

COASTAL GUJARAT POWER LIMITED

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF COASTAL GUJARAT POWER LIMITED
Report on the Financial Statements

We have audited the accompanying financial statements of **COASTAL GUJARAT POWER LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

- a. Note 22.3 (b) to the financial statements, which describes the key source of estimation uncertainties as at 31st March, 2015 relating to the carrying amount of assets, compliance with debt covenants and classification of long-term borrowings.
- b. Note 22.3 (b) and (c) to the financial statements, which states that the accumulated losses (including the impairment loss of Rs. 2,650 crores) as at 31st March, 2015 has fully eroded the Company's net worth and there are estimation uncertainties as referred to in (a) above. Notwithstanding this, the financial statements have been prepared on a going concern basis considering the support of the holding company.

Our opinion is not modified in respect of these matters.

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Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government in term of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraph 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 account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) The matters described under the Emphasis of Matters paragraphs above, in our opinion, may have an adverse effect on the functioning of the Company.
 - (f) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (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 financial statements – Refer Note 22.4 to the financial statements.
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W /W-100018)

R. A. BANGA

R. A. BANGA

Partner

Membership Number: 037915

MUMBAI, 14th May, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of its fixed assets:
 - (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 the 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.
- (ii) In respect of its inventories:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) 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 Act.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased and sale are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. The Company does not have unclaimed deposits as at 31st March, 2015 and accordingly, provisions of Sections 73 to 76 or any other relevant provisions of the Act are not applicable to the Company.

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- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of provident fund, Employees' State Insurance, income -tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.
- (c) Details of dues of income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited as on 31st March, 2015 on account of disputes are given below:

Name of the statute	Nature of the dues	Rupees crores	Period to which the amount relates	Forum where pending
Income Tax Act, 1961	Income tax	102.15	2008-09 to 2010-11	Appellate Authority – upto Commissioner level
Customs Laws	Customs Duty	23.87*	2011-12 to 2012-13	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
Service Tax Laws	Service Tax	17.71	2007-08 to 2013-14	CESTAT
Green Cess	Cess	126.36	2012-13 to 2014-15	Supreme Court
Bombay Stamp Act	Stamp Duty	9.63	2012-13 to 2014-15	Supreme Court

* net of amount paid under protest of Rs. 52.45 crores.

- (d) There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- (viii) In our opinion the accumulated losses of the Company are not less than fifty percent of its net worth as at the end of the year and the Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.

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- (x) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks and financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained, other than temporary deployment pending application.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm Registration No. 117366W/W – 100018)

R. A. Banga

R. A. BANGA
Partner

Membership No.037915

MUMBAI, 14th May, 2015

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Coastal Gujarat Power Limited

Balance Sheet as at 31st March 2015

	Notes	As at 31st March, 2015 Rupees crores	As at 31st March, 2014 Rupees crores
EQUITY AND LIABILITIES			
Shareholders' Fund			
Share capital	3	5,980.57	5,917.13
Reserves and surplus	4	(6,199.85) (219.28)	(5,301.77) 615.36
Share application money pending allotment			
			11.15
Non-current liabilities			
Long-term borrowings	5	10,127.30	10,749.35
Long-term provisions	6	12.97	13.41
		10,140.27	10,762.76
Current liabilities			
Short-term borrowings	7	4,191.11	2,558.83
Trade payables		935.32	1,058.47
Other current liabilities	8	1,512.93	1,365.73
Short-term provisions	6	1.47	1.44
		6,640.83	4,984.47
TOTAL		16,561.82	16,373.74
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	14,532.26	14,601.29
Intangible assets	9	119.66	126.44
Capital work-in-progress		5.13	16.21
		14,657.05	14,743.94
Non-current investments	10	3.40	3.40
Long-term loans and advances	11	188.67	120.52
Other non-current assets	12	96.10	115.73
		14,945.22	14,983.59
Current assets			
Current investments	13	180.37	-
Inventories	14	394.23	393.25
Trade receivables	15	601.65	745.19
Cash and bank balances	16	308.32	140.33
Short-term loans and advances	11	42.73	47.83
Other current assets	12	89.30	63.55
		1,616.60	1,390.15
TOTAL		16,561.82	16,373.74

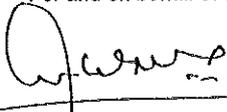
See accompanying notes forming part of the financial statements

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

R.K. Banga

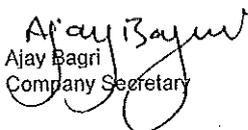
R. A. Banga
Partner

For and on behalf of the Board of Directors,


Anil Sardana
Chairman


Krishna Kumar Sharma
Executive Director and
Chief Executive Officer


Guru Dattatreya
Chief Financial Officer


Ajay Bagri
Company Secretary

Place : Mumbai
Date : 14th May, 2015

Place : Mumbai
Date : 14th May, 2015

Statement of Profit and Loss for the year ended 31st March, 2015

	Notes	For the year ended 31st March, 2015 Rupees crores	For the year ended 31st March, 2014 Rupees crores
Revenue from operations			
Revenue from operations (Gross)	17	5,982.29	5,712.08
Less: Excise duty	17	0.06	0.03
Revenue from operations (net)		5,982.23	5,712.05
Other income	18	22.32	42.26
Total revenue		6,004.55	5,754.31
Expenses			
Cost of fuel		4,477.09	4,409.33
Employee benefits expense	19	52.27	68.59
Finance costs	20	1,352.95	1,239.65
Depreciation and amortisation	9	431.43	823.87
Other expenses	21	588.89	704.73
Total expenses		6,902.63	7,246.17
Loss before tax		(898.08)	(1,491.86)
Tax expense:			
Loss after tax		(898.08)	(1,491.86)

Earnings per share Face Value of Rs. 10/- each:
Basic and Diluted

(1.52)

(2.79)

* Figures below Rs. 50,000 are denoted by '000'.

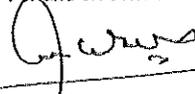
See accompanying notes forming part of the financial statements

In terms of our report attached,
For Deloitte Haskins & Sells LLP
Chartered Accountants

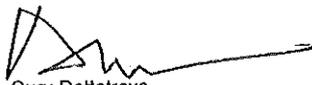
R. A. Banga

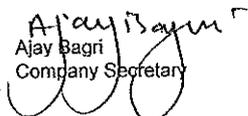
R. A. Banga
Partner

For and on behalf of the Board of Directors,


Arif Sardana
Chairman


Krishna Kumar Sharma
Executive Director and
Chief Executive Officer


Guru Dattatreya
Chief Financial Officer


Ajay Bagri
Company Secretary

Place : Mumbai
Date : 14th May, 2015

Place : Mumbai
Date : 14th May, 2015

Coastal Gujarat Power Limited
Cash Flow Statement for the year ended 31st March, 2016

	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
	Rupees crores	Rupees crores	Rupees crores	Rupees crores
A. Cash flow from operating activities				
Loss before tax		(898.08)		(1,491.86)
Adjustments for:				
Depreciation and amortisation	431.43		823.87	
Profit on sale of assets (net)	(0.13)		0.03	
Share issue expenses	0.07		1.03	
Finance costs	1,352.95		1,239.65	
Interest income	(0.58)		(34.60)	
Dividend income from current investments	(0.01)		(5.06)	
Gain on sale of current investments	(20.90)		(0.22)	
Net unrealised exchange loss	29.07		(25.13)	
		<u>1,791.90</u>		<u>1,999.57</u>
Operating gain/(loss) before working capital changes		893.82		507.71
Adjustments for (increase) / decrease in operating assets:				
Inventories	(0.97)		(21.14)	
Trade receivables	143.54		(57.76)	
Short-term loans and advances	17.36		(4.17)	
Long-term loans and advances	(52.39)		(48.09)	
Other current assets	(54.68)		(3.72)	
		<u>52.86</u>		<u>(134.87)</u>
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	(123.15)		397.65	
Other current liabilities	14.09		129.26	
Short-term provisions	(0.44)		0.51	
Long-term provisions	(0.44)		1.17	
		<u>(109.94)</u>		<u>528.59</u>
Cash flow generated from/(used in) operations		836.74		901.43
Net income tax paid		0.29		(3.55)
Net cash flow generated from operating activities (A)		<u>837.03</u>		<u>897.88</u>
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(357.93)		(1,008.64)	
Proceeds from sale of fixed assets	0.45		0.71	
Purchase of current investments	(5,899.45)		(2,285.50)	
Proceeds from sale of current investments	5,539.98		2,265.72	
Interest received on deposits with bank and others	1.01		34.76	
Dividend received	0.01		5.06	
		<u>(515.93)</u>		<u>(967.89)</u>
Net cash flow used in investing activities (B)		<u>(515.93)</u>		<u>(967.89)</u>
C. Cash flow from financing activities				
Proceeds from issue of equity shares/share application money	52.29		813.52	
Share Issue Expenses	(0.07)		(1.03)	
Proceeds from long-term borrowings			28.28	
Repayment of long-term borrowings	(684.49)		(623.54)	
Proceeds from other short-term borrowings	4,250.10		5,466.47	
Repayment of other short-term borrowings	(2,646.89)		(4,584.97)	
Finance costs	(1,124.03)		(1,118.99)	
		<u>(153.10)</u>		<u>9.74</u>
Net cash flow from/(used in) financing activities (C)		<u>(153.10)</u>		<u>9.74</u>
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		168.01		(60.27)
Cash and cash equivalents at the beginning of the year		140.33		200.80
Add: Unrealised exchange loss included in Cash and Cash Equivalents		(0.02)		(0.20)
Cash and cash equivalents at the end of the year # (Refer Note 16)		<u>308.32</u>		<u>140.33</u>
# Comprises				
(a) Cash on hand		0.01		0.01
(b) Balances with banks				
In current accounts		299.38		54.63
In deposit accounts with original maturity of less than 3 months		8.93		85.69
		<u>308.32</u>		<u>140.33</u>

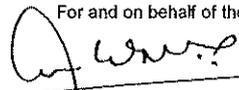
Note:
(i) During the year, loans amounting to Nil from the holding company has been converted into equity share capital (Previous year - Rs. 722 crores).
(ii) Previous year's figures have been regrouped, whenever necessary, to conform to current year's classification.
* Figures below Rs. 50,000 are denoted by "".

See accompanying notes forming part of the financial statements

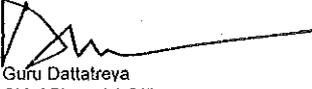
In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

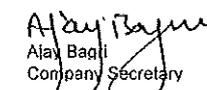
R. K. Banga
R. A. Banga
Partner

For and on behalf of the Board of Directors,


Arjit Sardana
Chairman


Krishna Kumar Sharma
Executive Director and Chief Executive Officer


Guru Dattatreya
Chief Financial Officer


Ajay Bagli
Company Secretary

Place : Mumbai
Date : 14th May, 2015

Place : Mumbai
Date : 14th May, 2015

Coastal Gujarat Power Limited

Notes forming part of the financial statements

Note 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 acquire project land and complete preliminary formalities and seeking initial consents for establishing the 4000 MW Ultra Mega Power Project (UMPP) at Mundra in the State of Gujarat which was awarded through the competitive bidding process. However, certain parts of land required for the project at the time of transfer of shareholding of the Company's project could not be acquired by Power Finance Corporation Limited. This had to be subsequently acquired by the Company.

Under the terms of the competitive bidding, the successful bidder was to acquire ownership of the Company. 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.

Note 2 Significant Accounting Policies:

(a) Basis of accounting and preparation of financial statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

(b) Use of Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

(c) Inventory:

Inventories of stores, spare parts, loose tools and fuel are valued at cost or net realizable value whichever is lower. Cost is ascertained on weighted average basis.

(d) Cash and cash equivalents (for purposes of Cash Flow Statement):

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

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(e) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(f) Revenue Recognition:

- (i) Revenue from Power Supply is accounted for on the basis of billings to State Distribution Companies and when it is not unreasonable to expect ultimate collection.
- (ii) Delayed payment charges and interest on delayed payments are recognized, on grounds of prudence, as and when recovered.
- (iii) Interest Income is accounted for on an accrual basis. Dividend income is accounted for when the right to receive income is established.

(g) Tangible/Intangible Fixed Assets:

- (i) Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. The Company has adopted the provisions of para 46 of AS 11 The Effects of Changes in Foreign Exchange Rates, accordingly, exchange differences arising on restatement/settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets.
Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

(ii) Capital Work-in-Progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

(iii) Intangible Assets:

Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.

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(h) Depreciation/Amortization:

- (i) Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the Vehicles, in whose case the life of the asset has been assessed four years 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.

- (ii) Leasehold Land is amortized over a period of 25 years from the year of acquisition/capitalization.

- (iii) Assets costing less than Rs. 5,000/- are depreciated at the rate of 100%.

- (iv) Intangible Assets - Operating right to use sea water intake channel is amortised on straight line method over 25 years.

(i) Impairment:

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

(j) Foreign Exchange Transactions:

Initial recognition:

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date:

Foreign currency monetary items (other than derivative contracts) of the Company outstanding at the Balance Sheet date are restated at the year-end rates.

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Treatment of exchange differences:

Exchange differences arising on settlement/restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss. The exchange differences arising on revaluation of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary items relate and depreciated over the remaining balance life of such assets. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the day of each transaction.

Accounting of forward contracts:

Premium/discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract taken on short term monetary item is recognised as income or as expense in the period in which such cancellation or renewal is made.

Accounting of forward and option contracts:

The Company enters into derivative contracts in the nature of foreign currency swaps, currency options, forward contracts with an intention to hedge its existing assets and liabilities and its firm commitments. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for foreign currency transactions and translations. These contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

Accounting of interest rate swap contracts:

The Company enters into Interest Rate Swap (IRS) contracts to hedge interest rate risks on foreign currency borrowings. These contracts are held to maturity, are settled as and when the amounts fall due under the contract and are in substance contracts which convert floating interest rate to fixed interest rate. Accordingly, such interest is accounted in the period in which it accrues.

(k) Investments:

Long term investments are carried at cost, less provision for diminution which is other than temporary. Current investments are carried at lower of cost and fair value.

(l) Employee Benefits:

Employee benefits include provident fund, gratuity, and compensated absences.

(i) Defined Contribution Plan:

The Company's contributions paid/payable during the year to Provident Fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made.

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(ii) Defined Benefit Plan:

The Company's liability towards gratuity is determined by an independent actuary, using the projected unit credit method. Past services are recognized on a straight line basis over the average period until the benefits become vested. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss. Obligation is measured at the present value of estimated future cash flow using a discount rate that is determined by reference to the market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation.

(iii) Short-term Employee Benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance bonus to be paid and compensated absences expected to occur within twelve months after the end of the period in which the employee renders the related service.

(iv) Long-term Employee Benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

(m) Borrowing Costs:

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

(n) Leases:

Assets taken on lease under which all risk and rewards of ownership are effectively retained by the lessor are treated as operating lease. Lease payments under operating leases are recognized in the Statement of profit and loss as expenses on the straight line basis over the lease term.

(o) Taxes on Income:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

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Minimum Alternative Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax in future. Accordingly, MAT is recognized as an asset in the Balance Sheet date when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax, which is computed on the basis of enacted/substantively enacted rates, is recognized, on timing differences, being the difference between taxable income and accounting income that originates in one period and is capable of reversal in one or more subsequent periods. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence of realization of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future.

(p) Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present values and are determined based on the best estimate required to settle the obligations at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements and are disclosed in the Notes. Contingent asset is neither recognised nor disclosed in the financial statements.

(q) Earning per share:

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

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Coastal Gujarat Power Limited

Notes forming part of the financial statements

Note 3 Share Capital

	As at 31st March, 2015		As at 31st March, 2014	
	Number of shares	Rupees crores	Number of shares	Rupees crores
(a) Authorised Equity Shares of Rs. 10 each	7,00,00,00,000	7,000.00	7,00,00,00,000	7,000.00
	<u>7,00,00,00,000</u>	<u>7,000.00</u>	<u>7,00,00,00,000</u>	<u>7,000.00</u>
(b) Issued, subscribed and fully paid up Equity Shares of Rs. 10 each (The Company is a wholly-owned subsidiary of The Tata Power Company Limited, the Holding Company)	5,98,05,70,000	5,980.57	5,91,71,30,000	5,917.13
	<u>5,98,05,70,000</u>	<u>5,980.57</u>	<u>5,91,71,30,000</u>	<u>5,917.13</u>

Notes:

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

Equity Shares

	As at 31st March, 2015		As at 31st March 2014	
	Number of shares	Rupees crores	Number of shares	Rupees crores
At the beginning of the year	5,91,71,30,000	5,917.13	4,88,66,10,000	4,886.61
Add: Issued during the year	6,34,40,000	63.44	1,03,05,20,000	1,030.52
Outstanding at the end of the year	<u>5,98,05,70,000</u>	<u>5,980.57</u>	<u>5,91,71,30,000</u>	<u>5,917.13</u>

(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 (h) 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) 5,980,570,000 shares (31st March 2014 - 5,917,130,000 shares) being the entire share capital is held by The Tata Power Company Limited.

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

Class of Shares / Name of Shareholders	As at 31st March, 2015		As at 31st March 2014	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares of Rs.10/- each fully paid The Tata Power Company Limited	5,98,05,70,000	100%	5,91,71,30,000	100%

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Coastal Gujarat Power Limited

Notes forming part of the financial statements

Note 4 Reserves and surplus

Deficit in Statement of Profit and Loss #

Opening balance

Add: Loss for the year

Closing balance

Includes provision for Impairment of Rs. 2,650 crores (Previous year Rs. 2,650 crores).

	As at 31st March, 2015	As at 31st March, 2014
	Rupees crores	Rupees crores
	(5,301.77)	(3,809.91)
	(698.08)	(1,491.86)
	(6,199.85)	(5,301.77)

Note 5 Long-Term Borrowings

Term loans

From banks

Indian rupee loans (Secured) (Refer Note no.8 and 22.2)

Foreign currency loans (Secured) (Refer Note no. 8 and 22.2)

From other parties

Indian rupee loans (Secured) (Refer Note no. 8 and 22.2)

Foreign currency loans (Secured) (Refer Note no. 8 and 22.2)

	As at 31st March, 2015		As at 31st March, 2014	
	Rupees crores		Rupees crores	
	Non current	Current	Non current	Current
	2,285.32	144.18	2,445.01	128.68
	2,961.33	296.13	3,121.56	283.78
	1,518.90	95.83	1,625.03	85.53
	3,361.75	293.49	3,557.75	224.16
Total	10,127.30	829.63	10,749.35	722.15

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Coastal Gujarat Power Limited

Notes forming part of the financial statements

Notes 5 (contd.):

Details of terms of repayment for the long-term borrowings:

	Rupees crores	Rupees crores	Rupees crores	Rupees crores
a) Repayment of Indian rupee loans from Banks and from other parties (Secured) for	Total loans disbursed as at 31st March 2015	39 quarterly instalments of 1.25%	A bulk instalment of 51.25%	
Unit 1 beginning from 15th July, 2011	960.05	468.02	492.03	-
Unit 2 beginning from 15th October, 2011	960.05	468.03	492.03	-
Unit 3 beginning from 15th April, 2012	960.05	468.03	492.03	-
Unit 5 beginning from 15th October, 2012	960.05	468.03	492.03	-
Total	3,840.20	1,872.11	1,968.12	
		40 quarterly instalments of 1.25%	A bulk instalment of 50.00%	
Unit 4 beginning from 15th April, 2012	960.05	480.03	480.03	-
Total	960.05	480.03	480.03	
b) Repayment of Foreign currency loans from The Export Import Bank of Korea (KEXIM) and BNP Paribas (Secured) beginning from 15th July, 2012	Total loans disbursed as at 31st March 2015	28 half-yearly instalments US\$ 23,691,623.82		
	US\$ 663,365,467 (Equivalent to Rs. 4,145.87 crores)	US\$ 663,365,467 (Equivalent to Rs. 4,145.87 crores)	-	-
Total	US\$ 663,365,467	US\$ 663,365,467		
c) Repayment of Foreign currency loans from International Finance Corporation (IFC) (Secured)	Total loans disbursed as at 31st March 2015	23 half-yearly instalments of 4.17%	24th instalment of 4.09%	
Unit 1 beginning from 15th July, 2012	US\$ 69,400,000 (Equivalent to Rs. 433.73 crores)	US\$ 66,561,540 (Equivalent to Rs. 415.59 crores)	US\$ 2,838,460 (Equivalent to Rs. 17.74 crores)	-
Total	US\$ 69,400,000	US\$ 66,561,540	US\$ 2,838,460	
		2 half-yearly instalments of 2.00%	4 half-yearly instalments of 3.00%	Balance 24 half-yearly instalments of 3.50%
Unit 2 beginning from 15th January, 2013	US\$ 69,400,000 (Equivalent to Rs. 433.73 crores)	US\$ 2,776,000 (Equivalent to Rs. 17.35 crores)	US\$ 6,328,000 (Equivalent to Rs. 52.05 crores)	US\$ 58,296,000 (Equivalent to Rs. 364.34 crores)
Unit 3, 4 and 5 beginning from 15th July, 2013	US\$ 208,200,000 (Equivalent to Rs. 1,301.20 crores)	US\$ 8,328,000 (Equivalent to Rs. 52.05 crores)	US\$ 24,984,000 (Equivalent to Rs. 156.14 crores)	US\$ 174,888,000 (Equivalent to Rs. 1,093.01 crores)
Total	US\$ 277,600,000	US\$ 11,104,000	US\$ 33,312,000	US\$ 233,184,000
d) Repayment of Foreign currency loans from Asian Development Bank (ADB) -Tranche 1 (Secured) beginning from 15th July, 2012	Total loans disbursed as at 31st March 2015	One instalment of US\$ 2,560,001	One instalment of US\$ 3,840,001	Balance 29 half-yearly instalments of US\$ 6,400,001
	US\$ 192,000,000 (Equivalent to Rs. 1,199.95 crores)	US\$ 2,560,001 (Equivalent to Rs. 16.00 crores)	US\$ 3,840,001 (Equivalent to Rs. 24.00 crores)	US\$ 185,599,998 (Equivalent to Rs. 1,169.85 crores)
Total	US\$ 192,000,000	US\$ 2,560,001	US\$ 3,840,001	US\$ 185,599,998
e) Repayment of Foreign currency loans from Asian Development Bank (ADB) -Tranche 2 (Secured) beginning from 15th July, 2012	Total loans disbursed as at 31st March 2015	28 half-yearly instalments of US\$ 5,684,914.32		
	US\$ 159,177,601 (Equivalent to Rs. 994.82 crores)	US\$ 159,177,601 (Equivalent to Rs. 994.82 crores)	-	-
Total	US\$ 159,177,601	US\$ 159,177,601		

Exchange rate of 1 US \$ = Rs. 62.4975 as at 31st March 2015.

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Coastal Gujarat Power Limited

Notes forming part of the financial statements

Note 6 Provisions

	As at 31st March, 2015		As at 31st March, 2014	
	Rupees crores		Rupees crores	
	Non current	Current	Non current	Current
Provision for employee benefits:				
Provision for compensated absences	4.94	0.56	4.94	0.53
Provision for gratuity	6.52	0.14	7.03	0.12
Provision for sick leave	1.51	0.15	1.44	0.16
Provision - Others:				
Provision for Wealth Tax (net)	-	0.62	-	0.63
Total	12.97	1.47	13.41	1.44

Note 7 Short-Term Borrowings

	As at 31st March, 2015	As at 31st March, 2014
	Rupees crores	Rupees crores
Loans and advances from related parties (Unsecured) (Refer Note 22.11)		
Unsecured loan from Holding Company	2,722.96	1,303.59
Other loans and advances (Unsecured) (Guaranteed by the Holding Company)		
Unsecured loans from banks	650.00	450.00
Buyer's Credit	818.15	805.24
Total	4,191.11	2,558.83

Note 8 Other Current Liabilities

	As at 31st March, 2015	As at 31st March, 2014
	Rupees crores	Rupees crores
Current maturities of long-term debt (Refer Note 5)	829.63	722.15
Interest accrued but not due on borrowings	386.15	187.12
Interest accrued but not due on other payables	3.16	1.82
Interest accrued and due on borrowings	19.53	16.20
Book overdraft	0.96	-
Other payables		
Statutory liabilities	2.65	13.33
Tariff adjustment account	80.11	70.00
Payables for purchase of fixed assets	105.62	283.68
Other liabilities towards forward contracts (including Mark to market losses)	85.12	71.38
Security deposit	-	0.05
Total	1,612.93	1,365.73

Note: Interest accrued and due on borrowings is on account of interest payable to State Bank of India (SBI) which is accrued and due for payment on the last day of every month but payment of which is processed by way of direct debit to Company's bank account on 1st day of each subsequent month.

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A	Tangible assets	Gross block				Accumulated depreciation and impairment				Net block	
		Balance as at 1st April, 2014	Additions	Disposals	Effect of foreign currency exchange differences	Balance as at 31st March, 2015	Balance as at 1st April, 2014	Depreciation for the year	Disposals	Balance as at 31st March, 2015	Balance as at 31st March, 2015
		Rupees Crores	Rupees Crores	Rupees Crores	Rupees Crores	Rupees Crores	Rupees Crores	Rupees Crores	Rupees Crores	Rupees Crores	Rupees Crores
(i)	Land	153.10 (145.73)	11.16 (7.37)	-	-	164.26 (153.10)	21.64 (21.64)	-	-	21.64 (21.64)	142.62 (131.46)
	(a) Freehold Land **										
	(b) Leasehold Land	15.04 (15.03)	- (0.01)	-	-	15.04 (15.04)	4.97 (4.37)	0.32 (0.60)	-	5.29 (4.97)	9.75 (10.07)
	Owned Assets										
	Buildings-Plant	438.05 (395.53)	6.12 (42.52)	-	-	444.17 (438.05)	83.00 (59.43)	29.58 (13.57)	-	112.58 (63.00)	331.59 (355.05)
	Buildings-Others	228.82 (145.59)	13.13 (83.23)	-	-	241.95 (228.82)	34.78 (28.34)	7.46 (6.45)	-	42.25 (34.79)	199.70 (194.03)
	Roads	43.15 (40.20)	4.22 (2.95)	-	-	47.37 (43.15)	8.61 (7.18)	37.33 (1.43)	-	45.94 (8.61)	1.43 (34.54)
	Plant and Equipment	17,636.07 (16,874.51)	42.03 (100.28)	-	277.47 (661.28)	17,955.57 (17,636.07)	3,783.32 (2,983.10)	342.57 (790.22)	-	4,125.89 (3,783.32)	13,829.68 (13,852.75)
	Furniture and Fixtures	14.30 (5.24)	0.99 (9.06)	-	-	15.29 (14.30)	3.58 (2.57)	1.35 (1.01)	-	4.93 (3.58)	10.36 (10.72)
	Vehicles	19.25 (19.35)	0.69 (3.74)	3.57 (3.84)	-	16.37 (19.25)	10.34 (9.37)	3.25 (3.48)	3.25 (3.11)	10.34 (10.34)	6.03 (8.91)
	Office equipment	6.58 (5.23)	0.11 (1.37)	(0.02)	-	6.69 (6.58)	3.23 (2.71)	2.46 (0.53)	(0.01)	5.69 (3.23)	1.00 (5.35)
	Transmission Lines, Street Lights, etc.	0.61 (0.43)	- (0.18)	-	-	0.61 (0.61)	0.20 (0.17)	0.31 (0.03)	-	0.51 (0.20)	0.10 (0.41)
	Total	18,554.97 (17,546.34)	78.46 (250.71)	3.57 (3.36)	277.47 (661.28)	18,907.32 (18,544.97)	3,953.68 (3,139.48)	424.63 (817.32)	3.26 (3.12)	4,375.06 (3,953.68)	14,532.26 (14,501.23)
	Previous year										
B	Intangible assets	Balance as at 1st April, 2014	Additions	Disposals	Effect of foreign currency exchange differences	Balance as at 31st March, 2015	Balance as at 1st April, 2014	Amortisation for the year	Disposals	Balance as at 31st March, 2015	Net block Balance as at 31st March, 2015
		Rupees Crores	Rupees Crores	Rupees Crores	Rupees Crores	Rupees Crores	Rupees Crores	Rupees Crores	Rupees Crores	Rupees Crores	Rupees Crores
	Construting rights - intake channel	163.51 (163.41)	(0.10)	-	-	163.51 (163.51)	37.80 (31.28)	6.56 (6.54)	-	44.36 (37.80)	119.15 (125.71)
	Software	0.74	0.02 (0.74)	-	-	0.76 (0.74)	0.01	0.24 (0.01)	-	0.25 (0.01)	0.51 (0.73)
	Total	164.25 (163.41)	0.02 (0.84)	-	-	164.27 (164.25)	37.81 (31.28)	6.80 (6.55)	-	44.61 (37.81)	119.66 (126.44)
	Previous year										
C	Depreciation, Amortisation and Impairment	Particulars									
		For year the ended 31st March, 2015				For year the ended 31st March, 2014					
		Rupees Crores				Rupees Crores					
	Depreciation on Tangible assets as per Note 9 A	424.63				817.32					
	Amortisation on Intangible assets as per Note 9 B	6.80				6.55					
	Depreciation charge to the Statement of Profit and Loss	431.43				823.87					

Figures in brackets relate to the amount as at 31st March, 2014.
** Includes land pending registration of title in favour of the Company.

Coastal Gujarat Power Limited

Notes forming part of the financial statements

Note 10 Non-current Investments

	Face value	Quantity	As at 31st March, 2015	Quantity	As at 31st March, 2014
			Rupees crores		Rupees crores
Trade (Unquoted)					
Investment in subsidiary	US\$1	711,032	3.40	711,032	3.40
Equity shares in Energy Eastern Plc. Ltd. fully paid up *					
Total			3.40		3.40

* All Shares have been pledged with Lenders of the Company.

Note 11 Loans and advances

	As at 31st March, 2015		As at 31st March, 2014	
	Rupees crores		Rupees crores	
	Non current	Current	Non current	Current
Capital advances (net of provision Rs. 0.50 crores; 31st March 2014 Rs. Nil)	7.96	-	3.04	-
Security deposits	1.68	0.01	1.68	0.17
Advance income-tax (net)	8.66	-	8.47	-
Balance with Government authorities				
Advances	115.09	-	52.05	-
Customs duty paid under protest	52.45	-	52.45	-
Service tax refund receivable	2.83	-	2.83	-
Prepaid expenses	-	41.03	-	44.75
Other advances	-	1.69	-	2.91
Total	188.67	42.73	120.52	47.83

Note 12 Other assets

	As at 31st March, 2015		As at 31st March, 2014	
	Rupees crores		Rupees crores	
	Non current	Current	Non current	Current
Unamortised expenses				
Ancillary borrowing costs	85.44	18.63	98.76	17.21
Premium on option contracts	10.66	12.26	16.97	42.19
Interest receivable on deposit with banks and security deposits	-	-	-	0.43
Interest rate swap receivable	-	3.81	-	3.72
MTM forward receivable	-	64.60	-	-
Total	96.10	89.30	115.73	63.55

Note 13 Current Investments

	Face value	Quantity	As at 31st March, 2015	As at 31st March, 2014
			Rupees Crores	Rupees Crores
Investments in Mutual Funds -unquoted				
Sundaram Money Fund-Growth	10.00	19,714,661.42	58.00	-
Religare Liquid Fund- Growth	10.00	639,760.84	122.37	-
Total			180.37	-

Note:

Reconciliation for disclosure as per Accounting Standard 13

	Cost as at 31.03.15	Cost as at 31.03.2014
	Rupees crores	Rupees crores
Long term Investments		
Non Current Investments (Refer Note no. 10 above)	3.40	3.40
Current Investments		
Other current Investments	180.37	-
Total	183.77	3.40

Figures below Rs. 50,000 are denoted by "".

Coastal Gujarat Power Limited

Notes forming part of the financial statements
Note 14 Inventories

	As at 31st March, 2015 Rupees crores	As at 31st March, 2014 Rupees crores
Stores and spares parts	39.24	20.51
Fuel		
Coal (including coal-in-transit: Rs.133.95 crores; 31st March 2014: Rs. 85.29 crores)	345.25	355.01
Oil	9.74	17.73
Total	394.23	393.25

Note 15 Trade receivables
(Unsecured unless otherwise stated)

	As at 31st March, 2015 Rupees crores	As at 31st March, 2014 Rupees crores
Trade receivables outstanding for a period exceeding six months from the date they were due for payment-		
Considered good	109.02	70.61
Other trade receivable *		
Considered good	492.63	674.58
Total	601.65	745.19

* Company holds letter of credit amounting to Rs.461.60 crores (31st March 2014: 473.43 crores) in respect of Electricity Receivables

Note 16 Cash and bank balances

	As at 31st March, 2015 Rupees crores	As at 31st March, 2014 Rupees crores
Cash on hand	0.01	0.01
Balances with banks		
(i) In current accounts (Refer note (1) below)	299.38	54.63
(ii) In deposit accounts (Refer note (2) below)	8.93	85.69
Total	308.32	140.33

* Figures below Rs. 50,000 are denoted by "₹".

(1) Including Rs. 0.76 crores (31st March 2014: Rs. 1.03 crores) in foreign currency.

(2) Balances in deposit accounts have an original maturity of less than 3 months.

Coastal Gujarat Power Limited

Notes forming part of the financial statements

Note 17 Revenue from operations

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
	Rupees crores	Rupees crores
Revenue from Operations	5,980.73	5,701.58
Other operating revenues	2.94	18.56
	<u>5,983.67</u>	<u>5,720.14</u>
Less: Revenue capitalised	1.38	8.06
	<u>5,982.29</u>	<u>5,712.08</u>
Less: Excise duty on sale of fly ash	0.06	0.03
Total	<u>5,982.23</u>	<u>5,712.05</u>

Notes:

Revenue from Operations comprises of:
 Revenue from Power Supply
 Less: Impact of change in law to be adjusted in future tariff

Other operating revenue comprise
 Sale of scrap
 Sale of fly ash
 Insurance claim received

Revenue capitalised comprises of:
 Sale of scrap

Note 18 Other income

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
	Rupees crores	Rupees crores
Interest Income:		
Interest from banks on deposits	0.53	32.71
Interest on loans and advances	0.04	0.04
Interest on late payment of power supply dues	*	1.71
	<u>0.57</u>	<u>34.61</u>
Dividend income from current investments	0.01	5.01
Gain on sale of current investment	20.90	0.21
Rental income from buildings	0.45	0.41
Profit on sale of fixed assets	0.13	-
Miscellaneous Revenue	0.26	1.91
Total	<u>22.32</u>	<u>42.21</u>

* Figures below Rs. 50,000 are denoted by **

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Coastal Gujarat Power Limited

Notes forming part of the financial statements

Note 19 Employee Benefit Expenses

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
	Rupees crores	Rupees crores
Salaries and wages	41.61	60.21
Contributions to provident and other funds	1.90	2.07
Retiring gratuities	2.40	(0.22)
Staff welfare expenses	7.00	8.66
	52.91	70.72
Less : Employee cost recovered	0.64	2.13
Total	52.27	68.59

Note 20 Finance costs

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
	Rupees crores	Rupees crores
Interest expense on:		
Borrowings	1,187.94	1,020.18
Trade payables (net)	18.78	23.86
Derivative Premium	99.28	119.77
Other borrowing costs	46.95	75.84
Total	1,352.95	1,239.65

Note 21 Other expenses

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
	Rupees crores	Rupees crores
Stores and Consumables, oil, etc.	31.01	13.36
Power consumption	2.59	0.67
Unscheduled Interchange Charges	1.47	17.81
Rental of land, buildings, plant and equipment, etc	6.81	7.55
Repairs and maintenance -		
- to Buildings and civil works	3.56	51.15
- to Machinery (net of insurance claims received Rs. Nil; previous year Rs. 8.40 crores)	46.20	35.96
- to Others	1.07	2.45
Insurance	50.30	46.34
Rates and taxes	16.83	25.55
Travelling and Conveyance	5.37	5.73
Cost of Services Procured	11.48	11.72
Rebate to customers on prompt payment	75.06	74.85
Expenditure on community welfare expenditure	11.19	9.70
Freight and handling charges		
-Port handling charges	35.87	26.57
-Compensation for ship deferment	124.18	127.88
Consultancy fees	10.68	15.61
Payments to auditors	0.86	0.57
Net loss on foreign currency transactions and translation	149.61	225.31
Loss on fixed assets sold	-	0.01
Provision for wealth tax	0.62	0.61
Miscellaneous expenses	4.13	5.11
Total	588.89	704.71

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Coastal Gujarat Power Limited

Notes forming part of the financial statements

Note 22 Additional information to the financial statements

22.1 The Company is engaged in generation and selling of power. Considering the nature of the Company's business and operations, there are no other reportable segments (business and/or geographical) in accordance with the requirements of Accounting Standard 17- 'Segment Reporting', issued by the Institute of Chartered Accountants of India (ICAI).

22.2 Borrowings (Refer Note 5 & 7)

- a) The term loans from banks and other parties (referred "Project Lenders") are secured by a charge on all present and future movable and immovable properties (including a major portion of the project land).
- b) In addition, the Company has hedging facilities from State Bank of India (SBI), ICICI Bank Limited (ICICI), The Hongkong and Shanghai Banking Corporation Limited (HSBC) and BNP Paribas (BNP). As per the Hedging Agreements and Financing Documents, the Company has created security in favor of Hedge Providers, on movable and immovable properties of the Company on pari-passu basis along with the Project Lenders.
- c) As at 31st March, 2015 the Company has created security on land of 1,029 hectare (720 hectare of Govt. land + 179 hectare of Private land + 130 hectare of forest land) being 76.5 percent of total Project land of 1,345 hectare. The security on the balance project land could not be created due to (1) pending transfer of title in respect of such land in favor of CGPL and (2) necessary permission from the local government authorities. In accordance with the 9th Waiver Agreement executed, the Project Lenders had agreed to waive the security creation on the balance project land up to 30th June, 2013. Subsequently, CGPL has requested vide Tenth waiver request letter, for creation of security on balance project land. The waivers are under consideration of the Senior Lenders.
- d) 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.
- e) Further, as per the Ninth Waiver and Sixth Amendment Agreement dated 12th April 2013 with the Project Lenders, the period for compliance of Coal Supply and Transportation Agreement Completion Date (CSTACD) and the compliance of the financial covenants with respect to maintenance of certain ratios was extended up to 30th June, 2013.

In terms of the conditions of the above Financing Agreements, as on 31st March, 2015 a sum of Rs. 4,212.37 crores has been received (of which Rs. 1,489.41 crores had been converted into equity) by way of subordinated Loan from the Holding Company. The Company has also taken a sum of Rs. 450 crores and Rs. 200 crores as subordinated loan from State Bank of India and Deutsche Bank respectively. The repayment of the subordinated loans of Rs. 3,372.96 crores (Rs.2,722.96 crores from the Holding Company and Rs. 450 crores from State Bank of India and Rs. 200 crores from Deutsche Bank) shall be subject to the provisions of Subordination and Hypothecation Agreements signed with the Security Trustee, as required under Financing Agreements. During the waiver period upto 30th June 2013, the Company was required to maintain Debt to Equity Ratio of 75:25 for meeting

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financial covenants and Required Debt-to-Equity Ratio of 70:30 for availing the disbursements (capped at 83.33 percent of all Senior Loans). The Company has requested the Lenders for extension of time up to 30th June, 2015 to comply with the financial covenants and maintenance of ratios. Management expects this to be resolved.

The total accrued interest on loans from the Holding Company shown under "Note 8-Other Current Liabilities" as on 31st March, 2015 of Rs. 311.59 crores (31st March, 2014: Rs. 109.87 crores) shall be payable subject to fulfillment of conditions of Subordination Agreement and CSTACD conditions.

22.3(a) Revenue recognition arising out of CERC order :

The Company has implemented the 4000 MW Ultra Mega Power Project at Mundra ("Mundra UMPP") and commenced commercial operations in its all five Units of 800 MW each.

The Company had petitioned to the Central Electricity Regulatory Commission (CERC) for evolving a mechanism to compensate the adverse impact of the unforeseen, uncontrollable and unprecedented escalation in the imported coal price and the change in law in Indonesia.

The CERC had, after considering the recommendations of a committee appointed for the purpose (which comprised of experts from various disciplines like Legal, Banking, Finance, Technical and Procurers, the deliberations of which extended over several months) vide its order dated 21st February, 2014, decided that company is entitled to compensatory tariff from 1st April, 2012 over and above the tariff agreed under the PPA with the procurers till the hardship on account of Indonesian regulations persists.

Subsequent to the above CERC order, the procurers challenged the order as also filed appeals with APTEL for grant of stay on the enforcement of the CERC order. The Appellate Tribunal For Electricity (APTEL) vide its Order dated 21st July, 2014 directed the procurers to make payment towards compensatory tariff from March, 2014 onwards as per the Order of the CERC and granted partial stay on the CERC order. Further, it had also directed that the payment of arrears from 1st April 2012 to 28th February, 2014 need not be complied with by the procurers pending disposal of the appeal filed with APTEL.

During the year ended 31st March, 2015, in respect of an appeal filed by one of the procurers, the Supreme Court has rendered inoperative the Order passed by the CERC, and the Order passed by the APTEL dated 21st July, 2014, and requested the APTEL to hear the above matter and dispose of the same as expeditiously as possible.

The Company has been legally advised that it has a good arguable case. However, in view of the pending appeals as mentioned above and considering that the amounts associated are significant, the Company has not recognized revenue amounting to Rs. 757.89 crores for the year ended 31st March, 2015 and Rs. 1,019.06 crores for the period from 1st April, 2012 to 31st March, 2014.

(b) Impairment of Assets:

In terms of the 25 year Power Purchase Agreement (PPA), the Company is entitled to charge 45 percent of escalation of the cost of coal from the procurers of its power.

As at 31st March, 2015, the Company had in pursuance of Accounting Standard 28 (AS 28) – "Impairment of Assets", reassessed impairment of its Mundra UMPP, having regard to the upward revision in the fuel prices, exchange rates variation, operating parameters and the claim for compensatory tariff.

In earlier years, the Company had accounted an impairment loss of Rs. 2,650 crores in respect of its Mundra UMPP, which had been recognised as an exceptional item-impairment loss in the Statement of Profit and Loss

For estimating the Mundra UMPP value in use it is necessary to project future cash flows of Mundra UMPP over its estimated useful life.

The Management has reviewed and reassessed the recoverability of the carrying amount of the assets at Mundra considering the fuel prices, exchange rate variation, operating parameters and the claim for compensatory tariff that would impact future cash flows and has concluded that no further provision for impairment as at 31st March, 2015 is necessary. In view of the pending appeals relating to the claim for compensatory tariff, the Management has not considered the possible effect of the claim for compensatory tariff in evaluation of provision for impairment. The legal proceedings and the underlying assumptions will be monitored on a periodic basis by the Management and appropriate adjustments will be made.

The recoverable amount of the relevant assets has been determined on the basis of their value in use. The discount rate used in the current year is 10.61 percent per annum (previous year 10.61 percent per annum).

Consequent to the impairment loss in respect of Mundra UMPP, certain covenants governing the loans borrowed for construction of the project have not been met. No notice has been served by the lenders declaring the loans taken as immediately due and payable. Further, as stated in Note 22.2, the Company had received waiver from compliance of the covenants upto 30th June, 2013. Further, the Company has sought revision in certain terms of Financing Agreements and extending of existing waivers. Accordingly, loans aggregating to Rs. 10,956.93 crores are considered to be long-term borrowings (including current maturities of long term borrowings of Rs. 829.63 crores) [31st March 2014 Rs. 11,471.50 crores (including current maturities of long term borrowings of Rs. 722.15 crores)].

As stated in Note no. 22.1 of the Notes forming part of the financial statements, the Company has only single reportable segment.

- (c) The accumulated losses (including the impairment loss of Rs. 2,650 crores as stated above) as at 31st March, 2015 has fully eroded the Company's net worth. In view of the matter stated in Note 22.3 (a) and 22.3 (b) above and considering the Sponsor Support Agreement signed by the Company with the lenders and with the holding Company (TPCL), wherein TPCL 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.

22.4 Contingent liabilities and commitments (to the extent not provided for)

(i) Contingent Liabilities:

	<u>As at</u> <u>March 31, 2015</u>	<u>Rupees crores</u> <u>As at</u> <u>March 31, 2014</u>
a) Corporate Guarantee issued on behalf of wholly owned subsidiary – Energy Eastern Pte. Ltd. of US\$ 10 million (Previous Year US\$ 10 million)	62.50	59.89
b) Claims of Service Tax demands against processing fees paid to IFC and ADB for processing and disbursement of Loans.	17.71	15.38
c) (i) Taxation matters for which liability, relating to issues of deductibility and taxability, is disputed by the Company and provision is not made.	102.15	0.51
(ii) Interest and penalty on above amount	Not ascertainable	Not ascertainable

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d) Claims by a procurer arising from the disputes relating to PPA against:	163.20	128.81
	Rupees crores	
- Change in law (including estimated amounts claimable by others procurers of Rs. 36.36 crores)	69.26	
- Applicability of escalation index	20.06	
- Consequential additional impact on the rebate given	73.88	
	163.20	
e) Green Cess disputed by the Company relating to issue of applicability	126.36	73.21
f) Custom duty claims disputed by the Company relating to issue of classification (Payment made under protest against these claims by the Company Rs. 52.45 crores).	76.32	76.32
g) Stamp Duty on Coal	9.63	5.69

Future cash outflow in respect of above matters are determinable only on receipt of judgement / decision pending at various forums / authorities.

(ii) **Capital Commitments**

	<u>Rupees crores</u>	
	<u>As at</u>	<u>As at</u>
	<u>March 31, 2015</u>	<u>March 31, 2014</u>
a. Estimated amount of contracts remaining to be executed (net of capital advance) and not provided.	102.01	67.68
b. Other Commitments:		
I. 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 fixed handling charges amounting to Rs. 138 crores per annum escalable as per CERC notification and 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.		
II. Tata Power Company Limited (TPCL), the holding company has committed to a future restructuring under which the TPCL will transfer at least 75% of its equity in the Indonesian Coal Companies including Infrastructure Companies to the Company subject to receipt of regulatory and other necessary approvals and will also evaluate other alternative options..		

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

Based on the information received by the company from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, there are no amounts due to any supplier covered under this Act as at 31st March, 2015 and hence, the disclosure relating to the amounts unpaid as at the year end with interest paid or payable or payable as required under the said Act have not been given.

22.6 Payment to Auditors

	<u>Rupees crores</u>	
	<u>As at March 31, 2015</u>	<u>As at March 31, 2014</u>
As auditors - statutory audit	0.40	0.40
For tax audit	0.07	0.07
For taxation matters	0.27	-
For other services	0.03	0.01
Reimbursement of expenses	*	*
Service tax on above	0.09	0.06
Total payments to the auditors	0.86	0.54

* Figures below Rs. 50,000 are denoted by '*'.

22.7 Details of derivative instruments:

(i) The following derivative positions are open as at 31st March, 2015. These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets and may/may not qualify or be designated as hedging instruments. The accounting for these transactions is stated in Notes 2 (j).

	<u>As at 31st March, 2015</u>		<u>As at 31st March, 2014</u>	
	<u>Foreign Currency</u>	<u>Rupees crores</u>	<u>Foreign Currency</u>	<u>Rupees crores</u>
Forward Contracts:				
No. of Contracts – 235# (Previous Year – 226)	EURO 0.25 million	1.71	EURO 0.76 million	6.29
	JPY 81.36 million	4.24	JPY 860.79 million	50.35
	US\$ 364.99 million	2,281.15	US\$ 368.89 million	2,209.23
Forward Contracts under firm commitment for interest liability:				
No. of Contracts – 149# (Previous Year – 144)	US\$ 75.23 million	470.19	US\$ 76.51 million	458.23
Unrecognized gain in respect of firm commitment of interest liability covered under forward contracts.				10.83

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Currency Option**Contracts:**

No. of Contracts – 326 US\$ 519.82 million 3,248.75 US\$ 490.24 million 2,936.03
(Previous Year – 360)

Unrecognized gain in respect of above currency option contracts 57.89 181.00

Interest Rate Swap**Contracts**

No. of Contracts – 19 US\$ 1,083.33 million 6,770.53 US\$ 1,177.00 million 7,049.08
(Previous Year - 19)

Includes number of forward contracts in the nature of debt servicing which are composite contracts taken for principal as well as interest repayment on loans.

(ii) The year end foreign currency exposures that have not been hedged by a derivative or otherwise are given below:

	<u>2014-15</u>		<u>2013-14</u>	
	<u>Foreign Currency</u>	<u>Rupees crores</u>	<u>Foreign Currency</u>	<u>Rupees crores</u>
Capital Imports	US\$ Nil	Nil	US\$ 87,992	0.53
	EURO Nil	Nil	EURO 254,914	2.10
	GBP 2,800	0.03	GBP 2,800	0.03
Coal and Freight	US\$ 29,825,307	186.39	US\$ 10,172,999	60.93
Debt Servicing*	US\$ 624,641,744	3,903.74	US\$ 781,675,228	4,681.45
Bank Balance	US\$ 121,225	0.76	US\$ 171,225	1.03
Accrued interest on Buyers' credit	US\$ 161,145	1.01	-	-
Others receivables	US\$ 278,668	1.74	-	-

* Without considering hedge cover of US\$ 243,862,279 valued at Rs. 1,524.08 crores (previous year US\$ 235,718,607 valued at Rs. 1,411.71 crores) taken for future firm commitment of interest liabilities.

22.8 C.I.F. value of imports and expenditure in foreign currency (on accrual basis):

<u>Particulars</u>	<u>Rupees crores</u>	
	<u>2014-15</u>	<u>2013-14</u>
(a) C.I.F Value of imports :		
Capital goods	0.87	11.28
Spare parts	4.57	-
Coal imported	<u>3,908.00</u>	<u>3,780.41</u>
	<u>3,913.44</u>	<u>3,791.69</u>

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(b) Expenditure in foreign currency :

Professional and consultation fees	2.37	3.12
Interest and Commitment Charges	397.71	366.08
Freight Compensation	124.18	127.88
Travelling Expenses	<u>0.01</u>	<u>0.09</u>
	<u>524.27</u>	<u>497.17</u>

(c) Earning in foreign currency (on accrual basis)

Export Fly Ash on FOB basis	<u>0.25</u>	=
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(d) Value of components, stores and spare parts consumed (including fuel consumed)

<u>Particulars</u>	<u>2014-15</u>		<u>2013-14</u>	
	<u>Rupees</u> <u>crores</u>	<u>%</u>	<u>Rupees</u> <u>crores</u>	<u>%</u>
(i) Imported	4,464.75	99.04	4,385.74	99.09
(ii) Indigenous	<u>43.34</u>	<u>0.96</u>	<u>36.95</u>	<u>0.91</u>
	<u>4,508.09</u>	<u>100.00</u>	<u>4,422.69</u>	<u>100.00</u>

22.9 Employee Benefit Plans

(a) Defined contribution plans

The Company makes contribution towards provident fund to a defined contribution retirement benefit plan for eligible employees. The provident fund is administered by the Trustees of Tata Power Consolidated Provident Fund. Under the Schemes, the Company is required to contribute a specified percentage of salary to the retirement benefit schemes to fund the benefit.

Company's Provident Fund is administered by the Trustees of Tata Power Consolidated Provident Fund. The Company's Provident Fund is exempted under Section 17 of Employees Provident Fund Act, 1952. One condition for grant of exemption is that the employer shall make good any deficit, in the interest rate declared by Trust compared to the rate declared by the Central Government. Having regard to the assets of the Fund and the return on its investments, the Company does not expect any deficiency in the foreseeable future.

On account of Defined Contribution Plans, a sum of Rs. 1.90 crores (31st March, 2014 – Rs. 2.07 crores) has been charged to the Statement of Profit and Loss and disclosed under Note 19- "Contributions to provident and other funds".

(b) Defined benefit plans

The Company operates an unfunded post retirement gratuity defined benefit plan, the liability in respect of which arises on retirement, withdrawal, resignation or death of an employee. The actuarial valuation of the present value of the defined benefit obligation has been carried out as at 31st March, 2015. The following tables set out the amounts recognised in the financial statements as at 31st March, 2015 for the above mentioned defined benefits plan. Gratuity included as part of Retiring gratuities expense in Note 19 Employee Benefits Expenses.

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Particulars	Year ended 31 st March 2015	Year ended 31 st March 2014
	Rupees crores	
Components of employer expenses		
Current service cost	0.52	0.75
Interest Cost	0.65	0.58
Actuarial losses/(gain)	1.23	(1.55)
Total expense recognised in the Statement of Profit and Loss	2.40	(0.22)
Actual contribution and benefit payments for the year		
Actual Benefit payment	0.11	0.29
Actual Contribution	(2.40)	(0.22)
Net Assets/(Liability) recognised in Balance Sheet		
Present Value of defined obligation	6.66	7.15
Funded status (Surplus/Deficit)	(6.66)	(7.15)
Net Assets /(Liability) recognised in the Balance Sheet	(6.66)	(7.15)

Note: (i)

Particulars	Year ended 31 st March, 2015	Year ended 31 st March, 2014
	Rupees crores	
Change in defined benefit obligation (DBO) during the year		
Present value of DBO at beginning of the year	7.15	7.33
Current service cost	0.52	0.75
Interest Cost	0.65	0.58
Acquisition	(2.78)	0.33
Actuarial (gain)/losses	1.23	(1.55)
Benefit paid	(0.11)	(0.29)
Present value of DBO at the end of the year	6.66	7.15
Actuarial assumption		
Discount rate	7.80%	9.20%
Salary escalation	11.00%	11.00%
Attrition 21-44 years	3.00%	3.00%
45 and above	0.50%	0.50%
Mortality tables	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

Rupees crores

Estimate of amount of contribution in the immediate next year	0.14	0.13
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(ii) The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligation.

The estimates of future salary increases, take into account inflation, seniority, promotions, increments and other relevant factors.

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(iii) Experience adjustments

Rupees crores

<u>Gratuity Benefits</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>
Present value of Defined Benefits Obligation	6.66	7.15	7.33	7.30	4.76
Fair value of plan assets	-	-	-	-	-
Funded status [surplus/(Deficit)]	(6.66)	(7.15)	(7.33)	(7.30)	(4.76)
Experience gain/(loss) adjustment on plan liabilities	(0.14)	0.58	0.40	(0.28)	1.35
Experience gain/(loss) adjustment on plan assets	-	-	-	-	-
Actual gain / (loss) due to change on assumptions	(1.09)	0.97	(0.42)	(2.60)	-

(C) Long-term employee benefits

Actuarial assumptions for long-term compensated absences

Particulars	Year ended 31 st March, 2015	Year ended 31st March, 2014
Actuarial assumption		
Discount rate	7.80%	9.20%
Salary escalation	11.00%	11.00%
Attrition 21-44 years	3.00%	3.00%
45 and above	0.50%	0.50%
Mortality tables	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Assumed Availments	5.00%	5.00%

22.10 Related party transactions: Disclosure as required by Accounting Standard 18 (AS- 18) "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
I	The Tata Power Company Limited (TPCL)	Holding Company	India
II	Energy Eastern Pte. Limited (EEPL)	Wholly owned Subsidiary	Singapore
III	Trust Energy Resources Pte. Limited (TERPL)	Fellow Subsidiary #	Singapore
IV	Maithon Power Limited (MPL)	Fellow Subsidiary #	India
V	Industrial Energy Limited (IEL)	Fellow Subsidiary #	India
VI	PT Sumber Energy Andalan (SEA)	Fellow Subsidiary #	Indonesia
VII	Mr. Krishna Kumar Sharma - Executive Director & CEO	Key Management Personnel (KMP)	India

Fellow subsidiaries with which transactions have taken place.

Note: Related parties have been identified by the Management.

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b) Details of related party transactions during the year ended 31st March, 2015 and balances outstanding a at 31st March, 2015:

	(Rupees crores)						
	TPCL	EEPL	TERPL	MPL	IEL	SEA	KMP
Purchase of Assets	*	-	-	-	-	-	-
	-	-	-	(0.06)	-	-	-
Sale of Assets	-	-	-	0.09	0.52	-	-
	-	-	-	(0.23)	-	-	-
Rendering of service	0.29	0.36	-	-	-	-	-
	(2.13)	-	-	-	-	(1.49)	-
Remuneration to KMP	-	-	-	-	-	-	0.98
	-	-	-	-	-	-	(0.91)
Receiving of services	2.70	417.25	194.52	-	-	-	-
	(2.58)	(554.81)	(187.26)	-	-	-	-
Interest expenditure (Refer Note 8)	224.14	4.85	1.82	-	-	-	-
	(81.45)	(7.16)	(1.80)	-	-	-	-
Loans taken	1,582.81	-	-	-	-	-	-
	(1,895.59)	-	-	-	-	-	-
Loans repaid	100.00	-	-	-	-	-	-
(includes loan taken and converted to Equity of Rs. Nil; Previous year Rs. 722.00 crores)	(992.00)	-	-	-	-	-	-
Guarantees and collaterals given by TPCL	3,403.27	-	-	-	-	-	-
	3,341.43	-	-	-	-	-	-
Guarantees and collaterals returned to TPCL	3,341.43	-	-	-	-	-	-
	3,473.55	-	-	-	-	-	-
Equity contribution received (including advance towards Equity contribution)	52.29	-	-	-	-	-	-
	(824.67)	-	-	-	-	-	-
Balances outstanding at the end of the year							
Guarantees and Collateral issued by TPCL outstanding	3,403.27	-	-	-	-	-	-
	(3,341.43)	-	-	-	-	-	-
	-	62.50	-	-	-	-	-
Guarantees and Collateral issued favouring to EEPL.	-	(59.89)	-	-	-	-	-
Trade payables	17.68	287.19	126.84	-	-	-	-
	(0.33)	(267.82)	(109.61)	-	-	-	-
Trade Receivable	-	-	-	-	0.02	-	-
	-	-	-	(0.21)	-	(1.49)	-
Loans taken including interest accrued	3,034.56	-	-	-	-	-	-
	(1,413.46)	-	-	-	-	-	-

Note: Figures in brackets relate to the previous year.

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22.11 Earnings per share

	<u>As at</u> <u>31st March,</u> <u>2015</u>	<u>As at</u> <u>31st March,</u> <u>2014</u>
Loss after tax attributable to Equity Shareholders (Rupees crores)	(898.08)	(1,491.86)
Weighted average number of equity shares for Basic EPS (Nos)	5,918,044,411	5,349,198,603
Face value per share (Rupees)	10	10
Basic Earnings per share (Rupees)	(1.52)	(2.79)
Loss after tax attributable to Equity Shareholders (Rupees crores)	(898.08)	(1,491.86)
Add: Interest expenses on loan taken from Holding Company	224.14	-
Loss for Diluted EPS (Rupees Crores)	(673.94)	(1,491.86)
Weighted average number of equity shares for Basic EPS (Nos)	5,918,044,411	5,349,198,603
Add: Effect of potential Equity Shares on conversion of unsecured loans including accrued interest from Holding Company and share application money pending allotment	3,034,556,423	1,432,757,588
Weighted average number of equity shares for Diluted EPS (Nos)	8,952,600,834	6,781,956,191
Diluted Earnings per share (Rupees)-Anti Dilutive	(0.75)	(2.08)
Diluted Earnings per share restricted to Basic Earning Per Share (Rupees)	(1.52)	(2.79)
Effects of potential Equity Shares (Rupees)	-	-

*Since the effect of potential Equity Shares is anti-dilutive these have not been considered for calculation of diluted earnings per shares.

22.12 Deferred Tax Assets/(Liability)

	<u>As at</u> <u>31st March, 2015</u> Rupees crores	<u>As at</u> <u>31st March, 2014</u> Rupees crores
Deferred Tax Liability comprises of tax effect of timing differences on account of: On difference between book balance and tax balance of fixed assets	<u>2,808.72</u> 2,808.72	<u>2,453.37</u> 2,453.37
Deferred Tax Asset comprises of tax effect of timing differences on account of: Carry forward of unabsorbed depreciation (Restricted)	<u>2,808.72</u> 2,808.72	<u>2,453.37</u> 2,453.37
Net Deferred Tax Asset/(Liability)	-	-

The Company has recorded the net deferred tax liability of Rs. 2,808.72 crores as at 31st March, 2015 and recognised the deferred tax asset on unabsorbed depreciation, on the basis of prudence, only to the extent of the above mentioned deferred tax liability as at 31st March, 2015. Accordingly, there is no impact on the Statement of Profit and Loss.

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22.13 Pursuant to the enactment of the Companies Act 2013 (the 'Act'), the Company has, effective 1st April 2014, reviewed and revised the estimated useful life of its fixed assets, generally in accordance with the provisions of Schedule II to the Act. The carrying amount of the assets as on that date have been depreciated over the remaining useful life of the assets as per Schedule II of the Act.

The depreciation expense in the Statement of Profit and Loss for the year is lower by Rs. 418.78 crores consequent to the change in the useful life of the assets.

22.14 Previous year's figures have been regrouped/re-classified wherever necessary to correspond with the current year's classification / disclosure.

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