amount recognised in other comprehensive income	*(0.76)*
Benefits paid	*(1.50)*
Acquisitions (credit)/cost	*(0.14)*
Balance as at 31st March, 2018	*(0.95)*
	11.74
Balance as at 31st March, 2018	11.74
Current service cost	1.33
Past service cost	Nil
Interest Cost/(Income)	0.87
Amount recognised in statement of profit and loss	2.20
Remeasurement (gains)/losses	
Actuarial (gains)/losses arising from changes in demographic assumptions	Nil
Actuarial (gains)/losses arising from changes in financial assumptions	0.53
Actuarial (gains)/losses arising from experience	(1.26)
Amount recognised in other comprehensive income	(0.73)
Benefits paid	(0.43)
Acquisitions (credit)/cost	0.94
Balance as at 31st March, 2019	13.72

2.4 **Sensitivity Analysis**

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

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

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

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

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All amounts are in Rs. crores unless otherwise stated

18. Provisions (Contd.)

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

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

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

2.6 **Risk exposure:**

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

Inflation rate risk:

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

Demographic risk:

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

Interest rate risk:

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

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Coastal Gujarat Power Limited
Notes forming part of the Financial Statements
All amounts are in Rs. crores unless otherwise stated

19. Other Liabilities

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

20. Current Borrowings

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

Details of original terms of repayment for the
I) INR Loans *

Rupees in Crores

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

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

II) Foreign currency Loans #

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

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

III) Other Unsecured Loans

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

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

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

Coastal Gujarat Power Limited
Notes forming part of the Financial Statements

All amounts are in Rs. crores unless otherwise stated

21. Revenue from Operations

Accounting Policy

Revenue recognition

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

Sale of Power

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

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

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

Delayed payment charges

Delayed payment charges and interest on delayed payments leviable as per the relevant contracts are recognised on actual realisation or accrued based on an assessment of certainty of realization.

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

Note:

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

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Coastal Gujarat Power Limited
Notes forming part of the Financial Statements

All amounts are in Rs. crores unless otherwise stated

21. Revenue from Operations (Contd.)

Ind AS 115 Disclosures

Details of Revenue from Contract with Customers

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

Transaction Price - Remaining Performance Obligation

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

The aggregate value of performance obligations that are partially unsatisfied as at 31st March, 2019, other than those meeting the exclusion criteria mentioned above, is Rs. 1,33,840.76 crores. Out of this, the Company expects to recognize revenue of around 5.38% within next one year and the remaining thereafter.

Contract Balances

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

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Contract assets (Claim under Change in law)	**55.18**	**346.38**	**388.91**
Contract Liabilities (Deferred revenue liability)	**350.60**	**281.99**	**220.26**
Receivables			
Trade receivables (Gross)	1,136.05	412.62	551.58
Less : Allowances for doubtful debts	(107.78)	(87.28)	(87.28)
Net receivables	**1,028.27**	**325.34**	**464.30**

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

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

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Coastal Gujarat Power Limited
Notes forming part of the Financial Statements

All amounts are in Rs. crores unless otherwise stated

22. Other Income

Accounting Policy

Dividend and Interest income

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

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

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

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

All amounts are in Rs. crores unless otherwise stated

23 Employee Benefits Expenses

Accounting Policy

Defined contribution plans

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

Defined benefits plans

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

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

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

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

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

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

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

Current and other non-current employee benefits

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

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

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

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

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All amounts are in Rs. crores unless otherwise stated

24 Finance Costs

Accounting Policy

Borrowing Costs

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

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

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

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

25 Other Expenses

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

(i) Payment to Auditors ^

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

^ Service tax/GST included in the above figures
$ Includes ₹ 0.43 crores paid to erstwhile auditors

(ii) Corporate Social Responsibility Expenses

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Expenses incurred by the Company	6.47	0.83
Amount required to be spent as per section 135 of the Companies Act, 2013	-	-
Amount spent during the year on:		
(a) Construction/Acquisition of asset	-	-
(b) On purposes other than (a) above	6.47	0.83
	6.47	0.83

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

All amounts are in Rs. crores unless otherwise stated

26 Additional information to the financial statements

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

26.2 The Company has incurred substantial loss during the period ended 31st March, 2019 and the current liabilities are substantially in excess of the current assets as at 31st March, 2019. Considering the Sponsor Support Agreement signed by the Company with the lenders and with the Holding Company, wherein the Holding Company has agreed to provide amongst other things funding of operational deficit of the Company, the financial statements have been prepared on a going concern basis.

26.3 Contingent liabilities and commitments

Accounting Policy

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

		As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
(i)	**Contingent liabilities**			
a)	Corporate Guarantee Issued to owner of charter ship of USD 10 million (Previous year USD 10 million)	69.16	65.18	64.85
b)	Claims of Service Tax demands against loan processing fees, upfront fees, and commitment changes paid to IFC and ADB for processing and disbursement of Loans.	-	27.16	-
c) i)	Taxation matters relating to issues of deductibility and taxability of certain items of income and expenditure which is disputed by the Company and provision is not made.	101.75	101.75	102.42
ii)	Interest and penalty on above amount	Not ascertainable	Not ascertainable	Not ascertainable
d)	Green cess disputed by the Company relating to issue of applicability.	340.58	286.90	233.53
e)	Custom duty claims arising from issues related to classification disputed by the Company. (Payment made under protest Rs. 52.45 crores disclosed under Note 8 - Other non-current assets)	76.32	76.32	76.32
f)	Applicability of Stamp Duty on import of coal	28.26	22.62	17.31
g)	Amount payable to HUDCO under financing agreement for breach of financial covenants, delay in creation of security, commitment charges, prepayment penalty and penal interest.	30.01*	30.01*	30.01*

* Excluding Service Tax/ GST

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

(ii) Capital Commitments

		As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
a.	Estimated amount of Capital contracts (including intangible assets) remaining to be executed on capital account (net of capital advance) and not provided.	50.60	28.43	44.80

b. **Other Commitments**

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

c. **Ash Utilisation**

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

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

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

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
i.	Principal amount remaining unpaid to any supplier as at the end of the accounting year	1.27	0.54	0.59
ii.	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-
iii.	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-
iv.	The amount of interest due and payable for the year	-	-	-
v.	The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-
vi.	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	-

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

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

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26.5 Financial Instruments

1 Fair values

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

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

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

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

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

Fair value of the quoted bonds, mutual funds, govt securities are based on the price quotations near the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flow using rates currently available for debt on similar terms, credit risk and remaining maturities.

The Company enters into derivative financial instruments with various counterparties, principally banks and financial institutions with investment grade credit ratings.Interest rate swaps, foreign exchange forward and option contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying currency. All derivative contracts are fully collateralized, thereby, eliminating both counterparty and the Company's own non-performance risk. As at 31 March, 2019, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The change in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognized at fair value.

The fair value of the Company's interest-bearing borrowing and loans are determined by using Discounted Cash Flow (DCF) method using discount rate that reflect the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as on 31st March, 2019 was assessed to be insignificant.

2 Fair value hierarchy

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

Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. This includes quoted equity instruments, government securities, traded debentures (borrowings) and mutual funds that have quoted price.

Level 2 Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This includes derivative financial instruments and investment in redeemable non-cumulative preference shares.

Level 3 Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This includes unquoted equity shares.

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

	Fair value hierarchy as at 31st March, 2019			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	Rs. crores	Rs. crores	Rs. crores	Rs. crores
Asset measured at fair value				
FVTPL financial investments	-	-	-	-
Derivative instruments not in hedging relationship	-	0.77	-	0.77
	-	0.77	-	0.77
Liabilities measured at fair value				
Derivative financial liabilities	-	76.22	-	76.22
Total	-	76.22	-	76.22

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26.5 Financial Instruments (Contd.)

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

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

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

3 **Capital Management & Gearing Ratio**

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

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

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

Gearing ratio

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

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

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

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

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2019 and 31st March, 2018.

4 **Financial risk management objectives and policies**

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

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

4.1 **Market risk**

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

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

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at 31 March 2019. The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions and the non-financial assets and liabilities of foreign operations.

4.1.1 **Foreign currency risk management**

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

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

All amounts are in Rs. crores unless otherwise stated

26.5 Financial Instruments (Contd.)

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

Foreign Currency Liabilities	31st March, 2019		31st March, 2018		1st April, 2017	
	Foreign Currency Million	Rs. crores	Foreign Currency Million	Rs. crores	Foreign Currency Million	Rs. crores
In USD	322.13	2,229.22	1,157.42	7,543.76	1,268.84	8,228.35
In EURO	0.15	1.17	0.28	2.26	0.03	0.23
In JPY	11.93	0.83	11.29	0.70	11.31	0.65

Foreign Currency Assets	31st March, 2019		31st March, 2018		1st April, 2017	
	Foreign Currency Million	Rs. crores	Foreign Currency Million	Rs. crores	Foreign Currency Million	Rs. crores
In USD	0.05	0.35	0.05	0.35	0.26	1.69

(a) Foreign currency sensitivity analysis

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

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

Notes:
1) +/- Gain/Loss
2) The impact of depreciation/ appreciation on foreign currency other than U.S.Dollar on profit before tax of the Company is not material.

(b) Derivative financial instruments

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

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

Outstanding Contracts

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

		31st March, 2018		
		Foreign Currency (in millions)	Nominal Value in Rs. crores	Fair Value in Rs. crores
Other Derivatives				
Forward contracts				
In USD	Buy	601.44	3,920.01	(111.37)
Option contracts				
In USD	Buy	707.80	4,613.26	9.62

		1st April, 2017		
		Foreign Currency (in millions)	Nominal Value in Rs. crores	Fair Value in Rs. crores
Other Derivatives				
Forward contracts				
In USD	Buy	583.36	3,783.04	(240.09)
Option contract				
In USD	Buy	428.90	2,781.42	(47.68)

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All amounts are in Rs. crores unless otherwise stated

26.5 Financial Instruments (Contd.)

4.1.2 Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.
The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company's policy is to keep between 40% and 60% of its borrowings at fixed rates of interest, excluding borrowings that relate to discontinued operations. To manage this, the Company enters into fixed rate loan, Bonds and interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

(a) Interest rate sensitivity of INR loans:

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

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

Rs. crores

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

(b) Interest rate swap contracts:

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

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

Rs. crores

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

4.2 Credit risk management

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

Rs. crores

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

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

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

4.3 Liquidity risk management

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

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

Rs. crores

	Up to 1 year	1 to 5 years	5+ years	Total	Carrying Amount
31st March, 2019					
Non-Derivatives					
Borrowings	1,826.35	2,124.21	4,763.10	8,713.66	8,713.66
Future Interest on above borrowing	737.61	2,565.88	2,386.24	5,689.73	-
Trade Payables	2,365.19	-	-	2,365.19	2,365.19
Other Financial Liabilities	207.41	-	-	207.41	207.41
Total Non-Derivative Liabilities	5,136.56	4,690.09	7,149.34	16,975.99	11,286.26
Derivatives					
Other Financial Liabilities	76.22	-	-	76.22	76.22
Total Derivative Liabilities	76.22	-	-	76.22	76.22
31st March, 2018					
Non-Derivatives					
Borrowings	1,856.49	2,874.70	5,593.77	10,324.96	10,324.96
Future Interest on above borrowing	564.78	1,949.03	1,978.67	4,492.48	-
Trade Payables	2,509.12	-	-	2,509.12	2,509.12
Other Financial Liabilities	116.77	-	-	116.77	116.77
Total Non-Derivative Liabilities	5,047.16	4,823.73	7,572.44	17,443.33	12,950.85
Derivatives					
Other Financial Liabilities	430.72	-	-	430.72	430.72
Total Derivative Liabilities	430.72	-	-	430.72	430.72
1st April, 2017					
Non-Derivatives					
Borrowings	1,082.90	2,780.79	6,331.42	10,195.11	10,195.11
Future Interest on above borrowing	556.73	1,981.28	2,551.74	5,089.75	-
Trade Payables	2,412.52	-	-	2,412.52	2,412.52
Other Financial Liabilities	99.57	-	-	99.57	99.57
Total Non-Derivative Liabilities	4,151.72	4,762.07	8,883.16	17,796.95	12,707.20
Derivatives					
Other Financial Liabilities	774.95	-	-	774.95	774.95
Total Derivative Liabilities	774.95	-	-	774.95	774.95

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

All amounts are in Rs. crores unless otherwise stated

26.6 Income tax

(a) Current tax

Accounting Policy

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

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

The Company does not have taxable profit for the year, accordingly current tax expense for the year ended 31st March, 2019 is Rs. Nil.

(b) Deferred tax

Accounting Policy

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

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

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

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

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

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

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

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

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26.6 Income tax (Contd.)

(i) Movement of Deferred Tax

Particulars	For the Year ended 31st March, 2019			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment and Intangible assets	(3,685.26)	335.57	-	(3,349.69)
On Impact of measuring derivative financial instruments at fair value	(19.18)	18.91	-	(0.27)
Fair valuation of Mutual fund Investment	-	-	-	-
Deferred tax liabilities total	(3,704.44)	354.48	-	(3,349.96)
Tax effect of items constituting deferred tax assets				
Unabsorbed Depreciation	3,419.89	(265.66)	-	3,154.23
Allowance for Doubtful debts	30.21	7.45	-	37.66
On Impact of measuring derivative financial instruments at fair value	149.07	(122.44)	-	26.63
Provision for Employee benefits	7.68	1.25	-	8.93
Deferred revenue - Ind AS 115	97.59	24.92		122.51
Deferred tax assets total	3,704.44	(354.48)	-	3,349.96
Net Deferred Tax Asset/ (Liabilities)	-	-	-	-

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

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

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

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

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

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

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

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

Sr. No.	Name of the related party	Nature of relationship	Country of origin
1	The Tata Power Company Limited (TPCL)	Holding Company	India
2	Energy Eastern Pte. Limited (EEPL)	Wholly owned Subsidiary ##	Singapore
3	Trust Energy Resources Pte. Limited (TERPL)	Fellow Subsidiary #	Singapore
4	Maithon Power Limited (MPL)	Fellow Subsidiary #	India
5	Industrial Energy Limited (IEL)	Joint venture of Holding Company #	India
6	Tata Power International Pte. Limited (TPIPL)	Fellow Subsidiary #	Singapore
7	Tata Power Ajmer Distribution Limited (TPADL)	Fellow Subsidiary #	India
8	Af-Taab Investment Co. Ltd (AICL)	Fellow Subsidiary #	India
9	Walwhan Renewable Energy Limited (WREL)	Fellow Subsidiary #	India
10	Tata Power Trading Company Limited (TPTCL)	Fellow Subsidiary #	India
11	PT Kaltim Prima Coal (KPC)	Joint venture of Holding Company #	Indonesia
12	PT Antang Gunung Meratus (AGM)	Joint venture of Holding Company #	Indonesia
13	Tata Power Solar Systems Limited (TPSSL)	Fellow Subsidiary #	India
14	Chemical Terminal Trombay Limited (CTTL)	Fellow Subsidiary #	India
15	Yashmun Engineers Limited (YEL)	Associate of Holding Company #	India
16	Mr. Krishna Kumar Sharma - Executive Director & CEO (till 31st March, 2018)	Key Management Personnel (KMP)	India
17	Mr. Kumar V. Ghate - Chief Executive Officer (from 1st April, 2018 to 31st March, 2019)	Key Management Personnel (KMP)	India
18	Mr. Hardeep Singh Guru, Chief Financial Officer (upto 31st July, 2018)	Key Management Personnel (KMP)	India
19	Mr. Bijay Mohanty, Chief Financial Officer (from 1st August, 2018)	Key Management Personnel (KMP)	India
20	Mr. Darshan Soni, Company Secretary	Key Management Personnel (KMP)	India
21	Mr. Nawshir H. Mirza - Independent Director	Key Management Personnel (KMP)	India
22	Mr. Narendra Nath Misra - Independent Director	Key Management Personnel (KMP)	India
23	Ms. Anjali Kulkarni - Director	Key Management Personnel (KMP)	India
24	Mr. Sowmyan Ramakrishnan - Director (upto 19th June, 2018)	Key Management Personnel (KMP)	India

Fellow subsidiaries with which transactions have taken place.
Energy Eastern Pte. Limited ceased to be a subsidary of the Company with effect from 27th March, 2019.
Note: Related parties have been identified by the Management.

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26.7 Related party Disclosures (Contd.)

b) Details of related party transactions and balances outstanding for the year ended 31st March, 2019:

Rs in crores

	TPCL	EEPL	TERPL	MPL	IEL	TPIPL	TPADL	CTTL
Purchase of Assets	-	-						
	(0.02)	-	-	-	-	-	-	-
Sale of Assets	-	-						
	(0.12)	-	-	(0.01)	-	-	-	-
Purchase of Goods	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Rendering of service	-	0.40	-	-	-	-	-	-
	(0.62)	(0.37)	-	-	(0.06)	(0.41)	-	(0.03)
Receiving of services	2.92	414.18	314.43	-	-	-	0.01	-
	(7.75)	(342.26)	(302.93)	-	-	-	-	-
Interest expenditure	7.63	0.01	0.05	-	-	-	-	-
	(3.14)	(0.22)	(0.15)	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-
	(0.02)	-	-	-	-	-	-	-
Equity Contribution	1,917.00	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Loan taken	1,676.67	-	-	-	-	-	-	-
	(1,205.83)	-	-	-	-	-	-	-
Loan repaid	1,959.64	-	-	-	-	-	-	-
	(869.86)	-	-	-	-	-	-	-
Loan Given	-	-	-	-	-	-	-	-
	(65.00)	-	-	-	-	-	-	-
Loan Principal received	-	-	-	-	-	-	-	-
	(65.00)	-	-	-	-	-	-	-
Unsecured perpetual securities	1,509.00	-	-	-	-	-	-	-
	(1,017.00)	-	-	-	-	-	-	-
Guarantees and collaterals Given by	4,704.56	-	-	-	-	-	-	-
	(1,104.33)	-	-	-	-	-	-	-
Guarantees and collaterals returned by	-	-	-	-	-	-	-	-
	(754.03)	-	-	-	-	-	-	-
Sale of investment in subsidiary - EEPL#	-	-	69.76	-	-	-	-	-
	-	-	-	-	-	-	-	-
Dividend Income	-	-	-	-	-	-	-	-
	-	(22.85)	-	-	-	-	-	-
Balances outstanding end of the period								
Guarantees and Collateral outstanding given by TPCL	7,836.54	-	-	-	-	-	-	-
	(3,131.98)	-	-	-	-	-	-	-
Guarantees and Collateral outstanding given to EEPL*	-	(69.16)	-	-	-	-	-	-
	-	(65.18)	-	-	-	-	-	-
Trade Payables	-	240.53	148.32	-	-	-	0.06	-
	-	(194.50)	(192.73)	-	-	-	(0.19)	-
Trade Receivables	1.86	-	-	0.91	0.02	-	-	-
	(4.50)	-	-	-	(0.10)	-	-	-
Loans taken including interest accrued	53.00	-	-	-	-	-	-	-
	(338.16)	-	-	-	-	-	-	-
Unsecured Perpetual securities	6,985.88	-	-	-	-	-	-	-
	(5,476.88)	-	-	-	-	-	-	-
Deemed Equity	592.85	-	-	-	-	-	-	-
	(592.85)	-	-	-	-	-	-	-

Rs in crores

	WREL	TPTCL	KPC	AGM	TPSSL	AICL	YEL	KMP
Purchase of Assets	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Purchase of Goods	-	-	2,579.20	375.92	-	-	-	-
	-	-	(3,391.72)	(218.51)	-	-	-	-
Rendering of service	-	-	17.04	3.54	-	-	-	-
	-	-	-	-	(0.04)	-	-	-
Receiving of services (incl. Sitting Fees) ^	-	-	-	-	-	-	3.31	1.91
	-	-	-	-	-	-	(3.44)	(1.66)
Interest expenditure	-	-	-	-	-	-	-	-
	-	-	-	-	-	(1.45)	-	-
Interest Received	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Equity Contribution	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Loan taken	-	-	-	-	-	-	-	-
	-	-	-	-	-	(100.00)	-	-
Loan Repaid	-	-	-	-	-	-	-	-
	-	-	-	-	-	(100.00)	-	-
Loan Given	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Loan Principal received	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Unsecured perpetual securities (refer note below)	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Guarantees and collaterals Given by	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Guarantees and collaterals returned by	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Other Equity (Deemed Equity)	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Dividend Income	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Balances outstanding end of the period								
Guarantees and Collateral outstanding given by TPCL	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Guarantees and Collateral outstanding given to EEPL*	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Trade Payables	-	-	1,212.18	120.26	-	-	0.46	-
	-	-	(1,694.48)	(47.62)	-	-	(0.21)	-
Trade Receivables	0.01	-	-	-	0.03	-	-	-
	(0.01)	-	-	-	-	-	-	-
Loans taken including interest accrued	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Unsecured Perpetual securities	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Deemed Equity	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

Notes:

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

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

^ Sitting fees exclude Goods and Service Tax.

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

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Coastal Gujarat Power Limited
Notes forming part of the Financial Statements

26.8 **Earnings Per Share:**

Accounting Policy

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

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

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Basic earning per share		
Profit/(Loss) after tax attributable to equity shareholders (Rs. crore)	(1,653.72)	(1,783.04)
Weighted average number of equity shares outstanding during the period	705,50,50,137	608,34,20,000
Nominal value per share (in Rs.)	10.00	10.00
Basic earnings per share (in Rs.)	(2.34)	(2.93)
Diluted earnings per share		
Net profit for the period attributable to the equity shareholders (Rs. crore)	(1,653.72)	(1,783.04)
Amount used as denominator for basic EPS (no. of shares)	70550,50,137	60834,20,000
Add: Potential Equity Shares on conversion of loan from shareholders (no. of shares)	-	-
Amount used as denominator for diluted EPS (no. of shares)	70550,50,137	60834,20,000
Nominal value per share (in Rs.)	10.00	10.00
Diluted Earnings per share Dilutive/(Anti Dilutive) (in Rs.)	(2.34)	(2.93)
Diluted Earnings Per Share (in Rs.)	(2.34)	(2.93)

Coastal Gujarat Power Limited
Notes forming part of the Financial Statements

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

Restated Balance Sheet as at 31st March, 2018

All amounts are in Rs. crores unless otherwise stated

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

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Notes forming part of the Financial Statements

26.9 **Restated Financial Statements for the year ended 31st March, 2018 and as at 1st April, 2017 (Contd.)**

Restated Balance sheet as at 1st April, 2017

All amounts are in Rs. crores unless otherwise stated

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

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26.9 **Restated Financial Statements for the year ended 31st March, 2018 and as at 1st April, 2017 (Contd.)**

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

All amounts are in Rs. crores unless otherwise stated

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

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

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

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

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

26.9 **Restated Financial Statements for the year ended 31st March, 2018 and as at 1st April, 2017 (Contd.)**

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

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

Amount in Rs. Crores

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

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

Amount in Rs. Crores

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

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

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

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

Amount in Rs. Crores

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

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

Amount in Rs. Crores

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

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

26.10 **Significant Events after the Reporting Period**
There were no significant adjusting events that occurred subsequent to the reporting period other than the events disclosed in the relevant notes.

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

In terms of our report attached.

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

per Abhishek Agarwal
Partner
Membership no.: 112773

S R B C & CO, MUMBAI, CHARTERED ACCOUNTANTS

Place : Mumbai
Date : 22nd April, 2019

For and on behalf of the Board of Directors

Ashok S. Sethi
Chairman

Vijay V. Namjoshi
Chief Executive Officer

Bijay Mohanty
Chief Financial Officer

Darshan Soni
Company Secretary

Place : Mundra
Date : 22nd April, 2019

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